

**Annual Report  
and  
Financial Statements  
of the  
Parochial Church Council  
of the Ecclesiastical Parish  
of Welwyn and Woolmer Green**

**for the year ended 31 December 2020**

**Team Rector:**

The Reverend Dr David Munchin  
The Rectory  
2 Ottway Walk  
Welwyn  
Herts AL6 9AS

**Bank:**

Barclays Bank plc  
The Welwyn Group  
12/12A The Howard Centre  
Welwyn Garden City  
Herts AL8 6ER

**Independent examiner:**

Peter McKay BSc (Hons), FCA  
Jones Hunt & Keelings  
Chartered Certified Accountants and Chartered Tax Advisers  
Broad House  
1 The Broadway  
Old Hatfield  
Herts AL9 5BG

**Registered Charity no. 1130415**

# **Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

## **Annual Report for the year ended 31 December 2020**

### **Aim and purposes**

The PCC of the parish has the responsibility of co-operating with the incumbent, the Rev'd Dr David Munchin, in promoting in the parish the whole mission of the Church, including its pastoral, evangelistic, social and ecumenical vision. It also has the maintenance responsibilities for St Mary the Virgin, Welwyn, St Michael and All Angels, Woolmer Green, St Michael's House and Church House.

### **Objectives and Activities**

The PCC is committed to enabling as many people as possible to worship in our two churches and to become part of our parish community. The PCC maintains an overview of worship throughout the parish and makes suggestions on how our services can involve the many groups that live within our parish. Our services and worship put faith into practice through prayer, scripture, music and sacrament.

When planning our activities for the year, the incumbent and the PCC considered the Commission's guidance on public benefit and, in particular, the specific guidance for charities on the advancement of religion. Primarily, we try to enable ordinary people to live out their faith as part of our parish community through:

- Worship and prayer; learning about the Gospel; and developing their knowledge and trust in Jesus.
- Provision of pastoral care for people living in the parish.

To facilitate this work, it is important that we maintain the fabric of our two churches, St Michael's House and Church House.

### **Response to the Global Pandemic**

The COVID19 pandemic and its associated restrictions have had a major impact on parish and church life. From late March until 6 July 2020, the church was closed to communal worship, though we live-streamed services throughout that period, and continue to do so. From 6 July until 27 December 2020, we were able to keep up our normal rota of services, though with safety restrictions in place and much-reduced congregations.

During all this time and continuing into 2021, services have been live-streamed on the internet so those shielding or otherwise preferring to stay at home have been, in a limited way, able to join in with the worship. Due to a sharp 'second wave' of infections, we again (this time voluntarily and not because of government legislation) closed our churches to communal worship from 27 December, and this remains the situation. However, with infection rates falling and a successful vaccination programme being implemented, we are hoping to open again in the fairly near future. Live-streaming will continue until all restrictions are lifted.

For all but a few weeks at the start of the pandemic, the churches have been open every day for private prayer. Funeral services have continued, though baptisms and weddings have, for the most part, been postponed.

As well as services, every other aspect of church life has been impacted. Where possible, we have kept up activities on line, but very often there has been no option but to suspend those activities that depend on meeting in person.

### **Plans for the future**

Although there was a Mission Action Plan in place prior to COVID19, this has been superseded by the need to recover from the effects of the pandemic. The impact on the life of the whole nation, its economic repercussions and its effect on our social and working lives cannot be overestimated. The church, like everybody, will have to think hard about how it rebuilds and renews once the restrictions are lifted. It should be said that we are in a better position than most – many institutions and businesses, sadly, have not survived – but the challenges are still serious.

At this point, one thing which we are doing is installing better equipment to livestream our services from St Mary's, Welwyn. The cost of this will be around £7,000 and we raised the money in 48-hours with a special appeal. We are very grateful to those who have contributed to this project. The installation is set for 24 May 2021.

# **Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

## **Annual Report for the year ended 31 December 2020 (continued)**

### **Achievements and Performance**

The restrictions of COVID19 severely curtailed our church activities, though some of these were made available online. Between late March and 6 July 2020, the churches were effectively closed for everything apart from private prayer. From 6 July, we opened again and carried out our full rota of services until the end of the year, when another lockdown meant that they were again suspended. During September and October 2020, some of the church groups mentioned below were able to meet in a socially-distanced manner. However, the restrictions then again prevented this and they remained suspended until the end of the year and beyond.

