

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASICAL PARISH OF HIGHFIELD, SOUTHAMPTON

England & Wales - Charity number 1131770

Details

Other names HIGHFIELD PCC, SOUTHAMPTON

Status Registered

Legal form Previously excepted

Registered 2009-09-23

Register [View on the Charity Commission register](#)

Contact

Address Highfield Church Centre
Highfield Lane
Southampton
SO17 1RL

Phone 023 80558234

Email office@highfield.church

Website www.highfield.church

Activities

Objects: Promoting in the ecclesiastical parish the whole mission of the Church.

Activities: The church has significant ministries to children, young people and students, and a growing ministry to older people. 10% of the income of the church is given away to mission and social action projects in the UK and overseas. Until recently, the church involved its members and the local community in sponsorship over an extended period of a small rural community in Kenya; this has now ended.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Southampton City

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£660,951	£633,990	£770,797	12
2023-12-31	£582,892	£544,959	£743,458	12
2022-12-31	£528,328	£592,310	£700,764	8
2021-12-31	£555,010	£501,872	£766,770	13
2020-12-31	£612,228	£615,213	£691,463	15

Trustees

Name	Role	Appointed
Rev Michael Archer	Chair	2013-07-18
Ben Mobley		2025-05-11
Caroline Hutchings		2021-11-01
DAVID ROBERT TOZER		2015-04-22
Hannah Newman		2024-04-30
Keith Fox		2023-04-23
Mary Grasmeder		2025-05-11
Max Davies		2021-04-25
Penny Cox		2024-10-27
Peter Marston		2019-04-28
Philip Hewitt		2025-05-11
Philip Jonathan Moss		2026-04-26
Polly Cross		2022-04-24
RICHARD VENABLE		2023-05-05
Rev Sarah Archer		2023-07-15
Rev Sue Coleman		2024-06-30
Robert Heather		2019-04-28
Timothy James Patten		2026-04-26

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASICAL PARISH OF HIGHFIELD, SOUTHAMPTON

England & Wales - Charity number 1131770

Accounts

REGISTERED CHARITY NUMBER: 1131770

Report of The Trustees and Financial Statements
for the Year Ended 31 December 2024

Parochial Church Council of the Ecclesiastical Parish of Highfield
(Known as Highfield Church) Southampton

Parochial Church Council of Highfield Church, Southampton

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Report of The Trustees for the year ended 31 December 2024

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' for FRS 102.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number: 1131770

Parish: Christ Church, Portswood (Highfield Church, Southampton)
Highfield Lane,
Southampton,
Hants,
SO17 1RL

Trustees:

During the twelve months to 31st December 2024, the following served as members of the PCC:

Alan Finney	From Oct 2020 (2nd Term)
Alasdair Douglas	From Oct 2020 (2nd Term)
Becky Proctor	Churchwarden
Ben Mobley	From April 2024 (1st Term)
Caroline Hutchings	From April 2022
Christine Sinclair	Ds From April 2021 (2nd Term)
Daisy Wood	From Oct 2020 (2nd Term)
David Tozer	From April 2021 (2nd Term)
Erica Roberts	Clergy
Hannah Stanley	Ds From April 2024 (1st Term)
Jacob Racklyeft	Co-Opted From April 2024
Keith Fox	Clergy (From June 2024)
Lisa Roberts	From Oct 2020 (2nd Term)
Max Davies	From April 2021 (2nd Term)
Mike Archer	Clergy
Penny Cox	Co-Opted From Oct 2024
Pete Marston	From April 2024 (1st Term)
Phil Hewitt	Churchwarden
Polly Cross	From April 2022 (1st Term)
Richard Venable	From April 2024 (1st Term)
Rob Heather	From April 2023 (1st Term)
Sarah Archer	Clergy
Sue Coleman	Clergy (From June 2024)
Zoe Norton	From October 2020 (2nd Term)

Members of the PCC are either ex officio or are elected at the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. PCC members stand for 3-year terms, unless co-opted by the Vicar, in which case they serve up to the next election and will have to re-stand. Members are eligible for re-election for a second 3-year term. Churchwardens are elected annually and hold automatic positions on Standing Committee and PCC.

Parochial Church Council of Highfield Church, Southampton

Of those detailed above, Chris Sinclair, Hannah Stanley and Keith Fox were our Deanery Synod representatives in 2024 and are elected for three-year terms as for other PCC members.

During the 2024 year, others served on the PCC as follows:

Rachele Newman	Churchwarden	Stepped down at Oct 2024 SGM
Phil Moss	Churchwarden	Stepped down at Oct 2024 SGM
Paula Willis	Member Of PCC	Stepped down at 2024 APCM after one term

Independent Examiner:

Independent Examiners Ltd
Unit 2, The Broadbridge Business Centre,
Delling Lane,
Bosham,
West Sussex.
PO18 8NF.

Bankers:

Lloyds,
92-94 Above Bar Street,
Southampton,
SO14 7DT

Cooperative Bank
1 Balloon St,
Manchester
M60 4EP

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Parochial Church Council (“PCC”) of Highfield Church is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and was required to register with the Charity Commission in 2009. The Registered Charity Number is 1131770. Accordingly, the Church operates as a Charity and members of the PCC are the Trustees.

New Trustees: Appointment, Induction and Training

Appointment of new Trustees (i.e. new PCC members) is governed by and set out in the Church Representation Rules. New PCC members are elected at the Annual Parochial Church Meeting in April each Year. The first PCC meeting involving new members is usually held in April or May. At this meeting, the Vicar and Secretary explain the way the PCC works and responsibilities of PCC members as Trustees. Newly-elected members are issued with a Church of England booklet entitled “Trusteeship – An introduction for PCC Members.” Annually, each PCC member completes a Trustee Eligibility Declaration and an HMRC Fit and Proper Persons Declaration.

Structure and Operation of the PCC

Highfield Church PCC is the governing body within the Church, assisting the Vicar to promote the mission of the church (including its pastoral, evangelistic, social and ecumenical facets), within the parish and with our mission partners locally, nationally and overseas.

The PCC is also responsible for maintaining the Church and Church Centre. Highfield Church operates as a charity, and the members of the PCC are the trustees. The PCC operates through various management sub-committees and ministry groups, which meet between full meetings of the PCC where necessary, otherwise continuing with their work without the need for scheduled meetings. Where meetings have taken place, minutes of these are distributed to the PCC, forming part of the business agenda of the regular PCC meetings.

Management Committees consist of the following, who each have contributions in the following sections of this report:

Standing Committee, which has the authority to transact the business of the PCC between its meetings, subject to any directions given by the PCC. Along with the Churchwardens, it supports the Vicar in stewarding and directing the life of the church. Standing Committee prepares agendas for PCC Meetings, the APCM and Parishioners’ Meeting, and is chaired by the Vicar.

Human Resources Team, which advises the Vicar and PCC on employment and management of personnel employed by the PCC as well as volunteers, and is currently led by Polly Cross.

Buildings Resources Team, which manages the external and internal fabric of the Church and the Church Centre. It is responsible for implementing recommendations in the quinquennial report, and preparing development plans for the buildings, liaising with the diocese and other professionals as necessary. This team is currently led by Phil Hewitt.

Financial Resources Team, which oversees the finances of the Church on behalf of the PCC. In association with the Treasurer, the group monitors income and expenditure, advises on ways of increasing the Church’s income, drafts the overall budget in collaboration with individual budget holders and is responsible for preparation of the annual accounts and audit. This team is currently led by Richard Venable and the role of Treasurer is held by Pete Marston.

COMPLIANCE

Related Parties

No Trustee is paid for the role of PCC member. Trustees may be reasonably reimbursed for expenditure incurred on behalf of the charity. Related party transactions are disclosed in the financial statements.

Risk Management

Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. Risk assessment and action plans are reviewed regularly by the PCC. Actions to help to mitigate key areas of risk have been identified, and the PCC will endeavour to include such in the routine work of key members to ensure that actions are completed.

Safeguarding

The Parochial Church Council is committed to encouraging an environment where all people, and especially those who may be vulnerable for any reason are able to worship and pursue their faith journey with encouragement and in safety. Everyone, including the young, will receive respectful pastoral ministry recognising any power imbalance within such a relationship. To pursue this aim, the Parochial Church Council follows the safeguarding policies and procedures of the Church of England as set out in guidelines provided by the Bishop's House in the following documents: -

“Protecting all God’s Children - Policy for safeguarding children in the Church of England”.

“Promoting a Safe Church: Policy for safeguarding adults in the Church of England”.

Annually, the Parochial Church Council reviews and ratifies the Vulnerable Adults & Child Protection policies & associated guidance documents, revising these in the light of updated or new guidance issued by the Diocese.

Safeguarding remains a high priority at Highfield Church and is constantly reviewed and updated to stay in line with national and church best practice. Annually (September 2023), the PCC reviewed our Parish Safeguarding Policy Statement, responding to domestic violence and ex-offender’s (Sept. ’23) policies adopted the Church of England Safeguarding Policies and Practice Guidance, and updated the church website.

We will continue to actively promote a strong culture of safeguarding across all church groups, but especially in those comprising children, young people and students. Safer recruitment practices are adhered to across the church for paid posts and volunteering positions, in line with Church of England guidance, and all safeguarding concerns are recorded, reported and followed up appropriately.

As a parish, we continue to work in close partnership with Jackie Rowlands, as the Diocesan Safeguarding Officer on all matters (for example, information sharing, safe inclusion, advice, and policy). This church year (April 23-March 24) we have logged over 30 safeguarding concerns, an increase from 18 logged in the previous year. Concerns range from mental health problems to self-harm, possible neglect as well as occasional matters requiring police engagement.

The Parish Safeguarding Dashboard, introduced by the diocese in 2022, has been a helpful tool in auditing our processes and training needs and producing an action plan. We continued to use this in 2024, updating volunteer role descriptions and improving our recording processes for recruitment of volunteers. There is still more progress to make on our action plan in 2025.

Following the updated Church of England Safer Recruitment and People Management Guidance in 2022 we have moved to 3 yearly DBS checks and 3 yearly safeguarding training for all appropriate roles. The church office continues to support Andy King, with admin related to DBS checks and training. We have welcomed the use of the Church of England’s training portal by many of our volunteers. On the portal you will find many components that can be completed online and the portal records your training certificates in your personal training account, making it easier to record training and stay up to date.

Rachele Newman took over as our Parish Safeguarding Officer in October 2024, after Andy King resigned in summer 2024. Should you have any concerns or would like advice, please do contact him on safeguarding@highfield.church or 07723 461604. It is important for everyone to remain vigilant regarding safeguarding and to report any concerns to the safeguarding team or email.

GDPR

The Parochial Church Council oversaw measures to ensure compliance with General Data Protection Regulations of 2018. A Data Privacy Notice was drafted, and a statutory Data Protection Policy was prepared and approved by PCC in July 2018. Highfield Church is registered with the Office of the Information Commissioner.

Wider Network

The PCC includes in its membership Deanery Synod representatives who are elected to represent Highfield Church. The PCC also includes members of Diocesan Synod and General Synod who are on the electoral roll of Highfield Church. The PCC is thus part of the synodical structure of church government as established by the Church of England.

Aims and Purposes

Highfield Church's Parochial Church Council has responsibility for cooperating with the Vicar in promoting the whole mission of the Church (pastoral, evangelistic, social, and ecumenical) within the ecclesiastical parish of Christchurch, Portswood (the legal name of the parish). The PCC also has financial and maintenance responsibilities for the Church and the Church Centre.

In planning activities over the year, the Vicar and the PCC consider the Charity Commission's guidance on public benefit and seek to follow the specific guidance on charities for the advancement of religion. Thus, we aim to enable people in the Parish and our city to live out their faith through Encountering God in the services we offer, both in person and online, through Growing Together in small groups for mutual support and learning, and through Seeking the Kingdom by reaching others with the gospel and by serving human need. We have a particular focus on reaching and supporting students in Southampton University and working with our School to serve the parish.

Beyond its parish boundary, Highfield Church promotes and supports outreach and social justice work, whether with local, city-wide, national or international partnerships. All of these are consistent with our sense of calling and serve the Anglican Church's five marks of mission.

PCC SECRETARY'S REPORT

God's church is a living thing and as such nothing ever stays the same, so the focus of the PCC's business varies each year. In 2024, there were some significant changes in the staffing, particularly of the Operations team, which required the attention of the PCC and the Human Resources team (a PCC sub-committee). We are grateful for the work of those staff who we had to say goodbye to over the year (see the Human Resources section of this report for more details) and also grateful for the team God has now provided, welcoming Dong, Rhiannon and Krystyna to their new roles.

We also had to ring the changes in some key volunteer roles, as Phil Moss and Rachele Newman stepped down as Churchwardens in October, and Becky Proctor and Phil Hewitt were elected in their stead at the Special General Meeting of 27th October. Phil M had served as Churchwarden for 3.5 years and Rachele for 1.5 years, including the extra responsibility (with Kelly Worthington and Sarah Archer) of holding the leadership of the church during Mike Archer's sabbatical in the summer of 2024, during which time Phil chaired two PCC meetings. Rachele is now settling into her new role as Parish Safeguarding Officer, and Phil M remains active on the Financial Resources Team (while balancing family life with his new baby!), and we thank God for them both. Meanwhile, Phil Hewitt and Becky have been getting to grips with the significant responsibilities of Churchwarden, so we encourage every member of the church to support and pray for them in whatever way you can. We also had a change of PCC secretary in October, as Daisy Chan's work took her to the Isle of Wight and Penny Cox took on the role. Again, we are very grateful for Daisy's work as secretary and her voice in our meetings.

Another focus of PCC was the review and approval of our new list of 12 mission partners, which were presented to the wider church at the 2024 APCM. The Sunday visits of Bishop Martin from the Diocese of Goma, and of Luke Smith from Fusion in the autumn were illuminating and inspiring, and we look forward to more such visits in the future.

The PCC reviewed and improved some of its internal processes through the year, starting with significant discussion and prayer over the governance of its work. The old sub-groups were renamed (as described elsewhere in this report) to reflect new terms of reference approved by the PCC, and to clarify their responsibilities. A new approach to compiling the budget for the new year was then approved at a pair of PCC meetings in December, aiming to balance confidence

in covering our regular costs while managing less predictable expenditure. We are always conscious of our responsibility in stewarding the donations of you, our church members, trying to serve God faithfully and generously with that money, and pray that the budget for our church next year will do just that.

A big thank you from me to every PCC member – a voluntary role that requires time, wisdom and patience. We have been continuing to work on being led by the Holy Spirit even in our business meetings, pausing to pray when appropriate, and it has been wonderful to experience the sense of unity and genuine listening that this fosters in our discussions. In all things, we pray that God's will be done – in our lives, in our PCC decisions, and in the work of the church. We trust in Him for our future, through 2025 and beyond.

Penny Cox, PCC Secretary

ELECTORAL ROLL AND CHURCH ATTENDANCE

At the time of reporting for the APCM, there are 265 people on the ecclesiastical Electoral Roll for the Parish.

Please note the following attendance numbers are for in-person church services only and are not reflective of the number of people attending our online services. Church Attendance, calculated as an average of the five Sundays in October 2024, was 271 adults and 36 children under 16 years of age (comparable figures for October 2023 were 273 adults and 37 children).

Attendance at YTH CHRCH calculated as an average of the four Sundays in October 2024, was 6 adults and 23 children under 16 years of age (comparable figures for October 2023 were 13 adults and 24 children).

Mid-week church attendance, calculated as an average of the four weeks in October 2024 was 16 adults.

REPORTS FROM MANAGEMENT COMMITTEES

HUMAN RESOURCES TEAM REPORT

The role of the Human Resources Team is to support the Church's paid and voluntary staff and also provide accountability and governance to ensure the Church is a great employer, developing people and offering opportunity to achieve their full potential. The team aims to "promote and protect good working conditions; support and encourage all staff in the stewardship of their role to ensure there is growth within the work and in their personal lives for the greater glory of God in the Parish of Highfield and under the direction of the Vicar and PCC."

Members of the Human Resources Team have skills such as workforce planning, recruitment, volunteer management, training, line management and safeguarding. We may advise PCC on matters such as recruitment, HR policy and employment law, assist by being involved in writing job descriptions, contracts and policies or taking part in recruitment, or scrutinise processes to ensure that we are a good employer. Most of this goes on behind the scenes.

It continues to be an enormous privilege to serve in this role and to support the wonderful clergy and staff

team whom we are so blessed with. The focus continues to be on our Discipleship Process and seeking to discern God's leading in structuring our staff team to further our vision of Encountering God, Growing Together and Seeking the Kingdom. The year has continued to see much change and an enormous amount of work has gone on in the background, particularly in relation to recruitment and resourcing as we have continued to build the team. I am extremely grateful for the continued commitment and involvement on the Human Resources Team of Abi Baker, Rob Heather and Becky Hoddy, as well as Kelly and Mike.

STAFF CHANGES AND UPDATES IN 2024

Mike Archer took a 3 month sabbatical starting in May, and returning in August. Our heartfelt thanks and appreciation go to all of the team who supported during this time, and in particular to Kelly Worthington and Sarah Archer for all of their hard work in stepping up, as well as Rachele Newman and Phil Moss as Church Wardens who did such a huge amount behind the scenes.

Keith Fox and Sue Coleman joined as curates with us during the year who have been much welcomed to the staff team.

The year has seen a rebuilding of the operations team following Magdalena Norris's departure from the role of Church Administrator in February and Tim Hyde's retirement as Operations Manager in April. Significant planning and team structuring work has taken place and we have been blessed that Dong Zhao joined us as Operations Administrator in April and Gill Bullen joined us as our Parish Administrator on a fixed term contract from March to December. Alan Finney supported as Accounts Administrator on a temporary basis during the year.

Following much prayer and discernment, and an application and interview process, Rhiannon Nicholson transferred to the role of Operations Manager as a transitional arrangement over the summer, fully taking on this role in November. Krystyna England joined us as Creative Lead in October, supporting the work of the team in communications.

In YTH, Tim Taylor departed as Ordinand in May as he took up his curacy post. Grace Ohia joined us as maternity cover on a fixed term contract as Youth Ministry Assistant (Digital). Emily Daulby decided not to return to the role of Youth Worker following her maternity leave. Following this, Daphne Babbage was appointed to the role of Youth Worker in November.

In our student team, Tim Daulby continued his secondment to a self-funded role as Campus Pastor. Rhiannon Nicholson transferred to the role of Operations Manager. As at the end of 2024, recruitment for the role of Student Pastor was underway.

KEY VOLUNTEER CHANGES AND UPDATES IN 2024

In terms of key volunteer roles, Rachele Newman and Phil Moss stepped down as Church Wardens during the year and Phil Hewitt and Becky Proctor stepped in to these roles. Rachele Newman has been appointed as Parish Safeguarding Officer in place of Andy King and Phil Moss continues to serve on Standing Committee as outgoing warden. Penny Cox has been appointed as PCC secretary in place of Daisy Chan. Our heartfelt thanks go to each of Rachele, Phil M and Daisy for all that they have done and their service in these volunteer roles.

We could not do the work we do without the amazing support of our numerous volunteers and we are extremely grateful for all of the time, energy and commitment which so many of you give to the Church- our sincere thanks to each and every one of you who serve in this way. The support from our volunteers remains absolutely critical to the ongoing running of our Church and if you feel called to do more then please do speak to me, or any one of the staff team, who would be very happy to chat informally about the volunteering opportunities which exist.

Polly Cross, Human Resources Team Lead

BUILDINGS RESOURCE REPORT

Having got used to a new way of working with a Buildings Resources Triplet supported by a volunteers group, there have then been personnel changes during the year. The Buildings Resources Triplet is now Ben Mobley, Rhiannon Nicholson (Operations Manager) and Phil Hewitt (Churchwarden).

The main projects worked on in 2024 were:

- In the Church Centre hall, the walls were repainted and the floor was sanded and re-finished.
- Outside the hall, tarmac was laid to refurbish the side path, including installation of an accessible ramp to the side door. This is a significant improvement making the path flat and safe.
- The fence between the Church Centre and the church yard was replaced. This is in keeping with the existing boundary and is now strong and no longer dangerous.
- Work continued to develop storage facilities for YTH equipment.
- A project to replace the Church Centre fire escape was initiated. This is a health and safety priority, but nevertheless has been a slow process due to the need for multiple quotations, the selection of a supplier, and then obtaining planning permission. The planning application was submitted at the end of 2024. The planning process itself is more tricky due to Highfield Church Centre being in a conservation area.
- The 'mud garden' behind the Church Centre has seen a short-term facelift, sourcing artificial turf and fencing the area. Longer term, there is less priority on further urgent action due to the closure of Little Acorns nursery. Instead, time is being taken to consider fully plans that would allow us to make an application for grant funding for a community project to create a usable space that would benefit our children, youth, student and wider congregational groups and also the local community.
- Ben Mobley has been very active, and early in the year he installed an improved mechanism for the church west window blind. Most significantly, Ben has done a great job with a major re-fit of the Chancel storage cupboard, allowing it to store a lot more equipment and also to store all the communion silverware etc from the vestry. Ben even managed to move a safe from the vestry so that the silverware is still under lock and key in its new location. Along with a faculty to dispose of old furniture, this work has cleared the way for the vestry to be redeveloped as a multi-purpose room, which we hope to achieve in 2025.

The Quinquennial Survey was carried out in March 2024, but the report was not received by the end of the year, so any needed repair work will be scheduled in 2025.

The Buildings Resources Team are very pleased to have the support of a willing group of volunteers, whose work in 2024 included tidying of the curate's garden prior to the arrival of our new curate, as well as lots of smaller activities re-painting, re-greasing, re-seeding, and generally fixing things!

CLIMATE ACTION AND BUILDINGS GROUPS TOGETHER

The PCC have agreed that the Climate Action Group will report activities to the PCC through the Buildings Resources Team. This annual report therefore covers both, recognising that some topics are managed by the two groups together.

We have continued to explore the feasibility of installing solar panels on the church roofs. The PCC have approved this in principle, and we have passed the process for checking the feasibility and obtaining quotes to the Buildings Resources Team. For reducing our energy loss, we are pleased that the West Door is now mended and closes properly, thanks to work done by Ben Mobley.

We successfully applied for funding from the diocese under their 'Quick Wins' scheme, for replacing the inefficient fluorescent lights in the Church Centre Hall with energy efficient LED fittings. The old lights were costing about £3,000 each year. The new LED fittings should reduce this to about £300. The diocesan grant covered 50% of the cost, and should give a net payback in about 2½ months! The grant also enabled us to replace the lighting in the rear corridor with energy efficient units which incorporate motion sensors to further improve the energy efficiency. The PCC have approved installing swift boxes in the church tower, and we are waiting for faculty approval. We are also encouraging the PCC to review its energy provider, to check their ethical behaviour and green credentials.

Phil Hewitt, Churchwarden

FINANCIAL AND INCOME REVIEW

2024 has been a strong year financially, with God's continued provision and the dedicated efforts of both the Financial Resources Team (FR Team) and the staff team in stewarding our resources wisely. Unlike the challenges of 2022 and 2023, inflation has stabilised, making it easier to forecast and manage costs effectively.

As you read more about the church finances in this report, I'd like to encourage you to see how your generosity has shaped our church community in 2024 and to look ahead with us as we faithfully steward the resources God has entrusted to us. Please note all quoted figures might slightly alter when the final accounts are checked by the Independent Examiner.

RESULTS FOR THE YEAR – INCOME AND EXPENDITURE

The financial results for the year covering both unrestricted and restricted income and expenditure resulted in a surplus of £27,339 (2023: £42,696). This positive trend continues from 2023, reflecting careful financial management and the generosity of our church family. We remain grateful for this stability and strive to balance financial security with stepping out in faith to pursue opportunities.

Looking at our income, we recorded a total of £661,329 (2023: £587,653), with the majority coming from regular donations. The Parish Giving Scheme (PGS) and its associated Gift Aid continue to be a major strength, accounting for 67% of our income, increasing further when other donations are included. PGS saw steady growth, with a notable increase in the autumn. We were also blessed to receive a one-off, unrestricted donation of £25,000, demonstrating the generosity within our congregation.

A special thanks goes to Phil Moss, our Gift Aid Secretary, and Dong Zhao in the office, whose meticulous work ensures we reclaim all eligible Gift Aid from HMRC.

The Church Centre remains a strong contributor, generating over £80,000—more than 14% of our total income. This revenue stream requires significant effort to maintain, and we are grateful to Kelly Worthington, Rhiannon Nicholson, Dong, and the Buildings Team for their hard work in ensuring the centre remains a key asset for both ministry and financial stability.

Grant funding remains a challenge, though we successfully secured three grants in 2024:

- £1,000 from JustSow for university campus coffee outreach.
- £1,124 from Winchester Diocese towards energy-efficient lighting upgrades.
- £5,000 from the New Wine Trust to support Youth Ministry outreach. Grant applications are time-consuming and uncertain, so we encourage anyone with experience or interest in securing grants to get involved.

Overall, income increased by 12.5%, exceeding budget expectations by 8%, which has provided financial stability and flexibility.

Turning to our expenditure, our greatest investment remains our dedicated staff team, who faithfully carry out the vision God has given us. In 2024, we continued to prioritise responsible stewardship, ensuring they have the resources and support needed to sustain and grow their impact. Careful management of staffing costs has enabled us to operate effectively while maintaining our commitment to the church's mission. As I am sure has been covered in the Human Resources report, there were vacancies across the year, meaning that staff costs were about 8% under the budget but also meaning that many staff had to put in extra work to cover the vacant posts. Staff employment costs £278,321 (2023: £227,138) and remains our biggest area of expenditure.

We remained faithful in meeting our financial commitments to the Common Mission Fund/ Diocesan Parish Share, ensuring our continued support for the wider church and its mission. Our contribution is a significant figure of £111,586 (2023: £120,481) and it is great to be part of our wider church family and help those parishes less fortunate than us.

The Mission Partnership Team pushed on with new partners in 2024 and we were able to welcome the newer partners with some initial donations with the new regular giving starting in 2025. Under Caroline Hutching's leadership, the Mission Partnership Team hit their budget and orchestrated giving away £42,968 (including some trivial admin costs) (2023: £41,077). The

Mission Partnership Team have an increased budget for 2025, and I look forward to seeing how they support our external partners.

A New Approach To Budgeting For 2025

After some detailed work around the causes of large differences between the originally forecast deficit for 2024 and the actual surplus results, Kelly, Phil (Moss) and I proposed a new budget model to PCC, which was unanimously approved. This revised approach divides expenditure into three key categories:

1. Core Operations – Covering essential, ongoing costs such as staff salaries, the Common Mission Fund (CMF), utilities, church services, and mission partners. These are prioritised to ensure the church's foundational activities continue without disruption.
2. Ministry Programs – Encompassing discretionary or irregular activities, such as special events and outreach initiatives. Instead of full-year allocations, funding is divided into three seasonal budgets, each receiving one-third of the total. Before each new season, the PCC will reassess financial health—including income, reserves, and Core Operations expenditure—to determine how much can be allocated.
3. Infrastructure Development – Covering development of our facilities and long-term projects. Critical projects are approved at the start of the year, while scheduled and aspirational projects are reassessed every four months to ensure financial sustainability.

This process allows greater adaptability, ensuring that resources are used efficiently while maintaining our commitment to the church's mission and development.

Reserves And Strategic Financial Planning

As of 2024, the PCC's financial position remains strong, with total net assets of £770,797 (2023:£743,458). These assets are divided across various funds and resources, ensuring both financial security and the ability to support ongoing and future church needs.

The General Fund remains our "day-to-day current" fund and is used for our Core Operations expenditure. In line with our Reserves Policy, I suggested to PCC that it should be kept around the £100,000 mark and that if there was excess, to move funds and if there was surplus, then to top it up.

From the 2023 accounts, you will see that the church had a significant Investment Fund which the PCC controls. After discussions around the new budget process and the reality of how the church uses its unrestricted funds, it was agreed by PCC to rename this fund into the Strategic Fund, still controlled by PCC, indicating that this fund can be deployed more easily where God calls us to go. This means our unrestricted funds at the end of 2024 are £624,695, with £100,000 in the General Fund and £524,695 in the Strategic Fund (2023 General Fund: £140,521).

The church's other funds are designated or restricted across key areas to ensure financial sustainability and responsible stewardship and adherence to charity law:

- Fixed Assets (£66,238) – This includes church-owned property and other tangible assets.
- Essential Maintenance Fund (£25,000) – Set aside to address urgent maintenance and repairs to church facilities.
- Endowment Fund (£16,880) – Funds held in long-term investments, primarily through the Diocese.
- Restricted Funds (£37,984) – These funds have specific donor-imposed restrictions and cannot be used for general expenses.

This financial structure allows the church to maintain a healthy level of reserves while ensuring funds are appropriately allocated to sustain ministry, maintain facilities, and support future growth.

Church Bank Accounts

In last year's report, I recommended switching from Lloyds to the Co-operative Bank due to service challenges. However, after experiencing similar frustrations with the Co-operative Bank and observing wider banking issues for faith-based charities in 2023 and 2024, we decided to retain our Lloyds current account while keeping the majority of Strategic Funds in two Co-operative savings accounts.

Managing the security and distribution of funds remains a priority. While we acknowledge the risk of holding large reserves in one institution, exceeding the £85,000 FSCS guarantee, the process of opening charity bank accounts is complex. I explored multiple alternatives in 2024, but none proved suitable. Identifying additional banking solutions remains an objective for 2025, and I welcome any suggestions or support from church members on this matter.

Stewardship And Financial Responsibility

At Highfield Church, we recognise that every financial gift is an expression of faith and trust in God's provision. As stewards of these resources, we are committed to using them wisely, ensuring financial transparency, and making every pound count for the work of the church. We remain committed to fostering a culture of generosity and stewardship, encouraging regular giving, and seeking external funding sources such as grants to support specific ministries.

How We Use Donations Responsibly

We prioritise responsible financial management by ensuring that donations directly support the church's mission, ministry, and essential operations. Our budgeting process is designed to allocate funds where they are most needed, balancing the ongoing costs of running the church with opportunities to expand our outreach and ministry programs. Every decision is prayerfully considered and guided by our commitment to honouring God through faithful stewardship.

Cost Management And Efficiency

We continue to take a disciplined approach to managing costs, ensuring that expenditure aligns with the church's priorities. The revised budgeting process, which includes quarterly 4-monthly financial reviews, allows us to adjust spending based on our actual income and ensure that funds are used effectively. We also strive to make the best use of our assets, such as the Church Centre, which generates additional income to support our ministry while serving the wider community.

Ethical And Sustainable Financial Practices

As a church, we seek to reflect our Christian values in how we manage our finances. This includes banking with institutions that align with ethical standards, such as the recent move to the Cooperative Bank, and ensuring that our investments are handled responsibly. We also remain committed to supporting mission partners, social action projects, and initiatives that serve those in need, both locally and globally.

Through careful financial planning, diligent cost management, and a strong commitment to ethical stewardship, we continue to ensure that every financial gift is used wisely to sustain and grow the church's work for God's Kingdom.

Reserves Policy

The reserves policy, established codified in 2019, is that the PCC should not allow unrestricted general funds to fall below three months of forecast, unfunded cost of employment for more than two consecutive quarters and that any forward 12-month forecast should not project those funds falling below one month forecast, unfunded cost of employment.

The PCC holds unrestricted funds, which are not designated, of £624,695 (2023: £140,521), which is above that limit.

The majority of PCC income continues to remain from unrestricted committed and regular personal giving, which is one of the strongest long-term reserves the PCC could have. A sustained effort continues, to maintain overall income, and to ensure that adequate resources are available to meet planned activities.

The PCC believes this will enable it to maintain the correct balance between the outward-looking strategy of the charity with the desire to achieve an appropriate level of reserves.

Principal Funding Sources

The staff salaries, activities and ministries of the church are mainly funded by the contributions received from members of the church and through the income tax recovered under the Gift Aid scheme. The Church Centre is funded through the letting of its rooms to outside organisations and individuals, but any shortfall would be funded by the PCC.

Investment Policy and Objectives

The PCC approved the investment policy to invest its funds via the Diocese of Winchester. This provides a lower rate of interest than could be obtained elsewhere, but the purpose of this investment is that it enables the Diocese to provide loans at a lower rate of interest to other parishes who need to borrow money. In this way the investments help the wider church.

Endowment Fund Policy

The PCC approved the investment policy to invest its endowment funds via the Diocese of Winchester. This provides a lower rate of interest than could be obtained elsewhere, but the purpose of this investment is that it enables the Diocese to provide loans at a lower rate of interest to other parishes who need to borrow money. In this way the investments help the wider church.

Independent Examiners

The Church is not required to undertake a full audit and is allowed to undertake an Independent Examination. Independent examination is a form of external scrutiny suitable for smaller charities. The role of the examiner is to provide an independent scrutiny of the accounts, and, in this way, help maintain public trust and confidence in charities. The benefit to the church is that it is a less time-consuming and costly process. The Church's Independent Examiner is Independent Examiners Limited and were appointed in 2024.

Parochial Church Council of Highfield Church, Southampton

Approved by the Parochial Church Council on 27/07/2025 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'M Archer'.

M Archer
Vicar and Chair of Trustees

SUMMARY OF FINANCIAL STATEMENTS FOR 5 YEARS

The summary of Financial Statements for 5 years has been prepared to provide an overview of the PCC finances. It does not form part of the official financial statements but is based on them.

RESULT FOR THE YEAR	2024	2023	2022	2021	2020
	£k	£k	£k	£k	£k
Income from members including tax	514	459	453	417	401
Gift days & Retiring Collections	46	34	10	-	64
Income from parish fees and grants	11	7	11	82	53
Church Centre and other departments	84	79	43	42	41
Income from investments and interest	6	3	12	14	17
Total Income	661	582	528	555	576
Mission Giving and Donations	43	44	56	48	66
Diocesan Parish Share	112	120	125	120	124
Staff Costs	287	227	207	213	263
Church activities	20	14	12	10	17
Church maintenance and houses	14	22	67	23	22
Cost of Church Centre and departments	120	75	86	48	45
Church administration	21	26	23	19	20
Depreciation	17	17	16	20	23
Total Expenditure	634	545	592	501	580
Net Surplus/(Deficit)	27	37	-64	54	-4
Investment gains/losses & b/f adjustments	1	5	-2	22	31
Increase / (Decrease) in Funds	28	42	-66	76	27
Funds at start at year	743	701	767	691	664
Funds at end of year	771	743	701	767	691

FINANCIAL POSITION	2024	2023	2022	2021	2020
	£k	£k	£k	£k	£k
PCC NET ASSETS					
Fixed Assets	66	78	559	558	535
Investments	17	17	15	17	15
Bank balances, debtors & creditors	688	648	127	192	141
Total Net Assets	771	743	701	767	691
PCC FUNDS					
Premises and fixed assets	66	78	559	558	535
Endowment and Restricted Funds	55	52	40	58	48
Investment Funds	525	448	0	0	0
Essential Maintenance Fund	25	25	0	30	30
General Fund	100	139	102	121	78
Total Funds	771	743	701	767	691

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF HIGHFIELD, SOUTHAMPTON

I report to the charity trustees on my examination of the accounts of The Parochial Church Council of the Ecclesiastical Parish of Highfield, Southampton (the Trust) for the year ended 31 December 2024.

Responsibilities and basis of report

As the charity trustees of the Trust, 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the 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 fellow member of the Association of Charity Independent Examiners 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 respect of the Trust 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.



Jackie Irvine-Smith
Independent Examiners Limited
Unit 2, The Broadbridge Business Centre,
Delling Lane,
Bosham,
West Sussex
PO18 8NF

08/08/2025

Date:

**STATEMENT OF FINANCIAL ACTIVITIES AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 2024**

	Notes	Unrestricted Funds £	Designated Funds £	Endowment Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Income and endowments from:							
Donations and Legacies	2a	486,554	-	-	53,606	540,160	470,287
Charitable Activities	2b	104,223	-	-	10,584	114,807	109,754
Investment Income	2c	5,526	-	458	-	5,984	2,851
Other Income	2d	-	-	-	-	-	-
TOTAL		596,303	-	458	64,190	660,951	582,892
Expenditure on:							
Charitable Activities	3a	557,076	16,875	-	58,736	632,687	544,959
Raising Funds	3b	1,303	-	-	-	1,303	-
TOTAL		558,379	16,875	-	58,736	633,990	544,959
NET INCOME/(EXPENDITURE) BEFORE INVESTMENTS GAINS/(LOSSES)		37,924	(16,875)	458	5,454	26,961	37,933
Gains/(losses) on investments	5c	-	-	378	-	378	4,761
NET INCOME/(EXPENDITURE)		37,924	(16,875)	836	5,454	27,339	42,694
Transfer Between Funds	9,10,11	446,250	(442,884)	(458)	(2,908)	-	-
Net movement in funds		484,174	(459,759)	378	2,546	27,339	42,694
Reconciliation of funds:							
Total Funds Brought Forward		140,521	550,997	16,502	35,438	743,458	700,764
Total Funds Carried Forward		624,695	91,238	16,880	37,984	770,797	743,458


Movements on all reserves and all recognised gains and losses are shown above. All of the organisation's operations are classed as continuing.

The notes on pages 21 to 35 form part of these financial statements.

