

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
<hr/>						
Transfer between funds	2 (e)	434	0	-434	0	0
INCOMING RESOURCES AFTER TRANSFER		464,561	90,449	-	555,010	612,228
<hr/>						
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
<hr/>						
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
<hr/>						
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
<hr/>						

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
		<u>101,962</u>	<u>24,709</u>	<u>0</u>	<u>126,671</u>	<u>192,042</u>
NET CURRENT ASSETS						
		<u>660,984</u>	<u>24,708</u>	<u>15,071</u>	<u>700,764</u>	<u>766,770</u>
NET ASSETS						
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>700,764</u>	<u>766,770</u>
TOTAL FUNDS						

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
		<u>47,805</u>	<u>6,934</u>	<u>0</u>	<u>54,739</u>	<u>47,698</u>
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	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
		<u>314,766</u>	<u>11,169</u>	<u>0</u>	<u>325,935</u>	<u>236,366</u>
3(c) Governance costs						
	Audit costs	4	5,080	0	5,080	4,410
3(d) Staff Costs (note 5)						
	Salaries and employment costs	5	192,798	13,758	0	206,556
		<u>560,449</u>	<u>31,861</u>	<u>0</u>	<u>592,310</u>	<u>501,872</u>
TOTAL RESOURCES USED						

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).