#### *Worship and Prayer*

All are welcome to attend our regular services. At present, there are 255 parishioners on the Church Electoral Roll. The effects of COVID19 mean that it is not possible to calculate in any helpful way average Sunday attendance.

The PCC is keen to offer a range of services during the week that our community finds both beneficial and spiritually fulfilling. Quiet spoken Eucharist services are held on weekdays and on Sunday mornings. Sung Eucharist services are held every Sunday morning and on major festivals. Evensong services are held in St Mary's on the second, fourth and fifth Sundays of each month, with this generally being choral on the second Sunday. Services especially aimed at families and young children are held on a regular basis, usually in the more informal setting of Church House, such as the monthly 40-minute pram service. Monthly services are held at various care homes and day centres for the elderly throughout the parish.

Special preparation classes are run for those who wish to get married in the churches and for those wishing to have their children baptised. Baptisms take place during normal Sunday morning services, enabling families to be welcomed by the church community. This is usually on the third Sunday of the month.

We have a notable choral tradition, which enhances worship.

#### *Pastoral Care*

There is a trained team within the congregation to provide Baptism preparation and a team to welcome newcomers and visitors. Pastoral care is largely provided by the clergy, and informally by members of the congregation on an ad hoc basis.

A Memorial service is held annually in November at St Mary's for those who have been bereaved during past years. This is followed by refreshments and a time for fellowship and support.

#### *Mission and Outreach*

The PCC has a policy of making donations to local, national and international charities, mostly through the fundraising work of church members, equivalent to at least 15% of the annual voluntary donations received by St Mary's. This target was not met this year, as fundraising events and special collections during services could not take place due to COVID19 restrictions. The PCC therefore decided to top up donations to the 15% figure out of church funds to charities that would normally have benefitted from our donations, amounting to £5,200.

Each year the parish produces 10 issues of the Welwyn Magazine, which contains both church and local information. It is sold widely throughout the parish. For part of the year when it wasn't possible to print or distribute the magazine, it was available electronically via the parish's website at [www.welwyn.org.uk](http://www.welwyn.org.uk).

The Welwyn Community Café, set up in November 2009 in conjunction with the Welwyn Parish Action Plan Group and in line with the Welwyn Parish Plan, has continued to be successful. The café runs most Tuesday mornings, from 9:30am until noon, in Church House. Church House also provides a venue for other community groups, such as a twice-weekly sewing and knitting group, a bridge club and a monthly community lunch.

There are many opportunities for Bible Study and other forms of Christian education; the website and the weekly pew bulletin give extensive details of these.

# **Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

## **Annual Report for the year ended 31 December 2020 (continued)**

### **Achievements and Performance (continued)**

We usually take a key role as participant and venue in Welwyn Week, which unfortunately had to be cancelled in 2020. In addition, the parish runs a walking group, two book groups, a theatre group, Ladies' Luncheons and Men's Breakfasts events, which are open to church and non-church members. These activities took place when restrictions permitted, and some moved to online platforms during lockdown periods. The church normally produces a pantomime each year, but this was not possible in 2020. Further details of activities and up to date information can be found on our marvellous website.

### **Financial Review**

This was an exceptional year due to the global pandemic. However, the church's finances held up well; there was a surplus on Unrestricted Funds of £29,434 (2019: £13,833), thanks largely to legacies of £37,000 and a generous one-off donation of £15,000. The surplus on Restricted Funds was £5,349 (2019: £10,968). During the year, £11,178 was spent from Restricted Funds on capital items. In addition, there was a small gain, of £319, in the value of the shares held in the CBF Church of England Investment Fund; in 2019, the comparative figure was a loss of £49,270, being a reduction of £50,000 in the market value of St Michael's House and a gain of £730 in the CBF Church of England Investment Fund.

We received £207,753 (2019: £205,267) from donations and legacies, a small increase on the previous year. Open-plate collections in services, which are included in donations and legacies, were substantially lower than last year, because of the length of time that services were suspended, and amounted to £1,981 (2019: £10,247). However, this was compensated by online donations of £8,835 via the church's Virgin Money Giving page, and donations given directly to the Rector, for which we are extremely grateful. As a result of COVID19 restrictions, most of the other activities normally held in person were suspended or moved online, with a resulting drop in income. Our charitable activities, which include fees from weddings and funerals, raised £8,046 (2019: £23,292), and other trading activities raised £19,378 (2019: £25,770).