**BALANCE SHEET
AS AT 31ST DECEMBER 2024**

	Notes	Unrestricted Funds £	Designated Funds £	Endowment Funds £	Restricted Funds £	31-Dec-24 Total £	31-Dec-23 Total £
Fixed Assets							
Tangible assets	5(a)	-	66,238	-	-	66,238	77,667
Investment assets	5(c)	-	-	16,880	-	16,880	16,502
Current Assets							
Debtors	6	20,748	-	-	-	20,748	4,839
Cash at bank	7	652,789	25,000	-	37,984	715,773	663,596
Total Current Assets		673,537	25,000	-	37,984	736,521	668,435
Creditors: amounts falling due within one year	8	48,842	-	-	-	48,842	19,146
NET CURRENT ASSETS		624,695	25,000	-	37,984	687,679	649,289
TOTAL ASSETS less current liabilities		624,695	91,238	16,880	37,984	770,797	743,458
NET ASSETS		624,695	91,238	16,880	37,984	770,797	743,458
Funds of the Charity							
General Unrestricted Funds		624,695	-	-	-	624,695	140,521
Designated Funds	9	-	91,238	-	-	91,238	550,997
Restricted Funds	10	-	-	-	37,984	37,984	35,438
Endowment Fund	11	-	-	16,880	-	16,880	16,502
Total Funds		624,695	91,238	16,880	37,984	770,797	743,458

Signed on behalf of the Trustees and PCC Members by:


.....


.....

06/08/2025

Date2025

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

	2024 £	2023 £
Cash used in operating activities	(a) <u>52,097</u>	<u>59,961</u>
Cash used from investing activities		
Interest income	5,526	451
Purchase of tangible fixed assets	(5,446)	(5,272)
Disposal of investment assets	-	473,330
Cash provided by (used in) investing activities	<u>80</u>	<u>468,509</u>
Cash flows from financing activities		
Introduction/(Repayment) of long term borrowing	-	-
Cash used in financing activities	<u>-</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>52,177</u>	<u>528,470</u>
Cash and cash equivalents at the start of the year	663,596	135,127
TOTAL cash and cash equivalents at the end of the year	(b) <u>715,773</u>	<u>663,596</u>

(a) Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net movement in funds	26,961	37,933
Add back depreciation charge	16,875	16,628
Deduct interest income shown in investing activities	(5,526)	(451)
Decrease/(increase) in debtors	(15,909)	8,687
Increase/(decrease) in creditors	29,696	(2,836)
Net cash used in operating activities	<u>52,097</u>	<u>59,961</u>

(b) Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	715,773	663,596
Total cash and cash equivalents	<u>715,773</u>	<u>663,596</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

1. ACCOUNTING POLICIES

Basis of preparation:

The Parochial Church Council of Highfield Church, Southampton is a charity with a registered charity number 1131770 which is registered and domiciled in England with the address of Highfield Lane, Highfield, Southampton, Hampshire, SO17 1RL.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible by law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members. The financial statements are prepared in sterling which is the functional and presentational currency of the charity and rounded to the nearest pound.

Public benefit entity

The PCC is a public benefit entity within the meaning of FRS 102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' 'true and fair view' provisions, together with FRS 102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS 102)).

Critical accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no material judgements that are considered by the trustees to have an impact upon these financial statements.

There are no material uncertainties about the charity's ability to continue in operation.

No changes to accounting estimates have occurred in the reporting period

No material prior year errors have been identified in the reporting period.

Funds

Endowment fund capital must be maintained permanently; only dividend income arising from investment of the endowment may be used as funds based on the purpose for which the endowment was established, which is for church fabric upkeep.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. Explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are general funds which remain unrestricted but are set aside by the PCC for use in the future. These funds cover investment property values and are also for the future depreciation of fixed assets and essential maintenance of premises.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

Income recognition

Income is included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the income;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate are received. Legacies are accounted for when the PCC is legally entitled to the amounts due and the amounts can be estimated with sufficient accuracy. Grants are recognised on receipt, any unspent income received for a specific purpose is shown within the relevant fund on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Dividends and bank interest are accounted for when receivable. All other income including church centre rental income is recognised when it is receivable. All incoming resources are accounted for gross.

Government grants

The charity has not received government grants during the reporting period.

Donated Services and Facilities

Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the Trustees Annual Report. Volunteers are used in all aspects of the activities of the church, including serving, readings, prayers, offertory and collections, preparing and serving food and drink at church events, helping with providing hospitality to guests, assisting in the office and providing other supporting roles, including bookkeeping, accounting and reporting.

Investment gains and losses

All gains and losses are recognised in the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the PCC to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. The diocesan quota or parish share is accounted for when due. Although there is no legal obligation to pay outstanding Common Fund, it is the policy of the PCC to provide for unpaid amounts in these accounts. There were no such provisions at 31st December 2024 or 2023. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Redundancy costs

The PCC will seek to ensure that budgeting around staffing is done on a conservative basis. In the event that a role has to be made redundant, the PCC will follow current HR advice and practice, and will at least provide the statutory minimum in redundancy pay. Redundancy payments are recognised when the decision to terminate an employee's contract is taken and is demonstrably committed and measured as the best estimate for amounts due to settle the obligation and where material, discounted.

Pensions

During 2024, up to ten employees of the PCC were enrolled in a defined contribution workplace pension scheme. Employer's pension contributions were £22,505 in 2024 (2023: £18,279).

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within 'Creditors: amounts falling due within one year' on the balance sheet.

Liabilities and provisions

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Fixed assets

Consecrated and beneficed property is excluded from the financial statements in accordance with the Charities Act 2011. No value is placed on moveable church furnishings held by the church wardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property and no reliable cost information is available. All expenditure incurred, whether maintenance or improvement, during the year on consecrated or benefice buildings is written off as expenditure in the Statement of Financial Activities and separately disclosed. Expenditure on moveable furniture and equipment is capitalised.

The Church Centre is managed by Highfield PCC but, in common with previous years, only Building Improvements, Fixtures and Fittings (including furniture) are capitalised and depreciated.

Equipment with a purchase price of £500 or less is written off when the asset is acquired.

Depreciation is at the following annual rates in order to write off each asset over its useful economic life.

Church Centre Building Improvements	4% Straight line
Church Centre Fixtures & Fittings	10% Straight line
Church Services Fittings & Equipment	10% Straight line
Other Equipment including computers	20% Straight line

Investment assets

Investments are initially recognised at their transaction value and subsequently measured at fair value at the balance sheet date using market prices. The Statement of Financial Activities includes net gains and losses arising on revaluations and disposals throughout the year. The PCC does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the PCC is that of volatility in markets due to economic conditions, the attitude of investors to investment risk, and changes in sentiment.

Investment property

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation are, ordinarily, recorded in the Statement of Financial Activities and transferred at the year end to the designated funds.

Leased assets: Lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss. Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

Tax Status

As a charity, the PCC is exempt from paying income and corporation tax, however, the trustees monitor the nature of transactions to ensure these are appropriately disclosed to HM Revenue and Customs.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

2. INCOME FROM:

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
a) Donations and Legacies						
Planned Gifts:						
Giving under Gift Aid		334,040	-	-	334,040	336,193
Tax Recoverable		88,552	-	-	88,552	80,313
Other tax efficient giving		15,130	-	42,727	57,857	11,216
Non gift aidable giving		9,053	-	-	9,053	7,828
Gift days and retiring collections		14,779	-	3,755	18,534	17,864
Legacies		25,000	-	-	25,000	500
Grant Income		-	-	7,124	7,124	16,373
		486,554	-	53,606	540,160	470,287
b) Charitable Activities						
Church Centre lettings		83,538	-	-	83,538	78,614
Self-funded activities income		16,788	-	10,584	27,372	24,016
Parish Fees		3,897	-	-	3,897	7,124
		104,223	-	10,584	114,807	109,754
c) Investments						
Dividends and Bank Interest		5,526	-	-	5,526	451
Rental Income		-	-	-	-	2,400
		5,526	-	-	5,526	2,851
d) Other Income						
Insurance Claims		-	-	-	-	-
		-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

3. EXPENDITURE ON:

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
a) Charitable Activities						
Direct costs						
Missionary and Charitable giving:						
Mission partners - Church overseas		19,584	-	-	19,584	19,140
Mission partners - Home missions		23,383	-	-	23,383	21,937
Other gifts and donations		-	-	18,837	18,837	3,076
Church Activities:						
Diocesan Common Mission Fund		111,586	-	-	111,586	120,481
Clergy expenses		247	-	-	247	807
Church services		12,903	-	736	13,639	12,828
Church ministries		12,138	-	4,952	17,090	12,065
Training costs		2,283	-	1,130	3,413	1,845
Church running costs and maintenance:						
Utilities, Water and Rates		27,427	-	-	27,427	25,297
Insurance		9,392	-	-	9,392	9,096
Cleaning costs		17,850	-	-	17,850	16,291
Repairs and Maintenance		23,571	-	1,124	24,695	7,159
Service contracts		3,830	-	-	3,830	2,125
Sundries		1,252	-	-	1,252	2,401
Alpha and Outreach		515	-	-	515	-
Office costs		14,138	-	535	14,673	16,040
Depreciation		-	16,875	-	16,875	16,628
Distribution of Parish fees		1,416	-	-	1,416	1,617
Self funded activities expenditure		16,788	-	9,428	26,216	23,197
Salaries and Wages		256,326	-	21,994	278,320	227,137
Governance and Support:						
Independent Examiners Fees		1,530	-	-	1,530	3,660
Professional Fees		917	-	-	917	2,132
TOTAL		<u>557,076</u>	<u>16,875</u>	<u>58,736</u>	<u>632,687</u>	<u>544,959</u>
	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
b) Raising Funds						
Advertising		1,303	-	-	1,303	-
		<u>1,303</u>	<u>-</u>	<u>-</u>	<u>1,303</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

4. DETAILS OF CERTAIN TYPES OF EXPENDITURE

	2024	2023
	£	£
Independent examiner's fees	1,530	3,660
Other fees (payroll and accountancy services)	516	-

5 (a). TANGIBLE FIXED ASSETS

	Unrestricted fund £	Unrestricted fund £	Unrestricted fund £	Total £
	Church Centre Fixtures, Fittings & Equipment	Church Services Fixtures, Fittings & Equipment	Other Equipment	
Cost 1-Jan-24	393,132	183,237	25,924	602,293
Additions	1,030	-	4,416	5,446
Transfers	-	-	-	-
Cost at 31-Dec-24	<u>394,162</u>	<u>183,237</u>	<u>30,340</u>	<u>607,739</u>
Depreciation 1-Jan-24	364,880	142,082	17,665	524,627
Charge	5,622	8,615	2,638	16,875
Depreciation 31-Dec-24	<u>370,502</u>	<u>150,697</u>	<u>20,303</u>	<u>541,502</u>
Net book value 31-Dec-24	<u>23,660</u>	<u>32,540</u>	<u>10,038</u>	<u>66,238</u>
Net book value 31-Dec-23	28,252	41,155	8,260	77,667

5(b). INVESTMENT PROPERTY

The property, 104 Upper Shaftesbury Avenue (known as 104 USA) was sold in August 2023 for the price of £473,330 after Estate Agency and Conveyancing Fees. The monies were received in the church bank accounts in September 2023 and have formed a new unrestricted Designated Investment Fund for use by the PCC as well as £25,000 being moved into Essential Repair Fund. The Investment Fund (since renamed "The Strategic Fund") was moved to a Cooperative Bank savings account in 2024 and has started to accrue interest.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

5 (c). INVESTMENT ASSETS

	Endowment fund £ COIF Income Shares	TOTAL 31-Dec-24 £
Cost 1-Jan-24	16,502	16,502
Revaluation	378	378
Additions	-	-
Disposals	-	-
Transfers Out	-	-
Cost at 31-Dec-24	<u>16,880</u>	<u>16,880</u>

These are COIF income shares. There were no investment assets outside the UK. Value is advised by the Diocese. These are known as the Endowment Funds

6. DEBTORS AND PREPAYMENTS

	Unrestricted Fund £	Designated Fund £	Endowment Fund £	Restricted Fund £	Total 31-Dec-24 £	Total 31-Dec-23 £
Other Debtors and Prepayments	9,286	-	-	-	9,286	3,851
Gift Aid Tax Recoverable	2,639	-	-	-	2,639	988
Accounts Receivable	8,823	-	-	-	8,823	-
	<u>20,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,748</u>	<u>4,839</u>

7. CASH AT BANK AND IN HAND

	Unrestricted Fund £	Designated Fund £	Endowment Fund £	Restricted Fund £	Total 31-Dec-24 £	Total 31-Dec-23 £
Cash at Bank	652,789	25,000	-	37,984	715,773	663,596
	<u>652,789</u>	<u>25,000</u>	<u>-</u>	<u>37,984</u>	<u>715,773</u>	<u>663,596</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Fund £	Designated Fund £	Endowment Fund £	Restricted Fund £	Total 31-Dec-24 £	Total 31-Dec-23 £
Accounts Payable	24,404	-	-	-	24,404	1,962
Accruals and Deferred Income	7,057	-	-	-	7,057	199
Independent Examiners Fees	1,530	-	-	-	1,530	3,660
Employer Pension Contributions	2,652	-	-	-	2,652	2,564
HMRC PAYE and NI	3,696	-	-	-	3,696	-
Other Creditors	8,503	-	-	-	8,503	10,761
Hire Security Deposits Held	1,000	-	-	-	1,000	-
	<u>48,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,842</u>	<u>19,146</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

9. DESIGNATED FUNDS

	CURRENT YEAR					
	Balance	Gains and				Balance
	01-Jan-24	Losses	Income	Expenditure	Transfers	31-Dec-24
	£	£	£	£	£	£
Fixed Asset Fund	77,667	-	-	(16,875)	5,446	66,238
Essential Repairs Fund	25,000	-	-	-	-	25,000
Strategic Fund (previously named Investment Fund)	448,330	-	-	-	(448,330)	-
	550,997	-	-	(16,875)	(442,884)	91,238
	PREVIOUS YEAR					
	Balance	Gains and				Balance
	01-Jan-23	Losses	Income	Expenditure	Transfers	31-Dec-23
	£	£	£	£	£	£
Fixed Asset Fund	89,022	-	-	(16,628)	5,273	77,667
Investment Property Fund	470,000	-	-	-	(470,000)	-
Essential Repairs Fund	-	-	-	-	25,000	25,000
Investment Fund	-	-	-	-	448,330	448,330
	559,022	-	-	(16,628)	8,603	550,997

The Fixed Asset Fund is represented by tangible fixed assets.

The Essential Repairs Fund (previously Essential Maintenance Fund). The PCC is required to undertake an inspection of the church building every five years. Plans for cyclical maintenance are then drawn up to maintain the building. The PCC sets aside money annually to cover the work required for the following year to cover such work and other essential repairs that, if not completed, would lead to further value loss. This does not cover any planned improvements. The Essential Repairs Fund was reinstated in 2023.

The Investment Property Fund relates to the property sold in 2023, which has been reinvested in a Cooperative savings account.

The Strategic Fund (previously named Investment Fund) relates to the sale proceeds of the Investment property. In 2024 the fund was reassigned into unrestricted non-designated funds.

The designated funds are represented by:

	31-Dec-24	31-Dec-23
	£	£
Tangible Fixed Assets	66,238	77,667
Cash at bank and in hand	25,000	473,330
Current assets	-	-
	91,238	550,997

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

10. RESTRICTED FUNDS

	CURRENT YEAR					Balance 31-Dec-24 £
	Balance 01-Jan-24 £	Gains and Losses £	Income £	Expenditure £	Transfers £	
	Gift Day Fund	2,528	-	18,837	(20,149)	
Campus Mission Initiative Fund	23,920	-	26,616	(23,721)	(1,939)	24,876
Henry Smith Fund	719	-	-	(296)	-	423
New Wine Raising Generations Fund	4,166	-	5,000	(2,516)	-	6,650
Youth Fest	1,593	-	10,584	(9,428)	-	2,749
Other Small Funds	2,512	-	-	(947)	-	1,565
Just Sow	-	-	1,020	(555)	-	465
Youth Bursary	-	-	1,009	-	-	1,009
WDBF Grant for Lighting	-	-	1,124	(1,124)	-	-
	35,438	-	64,190	(58,736)	(2,908)	37,984
	PREVIOUS YEAR					Balance 31-Dec-23 £
	Balance 01-Jan-23 £	Gains and Losses £	Income £	Expenditure £	Transfers £	
	Gift Day Fund	3,314	-	3,324	(3,575)	
Campus Mission Initiative Fund	5,669	-	27,253	(9,002)	-	23,920
Henry Smith Fund	12,269	-	-	(9,611)	(1,939)	719
New Wine Raising Generations Fund	-	-	4,166	-	-	4,166
Youth Fest	661	-	932	-	-	1,593
Other Small Funds	2,796	-	-	(284)	-	2,512
	24,709	-	35,675	(22,472)	(2,474)	35,438

The restricted funds represents donations made for specific purposes monitored by the PCC to ensure that only relevant expenditure is charged against the fund.

The restricted funds are made up from three grants and restricted donations received by Highfield Church; the Henry Smith grant finished in 2023 and there is a trivial amount left to be used. The New Wine Raising Generations grant was awarded in 2024 to support growth of the citywide youth ministry. The JustSow Grant was awarded in 2024 to support Student Ministry. The restricted donations fund the Campus Missionary Initiative, which part funds our Student Outreach, and there is the remainder of the 2020 Advent Gift Day and other historical restricted funds.

The 2024 transfer between funds represents fixed assets purchased from restricted funds. The restriction placed on those funds was fulfilled once the asset was purchased, therefore allowing the asset to be transferred to general funds to be used for any charitable purpose.

The restricted funds are wholly represented by cash reserves, as detailed below:

	31-Dec-24 £	31-Dec-23 £
Tangible Fixed Assets	-	-
Cash at bank and in hand	37,984	35,438
Current assets	-	-
	37,984	35,438

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

11. ENDOWMENT FUNDS

	CURRENT YEAR					Balance 31-Dec-24 £
	Balance 01-Jan-24 £	Gains and Losses £	Income £	Expenditure £	Transfers £	
Church Fabric Upkeep	16,502	378	458	-	(458)	16,880
	16,502	378	458	-	(458)	16,880
	PREVIOUS YEAR					Balance 31-Dec-23 £
	Balance 01-Jan-23 £	Gains and Losses £	Income £	Expenditure £	Transfers £	
Church Fabric Upkeep	15,071	1,430	451	-	(451)	16,502
	15,071	1,430	451	-	(451)	16,502

The Endowment fund capital must be maintained permanently; only dividend income arising from investment of the endowment may be used as funds based on the purpose for which the endowment was established, which is for church fabric upkeep.

The endowment funds are wholly represented by the COIF investment, as detailed below:

	31-Dec-24 £	31-Dec-23 £
Tangible Fixed Assets	-	-
Cash at bank and in hand	-	-
Current assets	16,880	16,502
	16,880	16,502

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

12. RECONCILIATION OF FUNDS HELD AND MOVEMENT OF FUNDS

	CURRENT PERIOD					Balance 31-Dec-24 £
	Balance 01-Jan-24 £	Income £	Gain/Loss £	Expenditure £	Transfers £	
	General Funds	140,521	596,303	-	(558,379)	
Designated Funds	550,997	-	-	(16,875)	442,884	91,238
Endowment Funds	16,502	458	378	-	(458)	16,880
Restricted Funds	35,438	64,190	-	(58,736)	(2,908)	37,984
	743,458	660,951	378	(633,990)	-	770,797

	PREVIOUS PERIOD					Balance 31-Dec-23 £
	Balance 01-Jan-23 £	Income £	Gain/Loss £	Expenditure £	Transfers £	
	General Funds	101,962	546,766	3,330	(505,859)	
Designated Funds	559,022	-	-	(16,628)	8,603	550,997
Endowment Funds	15,071	451	1,430	-	(451)	16,502
Restricted Funds	24,709	35,675	-	(22,472)	(2,474)	35,438
	700,764	582,892	4,760	(544,959)	-	743,458

13. SUMMARY OF ASSETS BY FUND

	General Fund £	Designated Fund £	Restricted Fund £	Endowment Fund £	TOTAL 2024 £
Tangible fixed assets	-	66,238	-	-	66,238
Investments	-	-	16,880	-	16,880
Debtors	20,748	-	-	-	20,748
Cash at bank and in hand	652,789	25,000	-	37,984	715,773
Creditors < 1 year	(48,842)	-	-	-	48,842
Creditors > 1 year	-	-	-	-	-
	624,695	91,238	16,880	37,984	770,797

	General Fund £	Designated Fund £	Restricted Fund £	Endowment Fund £	TOTAL 2023 £
Tangible fixed assets	-	77,667	-	-	77,667
Investment Property	-	-	-	-	-
Investments	-	-	-	16,502	16,502
Debtors	4,839	-	-	-	4,839
Cash at bank and in hand	154,828	473,330	35,438	-	663,596
Creditors < 1 year	- 19,146	-	-	-	19,146
Creditors > 1 year	-	-	-	-	-
	140,521	550,997	35,438	16,502	743,458

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

14. STAFF COSTS, PAYMENTS TO TRUSTEES AND KEY MANAGEMENT PERSONNEL

(a) Employees paid via Payroll:

	31-Dec-24	31-Dec-23
	£	£
Gross Wages and Salaries	247,117	200,778
Employers NI (net of annual allowance)	13,454	10,232
Life Cover	1,018	895
Employers Pension Contributions	22,505	18,729
Statutory Pay Recovered	(5,774)	(3,497)
	<u>278,320</u>	<u>227,137</u>

Staff who were engaged in each of the following activities (average numbers):

	31-Dec-24	31-Dec-23
	TOTAL	TOTAL
Activities in furtherance of organisation's objects	16	18

Employed staff are paid via through a payroll scheme operated by the PCC. No employees received emoluments in excess of £60,000 (2023: None).

(Please note, prior to 2023, only fully employed staff were included in this figure, but from 2023, all employed individuals, whether full time or part time who are registered with HMRC as on Highfield Church's payroll have been included).

(b) Self Employed Staff:

There were no self employed staff in 2024 or 2023.

(c) Key Management Personnel

The charity's key management personnel is considered to be the Trustees. One Trustee received remuneration totalling £1,518 under a short term employment contract to cover a period of staff shortage. Therefore the total amount paid to key management personnel (including employers national insurance and employers pension contributions) was £1,518.

Four members of clergy were paid by the Church Commissioners and not the PCC. The Common Mission Fund paid to the diocese was in part to cover these costs. One of these posts is funded by the PCC and has been included in the above figures. Two clergy gave their time as non-stipendiary clergy, for no remuneration by either the Church Commissioners or PCC.

(d) Transactions with PCC members and Trustees

There were trustees' expenses paid for the year ended 31 December 2024 plus those expenses which were reimbursed to trustees for expenditure incurred on behalf of the charity. Other expenses paid to Trustees included travel, subsistence, accommodation, entertainment and other related expenses. The total amount paid to Trustees in 2024 was £13,482. Of this amount, reimbursement for charitable expenditure incurred totalled £3,490. (2023: £2,410). Expenses were paid to 6 Trustees and totalled £6,465 (2023: £6,348) - see further breakdown below. One Trustee received £3,526 in sabbatical payments for their role as Clergy (not their role as Trustee) via a distribution of restricted giving for that purpose. Trustee A Finney received salary payments totalling £1,518 (2023: £0) to cover an interim period when a staff member left. The PCC relies upon the provisions contained in the Charities Act 2011 to make these payments, which were paid under a short term temporary contract of employment.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

14. STAFF COSTS, PAYMENTS TO TRUSTEES AND KEY MANAGEMENT PERSONNEL

(d) Transactions with PCC members and Trustees

Expenses paid to Trustees:

	Repairs & Maintenance £	Mileage £	Travel & Subsist. £	Phone & Internet £	Contribution to costs £	Printing Postage etc £	TOTAL 2024 £
P Moss	-	-	127	-	-	-	127
E Roberts	-	-	-	231	-	-	231
M Archer	310	575	371	637	57	377	2,327
S Coleman	-	30	142	110	-	-	282
S Archer	-	18	-	-	750	-	768
Mobley Engineering *	2,730	-	-	-	-	-	2,730
Total	3,040	623	640	978	807	377	6,465

* Trustee B Mobley is also a Director of Mobley Engineering Solutions Limited, which provided grounds repairs and building maintenance services to the PCC during 2024.

The aggregate total amount of donations received from Trustees is as follows:

	2024 £	2023 £
Total donations before Gift Aid	71,626	48,313

Of the above donations received from Trustees totalling £71,626 in 2024, there were no conditions associated with donations from the Trustees which totalled £66,566. There were restrictions on £5,060 which were related to donations to Mike Archer's Sabbatical Fund, as well as donations to self-funded events such as Youth and Student Weekends Away.

(e) Transactions with Related Parties

The following relatives of trustees received payment for their services or as employees of the PCC:

S Archer is employed by the Diocese in an Ordained position as Associate Minister. The cost of this employment is covered by the PCC who pay the Diocese. The charity pays the Diocese who then pay S Archer. S Archer is a Trustee, due to her Ordained position and also the spouse of the chair of Trustees. The total paid covering salary, pension and national insurance contributions in the applicable period for 2024 was £32,058 (2023: £18,603)

The PCC relies on the provisions contained in section 3a of its governing document to pay a connected person.

PCC members are not involved in decisions concerning those with whom they are connected.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

15. MATERIAL LEGACIES

The PCC are not aware of any material legacies or distributions becoming payable within the next financial year.

16. RESERVES POLICY AND RISK ASSESSMENT

Reserves are unrestricted funds which the PCC has set aside for the future. The purpose of holding reserves is so that the Parochial Church Council of Highfield Church, Southampton is able to continue to meet its financial obligations in a situation where unforeseen shortfalls arise, until alternative plans can be put in place.

The PCC has identified the key risks and assessed the amounts prudent to set against those risks. The Reserves policy is set out in the Trustees Annual Report.

17. PUBLIC BENEFIT

The PCC acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how this has been achieved this are provided in the Trustees Annual Report. The PCC Members confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events that require disclosure.

19. OTHER CAPITAL COMMITMENTS

The annual commitments under non-cancelling operating leases and capital commitments for the next financial year are as follows:

Photocopier leasing costs £210 per quarter.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2024**

20. PENSIONS

Highfield Parochial Church Council participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, 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 also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which 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 means that contributions are accounted for as if the Scheme were a defined contribution scheme. The employers pensions costs charged to the SoFA in the year are the contributions payable (2024: £22,505, 2023 £18,729).

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 2022. The next valuation is due as at 31 December 2025.

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, 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 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m 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, **Highfield Parochial Church Council** could become responsible for paying a share of the failed employer's pension liabilities.

The PCC had 9 active members in the Pension Builder Classic section at 31 December 2024 {2023: 9}.

PRIOR YEAR

**STATEMENT OF FINANCIAL ACTIVITIES AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	Notes	Unrestricted Funds £	Designated Funds £	Endowment Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Income and endowments from:							
Donations and Legacies	2a	435,544	-	-	34,743	470,287	430,800
Charitable Activities	2b	108,822	-	-	932	109,754	85,483
Investment Income	2c	2,400	-	451	-	2,851	12,045
Other Income	2d	-	-	-	-	-	-
TOTAL		546,766	-	451	35,675	582,892	528,328
Expenditure on:							
Charitable Activities	3a	505,859	16,628	-	22,472	544,959	592,310
Raising Funds	3b	-	-	-	-	-	-
TOTAL		505,859	16,628	-	22,472	544,959	592,310
NET INCOME/(EXPENDITURE) BEFORE INVESTMENTS GAINS/(LOSSES)		40,907	(16,628)	451	13,203	37,933	(63,982)
Gains/(losses) on investments	5b	3,330	-	1,431	-	4,761	(2,024)
NET INCOME/(EXPENDITURE)		44,237	(16,628)	1,882	13,203	42,694	(66,006)
Transfer Between Funds	10	(5,678)	8,603	(451)	(2,474)	-	-
Net movement in funds		38,559	(8,025)	1,431	10,729	42,694	(66,006)
Reconciliation of funds:							
Total Funds Brought Forward		101,962	559,022	15,071	24,709	700,764	766,770
Total Funds Carried Forward		140,521	550,997	16,502	35,438	743,458	700,764

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASICAL PARISH OF HIGHFIELD, SOUTHAMPTON

England & Wales - Charity number 1131770

Accounts

REGISTERED CHARITY NUMBER: 1131770

Report of The Trustees and Financial Statements
for the Year Ended 31 December 2023

Parochial Church Council of the Ecclesiastical Parish of Highfield
(Known as Highfield Church) Southampton

Parochial Church Council of Highfield Church, Southampton

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Report of The Trustees for the year ended 31 December 2023

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' for FRS 102.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number: 1131770

Parish: Christ Church, Portswood (Highfield Church, Southampton)
Highfield Lane,
Southampton,
Hants,
SO17 1RL

Trustees:

During the twelve months to 31st December 2023, the following served as members of the PCC:

- Mike Archer – Clergy
- Sarah Archer – from September 2023, Clergy
- Penny Cox - Churchwarden from January 2023 to April 2023
- Daisy Chan (née Wood) - from October 2020 (second term)
- Sue Coleman – from May 2024, Clergy
- Polly Cross - from April 2022 (first term)
- Max Davies - from April 2021 (second term)
- Alasdair Douglas - from October 2020 (second term)
- Alan Finney - from October 2020 (second term)
- Keith Fox – from April 2023 (first term, DS) From May 2024 as Clergy
- Robert Heather - co-opted April 2022 and elected in 2023 (first term)
- Ben Heptinstall - from October 2020 (first term, DS) to April 2023
- Caroline Hutchings - from April 2022 (first term)
- Pete Marston - Churchwarden October 2020 – January 2023. Co-opted March 2023 as Treasurer.
- Ben Mobley – from April 2024 (first term)
- Phil Moss - Churchwarden from April 2021
- Rachele Newman – Churchwarden from April 2023
- Zoe Norton - from October 2020 (second term)
- James Pritchard - from October 2020 (first term, DS) to April 2023
- Erica Roberts - Clergy
- Lisa Roberts - from October 2020 (second term)
- Jacob Racklyeft – from April 2024 (first term)
- Christine Sinclair - from April 2021 (first term, DS)
- Grant Stanley - from October 2020 (first term, DS) to April 2023
- Hannah Stanley – from April 2024 (first term, DS)
- Rob Swindell - from October 2020 (first term) to April 2023
- Gary Sankey - co-opted April 2022 to April 2023
- Barry Toward - co-opted April 2022 to April 2023
- David Tozer - from April 2021 (second term)
- Doug Wakeling - from October 2020 (second term) to April 2023
- Paula Willis - from April 2022 until April 2024 (leaving one year)
- Richard Venable – co-opted from September 2022 and Elected from April 2024 (first term)

Members of the PCC are either ex officio or are elected at the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. PCC members stand for 3-year terms, unless co-opted by the Vicar, in which case they serve up to the next election and will have to re-stand. Members are eligible for

Parochial Church Council of Highfield Church, Southampton

re-election for a second 3-year term. Churchwardens are elected annually and hold automatic positions on Standing Committee and PCC.

Deanery Synod representatives are denoted by "DS" and are elected for three-year terms as for other PCC members.

Members standing down in 2023 and up to April 2024 are Penny Cox, Ben Heptinstall, James Pritchard, Grant Stanley, Rob Swindell, Gary Sankey, Doug Wakeling. Niv Lobo (Clergy) also stepped down in 2023.

Members re-elected in 2023 and up to April 2024 were Daisy Chan, Max Davies, Alasdair Douglas, Alan Finney, Zoe Norton, Lisa Roberts, David Tozer.

Members appointed after 31st December 2023 are Richard Venable, who went from co-opted to elected, Hannah Stanley, Ben Mobley and Jacob Racklyeft – all in April 2024

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Parochial Church Council (“PCC”) of Highfield Church is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and was required to register with the Charity Commission in 2009. The Registered Charity Number is 1131770. Accordingly, the Church operates as a Charity and members of the PCC are the Trustees.

New Trustees: Appointment, Induction and Training

Appointment of new Trustees (i.e. new PCC members) is governed by and set out in the Church Representation Rules. New PCC members are elected at the Annual Parochial Church Meeting in April each Year. The first PCC meeting involving new members is usually held in April or May. At this meeting, the Vicar and Secretary explain the way the PCC works and responsibilities of PCC members as Trustees. Newly-elected members are issued with a Church of England booklet entitled “Trusteeship – An introduction for PCC Members.” Annually, each PCC member completes a Trustee Eligibility Declaration and an HMRC Fit and Proper Persons Declaration.

Structure and Operation of the PCC

Highfield Church PCC is the governing body within the Church and assists the Vicar to promote the Church's mission including its pastoral, evangelistic, social, and ecumenical facets within the Parish and with our mission partners local, nationally, and overseas. It is also responsible for maintaining the Church, the Church Centre, and a house at 104 Upper Shaftesbury Avenue. The Church operates as a Charity and members of the PCC are the Trustees.

The PCC operates through various management sub-committees and ministry groups, also known as ‘Action & Accountability’ (AA) groups, which meet between full meetings of the PCC. There are 6-8 meetings of PCC annually, and AA groups meet 5/6 times each year. AA groups may also have non-PCC members with expertise, gifts, or passion in their area of ministry. Devolution of business to AA groups helps PCC to concentrate on the most significant issues at meetings. Minutes of the meetings of AA groups are circulated to PCC and, along with those of the management committees, form part of the business agenda for PCC meetings.

COMPLIANCE

Related Parties

No Trustee is paid for the role of PCC member. Trustees may be reasonably reimbursed for expenditure incurred on behalf of the charity. Related party transactions are disclosed in the financial statements.

Risk Management

Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. Risk assessment and action plans are reviewed regularly by the PCC. Actions to help to mitigate key areas of risk have been identified, and the PCC will endeavour to include such in the routine work of key members to ensure that actions are completed.

Safeguarding

The Parochial Church Council is committed to encouraging an environment where all people, and especially those who may be vulnerable for any reason are able to worship and pursue their faith journey with encouragement and in safety. Everyone, including the young, will receive respectful pastoral ministry recognising any power imbalance within such a relationship. To pursue this aim, the Parochial Church Council follows the safeguarding policies and procedures of the Church of England as set out in guidelines provided by the Bishop’s House in the following documents: -

“Protecting all God’s Children - Policy for safeguarding children in the Church of England”.

“Promoting a Safe Church: Policy for safeguarding adults in the Church of England”.

Parochial Church Council of Highfield Church, Southampton

Annually, the Parochial Church Council reviews and ratifies the Vulnerable Adults & Child Protection policies & associated guidance documents, revising these in the light of updated or new guidance issued by the Diocese.

Safeguarding remains a high priority at Highfield Church and is constantly reviewed and updated to stay in line with national and church best practice. Annually (September 2023), the PCC reviewed our Parish Safeguarding Policy Statement, responding to domestic violence and ex-offender's (Sept. '23) policies adopted the Church of England Safeguarding Policies and Practice Guidance, and updated the church website.

We will continue to actively promote a strong culture of safeguarding across all church groups, but especially in those comprising children, young people and students. Safer recruitment practices are adhered to across the church for paid posts and volunteering positions, in line with Church of England guidance, and all safeguarding concerns are recorded, reported and followed up appropriately.

As a parish, we continue to work in close partnership with Jackie Rowlands, as the Diocesan Safeguarding Officer on all matters (for example, information sharing, safe inclusion, advice, and policy). This church year (April 23-March 24) we have logged over 30 safeguarding concerns, an increase from 18 logged in the previous year. Concerns range from mental health problems to self-harm, possible neglect as well as occasional matters requiring police engagement.

The Parish Safeguarding Dashboard, introduced by the diocese in 2022, has been a helpful tool in auditing our processes and training needs and producing an action plan. We continued to use this in 2023, updating volunteer role descriptions and improving our recording processes for recruitment of volunteers. There is still more progress to make on our action plan in 2024.

Following the updated Church of England Safer Recruitment and People Management Guidance in 2022 we have moved to 3 yearly DBS checks and 3 yearly safeguarding training for all appropriate roles. The church office continues to support Andy King, with admin related to DBS checks and training. We have welcomed the use of the Church of England's training portal by many of our volunteers. On the portal you will find many components that can be completed online and the portal records your training certificates in your personal training account, making it easier to record training and stay up to date.

Andy King is our Parish Safeguarding Officer. Should you have any concerns or would like advice, please do contact him on safeguarding@highfield.church or 07723 461604. It is important for everyone to remain vigilant regarding safeguarding and to report any concerns to the safeguarding team or email.

GDPR

The Parochial Church Council oversaw measures to ensure compliance with General Data Protection Regulations of 2018. A Data Privacy Notice was drafted, and a statutory Data Protection Policy was prepared and approved by PCC in July 2018. Highfield Church is registered with the Office of the Information Commissioner.

Wider Network

The PCC includes in its membership Deanery Synod representatives who are elected to represent Highfield Church. The PCC also includes members of Diocesan Synod and General Synod who are on the electoral roll of Highfield Church. The PCC is thus part of the synodical structure of church government as established by the Church of England.

Aims and Purposes

Highfield Church's Parochial Church Council has responsibility for cooperating with the Vicar in promoting the whole mission of the Church (pastoral, evangelistic, social, and ecumenical) within the ecclesiastical parish of Christchurch, Portswood (the legal name of the parish). The PCC also has financial and maintenance responsibilities for the Church, the Church Centre, and the residential dwelling it owns within the parish (104 Upper Shaftesbury Avenue).

In planning activities over the year, the Vicar and the PCC consider the Charity Commission's guidance on public benefit and seek to follow the specific guidance on charities for the advancement of religion. Thus, we aim to enable people in the Parish and our city to live out their faith through Encountering God in the services we offer, both in person and online, through Growing Together in small groups for mutual support and learning, and through Seeking the Kingdom by reaching others with the gospel and by serving human need. We have a particular focus on reaching and supporting students in Southampton University and working with our School to serve the parish.

Beyond its parish boundary, Highfield Church promotes and supports outreach and social justice work, whether with local, city-wide, national or international partnerships. All of these are consistent with our sense of calling and serve the Anglican Church's five marks of mission.

