

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](mailto: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
<b>Total Income</b>	<b>661</b>	<b>582</b>	<b>528</b>	<b>555</b>	<b>576</b>
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
<b>Total Expenditure</b>	<b>634</b>	<b>545</b>	<b>592</b>	<b>501</b>	<b>580</b>
Net Surplus/(Deficit)	27	37	-64	54	-4
Investment gains/losses & b/f adjustments	1	5	-2	22	31
<b>Increase / (Decrease) in Funds</b>	<b>28</b>	<b>42</b>	<b>-66</b>	<b>76</b>	<b>27</b>
Funds at start at year	743	701	767	691	664
<b>Funds at end of year</b>	<b>771</b>	<b>743</b>	<b>701</b>	<b>767</b>	<b>691</b>

FINANCIAL POSITION	2024	2023	2022	2021	2020
	£k	£k	£k	£k	£k
<b>PCC NET ASSETS</b>					
Fixed Assets	66	78	559	558	535
Investments	17	17	15	17	15
Bank balances, debtors & creditors	688	648	127	192	141
<b>Total Net Assets</b>	<b>771</b>	<b>743</b>	<b>701</b>	<b>767</b>	<b>691</b>
<b>PCC FUNDS</b>					
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
<b>Total Funds</b>	<b>771</b>	<b>743</b>	<b>701</b>	<b>767</b>	<b>691</b>



**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 £
<b>Income and endowments from:</b>							
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	-	-	-	-	-	-
<b>TOTAL</b>		<b>596,303</b>	<b>-</b>	<b>458</b>	<b>64,190</b>	<b>660,951</b>	<b>582,892</b>
<b>Expenditure on:</b>							
Charitable Activities	3a	557,076	16,875	-	58,736	632,687	544,959
Raising Funds	3b	1,303	-	-	-	1,303	-
<b>TOTAL</b>		<b>558,379</b>	<b>16,875</b>	<b>-</b>	<b>58,736</b>	<b>633,990</b>	<b>544,959</b>
<b>NET INCOME/(EXPENDITURE) BEFORE INVESTMENTS GAINS/(LOSSES)</b>		<b>37,924</b>	<b>(16,875)</b>	<b>458</b>	<b>5,454</b>	<b>26,961</b>	<b>37,933</b>
Gains/(losses) on investments	5c	-	-	378	-	378	4,761
<b>NET INCOME/(EXPENDITURE)</b>		<b>37,924</b>	<b>(16,875)</b>	<b>836</b>	<b>5,454</b>	<b>27,339</b>	<b>42,694</b>
Transfer Between Funds	9,10,11	446,250	(442,884)	(458)	(2,908)	-	-
<b>Net movement in funds</b>		<b>484,174</b>	<b>(459,759)</b>	<b>378</b>	<b>2,546</b>	<b>27,339</b>	<b>42,694</b>
<b>Reconciliation of funds:</b>							
Total Funds Brought Forward		140,521	550,997	16,502	35,438	743,458	700,764
<b>Total Funds Carried Forward</b>		<b>624,695</b>	<b>91,238</b>	<b>16,880</b>	<b>37,984</b>	<b>770,797</b>	<b>743,458</b>


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

Signed on behalf of the Trustees and PCC Members by:

  
.....

  
.....

06/08/2025

Date .....2025

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

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

**(b) Analysis of cash and cash equivalents**

	2024 £	2023 £
Cash at bank and in hand	715,773	663,596
<b>Total cash and cash equivalents</b>	<u><b>715,773</b></u>	<u><b>663,596</b></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 £
<b>a) Donations and Legacies</b>						
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
		<b>486,554</b>	<b>-</b>	<b>53,606</b>	<b>540,160</b>	<b>470,287</b>
<b>b) Charitable Activities</b>						
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
		<b>104,223</b>	<b>-</b>	<b>10,584</b>	<b>114,807</b>	<b>109,754</b>
<b>c) Investments</b>						
Dividends and Bank Interest		5,526	-	-	5,526	451
Rental Income		-	-	-	-	2,400
		<b>5,526</b>	<b>-</b>	<b>-</b>	<b>5,526</b>	<b>2,851</b>
<b>d) Other Income</b>						
Insurance Claims		-	-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**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 £
<b>a) Charitable Activities</b>						
<b>Direct costs</b>						
<b>Missionary and Charitable giving:</b>						
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
<b>Church Activities:</b>						
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
<b>Governance and Support:</b>						
Independent Examiners Fees		1,530	-	-	1,530	3,660
Professional Fees		917	-	-	917	2,132
<b>TOTAL</b>		<b>557,076</b>	<b>16,875</b>	<b>58,736</b>	<b>632,687</b>	<b>544,959</b>
	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
<b>b) Raising Funds</b>						
Advertising		1,303	-	-	1,303	-
<b>TOTAL</b>		<b>1,303</b>	<b>-</b>	<b>-</b>	<b>1,303</b>	<b>-</b>

**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><b>23,660</b></u>	<u><b>32,540</b></u>	<u><b>10,038</b></u>	<u><b>66,238</b></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	<b>TOTAL</b> <b>31-Dec-24</b> £
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><b>16,880</b></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 £	<b>Total</b> <b>31-Dec-24</b> £	<b>Total</b> <b>31-Dec-23</b> £
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><b>20,748</b></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>20,748</b></u>	<u><b>4,839</b></u>

**7. CASH AT BANK AND IN HAND**

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

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Unrestricted Fund £	Designated Fund £	Endowment Fund £	Restricted Fund £	<b>Total</b> <b>31-Dec-24</b> £	<b>Total</b> <b>31-Dec-23</b> £
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><b>48,842</b></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>48,842</b></u>	<u><b>19,146</b></u>