MANAGEMENT COMMITTEES

Standing Committee

The Standing Committee has authority to transact the business of the PCC between its meetings, subject to any directions given by the PCC. Along with the Churchwardens, it supports the Vicar in stewarding and directing the life of the Church. Standing Committee prepares agendas for PCC meetings and for the APCM (Annual Parochial Church Meeting) and Parishioners' Meeting. This Committee will discuss matters relating to policies and Church business from which it will prepare agendas for PCC meetings and for the APCM and Parishioners' Meeting. It has delegated authority from the PCC to make a single payment from PCC funds for any item of up to £3,000. Unless otherwise budgeted, larger amounts require the approval of the PCC.

Employment Group

Employment Group advises the Vicar and PCC on employment and management of personnel employed by the PCC and is currently chaired by Polly Cross.

Fabric Group

Fabric Group manages the external and internal fabric of the Church, the Church Centre and any other PCC owned property such as 104 Upper Shaftesbury Avenue. It is responsible for implementing recommendations in the architect's quinquennial report on the Church, and for preparing any development plans for the Church and Church Centre, liaising with architects and Diocese, as necessary. The Fabric Group is currently without chair, after the former chair David Tozer retired in September 2023. The Churchwardens are overseeing this group in the interim.

Finance Group

Finance Group oversees the finances of the Church on behalf of the PCC. In association with the Treasurer, the group monitors income and expenditure, advises on ways of increasing the Church's income, prepares the annual budget and is responsible for preparation of the annual accounts and Independent Examination. The Finance Group is currently chaired by Richard Venable and the role of Highfield Church Treasurer is carried out by Pete Marston.

ACTION AND ACCOUNTABILITY GROUPS

Adult Discipleship & Prayer Together (ADAPT)

ADAPT is tasked by the PCC with oversight of adult discipleship and prayer together. It is responsible for stewarding small groups. Mike Archer currently chairs ADAPT.

Children's Ministry

Children's ministry covers children, and families with children, aged from birth up to secondary school age, in terms of their introduction to Jesus, the growth of their faith and support as they do so. This group primarily exists to support our children's ministry staff and volunteers with prayer, reflection, and accountability. The group is chaired by our Children and Families' Pastor, Hemi Crane.

Climate Action Group

This group exists to promote our responsibilities of creation care by researching, planning, and proposing ways to reduce Highfield's carbon footprint and make our activities more environmentally friendly. The group is chaired by Keith Fox.

Older People's Ministry

This group encourages and develops ministries within the Church which provide on-going social and spiritual support for older members of our community. Through Erica Robert's role as City Chaplain for Older People in Southampton, it has a wide scope of activity and influence within the City of Southampton where it is well-established. Erica Roberts is the Chair for Older People's Ministry.

Worship Group

The Worship Group comprises members of the music ministry, service leaders and planners. It has a coordinating role for planning preaching, worship, and music for services in church throughout the year. Rhiannon Taylor leads the Worship Group.

Mission Group

Mission Group (formerly Mission in Action) is responsible for sharing the good news of Jesus Christ outside Highfield Church. It keeps the Church in contact with Mission Partners in Southampton and overseas and encourages support through prayer. The Group is responsible for allocating mission and social budgets. This group has undertaken changes during the 2023 year which can be read about in the Secretary's report below. The current chair is Caroline Hutchings.

Young People's Ministry

This group supports expanding growth and vision of the 11-18 age group, meeting for discussion, planning and prayer. It manages priorities for the year and initiates or reviews any significant changes in policies etc. This group is led by Highfield's Ordinand Tim Taylor and Mike Shorey, YTH CHRCH Lead, who joined the staff team in November 2023 as Tim Taylor will be moving to his curacy in 2024.

Reports from all these AA groups are published separately in a document sent out to local church members.

PCC SECRETARY'S REPORT

Mission Discussions

At the beginning of the year, we continued with a process alongside the Mission Group intended to bring the missional activities of Highfield to the forefront of church life and encourage wider engagement with our mission partners from people across the congregations. We were grateful for the insights of the Mission Group as they undertook this difficult task, the fruits of which we look forward to seeing further into 2024.

104 Upper Shaftesbury Avenue

After seeking the will of God with the Gethsemane prayer, the PCC reached the decision to sell 104 Upper Shaftesbury Avenue in 2023. Discussions were detailed, laying out the intentions behind the sale and guidelines for the use of the proceeds, and the property was sold in Summer 2023.

Employment Group

A large aspect of PCC business in the first half of 2023 involved clergy staffing, with Mike being instated as Vicar, having been Priest-In-Charge for a decade, and as the Standing Committee and PCC met with Bishop Debbie to discuss the potential for Sarah Archer joining Highfield as an Associate Vicar. Discussions between the PCC and the diocese continued throughout the spring, culminating in the end of Sarah's curacy, and the beginning of her role at Highfield in June. This year has held many joys and challenges from an employment perspective, as PCC has listened to the recommendations from Employment Group and taking into consideration the needs of the staff team when recruiting new roles. We are blessed to have knowledgeable professionals on PCC who have supported us through these recruitment processes.

Blessed By Volunteers

One of the greatest joys of serving on PCC is bearing witness to the incredible achievements of our ministry teams, much of which relies on the dedication and commitment of volunteers—not least the PCC itself! From hearing about visiting teams in the Older People's ministry to the changing landscape of ministry on campus and the fruit of Open House, PCC hears regularly about the ways God is moving in all these places and more. We are, however, also acutely aware of the struggles of each ministry leader in managing to grow the volunteer teams at the same rate as children, youth or students coming to the church!

Daisy Chan, PCC Secretary

ELECTORAL ROLL AND CHURCH ATTENDANCE

At the time of reporting for the APCM, there are 280 people on the ecclesiastical Electoral Roll for the Parish.

Please note the following attendance numbers are for in-person church services only and are not reflective of the number of people attending our online services. Church Attendance, calculated as an average of the five Sundays in October 2023, was 273 (*292) adults and 37 (*47) children under 16 years of age (comparable figures for October 2022 were 257 adults and 36 children) *the number in brackets is the average over the 3 weeks without half term Sunday when fewer adults and children were present.

Attendance at YTH CHRCH calculated as an average of the four Sundays in October 2023, was 13 (*13) adults and 24 (*26) children under 16 years of age (comparable figures for October 2022 were 17 adults and 25 children). Note the third Sunday included a baptism and so number of adults present increased.

Mid-week church attendance, calculated as an average of the four weeks in October 2023 was 15 adults. There were three school services during the month.

Kelly Worthington, Executive Pastor

REPORTS FROM MANAGEMENT COMMITTEES

EMPLOYMENT GROUP REPORT

The role of Employment Group (EG) is to support the Church's paid and voluntary staff and provide accountability and governance to ensure the Church is a great employer, developing people and offering opportunity to achieve their full potential. The group aims to "promote and protect good working conditions; support and encourage all staff in the stewardship of their role to ensure there is growth within the work and in their personal lives for the greater glory of God in the Parish of Highfield and under the direction of the Vicar and PCC."

Members of EG have skills such as workforce planning, recruitment, volunteer management, training, line management and safeguarding. We may advise PCC on matters such as recruitment, HR policy and employment law, assist by being involved in writing job descriptions, contracts and policies or taking part in recruitment, or scrutinise processes to ensure that we are a good employer. Most of this goes on behind the scenes.

It continues to be an enormous privilege to serve in this role and to support the wonderful clergy and staff team whom we are so blessed with. The focus continues to be on our Discipleship Process and seeking to discern God's leading in structuring our staff team to further our vision of Encountering God, Growing Together and Seeking the Kingdom. The year has seen much change and an enormous amount of work has gone on in the background.

At the beginning of 2023 we said goodbye to Pete Hutchings our Associate Pastor, and in spring saw Mike confirmed as Vicar of Highfield. In July it was a great joy to welcome Sarah Archer to the team as Associate Vicar and Niv Lobo came to the end of his curacy with us in August. In our student team, Tim Daulby commenced a period of secondment to a self-funded role as Campus Pastor in September and we were delighted to appoint Rhiannon Nicholson as Student Worker on a fixed term basis.

In YTH, we said goodbye to Emma Jackson in April and Emily Daulby consequently increased her hours to take on some of Emma's responsibilities, as well as reorganising Emily's services and communications responsibilities within the wider staff team. We were delighted to welcome Mike Shorey as our Head of YTH and Southampton Youth Minster in November, who will work alongside Tim Taylor until he departs for his curacy position in May. Emily Daulby commenced maternity leave in October.

In our children's ministry, we said goodbye to Helen Thompson, Children's Pastor, in July and were delighted to appoint Hemi Crane (née Poulton) to the position of Children and Families Pastor.

Within our operations team, Cate Lloyd departed in June and Magdalena Norris was appointed as Church Administrator in June. Ben Atkins, our Facilities Assistant, left at the end of his fixed term contract in July and in September we welcomed Joe Hughes to this role. Tim Hyde, Operations Manager, has indicated his intention to move and will be leaving us in April.

In terms of key volunteer roles, Daisy Chan stepped into the role of PCC Secretary in January 2023, taking over from Becky Proctor. Pete Marston stepped down as Church Warden early in 2023 and formally took on the role of Treasurer. Penny Cox served as interim Church Warden until Rachele Newman's appointment as Church Warden in April. Richard Venable took on the role of Chair of Finance. David Tozer stepped down as Chair of Fabric in the Autumn. Fabric Group has been slightly restructured and Ben Mobley has taken on the role of Building Resources Lead working closely with Rachele Newman as warden.

Polly Cross, Chair of Employment

FABRIC GROUP REPORT

It has been another busy year with the fabric volunteers continuing to work in the background to keep on top of the regular maintenance and repairs to our buildings, grounds and resources. Tim Hyde continues to manage the regular health and safety requirements as part of his role as Operations Manager. David Tozer stepped down as Chair of Fabric after 6 years of service in this role. Rob Childs has decided to step down so my thanks to Rob for his service to the group.

Quinquennial Inspection

This is now due and is scheduled for early March 2024. It is likely to result in repairs to our church buildings. There are some anticipated works related to the safety of our facilities and grounds that have already been prioritized for development.

Group Management

Fabric group has undergone a change of management structure and now has a Building Resources Team
Ben Mobley (Buildings Lead): Projects and development
Tim Hyde (Operations Manager): Repair and maintenance + liaison with existing group of fabric volunteers
Rachele Newman (Warden): Governance and accountability
This new management triplet is still ably supported by a core of Fabric volunteers.

Rachele Newman, Churchwarden

FINANCIAL REVIEW

Results for the year

The financial results for the year covering both unrestricted and restricted income and expenditure, was a surplus of £42,692 (2022: deficit of £66,007), a huge turnaround from 2022 and needs some explanation, which is below, but has set us up well for 2024.

Starting with our income, the majority still comes from voluntary income by our members and guests. The regular member donations via the Parish Giving Scheme (PGS) and direct bank transfers to the church account have generally held steady throughout the year, starting strong at the beginning of the year after the Stewardship campaign in late 2022, with figures dropping slightly in the middle of 2023 and then picking up in November and December 2023. PGS increased by around 9% in 2023 on 2022 figures. Digital giving via Stripe has continued to be a declining source of income and we have seen less spontaneous and one-off giving in 2023. We have benefited from Phil Moss identifying several extra gift aid claims we could make.

The Church Centre income has seen a significant increase for our income, almost doubling on 2022 figures. Kelly Worthington did a fabulous job securing the Highfield After School Club as a new client and the school and Little Acorns, as well as many other repeat clients, have all contributed to this. Running and staffing the centre remains expensive, so it's hard to judge how much 'surplus' we get from it, but it remains a key asset for our missional work.

We only had a single legacy in 2023 which led to the Finance and Income Group producing new marketing material to remind members of the importance of leaving some of their estate to Highfield Church. Lisa Roberts led this initiative with an excellent and informative handout that can be found at the back of church.

As previously commented in last year's report, Grant Funding has remained low in 2023, compared to the high levels we have had in the past. We do still get some great grants - both Tim Taylor for our Youth Ministry and Tim Daulby for our Campus Mission have secured grants which has been a real blessing to both areas of ministry; we have benefited from a New Wine Raising Generations grant and a Just Sow grant. The Finance and Income Group has continued to look for suitable grants that may support Highfield's work.

Parochial Church Council of Highfield Church, Southampton

The most significant change in our financial resources in 2023 was the sale of 104 Upper Shaftesbury Avenue. As a reminder, this property was purchased by the church around 1993, after a significant gift from an anonymous church member, and was restricted to be used to house a church member of staff, which is how the house was used until a few years ago. In 2018, with the restriction lifted and no member of staff at that time requiring use of the property, the PCC let the property to provide an income. When the tenant moved out in 2022, it was realised that the property needed significant money spent on it, with a structural issue as well as a very dated and worn-out interior. PCC debated whether to retain the property and bring it up to standard, renting it out for a regular income as well as continued increase in value, or whether it was time to sell the property to use the funds in other ways. If you wish to read more about how PCC reached a final decision, it is fully detailed in the PCC minutes, but the almost unanimous decision was reached to sell the property, with strict rules around how the money could be used over the short and long term. PCC agreed that up to one third of the sale could be used to support any deficit in the General Fund and two thirds would remain under PCC control to be used on future church projects yet undecided. The property was sold in August 2023.

In December 2023, during the PCC's 2024 budgeting process, the PCC voted to move £25,000 of the sale proceeds into the Essential Repair Fund and to retain the remainder in an unrestricted Investment Fund, with the same directive that up to one third could be used for any deficit of the General Fund. This fund can be seen on the Balance Sheet. The only restricted investment the church now has is the Endowment Fund held by the Diocese, which has seen an increase in value in 2023.

Looking at total income over the year, with the benefits of higher Church Centre income, higher voluntary income, restricted grants and market revaluations of our assets, our income has risen by an impressive 12% overall and almost 8% more than we originally budgeted.

Moving to our expenditure, our greatest asset is our dedicated staff team. They tirelessly embody the vision God has given us, and we're committed to responsible stewardship of resources to ensure they have the support they need to continue their impactful work. Our careful management of staffing costs directly translates into our ability to operate the church and bring that vision to life.

We were able to maintain our commitments to the Common Mission Fund/Diocesan Parish Share, which the Diocese has dropped slightly to reflect the challenging financial situation.

PCC initiated a full review into the mission & social action partner process, which led to the end of financially supporting one major mission partner, meaning that our unrestricted mission giving dropped in 2023 to 9.4% of our total unrestricted income. Beyond supporting external partners, our church also invests significantly in parish-level initiatives led by our dedicated ministry leaders. These initiatives encompass various areas like evangelism and social action. For example, we continue to financially cover Open House and fully underwrote the highly successful city-wide YouthFest. This highlights how our financial resources contribute significantly across the spectrum of mission, evangelism, and social action within our own community.

One major area of underspend against the original budget is in the fabric and property costs – many of the projected maintenance costs and capital expenditure were not undertaken in 2023, but are still badly needed, so these have moved in to the 2024 budget. When the PCC agreed the 2024 budget, it was agreed that some of the Capital Expenditure projects could be funded by the Investment Fund.

In addition to underspend in the building and external mission budgets, costs were controlled or deferred in other areas such as general ministry costs, and staff costs were 10% less than budgeted.

To summarise, the 2023 finances have finished in a good place, leading to the surplus stated. The General Fund ended as £140,521 (2022: £101,960) and our total Capital and Reserves has increased to £743,458 (2022: £700,763). This led to PCC voting for a deficit budget for 2024 to enable the church to pursue being a community of devoted disciples who encounter God, grow together, and seek the Kingdom in all we do.

Parochial Church Council of Highfield Church, Southampton

The Finance and Income Group continue to pursue new areas of income from Grants and other means as well as work with the budget holders to manage expenditure whilst not restricting what can be achieved.

Another area to make the members aware is that, for a variety of reasons, I recommended changing bank accounts from our longstanding bank, Lloyds. We have had ongoing issues around communication with Lloyds for many years, as well as challenges around changing signatories when Trustees changed. My predecessor Treasurers have been more tolerant than me, but I feel it has hampered our financial abilities and also put us at risk, so I recommended to Finance and Income Group to change. Finance and Income Group did due diligence on other banks and presented their findings to PCC, with a recommendation to PCC to move to the Cooperative Bank, who have an excellent ethical policy in line with our Christian values as well as a dedicated branch in Southampton city centre that we can access when we need to change signatories and an upgraded internet banking system that should mitigate the risk of human error in our payments process. I am pleased to confirm that PCC voted to change bank accounts and Coop Bank have confirmed the opening of a new current account and two savings accounts.

Reserves Policy

The reserves policy, established in 2019, is that the PCC should not allow unrestricted general funds to fall below three months of forecast, unfunded cost of employment for more than two consecutive quarters and that any forward 12-month forecast should not project those funds falling below one month forecast, unfunded cost of employment.

The PCC holds unrestricted funds, which are not designated, of £140,521 (2022: £101,960), which is above that limit.

The majority of PCC income continues to remain from unrestricted committed and regular personal giving, which is one of the strongest long-term reserves the PCC could have. A sustained effort is under way to maintain overall income, and to ensure that adequate resources are available to meet planned activities.

The PCC believes this will enable it to maintain the correct balance between the outward-looking strategy of the charity with the desire to achieve an appropriate level of reserves.

Principal Funding Sources

The staff salaries, activities and ministries of the church are mainly funded by the contributions received from members of the church and through the income tax recovered under the Gift Aid scheme. The Church Centre is funded through the letting of its rooms to outside organisations and individuals, but any shortfall would be funded by the PCC.

Investment Policy and Objectives

The PCC approved the investment policy to invest its funds via the Diocese of Winchester. This provides a lower rate of interest than could be obtained elsewhere, but the purpose of this investment is that it enables the Diocese to provide loans at a lower rate of interest to other parishes who need to borrow money. In this way the investments help the wider church.

Independent Examiners

The Church is not required to undertake a full audit and is allowed to undertake an Independent Examination. Independent examination is a form of external scrutiny suitable for smaller charities. The role of the examiner is to provide an independent scrutiny of the accounts, and, in this way, help maintain public trust and confidence in charities. The benefit to the church is that it is a less time-consuming and costly process. The Church's accountants were appointed in 2022 and were HWB Chartered Accountants, but after review of other similar churches, it was identified that Highfield Church paid more for the 2021 and 2022 Independent Examination than other similar-sized churches, so the Finance and Income Group, on behalf of the PCC, amicably terminated the services of HWB and are in the process of seeking a new Independent Examiner to review the 2023 accounts.

Approved by the Parochial Church Council on 21st October 2024 and signed on their behalf by:



M Archer
Vicar and Chair of Trustees

SUMMARY OF FINANCIAL STATEMENTS FOR 5 YEARS

The summary of Financial Statements for 5 years has been prepared to provide an overview of the PCC finances. It does not form part of the official financial statements but is based on them.

RESULT FOR THE YEAR	2023	2022	2021	2020	2019
	£k	£k	£k	£k	£k
Income from members including tax	459	453	417	401	462
Gift days & Retiring Collections	34	10	-	64	57
Income from parish fees and grants	7	11	82	53	21
Church Centre and other departments	79	43	42	41	79
Weekend away	-	-	-	-	16
Income from investments and interest	3	12	14	17	18
Total Income	582	528	555	576	653
Mission Giving and Donations	44	56	48	66	64
Diocesan Parish Share	120	125	120	124	133
Staff Costs	227	207	213	263	295
Church activities	14	12	10	17	48
Church maintenance and houses	22	67	23	22	25
Cost of Church Centre and departments	75	86	48	45	54
Weekend away	-	-	-	-	20
Church administration	26	23	19	20	22
Depreciation	17	16	20	23	62
Total Expenditure	545	592	501	580	723
Net Surplus/(Deficit)	37	-64	54	-4	-70
Investment gains/losses & b/f adjustments	5	-2	22	31	-93
Increase / (Decrease) in Funds	42	-66	76	27	-163
Funds at start at year	701	767	691	664	827
Funds at end of year	743	701	767	691	664

FINANCIAL POSITION	2023	2022	2021	2020	2019
	£k	£k	£k	£k	£k
PCC NET ASSETS					
Fixed Assets	78	559	558	535	505
Investments	17	15	17	15	14
Bank balances, debtors & creditors	648	127	192	141	145
Total Net Assets	743	701	767	691	664
PCC FUNDS					
Premises and fixed assets	78	559	558	535	505
Endowment and Restricted Funds	52	40	58	48	46
Investment Funds	448	0	0	0	0
Essential Maintenance Fund	25	0	30	30	35
General Fund	139	102	121	78	78
Total Funds	743	701	767	691	664

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF HIGHFIELD, SOUTHAMPTON

I report to the charity trustees on my examination of the accounts of The Parochial Church Council of the Ecclesiastical Parish of Highfield, Southampton (the Trust) for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity trustees of the Trust, 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the 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 fellow member of the Association of Charity Independent Examiners 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 respect of the Trust 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.



Jackie Irvine-Smith
Independent Examiners Limited
Unit 2, The Broadbridge Business Centre,
Delling Lane,
Bosham,
West Sussex
PO18 8NF

Date: 25/10/2024

**STATEMENT OF FINANCIAL ACTIVITIES AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2023	TOTAL 2022
	Note	£	£	£	£	£
INCOME AND ENDOWMENTS						
Voluntary income	2(a)	435,543	34,743	0	470,287	430,800
Income from church activities	2(b)	108,823	932	0	109,754	85,483
Income from investments	2(c)	2,400	0	451	2,851	12,045
Other income	2(d)	0	0	0	0	0
TOTAL INCOME		546,766	35,675	451	582,892	528,328
EXPENDITURE						
Mission and charitable giving	3(a)	41,077	3,076	0	44,153	54,739
Church activities (cost)	3(b)	266,822	3,187	0	270,009	325,935
Governance costs	3(c)	3,660	0	0	3,660	5,080
Staff costs	3(d)	210,929	16,209	0	227,138	206,556
TOTAL EXPENDITURE		522,488	22,472	0	544,959	592,310
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		24,278	13,204	451	37,932	-63,982
GAINS AND LOSSES ON INVESTMENTS						
- Gains on revaluation	7, 8	3,330	0	1,430	4,760	-2,024
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		27,608	13,204	1,881	42,692	-63,982
Transfer between funds	2(e)	451	0	-451	0	0
Transfer between funds	6	2,477	-2,477	0	0	0
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR		30,536	10,727	1,430	42,692	-66,006
TOTAL FUNDS BROUGHT FORWARD		660,984	24,709	15,071	700,764	766,770
TOTAL FUNDS CARRIED FORWARD	11a	691,520	35,438	16,502	743,458	700,764

Parochial Church Council of Highfield Church, Southampton

**STATEMENT OF FINANCIAL ACTIVITIES AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2022	TOTAL 2021
		£	£	£	£	£
INCOMING RESOURCES						
Voluntary income	2(a)	420,869	9,931	0	430,800	497,984
Income from church activities	2(b)	73,018	12,465	0	85,483	42,256
Income from investments	2(c)	11,596	0	449	12,045	14,770
Other income	2(d)	0	0	0	0	0
TOTAL INCOMING RESOURCES		505,483	22,396	449	528,328	555,010
Transfer between funds	2(e)	449	0	-449	0	0
INCOMING RESOURCES AFTER TRANSFER		505,932	22,396	0	528,328	555,010
RESOURCES USED						
Mission and charitable giving	3(a)	47,805	6,934	0	54,739	47,698
Church activities (cost)	3(b)	314,766	11,169	0	325,935	236,366
Governance costs	3(c)	5,080	0	0	5,080	4,410
Staff costs	3(d)	192,798	13,758	0	206,556	213,398
TOTAL RESOURCES USED		560,449	31,861	0	592,310	501,872
Transfer between funds		0	0	0	0	0
RESOURCES USED AFTER TRANSFER		560,449	31,861	0	592,310	501,872
NET INCOMING/(OUTGOING) RESOURCES		-54,517	-9,465	0	-63,982	53,138
GAINS AND LOSSES ON INVESTMENTS						
- Gains on revaluation	7, 8	0	0	-2,024	-2,024	22,169
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR		-54,517	-9,465	-2,024	-66,006	75,307
FUNDS AT START OF YEAR		709,173	40,502	17,095	766,770	691,463
ADJUSTMENTS – Fixed Assets	6	6,328	-6,328	0	0	0
FUNDS AT END OF YEAR		660,984	24,709	15,071	700,764	766,770

Parochial Church Council of Highfield Church, Southampton

BALANCE SHEET

At 31 December 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2023 £	TOTAL FUNDS 2022 £
FIXED ASSETS						
Tangible assets	6	77,667	0	0	77,667	89,022
Investment property	7	-	0	0	0	470,000
Investments	8	0	0	16,502	16,502	15,071
		<u>77,667</u>	<u>0</u>	<u>16,502</u>	<u>94,168</u>	<u>574,093</u>
CURRENT ASSETS						
Debtors: amounts falling due within one year	9	4,839	0	0	4,839	13,526
Cash at bank & on deposit		628,160	35,438	0	663,596	135,127
		<u>632,999</u>	<u>35,438</u>	<u>0</u>	<u>668,435</u>	<u>148,653</u>
CREDITORS						
Amounts falling due within one year	10	-19,146	0	0	-19,146	-21,982
		<u>613,853</u>	<u>35,438</u>	<u>0</u>	<u>649,289</u>	<u>126,671</u>
NET CURRENT ASSETS						
		<u>613,853</u>	<u>35,438</u>	<u>0</u>	<u>649,289</u>	<u>126,671</u>
NET ASSETS						
		<u>691,520</u>	<u>35,438</u>	<u>16,502</u>	<u>743,458</u>	<u>700,764</u>
FUNDS						
11						
Unrestricted funds						
General Funds					140,521	101,962
Designated Funds					102,667	559,022
Investment Funds					448,330	0
					<u>691,518</u>	<u>660,984</u>
Restricted Funds					35,438	24,709
Endowment Funds					16,502	15,071
					<u>743,458</u>	<u>700,764</u>
TOTAL FUNDS						

The financial statements were approved by the Parochial Church Council on 21st October 2024 and were signed on its behalf by:



M Archer
Chair of Trustees

24/10/2024



P Marston
PCC Treasurer

24/10/2024

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	CF Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2023 £	TOTAL FUNDS 2022 £
Cash flows from operating activities						
Cash generated from/ (used in) operations	1	41,027	13,204	0	54,231	-51,586
<hr/>						
Net cash provided by/ (used in) operating activities		41,027	13,204	0	54,231	-51,586
<hr/>						
Cash flows from investing activities						
Dividends from Shares		451	0	0	451	449
Interest from Deposits		0	0	0	0	0
Rent from Investment Property		2,400	0	0	2,400	11,596
Purchase of Fixed Assets		-2,798	0	0	-2,798	-17,800
Loss from disposal of Investments		-16,628	0	0	-16,628	0
<hr/>						
Net cash provided by investing activities		-16,575	0	0	-16,575	-5,755
<hr/>						
Cash flows from financing activities						
Net inflows/(outflows) from borrowings and financing		0	0	0	0	0
Transfers (balance b/f)		0	0	0	0	0
<hr/>						
Increase/(Decrease) in cash and cash equivalents		24,452	13,204	0	37,656	-57,341
<hr/>						
Cash and cash equivalents at beginning of year	2	110,418	27,702	0	138,120	192,468
Cash and cash equivalents at end of year	2	628,160	35,436	0	663,596	135,127

NB there be minor discrepancies throughout the following pages, as pence are not being shown

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Reconciliation of Surplus/(Deficit) To Cash Generated from Operations

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2023	TOTAL FUNDS 2022
	£	£	£	£	£
Surplus/(Deficit) from operations	24,729	13,204	1,430	39,363	-66,005
Revaluations	-3,330	0	-1,430	-4,760	2,024
Depreciation	16,628	0	0	16,628	16,411
Dividends from Investments	-451	0	0	-451	-449
Interest from Investments	0	0	0	0	0
Rent from Investment Property	-2,400	0	0	-2,400	-11,596
(Increase)/Decrease in Debtors	8,687	0	0	8,687	6,384
Increase/(Decrease) in Creditors	-2,836	0	0	-2,836	1,646
Net cash provided by operating activities	41,027	13,204	0	54,231	-51,586

2. Cash and Cash Equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cashequivalents are in respect of these Balance Sheet amounts:

	Unrestricted Funds	Restricted Funds	Other Funds	TOTAL FUNDS 2023
	£	£	£	£
Year ended 31st December 2023				
Cash and cash equivalents	628,160	35,436	0	663,596
	628,160	35,436	0	663,596
Year ended 31st December 2022				
Cash and cash equivalents	110,418	24,708	0	135,126
	110,418	24,708	0	135,126

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. ACCOUNTING POLICIES

Accounting convention

The Parochial Church Council of Highfield Church, Southampton is a charity with a registered charity number 1131770 which is registered and domiciled in England with the address of Highfield Lane, Highfield, Southampton, Hampshire, SO17 1RL.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible by law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members. The financial statements are prepared in sterling which is the functional and presentational currency of the charity and rounded to the nearest pound.

Public benefit entity

The PCC is a public benefit entity within the meaning of FRS 102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' 'true and fair view' provisions, together with FRS 102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS 102)).

Critical accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no material judgements that are considered by the trustees to have an impact upon these financial statements.

Fund accounting

Endowment fund capital must be maintained permanently; only dividend income arising from investment of the endowment may be used as funds based on the purpose for which the endowment was established, which is for church fabric upkeep.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. Explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are general funds which remain unrestricted but are set aside by the PCC for use in the future. These funds cover investment property values and are also for the future depreciation of fixed assets and essential maintenance of premises.

Incoming resources

Planned gifts, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Investment income is accounted for when receivable. All other income, including church centre rental income, is recognised when it is receivable.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when due. All other expenditure is generally recognised when it is payable.

Tangible fixed assets

Consecrated and beneficed property is excluded from the financial statements in accordance with the Charities Act 2011. No value is placed on moveable church furnishings held by the church wardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property and no reliable cost information is available. All expenditure incurred, whether maintenance or improvement, during the year on consecrated or benefice buildings is written off as expenditure in the Statement of Financial Activities and separately disclosed. Expenditure on moveable furniture and equipment is capitalised.

The Church Centre is managed by Highfield PCC but, in common with previous years, only Building Improvements, Fixtures and Fittings (including furniture) are capitalised and depreciated.

Equipment with a purchase price of £500 or less is written off when the asset is acquired.

Depreciation is at the following annual rates in order to write off each asset over its useful economic life.

Church Centre Building Improvements	4% Straight line
Church Centre Fixtures & Fittings	10% Straight line
Church Services Fittings & Equipment	10% Straight line
Other Equipment including computers	20% Straight line

Investment property

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation are, ordinarily, recorded in the Statement of Financial Activities and transferred at the year end to the designated funds.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment. The company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within 'Creditors: amounts falling due within one year' on the balance sheet.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Pension costs

The PCC participates in a defined contribution pension scheme. Contributions payable to the PCC pension scheme are charged as resources used in the period to which they relate.

Redundancy costs

The PCC will seek to ensure that budgeting around staffing is done on a conservative basis. In the event that a role has to be made redundant, the PCC will follow current HR advice and practice, and will at least provide the statutory minimum in redundancy pay. Redundancy payments are recognised when the decision to terminate an employee's contract is taken and is demonstrably committed and measured as the best estimate for amounts due to settle the obligation and where material, discounted.

Current assets

Amounts due to the PCC in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

Leased assets: Lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss. Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

Taxation

The charity is exempt from corporation tax; however, the trustees monitor the nature of transactions to ensure these are appropriately disclosed to HM Revenue and Customs.

2. INCOME

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2023	TOTAL FUNDS 2022
	£	£	£		£
2(a) Voluntary Income					
Planned gifts:					
Giving under Gift Aid	321,105	15,088	0	336,193	307,857
Tax recoverable	79,807	506	0	80,313	72,931
Other tax efficient giving	11,216	0	0	11,216	26,121
Non gift aid able giving	7,828	0	0	7,828	8,960
Collections at services	0	0	0	0	0
Gift Days & Retiring collections	15,088	2,776	0	17,864	8,631
Sundry donations	0	0	0	0	0
Legacies	500	0	0	500	5,000
Grant Income	0	16,373	0	16,373	1,300
	435,544	34,743	0	470,287	430,800
2(b) Church Activities					
Church Centre lettings etc	78,614	0	0	78,614	42,598
Restricted fund activities	0	0	0	0	0
income					
Self-funded activities income	23,084	932	0	24,016	32,220
Parish Fees	7,124			7,124	10,665
	108,822	932	0	109,754	85,483
2(c) Income from investments					
Dividends and interest	0	0	451	451	449
Rental Income	2,400	0	0	2,400	11,596
	2,400	0	451	2,851	12,045
2(d) Other Income					
Other state aid	0	0	0	0	0
	0	0	0	0	0
TOTAL INCOME	546,766	35,675	451	582,892	528,328
2(e) Transfers to General Funds	451		-451		

3. EXPENDITURE

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2023	TOTAL FUNDS 2022
		£	£		£	£
3(a) Missionary and charitable giving:						
	Mission partners:					
	- Church overseas	19,140	0	0	19,140	28,284
	- Home missions & other organisations	21,937	0	0	21,937	19,521
	Short term placements	0	0	0	0	0
	Other donations	0	3,076	0	3,076	6,934
		<u>41,077</u>	<u>3,076</u>	<u>0</u>	<u>44,153</u>	<u>54,739</u>
3(b) Church Activities:						
	Ministry:					
	- Diocesan Common Mission	120,481	0	0	120,481	124,884
Fund	- clergy expenses	807	0	0	807	1,101
	Church services	12,828	0	0	12,828	11,501
	Church ministries	11,085	980	0	12,065	13,040
	Training costs	1,145	700	0	1,845	2,624
	Church running and maintenance (incl Church Centre)	64,488	13	0	64,501	111,847
	Investment property costs	0	0	0	0	0
	Office costs	14,546	1494	0	16,040	13,099
	Depreciation	4 16,628	0	0	16,628	16,419
	Distribution of Parish fees	1,617	0	0	1,617	2,072
	Unrestricted fund activities	0	0	0	0	0
	Restricted fund activities	0	0	0	0	1,235
	Self-funded activities expenditure	23,197	0	0	23,197	28,113
		<u>266,822</u>	<u>3,187</u>	<u>0</u>	<u>270,009</u>	<u>325,935</u>
3(c) Governance costs						
	Independent Examiners Fees	4 3,660	0	0	3,660	5,080
3(d) Staff Costs (note 5)						
	Salaries and employment costs	5 210,928	16,209	0	227,137	206,556
TOTAL EXPENDITURE		<u>522,487</u>	<u>22,472</u>	<u>0</u>	<u>544,959</u>	<u>592,310</u>

4. NET INCOME/(EXPENDITURE) RESOURCES

	2023	2022
	£	£
Independent Examiner's remuneration	3,660	5,080
Depreciation - owned assets	16,628	16,419
Loss on disposal of fixed assets	0	0

5. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	201,673	186,562
Social Security Costs	10,232	9,065
Pension Costs	18,729	14,937
Statutory Pay Recovered	-3,497	-4,008
	<u>227,137</u>	<u>206,556</u>

The average number of employees in the year was 18 (2022: 12 – please note, prior to this year, only fully employed staff were included in this figure, but from 2023, all employed individuals, whether full time or part time who are registered with HMRC as on Highfield Church’s payroll have been included). No employees earned £60,000 pa or more.

See note 12 for disclosure of payments made to related parties.

Three members of clergy were paid by the Church Commissioners and not the PCC. The Common Mission Fund paid to the diocese was in part to cover these costs. One of these posts is funded by the PCC and has been included in the above figures. Two clergy gave their time as non-stipendiary clergy, for no remuneration by either the Church Commissioners or PCC.

The charity trustees were not paid or received any other benefits from employment with the Church in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

6. TANGIBLE FIXED ASSETS

	Church Centre £	Church Services £	Other Equipment £	TOTAL £
COST				
At 1 January 2023	392,597	183,237	21,187	597,021
Additions	535	0	4,737	5,272
Disposals	0	0	0	0
reclassifications				
At 31 December 2023	393,132	183,237	25,924	602,293
DEPRECIATION				
At 1 January 2023	359,399	133,538	15,062	507,999
Charge for year	5,480	8,544	2,603	16,628
Disposals	0	0	0	0
At 31 December 2023	364,880	142,082	17,665	524,626
NET BOOK VALUE				
At 31 December 2023	28,253	41,155	8,259	77,667
At 31 December 2022	33,198	49,699	6,125	89,022

Restricted adjustment shown in the Statement of Financial Activities relates to £2,474 capital spend in 2023. This reduced the relevant Restricted Funds. The terms of the restriction were fulfilled upon the purchase of the asset allowing it to be transferred to unrestricted funds and used for unrestricted charitable purposes. The assets purchased in 2023 were added to the unrestricted designated fixed asset fund.

7. INVESTMENT PROPERTY

	104 USA £
MARKET VALUE	
At 1 January 2023	470,000
Gain on sale of fixed asset (see note below)	10,000
Legal & Professional fees	(7,326)
Interest added (in Escrow)	656
Additions/(Disposals) (see note below)	(473,330)
At 31 December 2023	0

The property, 104 Upper Shaftesbury Avenue (known as 104 USA) was sold in August 2023 for the price of £473,330 after Estate Agency and Conveyancing Fees. The monies were received in the church bank accounts in September 2023 and have formed a new unrestricted Designated Investment Fund for use by the PCC as well as £25,000 being moved into Essential Repair Fund. The Investment Fund was moved to a Cooperative Bank savings account in 2024 and has started to accrue interest.