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

**9. DESIGNATED FUNDS**

	<b>CURRENT YEAR</b>					Balance 31-Dec-24 £
	Balance 01-Jan-24 £	Gains and Losses £	Income £	Expenditure £	Transfers £	
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)	-
	<b>550,997</b>	<b>-</b>	<b>-</b>	<b>(16,875)</b>	<b>(442,884)</b>	<b>91,238</b>

	<b>PREVIOUS YEAR</b>					Balance 31-Dec-23 £
	Balance 01-Jan-23 £	Gains and Losses £	Income £	Expenditure £	Transfers £	
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
	<b>559,022</b>	<b>-</b>	<b>-</b>	<b>(16,628)</b>	<b>8,603</b>	<b>550,997</b>

**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	-	-
	<b>91,238</b>	<b>550,997</b>

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

**10. RESTRICTED FUNDS**

	<b>CURRENT YEAR</b>					Balance 31-Dec-24 £
	Balance 01-Jan-24 £	Gains and Losses £	Income £	Expenditure £	Transfers £	
Gift Day Fund	2,528	-	18,837	(20,149)	(969)	247
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)	-	-
	<b>35,438</b>	<b>-</b>	<b>64,190</b>	<b>(58,736)</b>	<b>(2,908)</b>	<b>37,984</b>
	<b>PREVIOUS YEAR</b>					Balance 31-Dec-23 £
	Balance 01-Jan-23 £	Gains and Losses £	Income £	Expenditure £	Transfers £	
Gift Day Fund	3,314	-	3,324	(3,575)	(535)	2,528
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
	<b>24,709</b>	<b>-</b>	<b>35,675</b>	<b>(22,472)</b>	<b>(2,474)</b>	<b>35,438</b>

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	-	-
	<b>37,984</b>	<b>35,438</b>

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

**11. ENDOWMENT FUNDS**

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

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
	<b>16,880</b>	<b>16,502</b>

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

**12. RECONCILIATION OF FUNDS HELD AND MOVEMENT OF FUNDS**

	<b>CURRENT PERIOD</b>					Balance 31-Dec-24 £
	Balance 01-Jan-24 £	Income £	Gain/Loss £	Expenditure £	Transfers £	
General Funds	140,521	596,303	-	(558,379)	446,250	624,695
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
	<b>743,458</b>	<b>660,951</b>	<b>378</b>	<b>(633,990)</b>	<b>-</b>	<b>770,797</b>
	<b>PREVIOUS PERIOD</b>					Balance 31-Dec-23 £
	Balance 01-Jan-23 £	Income £	Gain/Loss £	Expenditure £	Transfers £	
General Funds	101,962	546,766	3,330	(505,859)	(5,678)	140,521
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
	<b>700,764</b>	<b>582,892</b>	<b>4,760</b>	<b>(544,959)</b>	<b>-</b>	<b>743,458</b>

**13. SUMMARY OF ASSETS BY FUND**

	General Fund £	Designated Fund £	Restricted Fund £	Endowment Fund £	<b>TOTAL 2024 £</b>
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	-	-	-	-	-
	<b>624,695</b>	<b>91,238</b>	<b>16,880</b>	<b>37,984</b>	<b>770,797</b>
	General Fund £	Designated Fund £	Restricted Fund £	Endowment Fund £	<b>TOTAL 2023 £</b>
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	-	-	-	-	-
	<b>140,521</b>	<b>550,997</b>	<b>35,438</b>	<b>16,502</b>	<b>743,458</b>

**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:**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>£</b>	<b>£</b>
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)
	<b>278,320</b>	<b>227,137</b>

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

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>TOTAL</b>	<b>TOTAL</b>
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 £	<b>TOTAL 2024 £</b>
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
<b>Total</b>	<b>3,040</b>	<b>623</b>	<b>640</b>	<b>978</b>	<b>807</b>	<b>377</b>	<b>6,465</b>

\* 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 £
<b>Income and endowments from:</b>							
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	-	-	-	-	-	-
<b>TOTAL</b>		<b>546,766</b>	<b>-</b>	<b>451</b>	<b>35,675</b>	<b>582,892</b>	<b>528,328</b>
<b>Expenditure on:</b>							
Charitable Activities	3a	505,859	16,628	-	22,472	544,959	592,310
Raising Funds	3b	-	-	-	-	-	-
<b>TOTAL</b>		<b>505,859</b>	<b>16,628</b>	<b>-</b>	<b>22,472</b>	<b>544,959</b>	<b>592,310</b>
<b>NET INCOME/(EXPENDITURE) BEFORE INVESTMENTS GAINS/(LOSSES)</b>		<b>40,907</b>	<b>(16,628)</b>	<b>451</b>	<b>13,203</b>	<b>37,933</b>	<b>(63,982)</b>
Gains/(losses) on investments	5b	3,330	-	1,431	-	4,761	(2,024)
<b>NET INCOME/(EXPENDITURE)</b>		<b>44,237</b>	<b>(16,628)</b>	<b>1,882</b>	<b>13,203</b>	<b>42,694</b>	<b>(66,006)</b>
Transfer Between Funds	10	(5,678)	8,603	(451)	(2,474)	-	-
<b>Net movement in funds</b>		<b>38,559</b>	<b>(8,025)</b>	<b>1,431</b>	<b>10,729</b>	<b>42,694</b>	<b>(66,006)</b>
<b>Reconciliation of funds:</b>							
Total Funds Brought Forward		101,962	559,022	15,071	24,709	700,764	766,770
<b>Total Funds Carried Forward</b>		<b>140,521</b>	<b>550,997</b>	<b>16,502</b>	<b>35,438</b>	<b>743,458</b>	<b>700,764</b>