8. FIXED ASSET INVESTMENTS

MARKET VALUE	Unlisted investments
	£
At 1 January 2023	15,071
Additions/(Disposals)	0
Transferred to current assets	0
Changes in mid-market value	1,430
At 31 December 2023	<u>16,501</u>

These are COIF income shares. There were no investment assets outside the UK. Value is advised by the Diocese. These are known as the Endowment Funds

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Gift Aid recoverable	988	1,657
Church centre debtors	0	0
Other debtors and prepayments	3,851	11,869
VAT recoverable	0	0
	<u>4,839</u>	<u>13,526</u>

VAT is recoverable from DCMS under Listed Places of Worship Government grant scheme.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade and pension creditors	2,564	1,940
Social Security and other taxes	0	2,037
Customer Advances	9,220	3,376
Other creditors	3,503	10,969
Accrued expenses	3,859	3,660
	<u>19,146</u>	<u>21,982</u>

11. FUNDS

Unrestricted funds are available at the discretion of the PCC.

Designated funds are for specific expenditure on, and the financing of, property and fixed assets. They include amounts that are designated for maintenance and depreciation.

Restricted funds are in respect of:

- a) Group activities subsidised by the people involved and run at no extra cost to the PCC general fund.
- b) Gifts to specific causes.

Endowment funds comprise the Vicar and Church Warden's Fabric Fund, from which the income is to be used for the church fabric upkeep.

Summary of fund movements	At 1 st January 2023 £	Net movement in Funds £	At 31 st December 2023 £
Unrestricted funds			
General Funds	101,962	38,559	140,521
Designated Funds	559,022	(8,025)	550,997
Restricted Funds	24,709	10,729	35,438
Endowment Funds	15,071	1,431	16,502
TOTAL FUNDS	700,764	42,694	743,458

Net movement in funds, included in the above are as follows:

	Opening Balance £	Income £	Expenditure £	Gains and Losses £	Transfers £	Movement in Funds £	Closing Balance £
Unrestricted funds							
General Fund	101,962	546,766	(505,859)	3,330	(5,678)	38,559	140,521
Designated funds							
Fixed Asset fund	89,022	-	(16,628)	-	(5,273)	(11,355)	77,667
Investment Property fund	470,000	-	-	-	(470,000)	(470,000)	-
Essential Repairs fund	-	-	-	-	25,000	25,000	25,000
Investment fund	-	-	-	-	448,330	448,330	448,330
	559,022	-	(16,628)	-	8,603	(8,025)	550,997
Restricted funds							
Gift Day fund	3,314	3,324	(3,575)	-	(535)	(786)	2,528
Campus Mission Initiative fund	5,669	27,253	(9,002)	-	-	18,251	23,920
Henry Smith fund	12,269	-	(9,611)	-	(1,939)	11,550	719
New Wine Raising Generations fund	-	4,166	-	-	-	4,166	4,166
Youth Fest	661	932	-	-	-	932	1,593
Other Small funds	2,796	-	(284)	-	-	(284)	2,512
	24,709	35,675	(22,472)	-	(2,474)	10,729	35,438
Endowment funds	15,071	451	-	1,431	(451)	1,431	16,502
TOTAL FUNDS	700,764	582,892	(544,960)	4,761	-	42,694	743,458

Summary of Assets by Fund

	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2023 £
Tangible fixed assets	-	77,667	-	-	77,667
Investment Property	-	-	-	-	-
Investments	-	-	-	16,501	16,502
Debtors	4,839	-	-	-	4,839
Cash at bank & in hand	154,828	473,330	35,438	-	663,596
Creditors < 1 year	19,146	-	-	-	19,146
Creditors > 1 year	-	-	-	-	-
	140,521	550,997	35,438	16,502	743,458

	General Fund	Designated Funds	Restricted Funds	Endowment funds	TOTAL 2022
Tangible fixed assets	-	89,022	-	-	89,022
Investment Property	-	470,000	-	-	470,000
Investments	-	-	-	15,071	15,071
Debtors	13,526	-	-	-	13,526
Cash at bank and in hand	110,418	-	24,709	-	135,127
Creditors < 1 year	21,982	-	-	-	21,982
Creditors > 1 year	-	-	-	-	-
	101,962	559,022	24,709	15,071	700,764

There were no major capital additions in 2023. Additions of £5,272 (2022: £17,800) have been allocated to designated funds.

Essential Repairs Fund (previously Essential Maintenance Fund). The PCC is required to undertake an inspection of the church building every five years. Plans for cyclical maintenance are then drawn up to maintain the building. The PCC sets aside money annually to cover the work required for the following year to cover such work and other essential repairs that, if not completed, would lead to further value loss. This does not cover any planned improvements. The Essential Repairs Fund was reinstated in 2023.

The restricted funds are made up from two grants and restricted donations received by Highfield Church; the Henry Smith grant finished in 2023 and there is a trivial amount left to be used in January 2024. The New Wine Raising Generations grant was awarded in 2024 to support growth of the citywide youth ministry. The restricted donations fund the Campus Missionary Initiative, which part funds our Student Outreach, and there is the remainder of the 2020 Advent Gift Day and other historical restricted funds.

12. RELATED PARTY TRANSACTIONS

There were trustees' expenses paid for the year ended 31 December 2023 (2022: £0), including those expenses which were reimbursed to trustees for expenditure incurred on behalf of the charity. Other expenses paid to Trustees included travel, subsistence, accommodation, entertainment and other related expenses.

	2023
	£
C Hutchings	225
Christine Sinclair	25
David Tozer	1,672
E Roberts	223
G Sankey	50
Mike Archer	2,989
P Hutchings	544
Pete Marston	426
Sarah Archer	194
Total	6,348

The following relatives of trustees received payment for their services or as employees of the PCC:

P Hutchings – P Hutchings is the spouse of C. Hutchings who is a Trustee of the charity. The total paid in the applicable period for 2023 was £569 (2022: £2,785) as an employed staff member.

S Archer is employed by the Diocese in an Ordained position as Associate Minister. The cost of this employment is covered by the PCC who pay the Diocese. The charity pays the Diocese who then pay S Archer. S Archer is a Trustee, due to her Ordained position and also the spouse of the chair of Trustees. The total paid covering salary, pension and national insurance contributions in the applicable period for 2023 was £18,603 (2022: £0)

P Cross – P Cross is a member of the LLP of Moore Barlow LLP. Moore Barlow LLP were appointed to provide some legal guidance related to a safeguarding matter between 5th to 25th June 2023 and were paid £1,292 as their fee for services provided. This payment was not a direct benefit to P Cross nor was a payment made to P Cross and P Cross had no involvement with the services provided or fees agreed.

The PCC relies on the provisions contained in section 3a of its governing document to pay a PCC member or connected person.

PCC members are not involved in decisions concerning those with whom they are connected.

There were no conditions associated with donations from the Trustees which totalled £48,313 (2022: £43,139)

Volunteers play a significant role in the activities of the church which is described in the Trustees report. It is not possible to accurately or consistently value their contribution and therefore these accounts do not include a monetary value in this respect.

13. PENSIONS

Highfield Parochial Church Council participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, 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 also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which 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 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 (2023: £18,729, 2022: £14,937).

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.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, 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 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time. The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

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

The PCC had 9 active members in the Pension Builder Classic section at 31 December 2023 (2022: 8).

Accounts

REGISTERED CHARITY NUMBER: 1131770

Report of The Trustees and Financial Statements
for the Year Ended 31 December 2022

Parochial Church Council The Ecclesiastical Parish of Highfield
(Known as Highfield Church) Southampton

Parochial Church Council of Highfield Church, Southampton

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Report of The Trustees for the year ended 31 December 2022

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' for FRS 102.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number: 1131770

Parish: Christ Church, Portswood (Highfield Church, Southampton)
Highfield Lane,
Southampton,
Hants,
SO17 1RL

Trustees:

During the twelve months to 31st December 2022, the following served as members of the PCC:

- Mike Archer - Clergy
- Penny Cox - Churchwarden from January 2023 to April 2023
- Polly Cross - from April 2022 (first term)
- Max Davies - From April 2021 (first term) to April 2023
- Alasdair Douglas - From October 2020 (first term)
- Alan Finney - From October 2020 (first term)
- Robert Heather - Co-opted April 2022
- Ben Heptinstall - From October 2020 (first term, DS) to April 2023
- Caroline Hutchings - From April 2022 (first term)
- Niv Lobo - Clergy from June 2021
- Pete Marston - Churchwarden October 2020 – January 2023. Co-opted March 2023 into a seat with 1 year 1 month remaining.
- Becky Moss - From October 2020 (first term, DS) to April 2022
- Phil Moss - Churchwarden from April 2021
- Zoe Norton - From October 2020 (first term)
- James Pritchard - From October 2020 (first term, DS) to April 2023
- Rebecca Proctor - Retired December 2022 (leaving one year)
- Lisa Roberts - From October 2020 (first term)
- Christine Sinclair - From April 2021 (first term)
- Grant Stanley - From October 2020 (first term, DS) to April 2023
- Hannah Stanley - Retired November 2022 (DS)
- Rob Swindell - From October 2020 (first term) to April 2023
- Gary Sankey - Co-opted April 2022 to April 2023
- Barry Toward - Co-opted April 2022 to April 2023
- David Tozer - From April 2021 (first term)
- Doug Wakeling - From October 2020 (second term) to April 2023
- Paula Willis - From April 2022 (second term)
- Daisy Chan - From October 2020 (first term)
- Erica Roberts - Clergy

Members of the PCC are either ex officio or are elected at the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. PCC members stand for 3-year terms, unless co-opted by the Vicar, in which case they serve up to the next election and will have to re-stand. Members are eligible for re-election for a second 3-year term. Churchwardens are elected annually and hold automatic positions on Standing Committee and PCC.

Parochial Church Council of Highfield Church, Southampton

Deanery Synod representatives are denoted by "DS" and are elected for three-year terms as for other PCC members.

Members standing down in 2022 and up to April 2023 are Penny Cox, Max Davies, Ben Heptinstall, Becky Moss, Zoe Norton, James Pritchard, Rebecca Proctor, Grant Stanley, Hannah Stanley, Lisa Roberts, Rob Swindell, Gary Sankey, Doug Wakeling. All are eligible for re-election apart from Doug Wakeling, who has served two consecutive three- year terms.

Members appointed after 31st December 2022 are Richard Venable and Keith Fox.

Independent Reviewer:

Michaela Johns FCCA
Association of Chartered Certified Accountants
Hopper Williams & Bell Limited
Chartered Accountants,
Highland House,
Chandlers Ford,
Eastleigh,
Hants.,
SO53 4AR

Bankers:

Lloyds,
92-94 Above Bar Street,
Southampton,
SO14 7DT

Structure, Governance and Management

The Parochial Church Council (“PCC”) of Highfield Church is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and was required to register with the Charity Commission in 2009. The Registered Charity Number is 1131770. Accordingly, the Church operates as a Charity and members of the PCC are the Trustees.

New Trustees: Appointment, Induction and Training

Appointment of new Trustees (i.e., new PCC members) is governed by and set out in the Church Representation Rules. New PCC members are elected at the Annual Parochial Church Meeting in April each Year. The first PCC meeting involving new members is usually held in April or May. At this meeting, the Priest in Charge and Secretary explain the way the PCC works and responsibilities of PCC members as Trustees. Newly-elected members are issued with a Church of England booklet entitled “Trusteeship – An introduction for PCC Members.” Annually, each PCC member completes a Trustee Eligibility Declaration and an HMRC Fit and Proper Persons Declaration.

Structure and Operation of the PCC

Highfield Church PCC is the governing body within the Church and assists the Vicar to promote the Church's mission including its pastoral, evangelistic, social, and ecumenical facets within the Parish and with our mission partners local, nationally, and overseas. It is also responsible for maintaining the Church, the Church Centre, and a house at 104 Upper Shaftesbury Avenue. The Church operates as a Charity and members of the PCC are the Trustees.

The PCC operates through various management sub-committees and ministry groups, also known as ‘Action & Accountability’ (AA) groups, which meet between full meetings of the PCC. There are 6-8 meetings of PCC annually, and AA groups meet 5/6 times each year. AA groups may also have non-PCC members with expertise, gifts, or passion in their area of ministry. Devolution of business to AA groups helps PCC to concentrate on the most significant issues at meetings. Minutes of the meetings of AA groups are circulated to PCC and, along with those of the management committees, form part of the business agenda for PCC meetings.

COMPLIANCE

Related Parties

No Trustee is paid for the role of PCC member. Trustees may be reasonably reimbursed for expenditure incurred on behalf of the charity. Related party transactions are disclosed in the financial statements.

Risk Management

Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error.

Risk assessment and action plans are reviewed annually by the PCC. Actions to help to mitigate key areas of risk have been identified, and the PCC will endeavour to include such in the routine work of key members to ensure that actions are completed.

Safeguarding

The Parochial Church Council is committed to encouraging an environment where all people, and especially those who may be vulnerable for any reason are able to worship and pursue their faith journey with encouragement and in safety. Everyone, including the young, will receive respectful pastoral ministry recognising any power imbalance within such a relationship. To pursue this aim, the Parochial Church Council follows the safeguarding policies and procedures of the Church of England as set out in guidelines provided by the Bishop's House in the following documents: -

“Protecting all God’s Children - Policy for safeguarding children in the Church of England” “Promoting a Safe Church: Policy for safeguarding adults in the Church of England”.

Annually, the Parochial Church Council reviews and ratifies the Vulnerable Adults & Child Protection policies & associated guidance documents, revising these in the light of updated or new guidance issued by the Diocese.

GDPR

The Parochial Church Council oversees measures to ensure compliance with General Data Protection Regulations of 2018. A Data Privacy Notice was drafted, and a statutory Data Protection Policy was prepared and approved by PCC in July (2018). Highfield Church is registered with the Office of the Information Commissioner.

Wider Network

The PCC includes in its membership Deanery Synod representatives who are elected to represent Highfield Church. The PCC also includes members of Diocesan Synod and General Synod who are on the electoral roll of Highfield Church. The PCC is thus part of the synodical structure of church government as established by the Church of England.

Aims and Purposes

Highfield Church’s Parochial Church Council has responsibility for cooperating with the Vicar in promoting the whole mission of the Church (pastoral, evangelistic, social, and ecumenical) within the ecclesiastical parish of Christchurch, Portswood (the legal name of the parish). The PCC also has financial and maintenance responsibilities for the Church, the Church Centre, and the residential dwelling it owns within the parish (104 Upper Shaftesbury Avenue).

In planning activities over the year, the Vicar and the PCC consider the Charity Commission’s guidance on public benefit and seek to follow the specific guidance on charities for the advancement of religion. Thus, we aim to enable people in the Parish and our city to live out their faith through Encountering God in the services we offer, both in person and online, through Growing Together in small groups for mutual support and learning, and through Seeking the Kingdom by reaching others with the gospel and by serving human need. We have a particular focus on reaching and supporting students in Southampton University and working with our School to serve the parish.

Beyond its parish boundary, Highfield Church promotes and supports outreach and social justice work, whether with local, city-wide, national or international partnerships. All of these are consistent with our sense of calling and serve the Anglican Church’s five marks of mission.

MANAGEMENT COMMITTEES

Standing Committee

The Standing Committee has authority to transact the business of the PCC between its meetings, subject to any directions given by the PCC. Along with the Churchwardens, it supports the Priest-in-Charge in stewarding and directing the life of the Church. Standing Committee prepares agendas for PCC meetings and for the APCM (Annual Parochial Church Meeting) and Parishioners' Meeting. This Committee will discuss matters relating to policies and Church business from which it will prepare agendas for PCC meetings and for the APCM and Parishioners' Meeting. It has delegated authority from the PCC to make a single payment from PCC funds for any item of up to £3,000. Unless otherwise budgeted, larger amounts require the approval of the PCC.

Employment Group

Employment Group advises the priest-in-charge and PCC on employment and management of personnel employed by the PCC and is currently chaired by Polly Cross.

Fabric Group

Fabric Group manages the external and internal fabric of the Church, the Church Centre and any other PCC owned property such as 104 Upper Shaftesbury Avenue. It is responsible for implementing recommendations in the architect's quinquennial report on the Church, and for preparing any development plans for the Church and Church Centre, liaising with architects and Diocese, as necessary. The Fabric Group is currently chaired by David Tozer.

Finance Group

Finance Group oversees the finances of the Church on behalf of the PCC. In association with the Treasurer, the group monitors income and expenditure, advises on ways of increasing the Church's income, prepares the annual budget and is responsible for preparation of the annual accounts and Independent Examination. The Finance Group is currently chaired by Richard Venable and the role of Highfield Church Treasurer is carried out by Pete Marston.

ACTION AND ACCOUNTABILITY GROUPS

Adult Discipleship & Prayer Together (ADAPT)

ADAPT is tasked by the PCC with oversight of adult discipleship and prayer together. It is responsible for stewarding small groups. Mike Archer currently chairs ADAPT.

Children's Ministry

Previously half of the Families and Schools group, children's ministry covers children, and families with children, aged from birth up to secondary school age, in terms of their introduction to Jesus, the growth of their faith and support as they do so. This group primarily exists to support our children's ministry staff and volunteers with prayer, reflection, and accountability. The group is chaired by our Children's Pastor, Helen Thompson.

Climate Action Group

A new group started in autumn 2021, this group exists to promote our responsibilities of creation care by researching, planning, and proposing ways to reduce Highfield's carbon footprint and make our activities more environmentally friendly. The group is chaired by Keith Fox.

Older People's Ministry

The AA group for Older People encourages and develops ministries within the Church which provide on-going social and spiritual support for older members of our community. Through Erica Robert's role as City Chaplain for Older People in Southampton, it has a wide scope of activity and influence within the City of Southampton where it is well-established. Erica Roberts is the Chair for Older People's Ministry.

Worship Group

The Worship Group comprises members of the music ministry, service leaders and planners. It has a coordinating role for planning preaching, worship, and music for services in church throughout the year. Mike Archer leads the Worship Group.

Mission in Action (MiA)

MiA is responsible for sharing the good news of Jesus Christ outside Highfield Church. It keeps the Church in contact with Mission Partners in Southampton and overseas and encourages support through prayer. The Group is responsible for allocating mission and social budgets, ten per cent of the Church's annual budget being committed in this way. The current chair for MiA is Caroline Hutchings.

University Group

The University is a significant presence within the Parish of Highfield, having over 25,000 souls working and studying across its campuses. Working alongside the CU and other churches, the University AA Group through its outreach activities seek to be a Christian presence amongst its undergraduates, post-graduates, overseas students and the staff. Keith Fox currently chairs the University Group.

Young People's Ministry

The other half of the previous Families and schools group, this AA Group supports expanding growth and vision of the 11-18 age group, meeting for discussion, planning and prayer. It manages priorities for the year and initiates or reviews any significant changes in policies etc. This group is led by Highfield's Ordinand and YTH CHRCH Lead, Tim Taylor.

Reports from all these AA groups are published separately in a document sent out to local church members.

PCC Secretary's Report

Here are a few highlights from PCC meetings during 2022. It's been another busy year of new beginnings, difficult choices, and signs of hope from all areas of ministry here at Highfield. Most excitingly, the latter part of the year saw many new faces appearing in the church, with new friendships sprouting forth. Let's not forget to celebrate this and connect more with one another as we worship: it is such a valuable and joyful thing!

Bouncing back

The beginning of the year saw an old topic creep into the agenda: covid, and how to manage 'getting back to normal' versus very real and justified fear and worry about continued spread. PCC took these discussions very seriously and consulted those around them via both informal conversations and a formal call for responses, to 'temperature check' how people felt about returning to church in person and resuming church-based rituals, such as communion.

As expected, reaching decisions to please every party proved impossible, but PCC and staff continued to pray and to listen to one another, and I think it's safe to say that Highfield has found its way forward into post-covid church. It's been a steep learning curve for all involved, and I want to thank every PCC member for their contributions and patience in these discussions.

Ministry news

One of the most wonderful things about being on PCC is that we get to hear of the wonderful stories coming out of each of our ministries. The joy in Erica Robert's face as she told us about getting back into care homes, the excitement Tim Taylor exudes when he tells us how many teenagers have come to Christ, and the passion with which Tim Daulby presented his plan for campus missionaries are all confirmation of God moving in our communities and circles, and of His incredible understanding and placement of those willing to serve Him. Though PCC decisions sometimes seem cold and political from the outside, keeping our eyes focused on why we meet is so important, and it lies at the heart of every agenda item.

Money matters

As the after-effects of covid continue, much of the PCC's meetings were spent discussing issues of finance. Every PCC member is a trustee of Highfield Church, and as such the group takes responsibility for finance very seriously. This meant a lot of work from the finance team and staff to put together budgets, to find new ways to save costs, to re-define what it means to minister using the Simple Church structure with regards to money, and – of course - finding new ways to raise funds for God's mission.

Simple Church

The first half of the year saw PCC become better acquainted with the Simple Church model from the book, and the group discussed and voted on some key parts of the Highfield vision to see this model come to life. A big part of this was Open House: an initiative anyone could see value in but could also see multiple challenges in doing. This is perhaps the most difficult balance to strike in any church role: that between 'earthly' sense and logic, and in having faith that God can work through all things according to His purpose. After much prayer and deliberation, Open House launched in the autumn and has seen much fruit in its short life already, reaching people of all ages and circumstances. Other big decisions centred around staff: with several contracts ending and vacancies to fill, Employment Group worked hard to mould a team structure that would serve Simple Church most effectively, making the most of people's skills, callings, and experience. Please continue to pray for the staff team, for Open House, and other initiatives that fit within Simple Church: to help us encounter God, grow together, and seek His kingdom.

Over and out!

After almost four years serving as Secretary, I have stepped down at the end of 2022, leaving you in the very capable hands of Daisy Chan. I'd like to thank you all for allowing me to serve, and Mike and the PCC for being so patient and trusting as I felt my way along. Though much of the past four years has been dominated by covid and the ripple effects thereof, it's been a real privilege to serve in this way. Doing so has made me feel closer to God's plan and surer of His anointing - of not just those in leadership, but every one of us as His children. If you have ever considered getting more involved in the church, I implore you to give it a go: the blessings are many!

Becky Proctor, PCC Secretary (until 31st December 2022)

REPORT ON THE ELECTORAL ROLL AND CHURCH ATTENDANCE

Currently outstanding

At the time of reporting for the APCM, there are 289 people on the Ecclesiastical Electoral Roll for the Parish.

Please note that these numbers are for in-person church services only and are not reflective of the number of people attending our online services. Church Attendance, calculated as an average of the five Sundays in October 2022, was 257 (*259) adults and 36 (*34) children under 16 years of age (comparable figures for October 2021 were 237 adults and 31 children) *the number in brackets is the average over the 3 weeks without half term Sunday when fewer adults and children were present. Encouragingly attendance in children continues to grow in early 2023.

Attendance at YTH CHRCH calculated as an average of the four Sundays in October 2022, was 17 (*19) adults and 25 (*25) children under 16 years of age. Note the third Sunday included a baptism and so number of adults present increased.

Mid-week church attendance, calculated as an average of the four weeks in October 2022 was 15 adults. There were three school services during the month.

OPERATIONS

2022 has been another interesting year for our Church Operations with many changes to adapt to, challenges to problem solve, and plenty of teamwork needed. Despite the turbulence felt along the journey, we are grateful to God for all he is doing in Highfield and the opportunity to participate and support ministry here in his church.

We have experienced many changes in key operational roles this year both in the staff team and PCC office holders.

At the start of the year, Rhiannon Taylor our Worship Pastor, who oversees our Worship Ministry and leads in many of the operational elements surrounding our services and communications, started her maternity leave after the arrival of her second daughter Molly. We are very grateful to Becky and Matt Proctor who faithfully held the reins supporting our worship bands and rotas during this time, often juggling multiple roles on a Sunday morning, leading services, worship or on visuals. Similarly, thank you to Emily Daulby, who was a wonderful support for our bands at 6.30pm service. We also welcomed Emily into a part time (10 hour) Services and Communications Assistant role within the staff team to support our weekly operations. This was initially on a short-term basis but became a permanent role in June. Emily works closely with Rhiannon, who returned in July and now supports Mike Archer leading the Encountering God phase of our Discipleship Process alongside developing our worship ministry.

In February, Gary Sankey finished in his role as our Facilities Manager after 5 and a half years on Staff team. We are very grateful to Gary, for all his hard work behind the scenes over many years, especially his flexibility responding to multiple risk assessments and implementing all that was needed to ensure the church and centre were safe during the pandemic. While we were sad to see him leave the staff team, it's great to see Gary frequently as he serves in our worship bands and on PCC. During the year we attempted to appoint into this vacancy three times. After the unsuccessful advert of a part time Facilities Manager in January, we spent some time reviewing the role and its priorities. We shaped a part time Venue Manager role, focused on increasing revenue including the strategic priorities of marketing and publicity. Unfortunately, this recruitment campaign was also unproductive and so we spent much time in the summer listening to God, reviewing the role within the structure of the whole staff team and assessing our current and likely needs for the future.

In October, I became Executive Pastor, supporting Mike with the Seeking the Kingdom phase of our Discipleship process, leading the staff team, and overseeing our Church operations. We then advertised a new full time Operations Manager role, responsible for ensuring all clients and volunteers are comfortable, safe, and enabled to deliver their activity and events in our Church Centre and the Church venues. This means the role has responsibility for Volunteer, Event, Health & Safety and Venue Management. I am delighted to report in December we appointed Tim Hyde into this role, and he started work in January 2023.

This year has required excellent teamwork and communication within our church operations. I would particularly like to thank Cate Lloyd, our Church Administrator, who has supported me during the year as we covered the vacancy, David Tozer, Chair of Fabric, who supported with Health and Safety alongside his normal Fabric responsibilities, Bob Dudley who has cheerfully picked up so many of the day-to-day repair and maintenance issues as they have arisen and Joe Goodchild our part time Facilities Assistant for the first half of the year and Ben Atkins for the second half of the year. While we haven't been able to stay on top of all the competing priorities during this time, we have achieved much more together than we could have alone and I'm sure over the next few months with Tim on board we will catch up. Thank you for bearing with us during this transition.

We continue to support the work of our PCC Secretary, Treasurer, Chair of Employment and Parish Safeguarding Officer (PSO). In April, Pete Marston handed over his role of Chair of Employment to Polly Cross, to concentrate more on the interim Treasurer role and being Warden and in the summer, Andy King became PSO. We are grateful for their time and expertise in these crucial volunteer roles.

Parochial Church Council of Highfield Church, Southampton

Unfortunately, in December we said goodbye to Theo who had come to the end of his 18-month fixed term contract as our Digital Content and Production Officer. We are grateful to Theo for his reliability and servant heart as we focused on our digital offering as we transitioned through the end of the pandemic. We are grateful for how he recruited, trained, and shared much technical wisdom with staff and volunteers in our visuals and sound teams.

Communications

With our increasing number of followers on social media and viewers of our services on YouTube, we have committed to being a positive presence online. While our ministries use social media platforms relevant to their specific demographic, our church social media has concentrated on Facebook, where we have nearly 900 followers, and 400 followers on Instagram. This year we have created a number of recruitment campaigns for staff and volunteer roles and multiple adverts for our services, events, and festivals. However, we have also tried to balance this with the regular creation of stories and reels highlighting important parts of our sermons with links to our service videos and sermon podcasts.

We have also refreshed our e-news this year, as well as our visuals before and during our services (including the introduction of lower third banners during our verbal notices at the start of each service). We hope these small changes will continue to help everyone find the information they need to belong and get involved in church life. Given all the changes to our church life during the pandemic, we hope in 2023 to refresh our website to reflect all that we have rebuilt in our ministries over the last 18 months.

Venues

Despite the many changes behind the scenes in managing our venues mentioned above, we have been delighted to see our centre client base grow again this year. As life has slowly returned to normal over the course of the year, we have witnessed the public confidence return in spending more time in indoor venues and planning for future events. In turn we have seen an increase in one off parties and events, gained 4 new regular clients and have also hosted a wedding reception during the summer in our centre. We are hopeful that this will continue to rise in 2023 as we are already in discussion with two new regular clients and have booked further wedding receptions.

The essential maintenance and development to our centre hall, which were completed this year, is covered in detail in the Fabric report. The acoustic treatment is much appreciated by all the hall users, in particular our infant school and YTH CHRCH. Similarly, the new secure storage cupboards have cleared all the equipment from around the sides of the hall and have been a welcome addition and noted by prospective clients visiting the centre.

A huge thanks to Jagi at Cleaning Division who does a great job cleaning both the church and centre and adapted so well during the maintenance works this year.

Our church chair layouts have continued to change this year as the concerns around covid have lessened – how wonderful it was to be back together in one combined Christmas morning service with a chair layout much closer to a maximum set up we remember from pre-pandemic. Our visuals desks have also returned to one side by side and the hospitality area is functional again, with coffee served after the 10.30am Sunday service. During the Summer the church was used for a student study space, where we welcomed many students for the first time into our building and was a pilot for our Open House project which started in October this year. Each Monday the back of the church is transformed into a café and food hub with a community fridge and the front a sacred space, where we also host House of Prayer each weekday morning.

Safeguarding and Volunteering

Safeguarding remains a high priority at Highfield Church and is constantly reviewed and updated to stay in line with national and church best practice. In July, the PCC reviewed our Parish Safeguarding Policy Statement, adopted the Church of England Safeguarding Policies and Practice Guidance, and updated the church website. This means we will continue to actively promote a safe environment and culture within our church, safely recruiting and supporting all those with any responsibility related to children, young people and vulnerable adults within the church, responding promptly to every safeguarding concern or allegation, caring pastorally for victims/survivors of abuse and other affected persons, caring pastorally for those who are the subject of concerns or allegations of abuse and other affected persons and responding to those that may pose a present risk to others.

As a parish, we have continued to work in close partnership with Jackie Rowlands, as the Diocesan Safeguarding Officer on all matters (for example, information sharing, safe inclusion, advice, and policy). This year (April 22-March 23) we have logged 18 safeguarding concerns some of which have been referred to the Diocesan Safeguarding Officer. The Parish Safeguarding Dashboard, introduced by the diocese this summer, has been a helpful tool in auditing our processes and training needs and producing an action plan. We will continue to use this in 2023 and aim to bring 6 monthly updates from the Dashboard to PCC.

Andy King started as Parish Safeguarding Officer in August this year and brings much wisdom and insight from his employment as a secondary school headteacher. Should you have any concerns or would like advice, please do contact him on safeguarding@highfield.church or 07723 461604.

We have welcomed the updated Church of England Safer Recruitment and People Management Guidance this year and have started the process of moving to 3 yearly DBS checks and 3 yearly safeguarding training for all appropriate roles. Cate Lloyd continues to support Andy King with admin related to DBS checks and training. Given these changes of policy from the Church of England, Cate contacted all who need safeguarding training updates or renewals of DBS. The Church of England's recent training portal has meant that safeguarding training is easily accessible, many components can be completed online, and the portal records your training certificates in your personal training account.

Thank you

Thank you to everyone who has played their part behind the scenes supporting services, activities, and our venues this year. It is great to serve together in supporting God's work here in Highfield. We are always looking for people to join our teams and so if you would like to get involved, please visit www.highfield.church/serve

Kelly Worthington, Executive Pastor (Formerly Operations Director)

REPORTS FROM MANAGEMENT COMMITTEES

Employment Group Report

The role of Employment Group (EG) is to support the Church's paid and voluntary staff and provide accountability and governance to ensure the Church is a great employer, developing people and offering opportunity to achieve their full potential. The group aims to "promote and protect good working conditions; support and encourage all staff in the stewardship of their role to ensure there is growth within the work and in their personal lives for the greater glory of God in the Parish of Highfield and under the direction of the Vicar and PCC."

Members of EG have skills such as workforce planning, recruitment, volunteer management, training, line management and safeguarding. We may advise PCC on matters such as recruitment, HR policy and employment law, assist by being involved in writing job descriptions, contracts and policies or taking part in recruitment, or scrutinise processes to ensure that we are a good employer. Most of this goes on behind the scenes.

Parochial Church Council of Highfield Church, Southampton

I took over from Pete Marston as chair of EG in April. It has been such a privilege to serve in this role this year and to witness in more detail the work and dedication of our amazing clergy and staff team whom we are so blessed with here at Highfield. It is very inspirational to see the focus of the team who have God at the centre of everything which they do. I am extremely grateful for the continued commitment and involvement on EG of Abi Baker and Rob Heather, as well as Kelly and Mike. During 2022 in EG there has been a focus on our Discipleship Process and in ensuring that our staff structure supports our vision in Encountering God, Growing Together and Seeking the Kingdom. It is a great joy to be confirming Mike as Vicar of Highfield in early 2023.

The past year has seen several key changes to our operations team structure. Not appointing into the Facilities Manager or Venue Manager roles felt like God moments and, after considerable prayer and discernment, led us to reviewing the operations team structure, with the result that Kelly Worthington is now serving as Executive Pastor, and we have appointed Tim Hyde as Operations Manager. Cate Lloyd has now joined us permanently as Church Administrator (as Emma Jackson stepped down from this role following maternity leave) and we were able to appoint Emily Daulby to a permanent role as Services & Communications Assistant.

During this time of change in our operations team structure, the team has been very stretched, as 2022 has been a busy year coming out of lockdown, particularly with weddings, baptisms, and funerals. The operations team, our volunteers on Fabric Team, and, in particular, Kelly and Cate have my sincere thanks for keeping everything running professionally and efficiently during this time. In YTH, Tim Taylor started training as an ordinand in September, alongside him continuing to lead our YTH church as Ordinand and Head of YTH. Following her maternity leave, we were delighted to appoint Emma Jackson to a permanent role as YTH worker (Discipleship and Outreach). We were also delighted, in addition, to be able to appoint Emily Daulby into a permanent role as YTH worker (Worship and Creative) after finishing her maternity cover in YTH.

Rhiannon Taylor, our Worship Pastor, has returned from maternity leave and this role has been confirmed as permanent. I would like to thank all of those volunteers who provided maternity cover, and, in particular, to Becky and Matt Proctor and Emily Daulby. Significant work was carried out in the summer to structure, document and put in place our Campus Mission Initiative. We were really excited to welcome our first Campus Missionaries, Rhiannon Nicholson, Lucy Ramsden and Ed Davey, who have been a huge blessing to the Church, to the University campus, and to Open House. We were also pleased to continue our Discipleship Year programme and are very blessed by having Will Davey, who is focusing on Worship, and Hemi Poulton, who is focusing on Children and Families, with us this year.

Sadly, we said goodbye to Theo Farrell as our Digital Content and Production Officer in December and Pete Hutchings steps down from his formal Associate Pastor role in January 23. We are grateful to each of them for their contribution and commitment to the Church.

There were a few changes to some key volunteer roles during the year. Andy King took over the role of Parish Safeguarding Officer from Jude Atcherley. Early in 2023, Pete Marston is stepping down as churchwarden and is formally taking on the role of Treasurer. Our thanks go to him for carrying the roles of Chair of Employment, Chair of Finance, and Interim Treasurer roles all whilst being Churchwarden, and for the significant work and commitment he has given during the year. We also thank Penny Cox who is stepping in as interim Churchwarden. Daisy Chan has taken over the role of PCC secretary from Becky Proctor. Our thanks go to Becky for all the work she has done in that role over a number of years. Going in to 2023, Richard Venable is taking on the role of Chair of Finance. We could not do the work we do without the amazing support of our numerous volunteers, and we are extremely grateful for all the time, energy and commitment which so many of you give to the Church - our sincere thanks to each and every one of you who serve in this way. The support from our volunteers remains critical to the ongoing running of our Church and if you feel called to do more then please do speak to me, or any one of the staff team, who would be very happy to chat informally about the volunteering opportunities which exist.

Polly Cross, Chair of Employment

Fabric Group Report

In recent years expenditure on maintenance and repair has been curtailed by lack of funds but in 2022 many items could be delayed no longer. Fortunately, the Lord provided what was needed to carry out the essential works. It is recognised that large expenditure items will need to continue into 2023 and the PCC is considering how these might be funded.

During 2022 the more mundane fabric related activities continued as usual – clearing drains & gutters, trimming trees & hedges, fixing chairs, tables, curtains, cleaning filters, fixing safes, maintaining water boilers, fixing dripping taps, fixing leaking radiators and replacing light bulbs & fittings (with LED where possible) – and we are grateful to those whose dedication to these tasks was steadfast throughout the year. During 2022 this list was supplemented by regular testing, maintenance and servicing of fire alarm, emergency lights, and boilers, which are usually dealt with by the Facilities Officer.

Major activities during 2022 included:

- Repair of the ceiling in the Hall following failure of the plaster lath. This project included the fitting of tiles to improve the acoustics in the Hall and improve heat retention.
- Construction of cupboards at the front of the Hall to provide secure storage for YTH CHRCH equipment and to provide a tidy place for storage of chairs and the school's lunchtime furniture.
- Overhaul of the heating systems in the Church and the Centre, a necessary step to ensure their reliability during the winter months. Further work will be required as we move towards achieving the objective of becoming carbon neutral. (General Synod voted in February 2020 for the whole of the Church of England to achieve net zero carbon by 2030).

Gary Sankey ceased his employment as Facilities Officer, after 5½ years' sterling service.

Other notable highlights of 2022 include:

Church

Mar-22 Repair of the glazed door inside the West Porch following storm damage.

Mar-22 Preparing for removal of the Walker (pipe) organ to St Mary's Priory, Abergavenny – but see below!

Apr-22 Church floor repairs, followed by sanding and sealing.

Apr-22 Fitting of pads below the legs of the sofas so they don't scratch the newly sealed floor.

May-22 Visit by stonemason. Thankfully, the apparent "crack" in west wall of the Church is confirmed to be loose pointing, not a structural crack. At some time, many years ago, the wall was re-pointed with cement mortar rather than lime mortar. The apparent crack is simply the pointing mortar falling out as the stonework moves with the diurnal heating and cooling. The leak in the roof of the west porch is caused by failure of one of the kneeler stones, which needs to be replaced.

Sep-22 St Mary's Priory, Abergavenny have encountered a problem. The floor of their south transept, where they had hoped to put the organ, is subsiding, so what they had hoped would be a speedy project is now likely to take years. Back to the drawing board.

Centre

Aug-22 Refurbishment and decoration of the Lower Room.

Aug-22 Replacement of 10 toilet roll holders!

Nov-22 Repairs to the wooden fire escape.

Grounds

May-22 Edges of steps painted white.

Sep-22 Preparation for installation of a bike rack outside the west door.

Properties

Jan-22 Repairs at 104 Upper Shaftsbury Avenue.

Environment

Sep-22 Commissioning of Environmental Engineering Sustainability Feasibility Study for the Church and the Centre.

Monitoring of energy usage and providing Wardens with current data and prediction of future costs.

As always, our thanks go to all members of the group, and our Fabric Supporters, who strive to ensure that we are warm, dry, comfortable, and well provided for when we meet in our church premises. There is a lot to be done, including increasing focus on environmental performance, and we would welcome new members to the team. Please do get in touch if you want to serve in this way: all are welcome!

David Tozer, Chair of Fabric

Financial Review (Finance Group Report)

A huge thank you to everyone who has financially contributed to the work our great Church has done this year – the long list of activities you have read in the annual report would not be possible without your generosity. Whether you regularly gave every month or gave using the contactless unit at the back whenever it was possible, we are so grateful for your financial support and for your commitment to God's growing kingdom.

Finance Group knew going into 2022 that it would continue to be a tough financial climate for Highfield Church, but our faith in the Lord's provision remains unwavering as we continue to rely upon Him for support, rather than our own strength and resources. Please read on for more details of what has happened in our 2022 fiscal year and what lies ahead with our God-given resources.

Results for the year

The financial results for the year, which show a deficit of **£66,006** (2021: surplus of £75,307), were what we expected when PCC approved the budget in December 2021 and, although it may not seem to be the case for a large deficit, was an achievement of our financial objectives for the year.

In 2022, the regular member donations have generally grown throughout the year and are becoming easier to forecast with some accuracy, giving us greater control of knowing what we can spend. In October, there was a Stewardship Campaign, along with a sermon series led by Mike, and this resulted in an increase of 7% on the regular monthly Parish Giving Scheme from November onwards, which was a fantastic result. In addition, there were several one-off gifts that came after the sermon series and campaign. The church was also blessed with a large donation of £9,000 from an anonymous member to use for the Church's vision. Digital giving via Stripe has been a declining source of income, but we feel that some individuals may have moved to the PGS scheme rather than continuing to donate via digital. The Church Centre income has increased by around 26% in 2022, as clients have returned, and an increased rental rate negotiated with the school for their access. It is hoped that this trend will continue in to 2023, especially with Tim Hyde on board as Operations Manager looking after the centre bookings.

As we expected, Grant Funding has virtually ceased in 2022 – the new accountants wanted to account for Grant Funding slightly different to the way it was previously handled, by putting all the income within the period the Grant came into the Church bank account, rather than spreading the income over the period of the grant as previously. This is why within the accounts there is a large amount of Grants in 2021 and significantly less in 2022.

We saw a slight drop in the value of our Endowment Fund, due to the markets, as well as a decrease in the rental income from our Investment Property, where the long-term tenant moved out in July 2022 and a new tenant on a lower rental moved in for a short-term tenancy in September.

Looking at our expenditure, our largest cost remains our staff employment. There has been a continuing focus on ensuring our staffing costs are managed well, aiming to ensure as best as possible the resources to operate the church and deliver the vision we believe God has given us. There was a single role vacant for almost all of 2022, which meant the staff costs were lower than budgeted and these costs are expected to increase in 2023.

Parochial Church Council of Highfield Church, Southampton

We were able to maintain our commitments to the Common Mission Fund/Diocesan Parish Share, and our continued level of support for our mission & social action Partners. This meant 10% of our income being given to our external mission & social action partners (in the UK and abroad), alongside some significant donations from members of our Church sent to two Ukraine appeals. Alongside our giving to external partners, the Church funds significant parish evangelism and social action initiatives led by our own ministry leaders, such as the launch of Open House, which Highfield has financially supported, as well the youth weekend YTH Fest, which the Church underwrote, taking the funds we provide across mission, evangelism, and social action to be a significant part of our expenditure. As forecast in the budget, Fabric and property costs have been substantial in 2022 and have used the Essential Repair Fund in its entirety. You will see in the financial figures that the cost of running the Church and the Centre, along with the repairs and alterations conducted, have been more than double what was spent in 2021. The truth is that all the church building are in need of regular maintenance and, with the need to also improve the Church's environmental footprint in the years to come, it is likely that the Church members will have to continue to financially support maintenance and upgrades to our fixed assets.

2022 benefited from a build-up in the General Fund in 2021, but that has now been used up to support the ministries and operations. Significant work was done in 2022 to try to plan, looking much earlier in the year at likely 2023 income and expenditure, as well as even further ahead over the next 5 years. The Wardens presented to the PCC in September 2022 the findings of this forecasting, which led to the forementioned Stewardship Campaign, as well as discussions around the investment property the Church continues to own. The investment property had a revised market value considered to be £470k at the end of 2022 and in December 2022, the PCC made the decision to sell this single large asset to support the 2023 and 2024 budgets and growth of the Church, with two thirds of the funds being retained and controlled by the PCC for future usage.

With this planned change in 2023 to move a Fixed Asset into a Current Asset, the PCC still holds a level of reserves, matched by liquidity, which should sustain its activities. The Finance Group are intending to pursue new areas of income from Grants and other means with the aim to have a balanced budget in place for 2025. The PCC can confirm they have made an assessment of going concern and they expect the Charity to continue for 12 months from the date of signing.

Reserves Policy

The reserves policy, established in 2019, is that the PCC should not allow unrestricted general funds to fall below three months of forecast, unfunded cost of employment for more than two consecutive quarters and that any forward 12-month forecast should not project those funds falling below one month forecast, unfunded cost of employment.

The PCC holds unrestricted funds, which are not designated, of **£101,962** (2021: £151,294), which is above that limit. It should be noted that there is no longer an Essential Maintenance Reserve in Designated Funds (2021: £30,000) - the PCC are aware of this and the need to ensure there is provision for future essential repairs. The majority of PCC income continues to remain from unrestricted committed and regular personal giving, which is one of the strongest long-term reserves the PCC could have. A sustained effort is under way to maintain overall income, and to ensure that adequate resources are available to meet planned activities. The PCC believes this will enable it to maintain the correct balance between the outward looking strategy of the charity with the desire to achieve an appropriate level of reserves.

Principal Funding Sources

The staff salaries, activities and ministries of the church are mainly funded by the contributions received from members of the church and through the income tax recovered under the Gift Aid scheme. In recent years, this has been supplemented by grants from the Diocese and Christian organisations and by renting out the property in Upper Shaftesbury Avenue. The Church Centre is funded through the letting of its rooms to outside organisations and individuals, but any shortfall would be funded by the PCC.

Investment Policy and Objectives

The PCC approved the investment policy to invest its funds via the Diocese of Winchester. This provides a lower rate of interest than could be obtained elsewhere, but the purpose of this investment is that it enables the Diocese to provide loans at a lower rate of interest to other parishes who need to borrow money. In this way the investments help the wider church.

Independent Examiners

The Church is not required to undertake a full audit and is allowed to undertake an Independent Examination. Independent examination is a form of external scrutiny suitable for smaller charities. The role of the examiner is to provide an independent scrutiny of the accounts, and, in this way, help maintain public trust and confidence in charities. The benefit to the church is that it is a less time consuming and costly process. The Church's accountants were appointed in 2022 and are Hopper Williams and Bell Chartered Accountants. Hopper Williams and Bell have a large team who specialise in Charity accounting and were selected from a list of possible accountants by the Wardens after a thorough review.

Approved by the Parochial Church Council on19/08/2023..... and signed on their behalf by:


Michael Archer (Aug 19, 2023 14:56 GMT+1)

M Archer
Priest in Charge and Chair of Trustees

Parochial Church Council of Highfield Church, Southampton

SUMMARY OF FINANCIAL STATEMENTS FOR 5 YEARS

	2022	2021	2020	2019	2018
RESULT FOR THE YEAR	£k	£k	£k	£k	£k
Income from members including tax	453	417	401	462	476
Gift days & Retiring Collections	10	-	64	57	13
Income from parish fees and grants	11	82	53	21	24
Church Centre and other departments	43	42	41	79	68
Weekend away	-	-	-	16	-
Income from investments and interest	12	14	53	18	18
Total Income	528	555	612	653	599
Mission Giving and Donations	56	48	66	64	69
Diocesan Parish Share	125	120	124	133	135
Staff Costs	207	213	299	295	259
Church activities	12	10	17	48	47
Church maintenance and houses	67	23	22	25	27
Cost of Church Centre and departments	86	48	45	54	61
Weekend away	-	-	-	20	-
Church administration	23	19	20	22	21
Depreciation	16	20	23	62	38
Total Expenditure	592	501	616	723	657
Net Surplus/(Deficit)	-64	54	-4	-70	-58
Investment gains/losses & b/f adjustments	-2	22	31	-93	-
Increase / (Decrease) in Funds	-66	76	27	-163	-58
Funds at start at year	767	691	664	827	885
Funds at end of year	701	767	691	664	827

FINANCIAL POSITION	2022	2021	2020	2019	2018
	£k	£k	£k	£k	£k
PCC NET ASSETS					
Fixed Assets	559	558	535	505	657
Investments, previous includes deposits	15	17	15	14	102
Bank balances, debtors & creditors	127	192	141	145	68
Total Net Assets	701	767	691	664	827
PCC FUNDS					
Premises and fixed assets	559	558	535	505	659
Endowment and Restricted Funds	40	58	48	46	13
Essential Maintenance Fund	0	30	30	35	20
General Fund	102	121	78	78	135
Total Funds	701	767	691	664	827

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF HIGHFIELD, SOUTHAMPTON

I report to the charity trustees on my examination of the accounts of The Parochial Church Council of the Ecclesiastical Parish of Highfield, Southampton (the Trust) for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity trustees of the Trust, 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the 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 Association of Chartered Certified Accountants 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 respect of the Trust 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.

Michaela Johns

Michaela Johns FCCA
Association of Chartered Certified Accountants
Hopper Williams & Bell Limited
Chartered Accountants
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

Date: 21/08/2023

Parochial Church Council of Highfield Church, Southampton

**STATEMENT OF FINANCIAL ACTIVITIES AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2022	TOTAL 2021
	Note	£	£	£	£	£
INCOMING RESOURCES						
Voluntary income	2(a)	420,869	9,931	0	430,800	497,984
Income from church activities	2(b)	73,018	12,465	0	85,483	42,256
Income from investments	2(c)	11,596	0	449	12,045	14,770
Other income	2(d)	0	0	0	0	0
TOTAL INCOMING RESOURCES		505,483	22,396	449	528,328	555,010
Transfer between funds	2(e)	449	0	-449	0	0
INCOMING RESOURCES AFTER TRANSFER		505,932	22,396	0	528,328	555,010
RESOURCES USED						
Mission and charitable giving	3(a)	47,805	6,934	0	54,739	47,698
Church activities (cost)	3(b)	314,766	11,169	0	325,935	236,366
Governance costs	3(c)	5,080	0	0	5,080	4,410
Staff costs	3(d)	192,798	13,758	0	206,556	213,398
TOTAL RESOURCES USED		560,449	31,861	0	592,310	501,872
Transfer between funds		0	0	0	0	0
RESOURCES USED AFTER TRANSFER		560,449	31,861	0	592,310	501,872
NET INCOMING/(OUTGOING) RESOURCES		-54,517	-9,465	0	-63,982	53,138
GAINS AND LOSSES ON INVESTMENTS						
- Gains on revaluation	7, 8	0	0	-2,024	-2,024	22,169
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR	11a	-54,517	-9,465	-2,024	-66,006	75,307
FUNDS AT START OF YEAR		709,173	40,502	17,095	766,770	691,463
ADJUSTMENTS – Fixed Assets	6	6,328	-6,328	0	0	0
FUNDS AT END OF YEAR	11a	660,984	24,709	15,071	700,764	766,770

Parochial Church Council of Highfield Church, Southampton

**STATEMENT OF FINANCIAL ACTIVITIES AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2021	TOTAL 2020
	Note	£	£	£	£	£
INCOMING RESOURCES						
Voluntary income	2 (a)	407,535	90,449	0	497,984	517,519
Church activities	2 (b)	42,256	0	0	42,256	40,959
Income from investments	2 (c)	14,336	0	434	14,770	17,360
Other income	2 (d)	0	0	0	0	36,390
TOTAL INCOMING RESOURCES		464,127	90,449	434	555,010	612,228
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Transfer between funds	2 (e)	434	0	-434	0	0
INCOMING RESOURCES AFTER TRANSFER		464,561	90,449	-	555,010	612,228
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RESOURCES USED						
Mission and charitable giving	3 (a)	46,343	1,355	0	47,698	66,437
Church activities	3 (b)	233,513	2,853	0	236,366	245,047
Governance costs	3 (c)	4,410	0	0	4,410	4,800
Staff costs	3 (d)	153,348	60,050	0	213,398	298,929
TOTAL RESOURCES USED		437,614	64,258	0	501,872	615,213
<hr/>						
Transfer between funds		0	0	0	0	0
RESOURCES USED AFTER TRANSFER		437,614	64,258	0	501,872	615,213
<hr/>						
NET INCOMING/(OUTGOING) RESOURCES		26,947	26,191	0	53,138	-2,985
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GAINS AND LOSSES ON INVESTMENTS						
- unrealised	7, 8	20,000	0	2,169	22,169	30,933
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR		46,947	26,191	2,169	75,307	27,948
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FUNDS AT START OF YEAR		643,051	33,486	14,926	691,463	663,515
<hr/>						
Adjust Restricted Fixed Assets	6	19,175	-19,175	0	0	0
FUNDS AT END OF YEAR		709,173	40,502	17,095	766,770	691,463
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Parochial Church Council of Highfield Church, Southampton

BALANCE SHEET

At 31 December 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2022 £	TOTAL FUNDS 2021 £
FIXED ASSETS						
Tangible assets	6	89,022	0	0	89,022	87,633
Investment property	7	470,000	0	0	470,000	470,000
Investments	8	0	0	15,071	15,071	17,095
		<u>559,022</u>	<u>0</u>	<u>15,071</u>	<u>574,093</u>	<u>574,728</u>
CURRENT ASSETS						
Debtors: amounts falling due within one year	9	13,526	0	0	13,526	19,910
Cash at bank & on deposit		110,418	24,709	0	135,127	192,468
		<u>123,944</u>	<u>24,708</u>	<u>0</u>	<u>148,653</u>	<u>212,378</u>
CREDITORS						
Amounts falling due within one year	10	-21,982	0	0	-21,982	-20,336
NET CURRENT ASSETS		<u>101,962</u>	<u>24,709</u>	<u>0</u>	<u>126,671</u>	<u>192,042</u>
NET ASSETS		<u>660,984</u>	<u>24,708</u>	<u>15,071</u>	<u>700,764</u>	<u>766,770</u>
FUNDS						
Unrestricted funds						
General Funds	11				101,962	121,540
Designated Funds	12				559,022	587,633
					<u>660,984</u>	<u>709,173</u>
Restricted Funds	13				24,709	40,502
Endowment Funds					15,071	17,095
					<u>15,071</u>	<u>17,095</u>
TOTAL FUNDS					<u>700,764</u>	<u>766,770</u>

The financial statements were approved by the Parochial Church Council on and were signed on its behalf by:

19/08/2023



Michael Archer (Aug 19, 2023 14:56 GMT+1)

M Archer
Chair of Trustees



P Marston
PCC Treasurer

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	CF Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2022 £	TOTAL FUNDS 2021 £
Cash flows from operating activities						
Cash generated from/ (used in) operations	1	-54,921	3,335	0	-51,586	26,083
Net cash provided by/ (used in) operating activities		-54,921	3,335	0	-51,586	26,083
Cash flows from investing activities						
Dividends from Shares		449	0	0	449	434
Interest from Deposits		0	0	0	0	0
Rent from Investment Property		11,596	0	0	11,596	14,336
Purchase of Fixed Assets		-11,472	-6,328	0	-17,800	-22,266
Loss from disposal of Investments		0	0	0	0	0
Net cash provided by investing activities		573	-6,328	0	-5,755	-7,496
Cash flows from financing activities						
Net inflows/(outflows) from borrowings and financing		0	0	0	0	0
Transfers (balance b/f)		0	0	0	0	0
Increase/(Decrease) in cash and cash equivalents		-54,348	-2,993	0	-57,341	18,587
Cash and cash equivalents at beginning of year	2	164,766	27,702	0	192,468	384,936
Cash and cash equivalents at end of year	2	110,418	24,709	0	135,127	192,468

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Reconciliation of Surplus/(Deficit) To Cash Generated from Operations

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2022	TOTAL FUNDS 2021
	£	£	£	£	£
Surplus/(Deficit) from operations	-54,517	-9,465	-2,024	-66,006	75,307
Revaluations	0	0	2,024	2,024	-22,169
Depreciation	16,411	0	0	16,411	19,876
Dividends from Investments	-449	0	0	-449	-434
Interest from Investments	0	0	0	0	0
Rent from Investment Property	-11,596	0	0	-11,596	-14,336
(Increase)/Decrease in Debtors	-6,416	12,800	0	6,384	-8,446
Increase/(Decrease) in Creditors	1,646	0	0	1,646	-23,715
Net cash provided by operating activities	-54,921	3,335	0	-51,586	26,083

2. Cash and Cash Equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cashequivalents are in respect of these Balance Sheet amounts:

	Unrestricted Funds	Restricted Funds	Other Funds	TOTAL FUNDS 2022
	£	£	£	£
Year ended 31st December 2022				
Cash and cash equivalents	110,418	24,709	0	135,127
	110,418	24,709	0	135,127
Year ended 31st December 2021				
Cash and cash equivalents	164,766	27,702	0	192,468
	164,766	27,702	0	192,468

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

Accounting convention

The Parochial Church Council of Highfield Church, Southampton is a charity with a registered charity number 1131770 which is registered and domiciled in England with the address of Highfield Lane, Highfield, Southampton, Hampshire, SO17 1RL.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible by law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members. The financial statements are prepared in sterling which is the functional and presentational currency of the charity and rounded to the nearest pound.

Public benefit entity

The PCC is a public benefit entity within the meaning of FRS 102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' 'true and fair view' provisions, together with FRS 102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS 102)).

Critical accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no material judgements that are considered by the trustees to have an impact upon these financial statements.

Fund accounting

Endowment fund capital must be maintained permanently; only dividend income arising from investment of the endowment may be used as restricted funds based on the purpose for which the endowment was established.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. Explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are general funds which remain unrestricted but are set aside by the PCC for use in the future. These funds cover investment property values and are also for the future depreciation of fixed assets and essential maintenance of premises.

Incoming resources

Planned gifts, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Investment income is accounted for when receivable. All other income, including church centre rental income, is recognised when it is receivable.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when due. All other expenditure is generally recognised when it is payable.

Tangible fixed assets

Consecrated and beneficed property is excluded from the financial statements in accordance with the Charities Act 2011. No value is placed on moveable church furnishings held by the church wardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property and no reliable cost information is available. All expenditure incurred, whether maintenance or improvement, during the year on consecrated or benefice buildings is written off as expenditure in the Statement of Financial Activities and separately disclosed. Expenditure on moveable furniture and equipment is capitalised.

The Church Centre is managed by Highfield PCC but, in common with previous years, only Building Improvements, Fixtures and Fittings (including furniture) are capitalised and depreciated.

Equipment with a purchase price of £500 or less is written off when the asset is acquired.

Depreciation is at the following annual rates in order to write off each asset over its useful economic life.

Church Centre Building Improvements	4% Straight line
Church Centre Fixtures & Fittings	10% Straight line
Church Services Fittings & Equipment	10% Straight line
Other Equipment including computers	20% Straight line

Investment property

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation are, ordinarily, recorded in the Statement of Financial Activities and transferred at the year end to the designated funds.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment. The company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within 'Creditors: amounts falling due within one year' on the balance sheet.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Pension costs

The PCC participates in a defined contribution pension scheme. Contributions payable to the PCC pension scheme are charged as resources used in the period to which they relate.

Redundancy costs

The PCC will seek to ensure that budgeting around staffing is done on a conservative basis. In the event that a role has to be made redundant, the PCC will follow current HR advice and practice, and will at least provide the statutory minimum in redundancy pay. Redundancy payments are recognised when the decision to terminate an employee's contract is taken and is demonstrably committed and measured as the best estimate for amounts due to settle the obligation and where material, discounted.

Current assets

Amounts due to the PCC in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

Leased assets: Lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss. Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

Taxation

The charity is exempt from corporation tax; however, the trustees monitor the nature of transactions to ensure these are appropriately disclosed to HM Revenue and Customs.

2. INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2022	TOTAL FUNDS 2021
	£	£	£		£
2(a) Voluntary Income					
Planned gifts:					
Giving under Gift Aid	307,857	0	0	307,857	278,950
Tax recoverable	72,931	0	0	72,931	71,709
Other tax efficient giving	20,661	5,460	0	26,121	8,033
Non gift aid able giving	8,960	0	0	8,960	47,229
Collections at services	0	0	0	0	79
Gift Days & Retiring collections	5,460	3,171	0	8,631	1,276
Sundry donations	0	0	0	0	0
Legacies	5,000	0	0	5,000	1,000
Grant Income	0	1,300	0	1,300	89,708
	420,869	9,931	0	430,800	497,984
2(b) Church Activities					
Church Centre lettings etc	42,598	0	0	42,598	31,913
Restricted fund activities income	0	0	0	0	0
Self-funded activities income	19,755	12,465	0	32,220	8,672
Parish Fees	10,665	0	0	10,665	1,671
	73,018	12,465	0	85,483	42,256
2(c) Income from investments					
Dividends and interest	0	0	449	449	434
Rental Income	11,596	0	0	11,596	14,336
	11,596	0	449	12,045	14,770
2(d) Other Income					
Other state aid	0	0	0	0	0
	0	0	0	0	0
TOTAL INCOMING RESOURCES					
	505,483	22,396	449	528,328	555,010
2(e) Transfers to General Funds					
	449	0	-449	0	0

Parochial Church Council of Highfield Church, Southampton

3. RESOURCES USED

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2022	TOTAL FUNDS 2021
		£	£	£	£	£
3(a) Missionary and charitable giving:						
Mission partners:						
- Church overseas		28,284	0	0	28,284	26,084
- Home missions & other organisations		19,521	0	0	19,521	21,614
Short term placements		0	0	0	0	0
Other donations		0	6,934	0	6,934	0
		47,805	6,934	0	54,739	47,698
3(b) Church Activities:						
Ministry:						
- Diocesan Common Mission Fund		124,884	0	0	124,884	119,892
- clergy expenses		1,101	0	0	1,101	1,387
Church services		10,814	695	0	11,509	11,480
Church ministries		12,612	428	0	13,040	10,311
Training costs		1,842	782	0	2,624	1,207
Church running and maintenance (incl Church Centre)		111,690	157	0	111,847	49,702
Investment property costs		0	0	0	0	0
Office costs		13,099	0	0	13,099	12,400
Depreciation	4	16,411	0	0	16,411	19,876
Distribution of Parish fees		2,072	0	0	2,072	340
Unrestricted fund activities		0	0	0	0	0
Restricted fund activities		0	1,235	0	1,235	450
Self-funded activities expenditure		20,241	7,872	0	28,113	9,321
		314,766	11,169	0	325,935	236,366
3(c) Governance costs						
Audit costs	4	5,080	0	0	5,080	4,410
3(d) Staff Costs (note 5)						
Salaries and employment costs	5	192,798	13,758	0	206,556	213,398
TOTAL RESOURCES USED		560,449	31,861	0	592,310	501,872

4. NET INCOMING/(OUTGOING) RESOURCES

	2022	2021
	£	£
Independent examiners remuneration	5,080	4,410
Depreciation - owned assets	16,411	19,876
Loss on disposal of fixed assets	0	0

5. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	186,562	187,746
Social Security Costs	9,065	10,596
Pension Costs	14,937	15,057
Statutory Pay Recovered	-4,008	0
	<u>206,556</u>	<u>213,399</u>

The average number of employees in the year was 12 (2021: 13). No employees earned £60,000 pa or more.

See note 14 for disclosure of payments made to related parties.

Two members of clergy were paid by the Church Commissioners and not the PCC. The Common Mission Fund paid to the diocese was in part to cover these costs. Two clergy gave their time as non-stipendiary clergy, for no remuneration by either the Church Commissioners or PCC.

The charity trustees were not paid or received any other benefits from employment with the Church in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

6. TANGIBLE FIXED ASSETS

	Church Centre £	Church Services £	Other Equipment £	TOTAL £
COST				
At 1 January 2022	379,505	160,561	39,155	579,221
Reclassifications	0	19,062	-19,062	0
Additions	13,092	3,614	1,094	17,800
Disposals	0	0	0	0
At 31 December 2022	<u>392,597</u>	<u>183,237</u>	<u>21,187</u>	<u>597,021</u>
DEPRECIATION				
At 1 January 2022	354,300	125,858	11,430	491,588
Reclassifications	-83	-631	714	0
Charge for year	5,182	8,311	2,918	16,411
Disposals	0	0	0	0
At 31 December 2022	<u>359,399</u>	<u>133,538</u>	<u>15,062</u>	<u>507,999</u>
NET BOOK VALUE				
At 31 December 2022	<u>33,198</u>	<u>49,699</u>	<u>6,125</u>	<u>89,022</u>
At 31 December 2021	<u>25,205</u>	<u>34,703</u>	<u>27,725</u>	<u>87,633</u>

Restricted adjustment shown in the Statement of Financial Activities relates to £6,328 capital spend in 2022. This reduced the 2021 Restricted Fund for the streaming and youth projects raised in December 2021.

Reclassifications relate to adjustment made to incorrect entries in the Fixed Asset Register in the 2021 Accounts.

7. INVESTMENT PROPERTY

	104 USA £
MARKET VALUE	
At 1 January 2022	470,000
Changes in market value (see note below)	<u>0</u>
At 31 December 2022	<u>470,000</u>

The property, 104 Upper Shaftesbury Avenue (known as 104 USA) was until April 2023 rented on a market basis. The property was valued in November 2022 by an independent professional company and was valued at £495,000 with more uncertainty in the housing market, no changes were made to the valuation for 2022. PCC voted in December 2022 to put the 104 USA on the market to sell to use up to one third of the funds in the General Fund during 2023 and 2024 and reinvest the remainder. After accepting an offer to purchase the property, an independent valuation was conducted, valuing the property at £480,000 which will be shown in the 2023 Accounts. The sale is due to complete in August 2023.

8. FIXED ASSET INVESTMENTS

MARKET VALUE	Unlisted investments
	£
At 1 January 2022	17,095
Additions/(Disposals)	0
Transferred to current assets	0
Changes in mid-market value	-2,024
At 31 December 2022	<u>15,071</u>

These are COIF income shares. There were no investment assets outside the UK. Value is advised by the Diocese. These are known as the Endowment Funds

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Gift Aid recoverable	1,657	0
Church centre debtors	0	0
Other debtors and prepayments	11,869	19,910
VAT recoverable	0	0
	<u>13,526</u>	<u>19,910</u>

VAT is recoverable from DCMS under Listed Places of Worship Government grant scheme.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade and pension creditors	1,940	2,896
Social Security and other taxes	2,037	5,670
Grants received in advance	3,376	3,020
Other creditors	10,969	2,640
Accrued expenses	3,660	6,110
	<u>21,982</u>	<u>20,336</u>

11. (a) FUNDS

Endowment funds comprise the Vicar and Church Warden's Fabric Fund, from which the income is to be used for the church fabric upkeep.

Restricted funds are in respect of:

- a) Group activities subsidised by the people involved and run at no extra cost to the PCC general fund.
- b) The 2020 Gift Day balance partly utilised during 2021.
- c) Gifts to specific causes.

Designated funds are for specific expenditure on, and the financing of, property and fixed assets. They include amounts that are designated for maintenance and depreciation.

Unrestricted funds are available at the discretion of the PCC.

Net movement in funds in the year	2022	2021
	£	£
General Funds	-19,578	43,732
Designated Funds	-28,611	22,390
Total for the year	-48,189	66,122

General Fund movements	2022	2021
	£	£
Balance b/f	121,540	77,808
Surplus/(deficit) for the year	-38,106	46,823
Fixed asset purchases	-11,472	-3,091
Loss on disposal of fixed assets	0	0
Essential Maintenance Fund decrease (increase)	30,000	0
Adjustment to b/f balance	0	0
Balance c/f	101,962	121,540

Designated Fund movements	Fixed Assets	Investment Property	2022 TOTAL	2021 TOTAL
	£	£	£	£
Balance at 1 January 2022	117,633	470,000	587,633	565,243
Additions/(Disposals)	17,800	0	17,800	22,266
Loss on disposal of fixed assets	0	0	0	0
Transfers/Corrections to b/f	-30,000	0	-30,000	0
Valuations	0	0	0	20,000
Depreciation	-16,411	0	-16,411	-19,876
Fixed Asset Designated Fund decrease/ (increase)	0	0	0	0
Balance at 31 December 2022	89,022	470,000	559,022	587,633

The investment property's year end market value remained the same, as previously stated. Any property repairs to that property are written off as incurred and included in the Statement of Financial Activities.

11. (b) ANALYSIS OF NET ASSETS BY FUNDS

	General Funds	Designated Funds	Restricted Funds	Endowment Funds	TOTAL
	£	£	£	£	£
	(Note 11a)	(Note 12)	(Note 13)	(Note 8)	
Tangible fixed assets	0	89,022	0	0	89,022
Investment property	0	470,000	0	0	470,000
Investment fixed assets	0	0	0	15,071	15,071
Current assets	123,944	0	24,709	0	148,653
Current liabilities	-21,982	0	0	0	-21,982
Balance at 31 December 2022	101,962	559,022	24,709	15,071	700,764

12. DESIGNATED FUNDS

	2022 £	2021 £
Investment property – Original cost of 104 Upper Shaftesbury Avenue	470,000	470,000
Investment property – Revaluations of 104 Upper Shaftesbury Avenue	0	0
Church Services fixed assets	49,699	34,703
Church Centre fixed assets	33,198	25,205
Other Equipment fixed assets	6,125	27,725
Essential Maintenance Fund	0	30,000
	559,022	587,633

There were no major capital additions in 2022. Additions of £17,800 (2021: £22,266) have been allocated to designated funds.

Essential Maintenance Fund (previously Cyclical Maintenance Fund). The PCC is required to undertake an inspection of the church building every five years. Plans for cyclical maintenance are then drawn up to maintain the building. The PCC sets aside money annually to cover the work required for the following year to cover such work and other essential repairs that, if not completed, would lead to further value loss. This does not cover any planned improvements. The Essential Maintenance Fund was completely used in 2022 to fund essential repairs to the Church Centre hall ceiling as well as essential repairs to the Church and Centre heating system. The PCC intends in 2023 and beyond to reserve funds from the General Fund to reinstate the Essential Repair Fund.

13. RESTRICTED FUNDS

Restricted Fund movements	2022	2021
	£	£
Balance b/f adjustment	0	0
2020 Advent Gift Day	-7,323	-29,698
Campus Missionary Initiative	5,669	0
Henry Smith Fund	-11,689	0
Movements in other funds	-2,450	36,714
	<u>-15,793</u>	<u>7,016</u>
Restricted Funds at end of year		
2020 Advent Gift Day	3,314	0
Campus Mission Initiative	5,669	0
Henry Smith Fund	12,269	0
Others (various)	3,457	40,502
	<u>24,709</u>	<u>40,502</u>

The restricted funds are made up from one grant and restricted donations received by Highfield Church; the Henry Smith grant part funds our Youth Worker. The restricted donations fund the Campus Missionary Initiative, which part funds our Student Outreach, and there is the remainder of the 2020 Advent Gift Day and other historical restricted funds.

14. RELATED PARTY TRANSACTIONS

There were no trustees' expenses paid for the year ended 31 December 2022 (2021: £0), other than those expenses which were reimbursed to trustees for expenditure incurred on behalf of the charity.

The following relatives of trustees received payment for their services or as employees of the PCC:

P Hutchings

The total paid in the applicable period for 2022 was £2,785 (2021: £3,125).

PCC members are not involved in decisions concerning those with whom they are connected.

There were no conditions associated with donations from the Trustees which totalled £43,139 (2021: £34,200)

Volunteers play a significant role in the activities of the church which is described in the Trustees report. It is not possible to accurately or consistently value their contribution and therefore these accounts do not include a monetary value in this respect.

15. PENSIONS

Highfield Parochial Church Council participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, 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 also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which 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 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 (2022: £14,937, 2021: £15,057).

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 10.1% following improvements in the funding position over 2022. 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, Highfield Parochial Church Council could become responsible for paying a share of the failed employer's pension liabilities.

The PCC had 8 active members in the Pension Builder Classic section at 31 December 2022 (2021: 9).

Accounts

**Report of The Trustees and
Financial Statements
for the Year Ended 31 December 2021**

**Parochial Church Council The Ecclesiastical
Parish of Highfield
(known as Highfield Church) Southampton**

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Report of The Trustees for the year ended 31 December 2021

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' for FRS 102.

Reference and Administrative Details

Registered Charity Number: 1131770

Parish: Christ Church, Portswood (Highfield Church, Southampton)
Highfield Lane, Southampton, Hants, SO17 1RL

Trustees:

Name	Note		Name	Note
Mike Archer	Clergy		Zoe Norton	From October 2020 (first term)
Tim Billington	Retired April 2021		Mike Page	Churchwarden Retired April 2021
Stephen Chapman	Retired June 2021 (first term)		James Pritchard	From October 2020 (first term) (DS)
Rebecca D'Silva	Retired July 2021		Rebecca Proctor	Secretary, co-opted until April 2021
Max Davies	From April 2021 (first term)		Erica Roberts	Clergy
Alan Finney	From October 2020 (First Term)		Lisa Roberts	From October 2020 (first term)
Amy Gaze	Retired September 2021 (leaving one year)		Grant Stanley	From October 2020 (first term) (DS)
Robert Heather	From April 2019 (first term)		Hannah Stanley	From October 2020 (first term) (DS)
Ben Heptinstall	From October 2020 (first term) (DS)		Rob Swindell	From October 2020 (first term)

Trustees (continued).

Matt Hutchings	Retired April 2021		Christine Sinclair	From April 2021 (first term)
Benjamin Jackson	Retired April 2021		David B Torrance	Clergy until June 2021
Niv Lobo	Clergy from June 2021		Barry Toward	Co-opted October 2021
Pete Marston	Churchwarden since October 2020		David Tozer	From April 2021 (first term)
Becky Moss	From October 2020 (first term DS)		Doug Wakeling	From October 2020 (second term)
Phil Moss	Churchwarden since April 2021		Paula Willis	From April 2019 (first term)
Alasdair Douglas	From October 2020 (first term)		Daisy Wood	From October 2020 (first term)

PCC members stand for 3-year terms, unless co-opted by the PCC, in which case they serve up to the next election and will have to re-stand. Churchwardens are elected annually and hold automatic positions on Standing Committee and PCC.

Deanery Synod representatives are denoted by "DS", and are elected for three-year terms as for other PCC members.

Members standing down in April 2021 are: Tim Billington, Max Davies, Matt Hutchings, Stephen Chapman, Ben Jackson, Rebecca Proctor, Barry Toward and David Tozer. All are eligible for re-election apart from Tim Billington, who has served two consecutive three-year terms.

Independent Reviewer: Michaela Johns FCCA
 Association of Chartered Certified Accountants
 Hopper Williams & Bell Limited
 Chartered Accountants,
 Highland House,
 Chandlers Ford, Eastleigh,
 Hants.,
 SO53 4AR

Bankers: Lloyds,
 92-94 Above Bar Street,
 Southampton,
 SO14 7DT

Structure, Governance and Management

The Parochial Church Council (“PCC”) of Highfield Church is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and was required to register with the Charity Commission in 2009. The Registered Charity Number is 1131770. Accordingly, the Church operates as a Charity and members of the PCC are the Trustees.

New Trustees: Appointment, Induction and Training

Appointment of new Trustees (i.e. new PCC members) is governed by and set out in the Church Representation Rules. New PCC members are elected at the Annual Parochial Church Meeting in April each Year. The first PCC meeting involving new members is usually held in April or May. At this meeting, the Priest in Charge and Secretary explain the way the PCC works and responsibilities of PCC members as Trustees. Newly-elected members are issued with a Church of England booklet entitled “Trusteeship – An introduction for PCC Members.” Annually, each PCC member completes a Trustee Eligibility Declaration and an HMRC Fit and Proper Persons Declaration.

Structure and Operation of the PCC

Highfield Church PCC is the governing body within the Church and assists the Priest-in-Charge to promote the Church mission including pastoral, evangelical, social and ecumenical matters in the Parish. It is also responsible for maintaining the Church, the Church Centre, and a house at 104 Upper Shaftesbury Avenue.

The PCC operates through various management sub-committees and ministry groups, also known as Action & Accountability (“AA”) groups, which meet between full meetings of the PCC. There are between 6-8 meetings of PCC annually, and AA groups meet 5-6 times each year. AA groups may also have non-PCC members with expertise, gifts, or passion in their area of ministry. Devolution of business to AA groups helps PCC to concentrate on the most significant issues at meetings. AA Group minutes are circulated to PCC and, along with those of the management committees, form part of the business agenda for PCC meetings.

Compliance

Related Parties

No Trustee is paid for the role of PCC member. Trustees may be reasonably reimbursed for expenditure incurred on behalf of the charity. Related party transactions are disclosed in the financial statements.

Risk Management

Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error.

Risk assessment and action plans are reviewed annually by the PCC. Actions to help to mitigate key areas of risk have been identified, and the PCC will endeavour to include such in the routine work of key members to ensure that actions are completed.

Safeguarding

The Parochial Church Council is committed to encouraging an environment where all people, and especially those who may be vulnerable for any reason are able to worship and pursue their faith journey with encouragement and in safety. Everyone, including the young, will receive respectful pastoral ministry recognising any power imbalance within such a relationship. To pursue this aim, the Parochial Church Council follows the safeguarding policies and procedures of the Church of England as set out in guidelines provided by the Bishop's House in the following documents: -

"Protecting all God's Children - Policy for safeguarding children in the Church of England" "Promoting a Safe Church: Policy for safeguarding adults in the Church of England"

Annually, the Parochial Church Council reviews and ratifies the Vulnerable Adults and Child Protection policies and associated guidance documents, revising these in the light of updated or new guidance issued by the Diocese.

GDPR

The Parochial Church Council oversees measures to ensure compliance with General Data Protection Regulations of 2018. A Data Privacy Notice was drafted and a statutory Data Protection Policy was prepared and approved by PCC in July (2018). Highfield Church is registered with the Office of the Information Commissioner.

Wider Network

The PCC includes in its membership Deanery Synod representatives who are elected to represent Highfield Church. The PCC also includes members of Diocesan Synod and General Synod who are on the electoral roll of Highfield Church. The PCC is thus part of the synodical structure of church government as established by the Church of England.

Aims and Purposes

Highfield Church's Parochial Church Council has responsibility for co-operating with the Vicar in promoting the whole mission of the Church - pastoral, evangelistic, social and ecumenical - in the ecclesiastical Parish. The PCC also has financial and maintenance responsibilities for the Church, the Church Centre and the residential dwelling at 104 Upper Shaftesbury Avenue.

In planning activities over the year, the Priest in Charge and the PCC consider the Charity Commission's guidance on public benefit and the specific guidance on charities for the advancement of religion. Thus, we aim to enable people in the Parish to live out their faith through **growing in GRACE** (Grace filled community, Reverent Worship, Authentic Discipleship, Christ like Service, and Empowered Witness).

Beyond its Parish boundary, Highfield Church promotes missionary and outreach work to city residents through its vision of "Loving Southampton, Embracing Portswood and Engaging the University." Annually it commits to sponsoring mission partners and projects both in the UK and overseas. This aim is also promoted through the church supporting the wider church by planting new congregations, helping to revitalise others and resourcing in other ways.

Management Committees

Standing Committee

The Standing Committee has authority to transact the business of the PCC between its meetings, subject to any directions given by the PCC. Along with the Churchwardens, it supports the Priest-in-Charge in stewarding and directing the life of the Church. Standing Committee prepares agendas for PCC meetings and for the APCM (Annual Parochial Church Meeting) and Parishioners' Meeting. This Committee will discuss matters relating to policies and Church business from which it will prepare agendas for PCC meetings and for the APCM and Parishioners' Meeting. It has delegated authority from the PCC to make a single payment from PCC funds for any item of up to £3,000. Unless otherwise budgeted, larger amounts require the approval of the PCC.

Employment Group

Employment Group advises the priest-in-charge and PCC on employment and management of personnel employed by the PCC and is currently chaired by Pete Marston.

Fabric Group

Fabric Group manages the external and internal fabric of the Church, the Church Centre and any other PCC owned property such as 104 Upper Shaftesbury Avenue. It is responsible for implementing recommendations in the architect's quinquennial report on the Church, and for preparing any development plans for the Church and Church Centre, liaising with architects and Diocese, as necessary. The Fabric Group is currently chaired by David Tozer.

Finance Group

Finance Group oversees the finances of the Church on behalf of the PCC. In association with the Treasurer, the group monitors income and expenditure, advises on ways of increasing the Church's income, prepares the annual budget and is responsible for preparation of the annual accounts and Independent Examination. The Finance Group is currently chaired by Philip Moss, and the Church is without a full-time Treasurer and in the Interim the Treasurer is Pete Marston and Philip Moss.

Action and Accountability Groups

Adult Discipleship & Prayer Together (ADAPT)

ADAPT is tasked by the PCC with oversight of adult discipleship and prayer together. It is responsible for stewarding small groups. Pete Hutchings currently chairs ADAPT.

Families and Schools

Young people's ministry comprises a 0-18 grouping, 'Families and Schools'. This AA Group has an overview and supports expanding growth and vision of the 0-18 grouping, meeting for discussion, planning and prayer. It manages priorities for the year and initiates or reviews any significant changes in policies etc. Families and Schools Ministries are led by Helen Thompson and Tim Taylor.

Climate

The AA group for Climate, focuses on working to the churches commitment to be Carbon Neutral by 2030. Keith Fox is the Chair for the Climate Action Group and the group is made up of PCC and members of the Church Community

Older People's Ministry

The AA group for Older People encourages and develops ministries within the Church which provide on-going social and spiritual support for older members of our community. Through Erica Robert's role as City Chaplain for Older People in Southampton, it has a wide scope of activity and influence within the City of Southampton where it is well-established. Erica Roberts is the Chair for Older People's Ministry.

Mission in Action (MiA)

MiA is responsible for sharing the good news of Jesus Christ outside Highfield Church. It keeps the Church in contact with Mission Partners in Southampton and overseas and encourages support through prayer. The Group is responsible for allocating mission and social budgets, ten per cent of the Church's annual budget being committed in this way. The current chair for MiA is Caroline Hutchings.

University Group

The University is a significant presence within the Parish of Highfield, having over 25,000 people working and studying across its campuses. Working alongside the CU (Christian Union) and other churches, the University AA Group through its outreach activities seeks to be a Christian presence amongst its undergraduates, post-graduates, overseas students and the staff. Keith Fox currently chairs the University Group.

Worship Group

The Worship Group comprises members of the music ministry, service leaders and planners. It has a coordinating role for planning preaching, worship, and music for services in church throughout the year. Our Priest in Charge, Rhiannon Taylor, leads the Worship AA Group.

Reports from all these AA groups are published separately in a document sent out to local church members.

PCC Secretary's Report

If 2020 was the year where our world turned upside down, then 2021 was the year of not knowing what to do next. The pandemic was still the first topic on all of our minds, and certainly the main item at our PCC meetings. Highfield PCC met 7 times in 2021, and all of these remained on Zoom as the effects of COVID lingered in our community and personal circumstances.

As always, minutes of these meetings are available to church members on request. If you wish to read some highlights of our discussions please read on, and if you have any questions about what the PCC does, or how you can support, I'd love to hear from you.

Certain uncertainty

Many of us were crestfallen to begin 2021 with another lockdown. With Christmases cancelled and New Years celebrations reduced to a subdued drink at home, many of us questioned what the year would have in store. The staff and volunteers at Highfield worked hard to continue to provide online ministry, using lessons and skills learned in 2020. I hope you will join me in thanking them for their dedication and energies during this time.

For PCC, the year began with a deep discussion on 'binding up the broken-hearted'; how we can help those in our church family, and wider community, who have been most deeply affected by the pandemic. This was a wonderful, but deeply difficult discussion to have. Almost every idea had a COVID- related barrier or complication. Even so, I left the meeting feeling encouraged and determined; the 'what' and the 'why' was clear, even if the 'how' was still shaky. As COVID restrictions evolved during the year, and as the staff team evolved to adapt to the post-pandemic situation, several of these ideas were absorbed by ministries and put into practice.

Throughout the year, key decisions had to be made regarding in-person services, such as whether or not to keep a booking system, to allow singing, or to resume communion. With so much unknown, and case numbers changing direction with every new variant, there were many opinions and no right answers. Balancing caution and protection of our most vulnerable, with freedom and a desire to worship, was perhaps our biggest challenge this year. I want to thank all the PCC members for their honesty and openness, and to all of you who have prayed over these decisions. Please continue to pray and support Mike and the PCC as this balancing act continues into 2022.

A digital world

Thanks to the pandemic, many of our core services have stayed online so that we can continue to worship together, though apart. Though this method isn't perfect, it's come along in leaps and bounds since that first lockdown in 2020, with new equipment and training put in place. PCC has worked behind the scenes in terms of budgets and staffing, and we welcomed Theo, our first Digital Content and Production Officer, in summer 2021 to support this activity. Digital services show no sign of going away, and we want to use the tools and talents God has blessed us with to further His kingdom in this way as much as we can.

Service Times

Several changes were made to Sunday services this year, after much deliberation by staff and PCC. This has been - and still is - a very complex matter, and we have seen strong opinions from all corners. However, since moving the family service to 10.30am and the traditional service back to 9am, we have seen many benefits, particular for families whose children are involved in YTH CHRCH. As we begin 2022, we aim to look at each of these services under the Simple Church process, so that they may better serve those who attend, and equip them to go forth into each new week.

Simple Church

The concept of Simple Church was a recurring theme in PCC in 2021. With many of our activities forcibly stopped due to COVID, PCC explored what Simple Church looks like, and how Highfield can work in this way, eventually approving the approach in November.

Finance

The PCC had much to discuss in 2021 around budgets and finance. The vacant seats of Finance Chair and Treasurer become more and more apparent as the year went on: our wardens Pete Marston and Phil Moss went above and beyond their already not insignificant duties to ensure that the church continued to function financially. Please do thank them next time you see them, as it certainly hasn't been easy, and they have both made great sacrifices behind the scenes to keep things going.

In 2020 we held two successful Gift Days, in which you all gave very generously to fund projects such as YTH CHRCH and equipment to support our digital services. This year we had no gift days, installed a contactless giving station in the church building, and saw an increase in the PGS (Parish Giving Scheme) (meaning that funds from the scheme are no longer in decline). This shows the beginnings of financial stability, however we know that there are more trials to come: PGS is still much lower than it was three years ago, and other income from sources such as the Church Centre are still being affected by the pandemic.

Please continue to pray and revisit giving throughout 2022, and refer to the Finance section of this report for more details. Still, we are in a good position and blessed indeed: on behalf of the PCC I want to thank you for all you have given to Highfield Church this year!

Looking Forward

We continue through 2022, grateful for family and friends and hopeful for the future, but aware of the lingering effects of the pandemic among our friends, family and neighbours. As PCC continues to debate and decide upon matters, from hand gel to budgets, we strive to listen to God's direction and to be the best support we can to Mike and the Highfield staff team. In the same way let us all be a support to one another, both at church and at home, so that we keep our church body happy and healthy and ready to serve our God!

Report on the Electoral Roll

Currently outstanding

At the time of reporting for the APCM, there are 297 people on the Ecclesiastical Electoral Roll for the Parish.

Church Attendances

Due to the pandemic, the annual attendance numbers (normally counted each Sunday in October and at Easter and Christmas services) look rather different this year. Please note that these numbers are for in-person church services only and are not reflective of the number of people attending our online services.

Church Attendance, calculated as an average of the four Sundays in October 2021, was 237 (*238) adults and 31(*35) children under 16 years of age (comparable figures for October 2020 were 156 adults and 27 children) *the number in brackets is the average over the 3 weeks without half term Sunday when fewer adults and children were present. Encouragingly attendance in children continues to grow in spring 2022.

Attendance at YTH CHRCH calculated as an average of the four Sundays in October 2021, was 12(*11) adults and 17(*17) children under 16 years of age. Note the third Sunday included a baptism and so number of adults present increased.

Mid-week church attendance, calculated as an average of the four weeks in October 2021 was 18 adults. There was one school service during the month. We are encouraged that with Covid restrictions changing, the school service will return to a weekly schedule in the summer term of 2022.

Report from Operations Director

2021 has been another different and challenging year for our church operations. Having learned how to manage all what is needed for our first hybrid service (with our congregation worshipping in the building and online at the same time) at Christmas 2020, we unfortunately faced another lockdown and a season of online-only services in early 2021.

We took the opportunity that 'Lockdown 3' gave us, to purchase and install the remaining technical equipment (funded from our Gift Day in November 2020). As each piece of new equipment arrived, we learned new ways to film, edit and make improvements to our online services. This season also gave us weekly opportunities to train staff, service leaders, preachers, musicians, intercessors, and readers in front of the camera, as well as our visual and sound operators behind the camera in all that is necessary to create a recorded or livestreamed service. It was a wonderful time of teamwork, where we all supported one another in learning new skills and relied on good communication. Our pre-service meeting and prayer meetings became an essential part to any service we created, and we still value their importance now a year on.

Each month felt like another step forwards, moving from pre-recorded services from our homes to pre-recorded services in the building. In March we were able to live stream from the building on a Sunday morning and on Good Friday we hosted our first hybrid service of the year (with our congregation in the building and online). It was wonderful to be able to celebrate Easter as a church family whether we were present in person or at home at the same time.

As we opened the doors to the church, there were many COVID restrictions to ensure that our time together was as safe as it could be. I would like to take this opportunity to say a big thank you to our team of stewards and deputy wardens who have supported our services faithfully during this time, whether it be through completing registers, helping people to allocated seats or cleaning between services. Every volunteer has played an essential part in the smooth running of Sundays at Highfield.

Our online presence has been a significant priority this year and will continue to be as we emerge from the pandemic. Often learning from Tim Taylor and the YTH team, we have tried to embrace every opportunity the pandemic throws at us to find new creative ways to reach people online. One of the first this year was our Faith in Lockdown series in Lent, where Mike hosted online conversations with groups of our church family and led us in a lockdown reflection mid-week. As we continued to develop our digital strategy it became very clear that we needed staffing to support and enable us to grow in this area. In June, we recruited Theo Farrell to our new role, Digital Content and Production Officer (DCPO). You will see Theo working behind the scenes at every service on a Sunday facilitating the production of our services and supporting our visuals and sound operators. Mid-week, Theo supports ministries with their activities and services or is creating videos or posts for our social media channels; hopefully you saw our Advent calendar on social media this year created by Theo and our curate Niv Lobo.

In Spring 2021, while considering when and which ministries or activities to return or start for the first time (as pandemic restrictions allowed), we found the book Simple Church by Rainer and Geiger very challenging. It encourages us to ask, 'what kind of disciples do we want to grow within Highfield Church?' (Clarity). It then invites us to describe how people come to grow in that kind of discipleship as a process, and to understand how we're encouraging people to move through that process (Movement). Church life is then structured around encouraging that kind of discipleship (Alignment). Pruning then takes place where existing commitments and ministries do not fit the agreed process, or where there is duplication (Focus). Over the rest of the year, we have prayed and worked together to form our discipleship process Encountering God, Growing Together and Seeking the Kingdom. Understanding and developing each of these strands has been critical as we have moved into the next phase of church life in the pandemic and all of these areas will have both in person and online options as we continue to also prioritise our online presence. We shared more about this at our APCM and Vision Evening in April 2022

A few highlights of this work so far have been two digital developments. While working on our Encountering God strategy, which focuses on how we encounter God in our mid-week and Sunday services, we realised the need for an online- only short service. Published on YouTube and our social media channels, we hope to reach our unchurched family and friends, so they can hear the gospel and get a taste of how we are encountering God here at Highfield. Our hope is that this would be a first step in connecting with us, before perhaps joining our 10.30 hybrid congregation, and so each edition we intentionally invite them to connect with us again. hc15 launched in October 2021 starting with 1000 views and in December our hc15 Christmas edition had 6800 views on Facebook alone. We are excited about where God might lead this project; look out for our next edition in Lent 2022.

Similarly, while working on our Growing Together strategy, we developed our Devoted concept where each term we prioritise going deeper in our understanding of the Word and putting it into practise in the week together as one church family. We realised that not everyone is able to access small groups or commit to weekly groups and so we started Wednesday Night Gatherings during a Devoted series (normally 6 weeks long with a break for half term). We have prioritised making this a hybrid event, where together people in the church and online on Zoom are experiencing the same worship and hearing Mike's talk before breaking into smaller discussion groups. After hearing many testimonies of how God was growing us in our Devoted series in June, a second series followed in October, and we have plans for a third in February 2022.

Alongside the arrival of Theo as DCPO in the Summer, Emma Jackson our Church Administrator left for her maternity leave and Cate Lloyd joined the team to cover Emma's leave. Cate continues to support our Safeguarding Officer, Jude Atcherley, our PCC Secretary, Becky Proctor and together we support Pete Marston who has been acting interim Treasurer. We continue to develop our Xero accounting software to support this crucial part of our operations of the church, alongside our ChurchDesk management software which has been critical as we have built our volunteer teams and relied on online rotas.

Reports from Management Committees

Employment Group Report

Employment Group's (EG) role is to support the Church's paid and voluntary staff and also provide accountability and governance to ensure the Church is a great employer, developing people and offering opportunity to achieve their full potential. The group aims to "promote and protect good working conditions; support and encourage all staff in the stewardship of their role to ensure there is growth within the work and in their personal lives for the greater glory of God in the Parish of Highfield and under the direction of the Vicar and PCC."

Members of EG have skills such as workforce planning, recruitment, volunteer management, training, line management and safeguarding. We may advise PCC on matters such as recruitment, HR policy and employment law, assist by being involved in writing job descriptions, contracts and policies or taking part in recruitment, or scrutinise processes to ensure that we are a good employer. Most of this goes on behind the scenes. EG has been a small, committed group of volunteers throughout 2021 and I am very grateful for the continued involvement on EG of Abi Baker and Rob Heather, as well as Kelly and Mike.

2021 was a fairly stable year of employment where we were able to retain many of our key members of staff, although there were a few farewells. Will Reavell stood down as the Student Pastor after a number of years of service, but remains part of our worship community. Hannah Stewart left our employment in May 2022. Hannah had been in a

part time role of Grants and Stewardship Officer. This role was not replaced. For the last period of Hannah's employment, Hannah assisted the operations team with some administrative work. In December 2021, our facilities manager, Gary Sankey, after 5 years of service, discerned that God was calling him to a new challenge and handed in his notice. Gary finished with us in February 2022. I would like to thank Hannah, Will and Gary for their commitment and hard work throughout their employment with Highfield Church.

We were fortunate to recruit Tim Daulby into the Student Pastor role, who commenced full time in September 2021, after a brief handover before Will left. Tim has settled in well, listening to God and shaping our student ministry, as well as assisting in other church areas such as leading worship. We also welcomed Theo Farrell from June 2021 into the newly created role of Digital Content and Production Officer. Theo was a welcome addition to the team, as he took on many of the extra responsibilities that had arisen with our online congregation and were being held by Kelly, Rhiannon and Tim Taylor.

Emma Jackson, our part time Church Administrator and Youth Worker went on maternity leave from September 2021 and we had two new staff members join us to cover these two positions. In the office, Cate Lloyd joined as maternity cover for the Administrator role and has settled in well to keeping our complex church running efficiently. Emily Daulby joined Tim Taylor in YTH CHRCH as maternity cover for the Youth Worker role and has become a key part of the YTH team.

Volunteers make up many key roles at the church, they allow us to operate the way we do on a day to day and week to week. The Church operates with approximately 120 volunteers, working in a range of roles from supporting services on a Sunday to painting and tidying up the buildings during the week.

We would like to thank Steve Chapman, who was in the key volunteer role of Treasurer, retired in July 2021. Steve undertook a huge task of sorting out the church finances and forensically uncovering many historical items hidden away. I'd like to thank Steve for his amazing work as treasurer.

To finish, I wish to inform you that I have stood down as Chair of Employment Group in April 2022 and will be handing on the baton to Polly Cross, who has agreed to take on the role of supporting Mike, Kelly and our staff and volunteers.

Fabric Group Report

As with so many other activities, COVID limited what we were able to achieve during 2021 in terms of maintenance and development of facilities in and around the church buildings.

Many of the more mundane activities continued as usual – clearing drains and gutters, trimming trees and hedges, fixing chairs, tables, curtains, light bulbs etc, and I am grateful to those whose dedication to these tasks was steadfast despite the social isolation limitations under which work needed to be carried out throughout most of the year.

Here are some of the particularly notable highlights of 2021:

Despite the ravages of Covid-19, the team was able to continue to look after our buildings and grounds during 2021. Activities undertaken or managed by Fabric Group have included:

- Mar-21 New equipment installed to facilitate sound and visuals recording and live streaming of services, etc in Church and the Church Centre.
- Apr-21 Chris Andrews is leading the project to restore the church clock, ensuring its longevity and ensuring the safety of the team of people who, weekly, wind the clock and “keep it ticking”.
- Apr-21 Ryan Bunce appointed as our new Quinquennial Inspector, following James Lunn-Rockliffe’s retirement.
- Apr-21 New “stage lights” installed in church to improve performance and reduce power consumption.
- Apr-21 Church Centre Hall lath and plaster ceiling has developed cracks. Hall made safe by fitting of a debris net until repair can be undertaken during summer 2022.
- Jun-21 Centre boiler room stairs repaired following collapse of upper treads in Nov 2020.
- Jun-21 Replacement of flashing at north edge of Hall roof.
- Jun-21 Additional electrical points in Hall, to reduce trip hazard now YTH CHRCH is using the Hall.
- Sep-21 New key safe for keys to the tower and boiler room.
- Sep-21 Part of the front car park wall demolished by a vehicle.
- Nov-21 Storage in the Church. Consideration of how to increase storage capacity within the Church building.

- Nov-21 Rain water hoppers at west end of church roof are, once again, blocked. Now tried fitting a length of “hedgehog”.
- Nov-21 Repair or replacement of some of the curtain rails in the Hall.
- Nov-21 Many of the double glazed units at the front of the Centre are “blown” (i.e. misty).
- Nov-21 Wall between Lower Room and the adjacent copier space removed to make one space which is more suitable for groups and for hire.
- Nov-21 Leaking radiator in Centre rear corridor. Radiator and valves replaced.
- Nov-21 Path alongside the Hall is uneven. Slabs re-laid.
- Nov-21 Formation of new “Climate Action Group”, reporting to the PCC. Keith Fox appointed as chair of the new group. Chair of Fabric is a member of this group.
- Nov-21 PCC approved proposal that “the Walker (pipe) organ be removed and disposed of and a new upper floor installed”

Facilities' Report

After the turbulence of 2020, initially 2021 felt like more of the same in the Church Centre. The travails of lockdown 3 in the first few months of the year meant that Little Acorns and our partners at Highfield School were the only users for a significant chunk of time, providing a vital service for children whose parents and guardians are key workers. However, life in the Centre very quickly returned to the new ‘normal’ as restrictions eased in the Spring, and all of the clients who stuck with us through 2020 very quickly returned, followed soon after by some new faces, as no less than four local resident’s associations decided to make the Church Centre the home for their now in-person meetings and AGM’s. (Note: if you run a local resident’s association, book early to avoid disappointment!).

In addition to these we now have a new exercise class running in the Upper Room, and welcomed Southampton Solent University (other universities are available at similar prices) for the first time, who are currently running a group teaching English to speakers of other languages (TESOL for short). All of our external clients once again adapted to the COVID protocols very quickly and efficiently, and a huge thanks to all of those who have continued to embrace both the spirit and letter of COVID restrictions – at time of writing, we have not had a single contact call from test & trace. A huge thanks once again to Jagi and Tom at Cleaning Division – without them there would have been several occasions when we wouldn’t have been able to open the buildings safely.

As promised in last year's report, what was the church office has now become the 'lower room' (so named because it's directly under the upper room). It's now being used predominantly for one of our Highfield Kids' groups on Sundays and one -to -one meetings mid-week, as it is currently doubling as a storage area for YTH CHRCH (this is a situation we hope to remedy in 2022). Tony Ridley has been responsible for redecorating this area – Tony is another unsung hero of the wider Fabric team, so huge thanks to him. Bob Dudley of course continues to help hold the place together – rarely does a week go by when he's not on site with his head in a toilet, or somewhere up a ladder.

And as also promised last year, and no doubt many of you will have seen online, livestreaming is now up and running, thanks to many hours of input from staff, and some very fast-paced installing from our friends at Connected Electrical and Absolute Music. Plenty of Highfield services during 2021 were viewed by more people online than were present in the building, and so this is a vital means to help our church members to continue to encounter God.

As most of you will be aware by now, the end of 2021 heralded a significant change in the Facilities team, with Gary handing his notice in with a view to departing at the end of February 2022, (staying just long enough to write this report) after 5 ½ years in the role in one form or another. The ultimate format of the new team is still a work in progress, however that's a story for the 2022 report.

Financial Review (Finance Group Report)

Results for the year

The financial results for the year, which show a surplus of £75,307 (2020: surplus of £27,948), are considered a positive outcome and an achievement of our financial objectives. Please note these figures are from our Xero accounts software and have been reviewed independently by our accountants. An investment property is still held with a market value considered to be £470k. (2020 £450K).

In 2021 the regular member donations fluctuated throughout the year and continued to be difficult to accurately predict, but there was evidence in the final quarter of a steady increase to the Parish Giving Scheme. In addition, digital giving via Stripe has been a stable source of income. The effect of the Covid pandemic continued to create reduced church centre income and income from services, but again, in quarter four, this improved as clients returned to using the church centre and more in-person services commenced.

Grant Funding has been a significant source of income for us over the last 3 years. The Resource Church monthly grant from the Diocese ended in December 2021 and the Student Ambassador Grant finishes in 2022. The Henry Smith grant that supports our Yth Church continues until the end of 2023.

Major expenditure of staff employment costs was managed carefully throughout 2021 and we were able to maintain our commitments to the Common Mission Fund and Mission Partners throughout the year. Fabric and property costs have been low in 2021, but to ensure we are maintaining the church and the centre, we are anticipating and preparing for some major costs in 2022.

With our fluctuating giving and the end of grants, 2022 is benefiting from a build-up in general funds over 2020 and 2021 (which were part of our financial objectives) as we aim to transition financially to our income and our expenditure being balanced, to enable us to maintain the level of staff and other commitments for 2023 and beyond. The PCC still holds a level of reserves, matched by liquidity, which should sustain its activities.

Reserves Policy

The reserves policy, established in 2019, is that the PCC should not allow unrestricted general funds to fall below three months of forecast, unfunded cost of employment for more than two consecutive quarters and that any forward 12-month forecast should not project those funds falling below one month forecast, unfunded cost of employment.

The PCC holds unrestricted funds, which are not designated, of £121,540 (2020: £77,808), which is above that limit. It should be noted that there is also an Essential Maintenance Reserve in Designated Funds of £30,000 (2020: £30,000) that is likely to be used in 2022 and the PCC are aiming to move some funds from the General Fund in 2022 to ensure there is provision for future essential repairs.

The majority of PCC income continues to remain from unrestricted committed and regular personal giving, which is one of the strongest long term reserves the PCC could have. A sustained effort is under way to maintain overall income, and to ensure that adequate resources are available to meet planned activities.

The PCC believes this will enable it to maintain the correct balance between the outward looking strategy of the charity with the desire to achieve an appropriate level of reserves.

Principal Funding Sources

The staff salaries, activities and ministries of the church are mainly funded by the contributions received from members of the church and through the income tax recovered under the Gift Aid scheme. In recent years this has been supplemented by grants from the Diocese and Christian organisations and by renting out the property in Upper Shaftesbury Avenue. The Church Centre is funded through the letting of its rooms to outside organisations and individuals, but any shortfall would be funded by the PCC.

Investment Policy and Objectives

The PCC approved the investment policy to invest its funds via the Diocese of Winchester. This provides a lower rate of interest than could be obtained elsewhere, but the purpose of this investment is that it enables the Diocese to provide loans at a lower rate of interest to other parishes who need to borrow money. In this way the investments help the wider church.

Independent Examiners

Steve Chapman, when he held the Treasurer role, identified that the church was not required to undertake a full audit and that we could undertake an Independent Examination. Independent examination is a form of external scrutiny suitable for smaller charities. The role of the examiner is to provide an independent scrutiny of the accounts, and, in this way, help maintain public trust and confidence in charities. The benefit to the church is that it is a less time consuming and costly process.

With the PCC's agreement, the current Auditors Butler and Co have been terminated and the Wardens (acting as Chair of Finance and interim Treasurer) have met with prospective chartered accountants to assess their suitability to undertake an independent examination of our accounts. The Wardens have since made a recommendation to the PCC which has been accepted.

Approved by the Parochial Church Council on^{13/10/2022}..... and signed on their behalf by:

M Archer

M Archer
Priest in Charge and Chair of Trustees
Date

Summary of Financial Statements for 5 years

RESULT FOR THE YEAR	2021 £k	2020 £k	2019 £k	2018 £k	2017 £k
Income from members including tax	417	401	462	476	596
Gift days & Retiring Collections	-	64	57	13	36
Income from parish fees and grants	82	53	21	24	8
Church Centre and other departments	42	41	79	68	64
Weekend away	-	-	16	-	19
Income from investments and interest (inc. furlough)	14	53	18	18	9
Total Income	525	612	653	599	732
Mission Giving and Donations	48	66	64	69	66
Diocesan Parish Share	120	124	133	135	140
Staff Costs	213	299	295	259	245
Church activities	10	17	48	47	42
Church maintenance and houses	23	22	25	27	20
Cost of Church Centre and departments	48	45	54	61	64
Weekend away	-	-	20	-	24
Church administration	19	20	22	21	16
Depreciation	20	23	62	38	32
Total Expenditure	501	616	723	657	649
Net Surplus/(Deficit)	54	(4)	(70)	(58)	83
Investment gains/losses & b/f adjustments	22	31	(93)	-	314
Increase / (Decrease) in Funds	76	27	(163)	(58)	397
Funds at start at year	691	664	827	885	488
Funds at end of year	767	691	664	827	885

FINANCIAL POSITION	2021 £k	2020 £k	2019 £k	2018 £k	2017 £k
PCC NET ASSETS					
Fixed Assets	558	535	505	657	649
Investments, previous includes deposits	17	15	14	102	172
Bank balances, debtors & creditors	192	141	145	68	64
Total Net Assets	767	691	664	827	885
PCC FUNDS					
Premises and fixed assets	558	535	505	659	577
Endowment and Restricted Funds	58	48	46	13	106
Essential Maintenance Fund	30	30	35	20	-
General Fund	121	78	78	135	202
Total Funds	767	691	664	827	885

Independent Examination to the Trustees of The Parochial Church Council of the Ecclesiastical Parish of Highfield, Southampton

Independent examiner's report to the trustees of The Parochial Church Council of the Ecclesiastical Parish of Highfield, Southampton

I report to the charity trustees on my examination of the accounts of The Parochial Church Council of the Ecclesiastical Parish of Highfield, Southampton (the Trust) for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of the Trust 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the 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 Association of Chartered Certified Accountants 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 respect of the Trust 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.

Michaela Johns

Michaela Johns FCCA
Association of Chartered Certified Accountants
Hopper Williams & Bell Limited
Chartered Accountants
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

13/10/2022
Date:

Statement of Financial Activities and Statement of Total Recognised Gains and Losses

for the Year Ended 31 December 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2021 £	TOTAL 2020 £
INCOMING RESOURCES						
Voluntary income	2(a)	407,535	90,449	-	497,984	517,519
Church activities	2(b)	42,256	-	-	42,256	40,959
Income from investments	2(c)	14,336	-	434	14,770	17,360
Other income	2(d)	-	-	-	-	36,390
TOTAL INCOMING RESOURCES		464,127	90,449	434	555,010	612,228
Transfer between funds	2(e)	434	-	(434)	-	-
INCOMING RESOURCES AFTER TRANSFER		464,561	90,449	-	555,010	612,228
RESOURCES USED						
Mission and charitable giving	3(a)	46,343	1,355	-	47,698	66,437
Church activities	3(b)	233,513	2,853	-	236,366	245,047
Governance costs	3(c)	4,410	-	-	4,410	4,800
Staff costs	3(d)	153,348	60,050	-	213,398	298,929
TOTAL RESOURCES USED		437,614	64,258	-	501,872	615,213
Transfer between funds		-	-	-	-	-
RESOURCES USED AFTER TRANSFER		437,614	64,258	-	501,872	615,213
NET INCOMING/(OUTGOING) RESOURCES		26,947	26,191	-	53,138	(2,985)
GAINS AND LOSSES ON INVESTMENTS						
- unrealised	7, 8	20,000	-	2,169	22,169	30,933
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR	11a	46,947	26,191	2,169	75,307	27,948
FUNDS AT START OF YEAR		643,051	33,486	14,926	691,463	663,515
Adjust Restricted Fixed Assets	6	19,175	(19,175)	-	-	-
FUNDS AT END OF YEAR		709,173	40,502	17,095	766,770	691,463

Prior Year - Statement of Financial Activities and Statement of Total Recognised Gains and Losses for the Year Ended 31 December 2020

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2020
INCOMING RESOURCES					
Voluntary income	2(a)	434,690	82,830	-	517,519
Church activities	2(b)	40,675	284	-	40,959
Income from investments	2(c)	16,941	-	419	17,360
Other income	2(d)	36,390	-	-	36,390
TOTAL INCOMING RESOURCES		528,695	83,114	419	612,228
Transfer between funds	2(e)	419	-	(419)	-
INCOMING RESOURCES AFTER TRANSFER		529,115	83,114	-	612,228
RESOURCES USED					
Mission and charitable giving	3(a)	56,563	9,874	-	66,437
Church activities	3(b)	233,285	11,762	-	245,047
Governance costs	3(c)	4,800	-	-	4,800
Staff costs	3(d)	239,360	59,569	-	298,929
TOTAL RESOURCES USED		534,008	81,205	-	615,213
Transfer between funds		-	-	-	-
RESOURCES USED AFTER TRANSFER		534,008	81,205	-	615,213
NET INCOMING/(OUTGOING) RESOURCES		(4,894)	1,909	-	(2,985)
GAINS AND LOSSES ON INVESTMENTS					
- unrealised	7, 8	30,000	-	933	30,933
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR	11a	25,106	1,909	933	27,948
FUNDS AT START OF YEAR		617,945	31,577	13,993	663,515
Adjust Restricted Fixed Assets	6	-	-	-	-
FUNDS AT END OF YEAR		643,051	33,486	14,926	691,463

Balance Sheet

At 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
FIXED ASSETS						
Tangible assets	6	87,633	-	-	87,633	85,243
Investment property	7	470,000	-	-	470,000	450,000
Investments	8	-	-	17,095	17,095	14,926
		557,633	-	17,095	574,728	550,169
CURRENT ASSETS						
Debtors: amounts falling due within one year	9	7,110	12,800	-	19,910	11,464
Cash at bank & on deposit		164,766	27,702	-	192,468	173,881
		171,876	40,502	-	212,378	185,345
CREDITORS						
Amounts falling due within one year	10	(20,336)	-	-	(20,336)	(44,051)
NET CURRENT ASSETS		151,540	40,502	-	192,042	141,294
NET ASSETS		709,173	40,502	17,095	766,770	691,463
FUNDS						
Unrestricted funds						
General Funds	11				121,540	77,808
Designated Funds	12				587,633	565,243
					709,173	643,051
Restricted Funds	13				40,502	33,486
Endowment Funds	8				17,095	14,926
TOTAL FUNDS		-	-	-	766,770	691,463

The financial statements were approved by the Parochial Church Council on
13/10/2022.....and were signed on its behalf by:

M Archer

M Archer
 Chair of Trustees


 P.J. Moss (Oct 13, 2022 13:06 GMT+1)



P Moss & P Marston
 PCC Treasurer

Statement of Cash Flows

for the Year Ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
Cash flows from operating activities						
Cash generated from/ (used in) operations	1	12,692	13,391	-	26,083	29,175
Net cash provided by/ (used in) operating activities		12,692	13,391	-	26,083	29,175
Cash flows from investing activities						
Dividends from Shares		434	-	-	434	419
Interest from Deposits		-	-	-	-	(141)
Rent from Investment Property		14,336	-	-	14,336	16,800
Purchase of Fixed Assets		(3,091)	(19,175)	-	(22,266)	(23,752)
Loss from disposal of Fixed Assets		-	-	-	-	149
Net cash provided by investing activities		11,679	(19,175)	-	(7,496)	(6,525)
Cash flows from financing activities						
Net inflows/(outflows) from borrowings and financing		-	-	-	-	-
Increase/(Decrease) in cash and cash equivalents		24,371	(5,784)	-	18,587	22,650
Cash and cash equivalents at beginning of year	2	140,395	33,486	-	173,881	151,231
Cash and cash equivalents at end of year	2	164,766	27,702	-	192,468	173,881

Notes to the Statement of Cash Flows

for the Year Ended 31 December 2021

1. Reconciliation of Surplus/(Deficit) To Cash Generated from Operations

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2021	TOTAL FUNDS 2020
	£	£	£	£	£
Surplus/(Deficit) from operations	46,947	26,191	2,169	75,307	27,949
Revaluations	(20,000)	-	(2,169)	(22,169)	(30,933)
Depreciation	19,876	-	-	19,876	23,132
Dividends from Investments	(434)	-	-	(434)	(419)
Interest from Investments	-	-	-	-	141
Rent from Investment Property	(14,336)	-	-	(14,336)	(16,800)
(Increase)/Decrease in Debtors	4,354	(12,800)	-	(8,446)	11,689
Increase/(Decrease) in Creditors	(23,715)	-	-	(23,715)	14,416
Net cash provided by operating activities	12,692	13,391	-	26,083	29,175

2. Cash and Cash Equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	Unrestricted Funds	Restricted Funds	Other Funds	TOTAL FUNDS 2021
	£	£	£	£
Year ended 31st December 2021				
Cash and cash equivalents	164,766	27,702	-	192,468
	164,766	27,702	-	192,468
Year ended 31st December 2020				
Cash and cash equivalents	140,395	33,486	-	173,881
	140,395	33,486	-	173,881

Notes to the Financial Statements

for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES

Accounting convention

The Parochial Church Council of Highfield Church, Southampton is a charity with a registered charity number 1131770 which is registered and domiciled in England with the address of Highfield Lane, Highfield, Southampton, Hampshire, SO17 1RL

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible by law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members. The financial statements are prepared in sterling which is the functional and presentational currency of the charity and rounded to the nearest pound.

Public benefit entity

The PCC is a public benefit entity within the meaning of FRS 102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' 'true and fair view' provisions, together with FRS 102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS 102)).

Critical accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no material judgements that are considered by the trustees to have an impact upon these financial statements.

Fund accounting

Endowment fund capital must be maintained permanently; only dividend income arising from investment of the endowment may be used either as restricted funds based on the purpose for which the endowment was established.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. Explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are general funds which remain unrestricted but are set aside by the PCC for use in the future. These funds cover investment property values and are also for the future depreciation of fixed assets and essential maintenance of premises.

Incoming resources

Planned gifts, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Investment income is accounted for when receivable. All other income, including church centre rental income, is recognised when it is receivable.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when due. All other expenditure is generally recognised when it is payable.

Tangible fixed assets

Consecrated and beneficed property is excluded from the financial statements in accordance with the Charities Act 2011. No value is placed on moveable church furnishings held by the church wardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property and no reliable cost information is available. All expenditure incurred, whether maintenance or improvement, during the year on consecrated or benefice buildings is written off as expenditure in the Statement of Financial Activities and separately disclosed. Expenditure on moveable furniture and equipment is capitalised.

The Church Centre is managed by Highfield PCC but, in common with previous years, only Building Improvements, Fixtures and Fittings (including furniture) are capitalised and depreciated.

Equipment with a purchase price of £500 or less is written off when the asset is acquired.

Depreciation is at the following annual rates in order to write off each asset over its useful economic life.

Church Centre Building Improvements	4% Straight line
Church Centre Fixtures & Fittings	10% Straight line
Church Services Fittings & Equipment	10% Straight line
Other Equipment including computers	20% Straight line

Investment property

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation are, ordinarily, recorded in the Statement of Financial Activities and transferred at the year end to the designated funds.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment. The company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within 'Creditors: amounts falling due within one year' on the balance sheet.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Pension costs

The PCC participates in a defined contribution pension scheme. Contributions payable to the PCC pension scheme are charged as resources used in the period to which they relate.

Redundancy costs

The PCC will seek to ensure that budgeting around staffing is done on a conservative basis. In the event that a role has to be made redundant, the PCC will follow current HR advice and practice, and will at least provide the statutory minimum in redundancy pay. Redundancy payments are recognised when the decision to terminate an employee's contract is taken and is demonstrably committed and measured as the best estimate for amounts due to settle the obligation and where material, discounted.

Current assets

Amounts due to the PCC in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

Leased assets: Lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss. Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

Taxation

The charity is exempt from corporation tax, however the trustees monitor the nature of transactions to ensure these are appropriately disclosed to HM Revenue and Customs.

2. INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2021	TOTAL FUNDS 2020
	£	£	£		£
2(a) Voluntary Income					
Planned gifts:					
Giving under Gift Aid	278,950	-	-	278,950	272,379
Tax recoverable	71,709	-	-	71,709	68,310
Other tax efficient giving	8,033	-	-	8,033	7,658
Non gift aid able giving	47,229	-	-	47,229	41,251
Collections at services	79	-	-	79	2,351
Gift Days & Retiring collections	535	741	-	1,276	66,795
Sundry donations	-	-	-	-	20
Legacies	1,000	-	-	1,000	5,500
Grant income	-	89,708	-	89,708	53,256
	<u>407,535</u>	<u>90,449</u>	<u>-</u>	<u>497,984</u>	<u>517,519</u>
2(b) Church Activities					
Church Centre lettings etc	31,913	-	-	31,913	27,768
Restricted fund activities income	-	-	-	-	284
Self-funded activities income	8,672	-	-	8,672	11,406
Parish Fees	1,671	-	-	1,671	1,501
	<u>42,256</u>	<u>-</u>	<u>-</u>	<u>42,256</u>	<u>40,959</u>
2(c) Income from investments					
Dividends and interest	-	-	434	434	560
Rental Income	14,336	-	-	14,336	16,800
	<u>14,336</u>	<u>-</u>	<u>434</u>	<u>14,770</u>	<u>17,360</u>
2(d) Other Income					
Other State Aid	-	-	-	-	36,390
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,390</u>
TOTAL INCOMING RESOURCES	<u>464,127</u>	<u>90,449</u>	<u>434</u>	<u>555,010</u>	<u>612,228</u>

2(e) Transfers to General Funds

An amount of £434 (2020: £419), being dividends received on the Endowment Fund shares, was transferred to General Funds to offset fabric related expenditure.

3. RESOURCES USED

	Unrestricted Funds	Restrict ed Funds	Endowmen t Funds	TOTAL FUNDS 2021	TOTAL FUNDS 2020
	£	£	£	£	£
3(a) Missionary and charitable giving:					
Mission partners:					
- Church overseas	26,084	-	-	26,084	31,464
- Home missions & other charities	20,259	1,355	-	21,614	30,163
Other donations	-	-	-	-	4,810
	46,343	1,355	-	47,698	66,437
3(b) Church Activities:					
Ministry:					
- Diocesan Common Mission Fund	119,892	-	-	119,892	123,818
- Clergy expenses	1,387	-	-	1,387	1,304
Church services	10,357	1,123	-	11,480	3,100
Church ministries	9,839	472	-	10,311	7,146
Training costs	1,133	74	-	1,207	359
Church running and maintenance (inc. Church Centre)	49,643	59	-	49,702	50,127
Investment property costs	-	-	-	-	3,839
Office costs	11,725	675	-	12,400	14,622
Depreciation	19,876	-	-	19,876	23,132
Distribution of Parish fees	340	-	-	340	152
Restricted fund activities	-	450	-	450	5,301
Self-funded activities expenditure	9,321	-	-	9,321	12,148
	233,513	2,853	-	236,366	245,047
3(c) Governance costs					
Independent examination / Audit costs	4,410	-	-	4,410	4,800
	4,410	-	-	4,410	4,800
3(d) Staff Costs (note 5)					
Salaries and employment costs	153,348	60,050	-	213,398	298,929
	153,348	60,050	-	213,398	298,929
TOTAL RESOURCES USED	437,614	64,258	-	501,872	615,213

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2021	2020
	£	£
Independent Examination/Auditors' remuneration	4,410	4,800
Depreciation - owned assets	19,876	23,132
Loss on disposal of fixed assets	0	150

5. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	187,746	248,058
Social Security Costs	10,596	18,317
Pension Costs	15,057	20,427
Redundancy Costs	-	12,126
	<u>213,399</u>	<u>298,928</u>

The average number of employees in the year was 13 (2020: 15).

No employees earned £60,000 pa or more.

See note 14 for disclosure of payments made to related parties.

Two members of clergy were paid by the Church Commissioners and not the PCC. The Common Mission Fund paid to the diocese was in part to cover these costs. Two clergy gave their time as non-stipendiary clergy, for no remuneration by either the Church Commissioners or PCC.

The charity trustees were not paid or received any other benefits from employment with the Church in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

6. TANGIBLE FIXED ASSETS

	Church Centre	Church Services	Other Equipment	TOTAL
	£	£	£	£
COST				
At 1 January 2021	379,505	159,052	18,398	556,955
Additions	-	1,509	20,757	22,266
Disposals				
At 31 December 2021	<u>379,505</u>	<u>160,561</u>	<u>39,155</u>	<u>579,221</u>
DEPRECIATION				
At 1 January 2021	350,036	112,611	9,065	471,712
Charge for year	4,264	13,247	2,365	19,876
Disposals				
At 31 December 2021	<u>354,300</u>	<u>125,858</u>	<u>11,430</u>	<u>491,588</u>
NET BOOK VALUE				
At 31 December 2021	<u>25,205</u>	<u>34,703</u>	<u>27,725</u>	<u>87,633</u>
At 31 December 2020	<u>29,469</u>	<u>46,441</u>	<u>9,333</u>	<u>85,243</u>

Restricted adjustment shown in the Statement of Financial Activities relates to £19,175 capital spend in 2021. This reduced the 2020 Restricted Fund for the streaming and youth projects raised in December 2020.

7. INVESTMENT PROPERTY

	104 USA
	£
MARKET VALUE	
At 1 January 2021	450,000
Changes in market value (see note below)	<u>20,000</u>
At 31 December 2021	<u>470,000</u>

The property, 104 Upper Shaftesbury Avenue (known as 104 USA) is rented on a market basis. The property was valued in May 2022 by an independent professional company and was valued at £500,000 with more certainty in the housing market, an additional £20,000 has been added to the valuation for 2021.

8. FIXED ASSET INVESTMENTS

MARKET VALUE	Unlisted investments
	£
At 1 January 2021	14,926
Additions/(Disposals)	-
Transferred to current assets	-
Changes in mid-market value	2,169
At 31 December 2021	<u>17,095</u>

These were COIF income shares. There were no investment assets outside the UK. Value is advised by the Diocese. These are known as the Endowment Funds

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Net resources are stated after crediting/(charging):

	2021	2020
	£	£
Gift Aid recoverable	-	8,153
Church centre debtors	-	551
Other debtors and prepayments	19,910	2,760
VAT recoverable	-	-
	<u>19,910</u>	<u>11,464</u>

VAT is recoverable from DCMS under Listed Places of Worship Government grant scheme.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Net resources are stated after charging/(crediting):

	2021	2020
	£	£
Trade and pension creditors	2,896	2,195
Social Security and other taxes	5,670	3,723
Grants received in advance	3,020	19,608
Other creditors	2,640	938
Accrued expenses	6,110	17,587
	<u>20,336</u>	<u>44,051</u>

11. (a) FUNDS

Endowment funds comprise the Vicar and Church Warden's Fabric Fund, from which the income is to be used for the church fabric upkeep.

Restricted funds are in respect of:

- a) Group activities subsidised by the people involved and run at no extra cost to the PCC general fund.
- b) The 2020 Gift Day balance partly utilised during 2021.
- c) Gifts to specific causes.

Designated funds are for specific expenditure on, and the financing of, property and fixed assets. They include amounts that are designated for essential building maintenance and depreciation.

Unrestricted funds are available at the discretion of the PCC.

Net movement in funds in the year	2021	2020
	£	£
General Funds	43,732	(556)
Designated Funds	22,390	25,662
Total for the year	<u>66,122</u>	<u>25,106</u>

General Fund movements	2021	2020
	£	£
Balance b/f	77,808	78,364
Surplus/(deficit) for the year (add back depreciation)	46,823	18,238
Fixed asset purchases	(3,091)	(23,752)
Loss on disposal of fixed assets	-	150
Essential Maintenance Fund decrease/ (increase)	-	4,808
Balance c/f	<u>121,540</u>	<u>77,808</u>

Designated Fund movements	Fixed Assets	Investment Property	2021 TOTAL	2020 TOTAL
	£	£	£	£
Balance at 1 January 2021	115,243	450,000	565,243	539,581
Additions/(Disposals)	22,266	-	22,266	23,752
Loss on disposal of fixed assets	-	-	-	(150)
Transfers/Corrections to b/f	-	-	-	-
Revaluations	-	20,000	20,000	30,000
Depreciation	(19,876)	-	(19,876)	(23,132)
Essential Maintenance Fund (decrease) /increase	-	-	-	(4,808)
Balance at 31 December 2021	<u>117,633</u>	<u>470,000</u>	<u>587,633</u>	<u>565,243</u>

The investment property's year end market value increased, as previously stated, by £20,000. Any property repairs to that property are written off as incurred and included in the Statement of Financial Activities.

11. (b) ANALYSIS OF NET ASSETS BY FUNDS

	General Funds	Designated Funds	Restricted Funds	Endowment Funds	TOTAL
	£	£	£	£	£
	(Note 11a)	(Note 12)	(Note 13)	(Note 8)	
Tangible fixed assets	-	87,633	-	-	87,633
Investment property	-	470,000	-	-	470,000
Investment fixed assets	-	-	-	17,095	17,095
Current assets	141,876	30,000	40,502	-	212,378
Current liabilities	(20,336)	-	-	-	(20,336)
Balance at 31 December 2021	<u>121,540</u>	<u>587,633</u>	<u>40,502</u>	<u>17,095</u>	<u>766,770</u>

12. DESIGNATED FUNDS

	2021	2020
	£	£
Investment property – part cost of 104 Upper Shaftesbury Avenue	470,000	450,000
Church Services assets	34,703	46,442
Church Centre assets	25,205	29,468
Other Equipment assets	27,725	9,333
Essential Maintenance Fund	30,000	30,000
	<u>587,633</u>	<u>565,243</u>

There were no major capital additions in 2021. Additions of £22,266 (2020: £23,752) have been allocated to designated funds.

Essential Maintenance Fund (previously Cyclical Maintenance Fund). The PCC is required to undertake an inspection of the church building every five years. Plans for cyclical maintenance are then drawn up to maintain the building. The PCC sets aside money annually to cover the work required for the following year to cover such work and other essential repairs that, if not completed, would lead to further value loss. This does not cover any planned improvements.

13. RESTRICTED FUNDS

Restricted Fund movements	2021	2020
	£	£
Tea club activities income less expenditure	-	(1,881)
Gift Day movements	(29,698)	7,160
Movements in other funds	36,714	(3,370)
	<u>7,016</u>	<u>1,909</u>
Restricted Funds at end of year		
Gift Day and associated grants	-	29,698
Others (various)	40,502	3,788
	<u>40,502</u>	<u>33,486</u>

The restricted funds are made up from three separate grants received by Highfield Church; the first being the Henry Smith grant which part funds our Youth Worker, the Student Ambassador grant which part funds our Student Ministry and finally the Resource Church grant which part funds our Worship Pastor and Associate Pastor roles.

14. RELATED PARTY TRANSACTIONS

There were no trustees' expenses paid for the year ended 31 December 2021 or for the year ended 31 December 2020, other than those expenses which were reimbursed to trustees for expenditure incurred on behalf of the charity.

The following relatives of trustees received payment for their services or as employees of the PCC:

P Hutchings

M Billington

The total paid in the applicable period for 2021 was £3,125 (2020: £34,117).

PCC members are not involved in decisions concerning those with whom they are connected.

There were no conditions associated with donations from the Trustees which totalled £34,200 (2020: £28,207)

Volunteers play a significant role in the activities of the church which is described in the Trustees report. It is not possible to accurately or consistently value their contribution and therefore these accounts do not include a monetary value in this respect.

15. PENSIONS

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

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014. The PCC had 9 active members in the Pension Builder Classic section at 31 December 2021.

Pension Builder Scheme

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 (2021: £15,057, 2020: £20,427).

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 3% following improvements in the funding position over 2021. 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 employer could become responsible for paying a share of the failed employer's pension liabilities.

Hopper Williams & Bell Limited
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
SO53 4AR

Dear Sirs,

During the course of your independent examination of our financial statements for the year ended 31 December 2021, the following representations were made to you by management and trustees.

1. We have fulfilled our responsibilities as trustees under the Companies Act 2006 for preparing financial statements, in accordance with UK Generally Accepted Accounting Practice that give a true and fair view and for making accurate representations to you as our independent examiner and for the financial statements which you have prepared on our behalf for the charity.
2. We confirm that all accounting records have been made available to you for the purpose of your accounts preparation, in accordance with your terms of engagement, and that all the transactions undertaken by the charity have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management, trustees', and members' meetings, have been made available to you. We have given you unrestricted access to persons within the charity in order to obtain evidence and have provided any additional information that you have requested for the purposes of your accounts preparation.
3. We confirm that significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
4. We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the applicable financial reporting framework.
5. We confirm that there had been no events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.
6. We confirm that we are aware that a related party of the charity is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charity or vice versa and as a result will include trustees, other key management, close family and other current and previous business interests. We confirm that that we are not aware of any related parties transactions.
7. We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the applicable financial reporting framework.

8. We confirm that the charity has had, at no time during the year, any arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by the charity) for trustees, nor to provide guarantees of any kind on behalf of the trustees.

9. We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.

10. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its activities and which are central to the charity's ability to conduct its activities, except as explained to you and as disclosed in the financial statements.

11. We acknowledge our responsibility for the design and implementation of controls to prevent and detect fraud. We confirm that we have disclosed to you the results of our own risk assessment that the financial statements may be misstated as a result of fraud.

12. We confirm that there have been no actual or suspected instances of fraud involving trustees, management or employees who have a significant role in internal control or that could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by former trustees, employees, regulators or others.

13. We confirm that, having considered our expectations and intentions for the next twelve months and the availability of working capital, the charity is a going concern.

14. We confirm that all grants, donations and other income, including those subject to special terms or conditions or received for restricted purposes, have been notified to you. There have been no breaches of terms or conditions during the period regarding the application of such income.

15. We confirm that we are not aware of any matters of material significance that should be reported to the Charity Commission.

16. We confirm that although the title of the Investment Property and the Investment Fund are not in the name of the Charity, but in the name of Winchester Diocesan Board of Finance, it has been agreed that ownership lies with the Charity and therefore correct to include in the charity financial statements.

17. The trustees have considered the impact on the charity of COVID-19 and the charity's prospects, recognising the high degree of uncertainty. The trustees have concluded that the charity is a going concern for at least 12 months following the signature of these financial statements. Accordingly, the trustees have prepared the financial statements on this basis.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and expertise (and, where appropriate, of supporting documentation) sufficient to satisfy ourselves that we can properly make these representations to you and that to the best of our knowledge and belief they accurately reflect the representations made to you by the trustees during the course of your accounts preparation.

Yours faithfully,

Signed on behalf of the board of directors by:

M Archer

Director

Date13/10/2022.....

Accounts

REGISTERED CHARITY NUMBER: 1131770

**Report of The Trustees and
Audited Financial Statements
for the Year Ended 31 December 2020**

**Parochial Church Council Of
Christ Church Portswood
(known as Highfield Church) Southampton**

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Report of The Trustees for the year ended 31st December 2020

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' for FRS 102.

Reference and Administrative Details

Registered Charity Number: 1131770

Parish: Christ Church, Portswood (Highfield Church, Southampton)
Highfield Lane, Southampton, Hants, SO17 1RL

Trustees:

Name	Note		Name	Note
Mike Archer	Clergy		Becky Moss	From October 2020 (first term) (DS)
Ian Bartlett	Retired October 2020 (DS)		Phil Moss	Appointed Churchwarden 24 April 2021
Tim Billington	Retired April 2021 (second term)		Zoe Norton	From October 2020 (first term)
Stephen Chapman	Retired April 2021 (first term)		Mike Page	Churchwarden since 2018, resigned 24 April 2021
Jennie Cox	Retired October 2020		Janet Parker	Retired October 2020
Penny Cox	Retired October 2020 (Churchwarden)		James Pritchard	From October 2020 (first term) (DS)
Rebecca D'Silva	From October 2020 (first term)		Rebecca Proctor	Secretary, co-opted since October 2020, appointed on 24 April 2021
Max Davies	Co-opted from October 2020 and appointed on 24 April 2021		Lisa Roberts	From October 2020 (first term)

Alasdair Douglas	From October 2020 (first term)		Christine Sinclair	Appointed on 24 April 2021
Alan Finney	From October 2020 (first term)		Grant Stanley	From October 2020 (first term) (DS)
Amy Gaze	From April 2019 (first term) retired 24 April 2021		Hannah Stanley	From October 2020 (first term) (DS)
Robert Heather	From April 2019 (first term)		Rob Swindell	From October 2020 (first term)
Ben Heptinstall	From October 2020 (first term) (DS)		Barry Toward	Retired April 2021 (first term)
Keith Hooper	Retired October 2020 (DS)		David Tozer	Co-opted from October 2020 and appointed on 24 April 2021
Matt Hutchings	Co-opted from October 2020 and resigned on 24 April 2021		Doug Wakeling	From October 2020 (second term)
Benjamin Jackson	Retired April 2021 (first term)		Peter S Williams	Retired October 2020 (DS)
Pete Marston	Churchwarden since October 2020		Paula Willis	From April 2019 (first term)
Cynthia Martin	Retired October 2020 (DS)		Daisy Wood	From October 2020 (first term)

PCC members stand for 3-year terms, unless co-opted by the PIC, in which case they serve up to the next election and will have to re-stand. Churchwardens are elected annually and hold automatic positions on Standing Committee and PCC.

Deanery Synod representatives are denoted by "DS", and are elected for three-year terms as for other PCC members.

Members standing down in April 2021 were: Tim Billington, Max Davies, Matt Hutchings, Ben Jackson, Rebecca Proctor, Barry Toward and David Tozer. All were eligible for re-election apart from Tim Billington, who had served two consecutive three-year terms.

Auditor: Julie M Butler FCA,
Butler & Co.,
Chartered Accountants & Registered Auditors,
Bennett House,
The Dean, Alresford,
Hants.,
SO24 9BH

Bankers: Lloyds,
92-94 Above Bar Street,
Southampton,
SO14 7DT

Structure, Governance and Management

The Parochial Church Council ("PCC") of Highfield Church is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and was required to register with the Charity Commission in 2009. The Registered Charity Number is 1131770. Accordingly, the Church operates as a Charity and members of the PCC are the Trustees.

New Trustees: Appointment, Induction and Training

Appointment of new Trustees (i.e. new PCC members) is governed by and set out in the Church Representation Rules. New PCC members are elected at the Annual Parochial Church Meeting in April each Year. The first PCC meeting involving new members is usually held in May. At this meeting, the Priest in Charge and Secretary explain the way the PCC works and responsibilities of PCC members as Trustees. Newly-elected members are issued with a Church of England booklet entitled "Trusteeship – An introduction for PCC Members." Annually, each PCC member completes a Trustee Eligibility Declaration and an HMRC Fit and Proper Persons Declaration.

Structure and Operation of the PCC

Highfield Church PCC is the governing body within the Church and assists the Priest-in-Charge to promote the Church mission including pastoral, evangelical, social and ecumenical matters in the Parish. It is also responsible for maintaining the Church, the Church Centre, and a house at 104 Upper Shaftesbury Avenue.

The PCC operates through various management sub-committees and ministry groups, also known as Action & Accountability ("AA") groups, which meet between full meetings of the PCC. There are between 6-8 meetings of PCC annually, and AA groups meet 5-6 times each year. AA groups may also have non-PCC members with expertise, gifts, or passion in their area of ministry. Devolution of business to AA groups helps PCC to concentrate on the most significant issues at meetings. AA Group minutes are circulated to PCC and, along with those of the management committees, form part of the business agenda for PCC meetings.

Compliance

Related Parties

No Trustee is paid for the role of PCC member. Trustees may be reasonably reimbursed for expenditure incurred on behalf of the charity. Trustees are required to declare any potential conflicts of interest within relevant meetings and confirm at least annually existence of potential related party transactions and these are monitored throughout the year. Related party transactions are disclosed in the financial statements.

Risk Management

Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error.

Risk assessment and action plans are reviewed annually by the PCC. Actions to help to mitigate key areas of risk have been identified, and the PCC will endeavour to include such in the routine work of key members to ensure that actions are completed.

Safeguarding

The Parochial Church Council is committed to encouraging an environment where all people, and especially those who may be vulnerable for any reason are able to worship and pursue their faith journey with encouragement and in safety. Everyone, including the young, will receive respectful pastoral ministry recognising any power imbalance within such a relationship. To pursue this aim, the Parochial Church Council follows the safeguarding policies and procedures of the Church of England as set out in guidelines provided by the Bishop's House in the following documents: -

"Protecting all God's Children - Policy for safeguarding children in the Church of England"

"Promoting a Safe Church: Policy for safeguarding adults in the Church of England"

Annually, the Parochial Church Council reviews and ratifies the Vulnerable Adults and Child Protection policies and associated guidance documents, revising these in the light of updated or new guidance issued by the Diocese.

GDPR

The Parochial Church Council oversaw measures to ensure compliance with General Data Protection Regulations of 2018. A Data Privacy Notice was drafted and a statutory Data Protection Policy was prepared and approved by PCC in July. Highfield Church is registered with the Office of the Information Commissioner.

Wider Network

The PCC includes in its membership Deanery Synod representatives who are elected to represent Highfield Church. The PCC also includes members of Diocesan Synod and General Synod who are on the electoral roll of Highfield Church. The PCC is thus part of the synodical structure of church government as established by the Church of England.

Aims and Purposes

Highfield Church's Parochial Church Council has responsibility for co-operating with the Vicar in promoting the whole mission of the Church - pastoral, evangelistic, social and ecumenical - in the ecclesiastical Parish. The PCC also has financial and maintenance responsibilities for the Church, the Church Centre and the residential dwelling at 104 Upper Shaftesbury Avenue.

In planning activities over the year, the Priest in Charge and the PCC consider the Charity Commission's guidance on public benefit and the specific guidance on charities for the advancement of religion. Thus, we aim to enable people in the Parish to live out their faith through **growing in GRACE** (Grace filled community, Reverent Worship, Authentic Discipleship, Christ like Service, and Empowered Witness).

Beyond its Parish boundary, Highfield Church promotes missionary and outreach work to city residents through its vision of "Loving Southampton, Embracing Portswood and Engaging the University." Annually it commits to sponsoring mission partners and projects both in the UK and overseas. This aim is also promoted through the church supporting the wider church by planting new congregations, helping to revitalise others and resourcing in other ways.

The Holy Pause (see secretary's report) at the start of 2020 provided an opportunity to reflect on the future direction and outlook of the church and while the pandemic year changed to a large extent how this is realised day to day, the core aims and purpose remained the same through 2020 and into 2021. The trustees continue to monitor the latest guidance to determine the impact upon activities and expect the next 12 months will be about resuming activity on a priority basis when safe to do so.

Management Committees

Standing Committee

The Standing Committee has authority to transact the business of the PCC between its meetings, subject to any directions given by the PCC. Along with the Churchwardens, it supports the Priest-in-Charge in stewarding and directing the life of the Church. Standing Committee prepares agendas for PCC meetings and for the APCM and Parishioners' Meeting. This Committee will discuss matters relating to policies and Church business from which it will prepare agendas for PCC meetings and for the APCM and Parishioners' Meeting. It has delegated authority from the PCC to make a single payment from PCC funds for any item of up to £3,000. Unless otherwise budgeted, larger amounts require the approval of the PCC.

Employment Group

Employment Group advises the priest-in-charge and PCC on employment and management of personnel employed by the PCC and is currently chaired by Pete Marston.

Fabric Group

Fabric Group manages the external and internal fabric of the Church, the Church Centre and any other PCC owned property such as 104 Upper Shaftesbury Avenue. It is responsible for implementing recommendations in the architect's quinquennial report on the Church, and for preparing any development plans for the Church and Church Centre, liaising with architects and Diocese, as necessary. The Fabric Group is currently chaired by David Tozer.

Finance Group

Finance Group oversees the finances of the Church on behalf of the PCC. In association with the Treasurer, the group monitors income and expenditure, advises on ways of increasing the Church's income, prepares the annual budget and is responsible for preparation of the annual accounts and audit. The Finance Group is currently chaired by Mike Page, and the Treasurer is Steve Chapman.

Action and Accountability Groups

Adult Discipleship & Prayer Together (ADAPT)

ADAPT is tasked by the PCC with oversight of adult discipleship and prayer together. It is responsible for stewarding small groups. Pete Hutchings currently chairs ADAPT.

Families and Schools

Young people's ministry comprises a 0-18 grouping, 'Families and Schools'. This AA Group has an overview and supports expanding growth and vision of the 0-18 grouping, meeting for discussion, planning and prayer. It manages priorities for the year and initiates or reviews any significant changes in policies etc. Families and Schools Ministries are led by Helen Thompson and Tim Taylor.

Older People's Ministry

The AA group for Older People encourages and develops ministries within the Church which provide on-going social and spiritual support for older members of our community. Through Erica Robert's role as City Chaplain for Older People in Southampton, it has a wide scope of activity and influence within the City of Southampton where it is well-established. Erica Roberts is the Chair for Older People's Ministry.

Mission in Action (MiA)

MiA is responsible for sharing the good news of Jesus Christ outside Highfield Church. It keeps the Church in contact with Mission Partners in Southampton and overseas and encourages support through prayer. The Group is responsible for allocating mission and social budgets, ten per cent of the Church's annual budget being committed in this way. The current chair for MiA is Rebecca D'Silva.

University Group

The University is a significant presence within the Parish of Highfield, having over 25,000 people working and studying across its campuses. Working alongside the CU and other churches, the University AA Group through its outreach activities seeks to be a Christian presence amongst its undergraduates, post-graduates, overseas students and the staff. Keith Fox currently chairs the University Group.

Worship Group

The Worship Group comprises members of the music ministry, service leaders and planners. It has a coordinating role for planning preaching, worship, and music for services in church throughout the year. Our Priest in Charge, Mike Archer, leads the Worship AA Group.

Reports from all these AA groups are published separately in a document sent out to local church members.

PCC Secretary's Report

2020 was a year of unforeseen situations, difficult decisions and ever-changing goalposts. It's been a challenge at every level for the PCC, personally and collectively. Despite everything, the PCC continued to meet during 2020: twice in person and six times via Zoom. All PCC meetings are minuted, and minutes are available to church members on request. Below is a brief selection of items discussed during 2020, to give a flavour of the PCCs activities.

Holy Pause and future developments

Paradoxically, the year began with a pause! Following prayer and reflection from the church leadership at the end of 2019, Highfield Church underwent a Holy Pause in January 2020, temporarily stopping many of the usual church activities. It was almost a focussed Lent period, where time saved from pausing was spent in prayer, asking God frank questions about where we should put our energies in future to best serve His purpose.

For many this was a challenge, but since the pandemic began, the practice of pausing helped, in a way, to adapt to lockdown and the limitations it brought on Church activities. In addition through lockdown, God has provided a very definite answer to many of our questions on direction. Many 'big picture' PCC matters that were due to move forward in 2020 have not, and the re-organisation of the staff team means many things have been forced to cease. It isn't the most comfortable of circumstances, but already PCC are thinking about what this means for the direction of Highfield post-lockdown, and where we should focus energies to best effect.

Highfield goes virtual

One of the biggest changes for all at Highfield this year was Sunday services. Since lockdown began in March, the staff team have worked their virtual fingers to their bones to continue with Sunday services online. Though it isn't the perfect solution, it's one that is accessible to the majority of our members. The PCC have heartedly supported the staff team in approving plans, agreeing budgets, offering opinions on service timings and styles, and in approving additional Gift Days to support with equipment purchases.

Staff restructure

Another big, and particularly difficult, change was the staff restructure in early summertime. Given the financial impact of the Church Centre being closed, and the continued decline in regular giving, the Standing Committee and PCC made the difficult decision to reduce the staff team. Details of this restructure can be found in the Employment section of this report. We cannot say enough how much we value and miss those who have left the team; however, we have to look forward and plan how to make the best use of the unique gifts and individuals remaining in this new Covid world.

Lockdown support

Apart from Sunday services, several new projects were started to support people during the March lockdown (and subsequent lockdown periods) in addition to existing teams. Prayer sixes, practical help, old people's ministry and pastoral support are all stellar examples of Church community in action; though some of these, pastoral support and old people's ministry most notably, were restricted due to lockdown measures, the volunteers involved all gave their time and energy to support those around them in prayer, food deliveries, phone calls and much more. Standing Committee and PCC approved each of these whole-heartedly, though due to evolving guidance risk assessments had to be reviewed regularly to make sure all involved were kept as safe as possible.

Finance

Here are a few highlights of our financial discussions in PCC this year. For more details see the Finance section below.

The deficit had increased in 2019, making tackling it a priority for 2020 at the start of the year. Unbeknownst to us, the pandemic would cause a loss of income from the Church Centre, and would further impact regular giving from church members, which was already in steady decline. This caused Highfield to make use of the government furlough scheme and triggered a staff restructure midway through the year.

To aid the budget situation, particularly in funding online church projects, Gift Days were held in spring and autumn. Our members gave generously, and the PCC had the unexpected and happy honour of deciding what to do with excess funds raised. Online giving was also given a boost, and grants applications were successful to help YTH CHRCH continue to reach young people at home and make plans for in-person services, when they return.

Report on the Electoral Roll

Currently outstanding

At the time of reporting for the APCM, there are 297 people on the ecclesiastical Electoral Roll for the Parish.

Church Attendances

Due to the pandemic, the annual attendance numbers (normally counted each Sunday in October and at Easter and Christmas services) look rather different this year. Please note that these numbers are for **in-person church services only** and are not reflective of the number of people attending our online services.

Church Attendance, calculated as an average of the four Sundays in October 2020, was 156 adults and 27 children under 16 years of age (comparable figures for October 2019 were 390 adults and 82 children). Due to the pandemic, half term presented no anomalies in attendance in 2020. These figures were taken from Sunday services only, as services during the week were on hold, and children from Highfield School did not attend their usual weekly church services either.

Easter services did not happen in person this year, due to the first national lockdown of the Covid-19 pandemic, therefore no numbers were reported for Easter 2020 attendance.

A total of 166 attended on Christmas Eve and Christmas Day (2019: 1,015); the number of services and the capacity was greatly reduced due to the pandemic and the need for social distancing. No services were held in person during Advent 2020, so no numbers were reported this year.

Our online services evolved throughout the year in style, number and timings, making trends in attendance difficult to measure. It's also worth noting that, as services were kept online after streaming, numbers increased each week following, as people tuned in to fit around their schedules. It is also difficult to know exactly how many individuals in a household are 'attending' virtual services. For the purposes of this report, the typical number of people participating in our Sunday services was 197 during the month of October.

Report from Operations Director

As ministries paused to listen to God during the Holy Pause in January 2020, the Operations and Office team spent significant time reviewing policies, processes, software and equipment needed to support our ministry staff and volunteers. Little did we expect the news of the pandemic, or that the next two months would be consumed with writing risk assessments and adopting action plans for the safe use of both the Church, Centre and Office.

As we entered the first Lockdown at the end of March, we closed the Church Office following instructions from the Government. Staff adapted to working at home quickly with the help of zoom calls, virtual team meetings and ChurchDesk all facilitating our remote set up. As Lockdown continued, our staff team's responsibilities and duties significantly changed, and a number of staff were furloughed. The remaining team quickly learnt new skills and software to enable the production of *Highfield at home* services and set up our *Prayer Sixes*, *Practical help* (our support system in the pandemic) and our *Love Thy Neighbour* campaign.

Following the restructure of the staff team and its related redundancies in July, we said thank you and farewell to *Dan Gardner, Jenny Hooke, Janet Hunt, Jo Ladkin, Abi Scrase, Rachel Wadhawan, Christine Bartram Torrance* and *Olivia Prentice* over the Summer. We are grateful for their diligence, skill and commitment to our team and the church for all their years of service; a special mention to Jenny Hooke who had served faithfully in the church office for 18 years.

The restructure impacted all of the staff team, with all of our job descriptions changing to include ministry admin, contributing to core church service requirements (e.g. video editing) and adjusting to the Vision Context in which we now find ourselves. Of the new roles created in the restructure, Emma Jackson was appointed Church Administrator and Gary Sankey as Facilities Manager. The new Facilities Manager role holds greater responsibility for working with clients, budget holding and promoting the Centre. The new Church Administrator role is focused on supporting key volunteers and governance (like supporting our Treasurer and our Safeguarding Officer).

After the success of staff working remotely and an increasing demand for space for our 0-18 provision on Sundays, we made some significant changes to our workspace during the Summer. The old office space is now the Lower Room, which is home to Rock Solid on a Sunday morning and will be a lettable space in the week. Our Facilities Manager works in the small office on the lower floor, our Facilities Office, so that he is easily accessible to our clients and their guests. Our Church Administrator works in the Hub, which is now fitted out as the Church Office, with two other hot desks (available when social distancing is no longer required). When not in Lockdown, the Church Office is open to the public Monday to Friday mornings between 10-12am. Particular thanks go to Sheila Fox and Keith Hooper, our office volunteers, who have continued to be available for us to call on with administrative duties during the year.

Significant preparation was needed to safely reopen our church building for services in the summer including; a thorough risk assessment, trials of multiple seating layouts, where chairs were appropriately socially distanced and limited in number, steward teams recruited, and the implementation of an online booking system to reserve seats. Once again, we valued our ChurchDesk software easing the administrative burden the new restrictions produced. The *forms* module (providing a ticket system) and the *calendar* module (providing a remote rota management system) have become a significant part of our administrative processes.

The Autumn continued to bring a number of firsts; in October we managed an APCM online over zoom as well as with church members participating in the building; in November we learnt to live stream our services from the Centre Hall while borrowing YTH CHRCH kit and at Christmas we held our first hybrid service where congregation in the building worshipped at the same service as those watching at home. All of them felt like big achievements and were down to willing staff and volunteers going the extra mile to learn new skills and new equipment in some rather challenging situations.

Reports from Management Committees

Employment Group Report

Employment Group's (EG) role is to support the Church's paid and voluntary staff and also provide accountability and governance to ensure the Church is a great employer, developing people and offering opportunity to fulfil their full potential. The group aims to "promote and protect good working conditions; support and encourage all staff in the stewardship of their role to ensure there is growth within the work and in their personal lives for the greater glory of God in the Parish of Highfield and under the direction of the Vicar and PCC."

Members of EG have skills such as workforce planning, recruitment, volunteer management, training, line management and safeguarding. We may advise PCC on matters such as recruitment, HR policy and employment law, assist by being involved in writing job descriptions, contracts and policies or taking part in recruitment, or scrutinise processes to ensure that we are a good employer. Most of this goes on behind the scenes. Several long-term EG members stood down in 2020 after serving for a number of years, and the PCC would like to thank Keith Hooper, Ian Bartlett and Penny Cox for their wisdom and time with EG and for the continued involvement on EG of Abi Baker and Rob Heather, Kelly Worthington and Mike Archer.

2020 was a year of big changes for both the staff team and the volunteers. For volunteers, where the Church has been closed or restricted for much of 2020, many usual Church functions weren't able to operate and so volunteers couldn't do their customary roles. With some changes to Church income, the Church was forced into reducing the staff team: several fixed-term employment contracts were not renewed, and we also underwent a redundancy process. Details of the process can be found in the PCC minutes in October 2020.

With these changes, we were extremely sad to say goodbye to Jo Ladkin, Jenny Hooke, Rachel Wadhawan, Abi Scrase, Janet Hunt, Olivia Prentice, Christine Bartram-Torrance and Dan Gardner. We are extremely grateful for all their hard work, commitment and support through their time of service. It was a difficult time for all involved and we are grateful to both existing and departing individuals for their grace during such a challenging period.

As part of the process, two new roles were created – Church Administrator, to which Emma Jackson was appointed, and Facilities Manager, to which Gary Sankey was appointed. The Staff team is much smaller now, but still operating as a high-performing dedicated group who have adapted to the ongoing changes forced upon the Church by the pandemic. The EG and the PCC wish to thank each member of the staff team for their dedication and hard work throughout 2020. Our staff team, led by Mike Archer, of Kelly Worthington, Pete Hutchings, Tim Taylor, Rhiannon Taylor, Helen Thompson, Will Reavell, Emma Jackson, Gary Sankey, Hannah Stewart, Erica Roberts and David Torrance do so much to keep the Church operating and following God's plans for Highfield.

There weren't any new additions to the team in 2020, though there was one post that was offered externally – Outreach Lead – which unfortunately wasn't filled on this occasion. There were candidates, but after prayer and listening to God, EG decided not to appoint at this time. This is a role that EG along with Mike Archer are looking at during 2021 as it is a critical role as part of the Church's vision and calling. We did commence a New Wine Discipleship course for the 4th time and had record breaking numbers – there are currently four from our Church plus a further 5 from other churches using Highfield as a Hub. It's been great to see the enthusiasm they all bring!

The PCC seeks to engage donated services from volunteers within the church wherever possible and practicable, recognising that nearly all its activities significantly depend on the goodwill and energy of volunteers. This is in accordance with the discipleship purpose of every member ministry. However, the PCC will supplement its donated services from volunteers through paid staff and/or outsourcing where there is necessary to provide further leadership direction, operational resources or specific expertise.

Remuneration policy

The goal of a charity's pay policy is to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and deliver the charity's aims. In deciding levels of pay and rewards, trustees consider:

- a) the purposes, aims and values of the charity, and its beneficiaries' needs
- b) how this affects pay policy for all employees, and for the senior staff in particular, including whether a lower rate of pay compared to similar roles in other sectors is appropriate
- c) how pay is linked to the skills, experiences and competencies that the charity needs from its staff and the scope of their roles
- d) the charity's current business plan and how implementing it may affect the number of staff the charity needs to employ or recruit, and the nature of these roles
- e) the charity's ability to pay

Following the setting of the budget in January, the Employment Group of the PCC will review salaries every February with a view to an annual increase every April (where funds permit). The PCC will take note of the decision made by Winchester Diocese but not necessarily be bound by this. Where a member of staff has significantly outperformed their contract or has been asked to take on significant increased responsibility, the PCC reserves the right to award more than a cost of living increase after appraisal in July. This would come into effect in September.

Fabric Group Report

Despite the ravages of Covid-19, the team was able to continue to look after our buildings and grounds during 2020. Activities undertaken or managed by Fabric Group have included:

- repairing and reinforcing the Vestry door after an attempted break-in;
- replacement of the two central heating boilers in the Centre;
- re-pointing brickwork at rear of the Centre;
- repairs to the Church floor between the north and south porches;
- boxing in of cables in the ladies' toilet in the Church;
- improvement of the Church Centre front notice board;
- decoration of the Centre foyer;
- supporting re-location of the Office from the ground floor to The Hub, and creation of the Facilities Office adjacent to the Lower Room;

- re-decoration of The Hub (the new office), including ceiling repair, painting, carpet cleaning and relocation of telephone and IT systems from the Lower Room;
- re-decoration of the Lower Room (old office);
- IT upgrade to support streaming of services and YTH CHRCH;
- pruning of the trees overhanging the car park behind the Church Centre;
- trimming of the holly hedge which bounds the front car park, and fitting an edging to prevent soil from creeping across the tarmac;
- preparatory work for replacement of churchyard gates and gate posts;
- clearing and unblocking rainwater drains and gutters;
- reinforcement of the doors of the metal shed following an attempted break-in;
- awaiting further repair of the doors of the metal shed following another attempted break-in(!);
- lighting the spire red at Christmas.

One ongoing issue of note is that the Church Centre boiler room stairs have collapsed! The boiler room is therefore out-of-bounds to all except essential personnel until repair can be arranged.

In addition to these were our usual responsibilities maintaining 104 Upper Shaftesbury Avenue, which this year included replacement of the garage door, and repair of the lounge radiator.

We also continue with our work towards becoming a more eco-friendly church, with an ongoing review of our electricity and gas suppliers, replacement of light fittings and bulbs with energy efficient LEDs and continual consideration of how we can improve our environmental performance.

Facilities' Report

2020 was nothing close to what might be considered a 'normal' year in the life of the Church Centre. Once life began to change at the start of March, our regular clients began to cancel bookings until finally the first lockdown was implemented and the centre was closed altogether. However there were plenty of good news stories in the second half of the year – as soon as they were allowed, Little Acorns pre-school returned, and most of our regulars were keen to return in September. We were also delighted to welcome Highfield After School Club back, following an absence of several years. All of our Centre users have been happy to enter into the spirit of the Covid-secure guidelines – designated toilets and frantic cleaning regimes may have been unthinkable at the start of 2020, but the flexibility and willingness of our clients has been most encouraging. There is no way we would have been able to maintain even a semblance of normal operations without Cleaning Division going above and beyond the call of duty once again.

The departure of Jo Ladkin after many years of faithful and exemplary service means that Gary Sankey, now Facilities Manager, has sole responsibility for all client interaction, as well as liaising with David Tozer (Fabric Chair) regarding repairs and maintenance.

Financial Review (Finance Group Report)

Results for the year

The financial results for the year, which show a surplus of £27,948 (2019: deficit of £68,088), are considered a satisfactory outcome. An investment property is still held with a market value considered to be £450k.

In 2020 the decline in regular member donations seen in recent years continued and the effect of the Covid pandemic also reduced church centre income and income from services. This was mitigated by:

1. Significant increases in grant, gift day and digital income.
2. Significant decrease in staff numbers in Q3
3. Furlough receipts.
4. An agreed £10k decrease in the Diocesan Common Mission Fund payments.
5. Reduced activities caused by the lockdown.

This also enabled us to maintain our level of donations to Mission Partners and other organisations. Increases in the market values of property and income shares then transformed a small deficit into the surplus noted above. There was also an increase in cash reserves of £22,650 – this was largely due to grants received in 2020 relating to costs in 2021.

2021 will see the full year impact of the staff savings and a repeated cut in the Diocesan CMF. The PCC still holds a level of reserves, matched by liquidity, which should sustain its activities.

Reserves Policy

The reserves policy, established in 2019, is that the PCC should not allow unrestricted general funds to fall below three months of forecast, unfunded cost of employment for more than two consecutive quarters and that any forward 12-month forecast should not project those funds falling below one month forecast, unfunded cost of employment.

The PCC holds unrestricted funds, which are not designated, of £77,808 (2019: £78,364), which is above that limit. It should also be noted that there is also an Essential Maintenance Reserve in Designated Funds of £30,000 (2019: £34,808) that has reduced the unrestricted general funds.

The majority of PCC income continues to remain from unrestricted committed and regular personal giving, which is one of the strongest long term reserves the PCC could have. A sustained effort is under way to maintain overall income, and to ensure that adequate resources are available to meet planned activities.

The PCC believes this will enable it to maintain the correct balance between the outward looking strategy of the charity with the desire to achieve an appropriate level of reserves.

Principal Funding Sources

The staff salaries, activities and ministries of the church are mainly funded by the contributions received from members of the church and through the income tax recovered under the Gift Aid scheme. The trustees monitor income levels and where forecasted contributions are outside of expectation, the trustees respond by changing the spending plans, considering investments in place and communicating with members of the church as appropriate. In recent years this has been supplemented by grants from the Diocese and Christian organisations and by renting out the property in Upper Shaftesbury Avenue. Grants are sought and accepted where the trustees have concluded that the source of funds and any conditions align with the aims and purposes of the trust. The Church Centre is funded through the letting of its rooms to outside organisations and individuals, but any shortfall would be funded by the PCC.

Investment Policy and Objectives

Following due consideration of the social, environmental and ethical impacts, the PCC approved the investment policy to invest its funds via the Diocese of Winchester. This provides a lower rate of interest than could be obtained elsewhere, but the purpose of this investment is that it enables the Diocese to provide loans at a lower rate of interest to other parishes who need to borrow money. In this way the investments help the wider church. In 2020 the remaining monies deposited were withdrawn due to concerns relating to Covid and the general collapse in savings rates.

The PCC has also held the Investment Property for several years and continue to consider whether this is the most appropriate form of investment. The value and growth in value have remained in line with expectation and the asset can be practically used where needed by the church for continuing our work in the community and therefore continues to be an appropriate investment.

Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Charity law 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 income and expenditure, of the for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


The trustees are responsible for maintaining proper accounting records which 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. 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Parochial Church Council on22 October 2024..... and signed on their behalf by:



M Archer
Priest in Charge and Chair of Trustees

Summary of Financial Statements for 5 years

	2020 £k	2019 £k	2018 £k	2017 £k	2016 £k
INCOME					
Income from members including tax and other income	401	462	476	596	490
Gift days & Retiring Collections	64	57	13	36	22
Income from parish fees and grants	89	26	24	8	5
Church Centre and other departments	41	74	68	64	54
Weekend away	-	16	-	19	-
Income from investments and interest	17	18	18	9	1
Total Income	612	653	599	732	572
Mission Giving and Donations	66	64	69	66	70
Diocesan Parish Share	124	133	135	140	153
Staff Costs	299	295	259	245	203
Church activities	17	48	47	42	41
Church maintenance and houses	22	25	27	20	21
Cost of Church Centre and departments	45	54	61	64	56
Weekend away	-	20	-	24	-
Church administration	19	22	21	16	16
Depreciation	23	62	38	32	25
Total Expenditure	615	723	657	649	585
Net Surplus/(Deficit)	(3)	(70)	(58)	83	(13)
Investment gains/losses & b/f adjustments	31	(93)	-	314	1
Increase / (Decrease) in Funds	28	(163)	(58)	397	(12)
Funds at start at year	664	827	885	488	500
Funds at end of year	691	664	827	885	488

FINANCIAL POSITION	2020 £k	2019 £k	2018 £k	2017 £k	2016 £k
PCC NET ASSETS					
Fixed Assets	535	505	657	649	222
Investments, previous includes deposits	15	14	102	172	178
Bank balances, debtors & creditors	141	145	68	64	88
Total Assets	691	664	827	885	488
PCC FUNDS					
Premises and fixed assets	535	505	659	577	223
Endowment and Restricted Funds	48	46	13	106	75
Essential Maintenance Fund	30	35	20	-	-
General Fund	78	78	135	202	190
Total Funds	691	664	827	885	488

Independent Auditor's Report to the Trustees of the Parochial Church Council of Highfield Church, Southampton

Opinion

We have audited the financial statements of The Parochial Church Council of Highfield Church (the "Charity") for the year ended 31 December 2020 which comprise the Statement of Financial Activities and Statement of Total Recognised Gains and Losses, the Balance Sheet, the Statement of Cash Flows and notes to the statement of cash flows and financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Auditors responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities including fraud is detailed below.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or

- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, set out on pages 18-19, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect to fraud, are, to identify and assess the risk of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- The responsible individual selected staff for the audit who had the required competence and skills in the not-for-profit sector to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including due to fraud, management override was identified as a fraud risk from our assessment.
- Some income received is restricted in its use and a potential risk was identified regarding whether the appropriate classification between restricted and unrestricted funds had been made. The income had been correctly classified and the relevant expenditure against this income was in line with any restrictions.
- We obtained information and evidence to show how the charity complies with these requirements by discussion with management and those charged with governance. We inquired whether there were any known instances of non-compliance, or suspected non-compliance with laws and regulations.
- We assessed the internal controls in place, documenting the systems, controls and processes. Our audit approach incorporated a number of control tests, and both analytical and substantive procedures.

To address the risk of fraud through management override we:

- Performed analytical reviews to identify any unusual or unexpected relationships.
- Reviewed sensitive nominal ledger codes.
- Reviewed journals to identify unusual or unexpected transactions.
- Reviewed minutes of meetings, including evidence of dominance by certain individuals.
- Assessed whether judgements and estimates made, indicate and potential bias.

To address the risk of non-charitable expenditure we:

- Identified expenditure provided to overseas charities, individuals and organisations.
- Obtained an understanding of the controls implemented by the trustees to ensure such funding was used in accordance with the wishes of the charity.
- Obtained an understanding of what the trustees do to follow up that the funds have been used in accordance with the wishes of the charity.
- Tested a sample of overseas funding in accordance with the controls outlined to us to ensure the controls were being adhered to.
- Ensured the trustees had the knowledge to understand how failure to meet the criteria outlined by HM Revenue and Customs can result in income becoming taxable in the event that expenses are deemed non-charitable expenditure.
- Obtained representation from the trustees that non such breach of these rules have been identified

To address the classification of income and expenditure between restricted and unrestricted we:

- Completed analytical work, compared to prior years.
- Reviewed minutes of meetings to identify whether discussions gave light to other information not recorded in nominal ledger or associated documents.
- Agreed a sample of income per the nominal ledger to source documentation, to ensure any restrictions were correctly identified.
- Agreed a sample of expenditure per the nominal ledger to support documentation, confirming any restriction applied met the purpose for which the income was given.
- Reviewed the analysis of restricted funds for any obvious misallocation of income or expenditure.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit

procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatement that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 or Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in and auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion formed.



For and on behalf of Butler & Co Audit Limited

Statutory Auditor

Bennett House, The Dean,

Airesford, Hampshire

SO24 9BH

Dated: 22nd October 2021

Statement of Financial Activities and Statement of Total Recognised Gains and Losses

for the Year Ended 31 December 2020

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2020	TOTAL 2019
INCOMING RESOURCES						
Voluntary income	2(a)	434,689	82,830	-	517,519	540,071
Church activities	2(b)	40,675	284	-	40,959	94,906
Income from investments	2(c)	16,941	-	419	17,360	18,268
Other income	2(d)	36,390	-	-	36,390	-
TOTAL INCOMING RESOURCES		528,695	83,114	419	612,228	653,245
Transfer between funds	2(e)	419	-	(419)	-	-
INCOMING RESOURCES AFTER TRANSFER		529,115	83,114	-	612,228	653,245
RESOURCES USED						
Mission and charitable giving	3(a)	56,563	9,874	-	66,437	64,193
Church activities	3(b)	233,285	11,762	-	245,047	359,310
Governance costs	3(c)	4,800	-	-	4,800	4,898
Staff costs	3(d)	239,360	59,569	-	298,929	295,137
TOTAL RESOURCES USED		534,008	81,205	-	615,213	723,538
Transfer between funds		-	-	-	-	-
RESOURCES USED AFTER TRANSFER		534,008	81,205	-	615,213	723,538
NET INCOMING/(OUTGOING) RESOURCES		(4,894)	1,909	-	(2,985)	(70,293)
GAINS AND LOSSES ON INVESTMENTS						
- Gains on revaluation	7, 8	30,000	-	933	30,933	2,205
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR	11a	25,106	1,909	933	27,948	(68,088)
FUNDS AT START OF YEAR		617,945	31,577	13,993	663,515	827,089
ADJUSTMENTS B/F – Fixed Assets	6	-	-	-	-	(95,486)
FUNDS AT END OF YEAR		643,051	33,486	14,926	691,463	663,515

Prior Year - SoFA

for the Year Ended 31 December 2019


	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2019 £
INCOMING RESOURCES					
Voluntary income	2(a)	473,689	66,382	-	540,071
Church activities	2(b)	92,610	2,296	-	94,906
Income from investments	2(c)	17,861	-	407	18,268
TOTAL INCOMING RESOURCES		584,160	68,678	407	653,245
Transfer between funds	2(e)	407	-	(407)	-
INCOMING RESOURCES AFTER TRANSFER		584,567	68,678	-	653,245
RESOURCES USED					
Mission and charitable giving	3(a)	58,859	5,334	-	64,193
Church activities	3(b)	342,340	16,970	-	359,310
Governance costs	3(c)	4,898	-	-	4,898
Staff costs	3(d)	271,644	23,493	-	295,137
TOTAL RESOURCES USED		677,741	45,797	-	723,538
Transfer between funds		-	-	-	-
RESOURCES USED AFTER TRANSFER		677,741	45,797	-	723,538
NET INCOMING/(OUTGOING) RESOURCES		(93,174)	22,881	-	(70,293)
Transfer between funds		-	-	-	-
GAINS AND LOSSES ON INVESTMENTS					
- Gains on revaluation	7, 8	-	-	2,205	2,205
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR	11a	(93,174)	22,881	2,205	(68,088)
FUNDS AT START OF YEAR		813,225	2,076	11,788	827,089
ADJUSTMENTS B/F – Fixed Assets	6	(95,486)	-	-	(95,486)
ADJUSTMENTS B/F – Funds	11a	(6,620)	6,620	-	-
FUNDS AT END OF YEAR		617,945	31,577	13,993	663,515

Balance Sheet

At 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2020 £	TOTAL FUNDS 2019 £
FIXED ASSETS						
Tangible assets	6	85,243	-	-	85,243	84,773
Investment property	7	450,000	-	-	450,000	420,000
Investments	8	-	-	14,926	14,926	13,993
		<u>535,243</u>	<u>-</u>	<u>14,926</u>	<u>550,169</u>	<u>518,766</u>
CURRENT ASSETS						
Debtors: amounts falling due within one year	9	11,464	-	-	11,464	23,153
Cash at bank & on deposit		140,395	33,486	-	173,881	151,231
		<u>151,859</u>	<u>33,486</u>	<u>-</u>	<u>185,345</u>	<u>174,384</u>
CREDITORS						
Amounts falling due within one year	10	(44,051)	-	-	(44,051)	(29,635)
NET CURRENT ASSETS		<u>107,808</u>	<u>33,486</u>	<u>-</u>	<u>141,294</u>	<u>144,749</u>
NET ASSETS		<u>643,051</u>	<u>33,486</u>	<u>14,926</u>	<u>691,463</u>	<u>663,515</u>
FUNDS						
Unrestricted funds						
General Funds	11				77,808	78,364
Designated Funds	12				565,243	539,581
					<u>643,051</u>	<u>617,945</u>
Restricted Funds	13				33,486	31,577
Endowment Funds					14,926	13,993
					<u>691,463</u>	<u>663,515</u>
TOTAL FUNDS					<u>691,463</u>	<u>663,515</u>

The financial statements were approved by the Parochial Church Council on 22nd October 2020 and were signed on its behalf by:



M Archer
Chair of Trustees



S Chapman
PCC Treasurer

Statement of Cash Flows

for the Year Ended 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2020 £	TOTAL FUNDS 2019 £
Cash flows from operating activities						
Cash generated from/ (used in) operations	1	27,266	1,909	-	29,175	(22,803)
Net cash provided by/ (used in) operating activities		27,266	1,909	-	29,175	(22,803)
Cash flows from investing activities						
Dividends from Shares		419	-	-	419	407
Interest from Deposits		(141)	-	-	(141)	1,061
Rent from Investment Property		16,800	-	-	16,800	16,800
Purchase of Fixed Assets		(23,752)	-	-	(23,752)	(4,555)
Loss from disposal of Investments		149	-	-	149	-
Net cash provided by investing activities		(6,525)	-	-	(6,525)	13,713
Cash flows from financing activities						
Net inflows/(outflows) from borrowings and financing		-	-	-	-	-
Transfers (balance b/f)		-	-	-	-	-
Increase/(Decrease) in cash and cash equivalents		20,741	1,909	-	22,650	(9,090)
Cash and cash equivalents at beginning of year	2	119,654	31,577	-	151,231	160,321
Cash and cash equivalents at end of year	2	140,395	33,486	-	173,881	151,231

Notes to the Statement of Cash Flows

At 31 December 2020

1. Reconciliation of Surplus/(Deficit) To Cash Generated from Operations

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2020	TOTAL FUNDS 2019
	£	£	£	£	£
Surplus/(Deficit) from operations	25,107	1,909	933	27,949	(68,088)
Revaluations	(30,000)	-	(933)	(30,933)	(2,205)
Depreciation	23,132	-	-	23,132	61,544
Dividends from Investments	(419)	-	-	(419)	(407)
Interest from Investments	141	-	-	141	(1,061)
Rent from Investment Property	(16,800)	-	-	(16,800)	(16,800)
(Increase)/Decrease in Debtors	11,689	-	-	11,689	(139)
Increase/(Decrease) in Creditors	14,416	-	-	14,416	4,353
Net cash provided by operating activities	27,266	1,909	-	29,175	(22,803)

2. Cash and Cash Equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	Unrestricted Funds	Restricted Funds	Other Funds	TOTAL FUNDS 2020
	£	£	£	£
Year ended 31st December 2020				
Cash and cash equivalents	140,395	33,486	-	173,881
	140,395	33,486	-	173,881
	Unrestricted Funds	Restricted Funds	Other Funds	TOTAL FUNDS 2019
	£	£	£	£
Year ended 31st December 2019				
Cash and cash equivalents	69,654	31,577	-	101,231
Deposit with Diocese	50,000	-	-	50,000
	119,654	31,577	-	151,231

Notes to the Financial Statements

for the Year Ended 31 December 2020

1. ACCOUNTING POLICIES

Accounting convention

The Parochial Church Council of Highfield Church, Southampton is a charity with a registered charity number 1131770 which is registered and domiciled in England with the address of Highfield Lane, Highfield, Southampton, Hampshire, SO17 1RL

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible by law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members. The financial statements are prepared in sterling which is the functional and presentational currency of the charity and rounded to the nearest pound.

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' 'true and fair view' provisions, together with FRS 102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS 102)).

Public benefit entity

The trustees have considered the definition of what constitutes a public benefit entity for charitable purposes. The trustees believe that the PCC advances religion to the wider community as part of our aims and the positive impact offered to the community of all faiths and beliefs. The trustees are mindful to consider the benefit being provided and look at potential issues which could conflict with this and discuss and where necessary take action to address this.

Critical judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The trustees consider the revaluation of the Investment Property to be a critical estimate given the value and nature.

Fund accounting

Endowment fund capital must be maintained permanently; only dividend income arising from investment of the endowment may be used for the purpose for which the endowment was established.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. Explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are general funds which remain unrestricted but are set aside by the PCC for use in the future. These funds cover investment property values and are also for the future depreciation of fixed assets and essential maintenance of premises.

Incoming resources

Planned gifts, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Investment income is accounted for when receivable. All other income, including church centre rental income, is recognised when it is receivable. Donated goods and services are not accounted for unless they are individually considered material to the accounts and then at the market value attributable.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when due. All other expenditure is generally recognised when it is payable.

Tangible fixed assets

Consecrated and beneficed property is excluded from the financial statements in accordance with the Charities Act 2011. No value is placed on moveable church furnishings held by the church wardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property and no reliable cost information is available. All expenditure incurred, whether maintenance or improvement, during the year on consecrated or benefice buildings is written off as expenditure in the Statement of Financial Activities and separately disclosed. Expenditure on moveable furniture and equipment is capitalised.

The Church Centre is managed by Highfield PCC but, in common with previous years, only Building Improvements, Fixtures and Fittings (including furniture) are capitalised and depreciated.

Equipment with a purchase price of £500 or less is written off when the asset is acquired. Depreciation is at the following annual rates in order to write off each asset over its useful economic life.

Church Centre Building Improvements	4% Straight line
Church Centre Fixtures & Fittings	10% Straight line
Church Services Fittings & Equipment	10% Straight line
Other Equipment including computers	25% first year, then 15% Straight line

Investment property

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation are, ordinarily, recorded in the Statement of Financial Activities and transferred at the year end to the designated funds.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment. The company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within 'Creditors: amounts falling due within one year' on the balance sheet.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Pension costs

The PCC participates in a defined contribution pension scheme. Contributions payable to the PCC pension scheme are charged as resources used in the period to which they relate.

Redundancy costs

The PCC will seek to ensure that budgeting around staffing is done on a conservative basis. In the event that a role has to be made redundant, the PCC will follow current HR advice and practice, and will at least provide the statutory minimum in redundancy pay. Redundancy payments are recognised when the decision to terminate an employee's contract is taken and is demonstrably committed and measured as the best estimate for amounts due to settle the obligation and where material, discounted.

Current assets

Amounts due to the PCC in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

Leased assets: Lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss. Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

All other leases are treated as operating. Their annual rentals are credited to profit or loss on a straightline basis over the term of the lease.

Taxation

The charity is exempt from corporation tax, however the trustees monitor the nature of transactions to ensure these are appropriately disclosed to HM Revenue and Customs.

2. INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2020	TOTAL FUNDS 2019
	£	£	£		£
2(a) Voluntary Income					
Planned gifts:					
Giving under Gift Aid	272,379	-	-	272,379	315,937
Tax recoverable	68,310	-	-	68,310	83,202
Other tax efficient giving	7,658	-	-	7,658	7,690
Non gift aid able giving	41,251	-	-	41,251	35,262
Collections at services	2,351	-	-	2,351	13,388
Gift Days & Retiring collections	37,221	29,574	-	66,795	57,412
Sundry donations	20	-	-	20	1,340
Legacies	5,500	-	-	5,500	5,000
Grant Income	-	53,256	-	53,256	20,840
	434,689	82,830	-	517,519	540,071
2(b) Church Activities					
Church Centre lettings etc	27,768	-	-	27,768	49,182
Restricted fund activities income	-	284	-	284	2,296
Self-funded activities income	11,406	-	-	11,406	38,425
Parish Fees	1,501	-	-	1,501	5,003
	40,675	284	-	40,959	94,906
2(c) Income from investments					
Dividends and interest	141	-	419	560	1,468
Rental Income	16,800	-	-	16,800	16,800
	16,941	-	419	17,360	18,268
2(d) Other Income					
Other state aid	36,390	-	-	36,390	-
	36,390	-	-	36,390	-
TOTAL INCOMING RESOURCES	528,695	83,114	419	612,228	653,245

2(e) Transfers to General Funds

An amount of £419 (2019: £407), being dividends received on the Endowment Fund shares, was transferred to General Funds to offset fabric related expenditure.

3. RESOURCES USED

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2020	TOTAL FUNDS 2019
	£	£	£	£	£
3(a) Missionary and charitable giving:					
Mission partners:					
- Church overseas	28,510	2,954	-	31,464	27,400
- Home missions & other organisations	23,243	6,920	-	30,163	23,617
Short term placements	-	-	-	-	5,339
Other donations	4,810	-	-	4,810	7,837
	56,563	9,874	-	66,437	64,193
3(b) Church Activities:					
Ministry:					
- Diocesan Common Mission Fund	123,818	-	-	123,818	133,038
- clergy expenses	1,304	-	-	1,304	3,364
Church:					
- services	3,100	-	-	3,100	8,113
- older people	1,842	-	-	1,842	739
- children, youth & students	4,211	-	-	4,211	11,121
- other activities	1,093	-	-	1,093	7,696
Training costs	359	-	-	359	5,488
Church running and maintenance	16,521	1,228	-	17,749	21,175
Investment property costs	3,839	-	-	3,839	3,927
Office costs	14,622	-	-	14,622	16,907
Depreciation	23,132	-	-	23,132	61,544
Distribution of Parish fees	152	-	-	152	1,400
Church Centre costs excluding staff costs	32,378	-	-	32,378	30,487
Restricted fund activities	(5,234)	10,534	-	4,951	16,970
Self-funded activities expenditure	12,147	-	-	12,147	37,341
	233,285	11,762	-	245,047	359,310
3(c) Governance costs					
Audit costs	4,800	-	-	4,800	4,898
3(d) Staff Costs (note 5)					
Salaries and employment costs	239,360	59,569	-	298,929	295,137
TOTAL RESOURCES USED	534,008	81,205	-	615,213	723,538

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	4,800	4,898
Depreciation - owned assets	23,132	61,544
Loss on disposal of fixed assets	150	-

5. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	248,058	258,034
Social Security Costs	18,317	14,775
Pension Costs	20,427	22,328
Redundancy Costs	12,126	-
	<u>298,929</u>	<u>295,137</u>

The average number of employees in the year was 15 (2019: 16).

No employees earned £60,000 pa or more.

See note 14 for disclosure of payments made to related parties.

Two members of clergy were paid by the Church Commissioners and not the PCC. The Common Mission Fund paid to the diocese was in part to cover these costs. Two clergy gave their time as non-stipendiary clergy, for no remuneration by either the Church Commissioners or PCC.

The charity trustees were not paid or received any other benefits from employment with the Church in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Social Security costs are shown gross of the employment allowance.

6. TANGIBLE FIXED ASSETS

	Church Centre £	Church Services £	Other Equipment £	TOTAL £
COST				
At 1 January 2020	384,197	156,802	12,204	553,203
Additions	14,808	2,250	6,694	23,752
Disposals	(19,500)	-	(500)	(20,000)
At 31 December 2020	<u>379,505</u>	<u>159,052</u>	<u>18,398</u>	<u>556,955</u>
DEPRECIATION				
At 1 January 2020	364,905	96,705	6,820	468,430
Charge for year	4,632	15,905	2,595	23,132
Disposals	(19,500)	-	(350)	19,850
At 31 December 2020	<u>350,037</u>	<u>112,610</u>	<u>9,065</u>	<u>471,712</u>
NET BOOK VALUE				
At 31 December 2020	<u>29,468</u>	<u>46,442</u>	<u>9,333</u>	<u>85,243</u>
At 31 December 2019	<u>19,292</u>	<u>60,097</u>	<u>5,384</u>	<u>84,773</u>

7. INVESTMENT PROPERTY

	104 USA
MARKET VALUE	£
At 1 January 2020	420,000
Changes in market value (see note below)	<u>30,000</u>
At 31 December 2020	<u>450,000</u>

The property, 104 Upper Shaftesbury Avenue (known as 104 USA) is rented on a market basis. The property was valued by an independent professional company at the year-ended 2019 and a £20,000 increase was considered, but not recognised on the basis of the uncertainty over the prospects in the housing market during the early stages of the Covid 19 pandemic. The property was valued by an independent professional estate agent for the year ended 2020 and with more certainty in the housing market, an additional £30,000 has been recognised in the current year. The trustees consider the estate agent has sufficient and appropriate experience of the local housing market to provide a reliable estimate for valuation purposes. The property is legally owned by the Diocese, but provided to the Charity to manage and use any funds arising from its sale for the benefit of the Charity.

8. FIXED ASSET INVESTMENTS

	Unlisted investments
MARKET VALUE	£
At 1 January 2020	13,993
Additions/(Disposals)	-
Transferred to current assets	-
Changes in mid-market value	933
At 31 December 2020	<u>14,926</u>

These were COIF income shares. There were no investment assets outside the UK. Value is advised by the Diocese.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Net resources are stated after charging/(crediting):

	2020	2019
	£	£
Gift Aid recoverable	8,153	3,385
Church centre debtors	551	5,920
Other debtors and prepayments	2,760	13,848
VAT recoverable	-	-
	<u>11,464</u>	<u>23,153</u>

VAT is recoverable from DCMS under Listed Places of Worship Government grant scheme.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Net resources are stated after charging/(crediting):

	2020	2019
	£	£
Trade and pension creditors	2,195	3,137
Social Security and other taxes	3,723	4,633
Grants received in advance	19,608	-
Other creditors	938	6,514
Accrued expenses	17,586	15,351
	<u>44,051</u>	<u>29,635</u>

The operating lease related to the investment property has non-cancellable income of £1,680 (2019: £1,680) due within one year. Post year end, the lease was renewed for a one year term. There are no contingent rents.

11. (a) FUNDS

Endowment funds comprise the Vicar and Church Warden's Fabric Fund, from which the income is to be used for the church fabric upkeep.

Restricted funds are in respect of:

- a) Group activities subsidised by the people involved and run at no extra cost to the PCC general fund.
- b) The 2019 Gift Day balances brought forwards were fully utilised during 2020. The remaining balance is fully derived from 2020 Gift days and associated grants.
- c) Gifts to specific causes.

Designated funds are for specific expenditure on, and the financing of, property and fixed assets. They include amounts that are designated for essential building maintenance and depreciation.

Unrestricted funds are available at the discretion of the PCC.

Net movement in funds in the year	2020	2019
	£	£
General Funds	(556)	(57,613)
Designated Funds	25,662	(137,667)
Total for the year	<u>25,106</u>	<u>(195,280)</u>

General Fund movements	2020	2019
	£	£
Balance b/f	78,364	135,977
Surplus/(deficit) for the year	18,238	(31,630)
Fixed asset purchases	(23,752)	(4,555)
Loss on disposal of fixed assets	150	-
Essential Maintenance Fund decrease/ (increase)	4,808	(14,808)
Adjustment to b/f balance	-	(6,620)
Balance c/f	<u>77,808</u>	<u>78,364</u>

Designated Fund movements	Fixed Assets	Investment Property	2020 TOTAL	2019 TOTAL
			£	£
Balance at 1 January 2020	119,581	420,000	539,581	677,248
Additions/(Disposals)	23,752	-	23,752	4,555
Loss on disposal of fixed assets	(150)	-	(150)	-
Transfers/Corrections to b/f	-	-	-	(95,486)
Valuations	-	30,000	30,000	-
Depreciation	(23,132)	-	(23,132)	(61,544)
Essential Maintenance Fund (decrease) /increase	(4,808)	-	(4,808)	14,808
Balance at 31 December 2020	<u>115,243</u>	<u>450,000</u>	<u>565,243</u>	<u>539,581</u>

The investment property's year end market value increased, based on an independent professional organisation's valuation of £30,000. Any property repairs to that property are written off as incurred and included in the Statement of Financial Activities.

11. (b) ANALYSIS OF NET ASSETS BY FUNDS

	General Funds £ (Note 11a)	Designated Funds £ (Note 12)	Restricted Funds £ (Note 13)	Endowment Funds £ (Note 8)	TOTAL £
Tangible fixed assets	-	85,243	-	-	85,243
Investment property	-	450,000	-	-	450,000
Investment fixed assets	-	-	-	14,926	14,926
Current assets	121,308	30,000	33,486	-	185,345
Current liabilities	(44,051)	-	-	-	(44,051)
Balance at 31 December 2020	<u>77,808</u>	<u>565,243</u>	<u>33,486</u>	<u>14,926</u>	<u>691,463</u>

12. DESIGNATED FUNDS

	2020 £	2019 £
Investment property – Original cost of 104 Upper Shaftesbury Avenue	106,644	106,644
Investment property – Revaluations of 104 Upper Shaftesbury Avenue	343,356	313,356
Church Services fixed assets	46,442	60,097
Church Centre fixed assets	29,468	19,292
Other Equipment fixed assets	9,333	5,384
Essential Maintenance Fund	30,000	34,808
	<u>565,243</u>	<u>539,581</u>

There were no major capital additions in 2020. £8,944 (2019: £4,555) additions have been allocated to designated funds.

Essential Maintenance Fund (previously Cyclical Maintenance Fund). The PCC is required to undertake an inspection of the church building every five years. Plans for cyclical maintenance are then drawn up to maintain the building. The PCC sets aside money annually to cover the work required for the following year to cover such work and other essential repairs that, if not completed, would lead to further value loss. This does not cover any planned improvements.

13. RESTRICTED FUNDS

Restricted Fund movements	2020	2019
	£	£
Tea club activities income less expenditure	(1,881)	(195)
Balance b/f adjustment	-	6,620
Gift Day movements	7,160	22,538
Movements in other funds	(3,370)	538
	<u>1,909</u>	<u>29,501</u>

Restricted Funds at end of year

Tea club	-	1,881
Gift Day and associated grants – outstanding funds	29,698	22,538
Others (various)	3,788	7,158
	<u>33,486</u>	<u>31,577</u>

14. RELATED PARTY TRANSACTIONS

There were no trustees' expenses paid (2019: none).

The following relatives of trustees received payment for their services or as employees of the PCC:

M. Billington, E. Jackson and P. Hutchings

The total paid in the applicable period was £34,117.

PCC members are not involved in decisions concerning those with whom they are connected.

There were no conditions associated with donations from the Trustees which totalled £28,207 (2019: £31,157).

Volunteers play a significant role in the activities of the church which is described in the Trustees report. It is not possible to accurately or consistently value their contribution and therefore these accounts do not include a monetary value in this respect.

15. PENSIONS

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

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014. The PCC had 8 active members in the Pension Builder Classic section at 31 December 2020.

Pension Builder Scheme

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 of £20,427 (2019: £22,328).

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

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

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