Overall, our total income was £238,590 (2019: £255,627), approximately £17,000 less than last year, and our total expenditure was £203,807 (2019: £230,826), approximately £27,000 less than last year. Expenditure was lower due to a number of factors, including reduced church and office running expenses, upkeep of services and costs incurred on our charitable activities.

We anticipate large outgoings in 2021 on two projects: the replacement boiler and overhaul of the ground source heat pumps, which will be paid for from the restricted fund - St Mary's restoration fund - and the major refurbishment of St. Michael's House that is used as the curate's home. While a new curate is being sought, the property is to be let and it is hoped the rental income will go towards the refurbishment costs.

### **Reserves policy**

The PCC's Reserves policy is to hold sufficient funds to cover at least four months' operating expenses, which they believe will provide stability for the charity; therefore they are satisfied with its overall result for the year.

Reserves are that part of unrestricted funds that is freely available to spend on any of its purposes. On this basis, Reserves were £151,000 (2019: £109,000) at the year-end, thereby meeting the Reserves policy. This figure is arrived at by deducting restricted funds of £52,000 (2019: £57,000), and designated reserves of £705,000 (2019: £707,000) (detailed in note 7 to the accounts), from the PCC's total funds of £908,000 (2019: £873,000). Reserves are held in cash.

### **Risk Assessment Policy**

The PCC are actively involved in the day-to-day running of the charity. They have assessed the major risks to which the charity is exposed and have satisfied themselves that systems have been established, or that other appropriate measures have been taken, to mitigate those risks, insofar as is reasonably practicable, but it is recognised that systems cannot give absolute assurance that risks have been eliminated. Training of trustees and volunteers has been provided to mitigate the safeguarding risks associated with young people. Matters associated with financial losses arising from a declining congregation have been identified as a risk too. The PCC continue to keep these risks under review, including consideration of any other major risks that might be present from time to time.

# **Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

## **Annual Report for the year ended 31 December 2020 (continued)**

### **Volunteers**

The PCC appreciates and thanks all the volunteers, at both St Mary's and St Michael's, who give their time and effort so willingly.

### **Structure, governance and management**

Members of the PCC are either ex-officio or elected at the Annual Parochial Church Meeting in accordance with the Church Representation Rules. The PCC members are responsible for making decisions on all matters of general concern and importance to the parish, including deciding on how the funds of the PCC are to be spent. Given its wide responsibilities, the PCC operates through a number of action groups and committees, most of which meet on a regular basis.

#### *Standing Committee:*

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

#### *Fabric Action Group:*

Deals with the maintenance, repair and development of the church buildings, St Michael's House and Church House.

#### *Giving Action Group:*

Deals with the allocation of donations to chosen charities, both at home and abroad, and is responsible for encouraging parishioners to commit to regular giving, both of time and money, to ensure the well-being of the church and its functions.

#### *Church House Management Action Group:*

Responsible for the management, maintenance and usage of Church House.

#### *St Michael's Meeting:*

Acts like an Action Group and deals with all matters relevant to St Michael's Church.

As the PCC has ultimate responsibility for a wide range of matters affecting the parish, it is important that the PCC adopts appropriate training procedures. Training courses arranged by the diocese are attended by a PCC representative who reports back to the PCC as a body, with any relevant reading matter being distributed.

### **Administrative information**

The PCC is a body corporate (PCC Powers Measure 1956, Church Representation Rules 2006). The Charities Act 2006 removed 'excepted status' from charities with incomes over £100,000 and therefore, during 2010, the PCC was required to register as a charity with the Charity Commission; its registration number is 1130415. The PCC's administrative office is located at St Mary's Church, Church Street, Welwyn, AL6 9LX.

During 2020, the following served as members of the PCC:

|                   |  |                         |
|-------------------|--|-------------------------|
| <i>Incumbent:</i> | Rev'd Dr David Munchin   | Chairman                |
| <i>Clergy:</i>    | Rev'd Dominic Holroyd-Thomas   | Resigned 6 October 2020 |
| <i>Readers:</i>   | Mr Colin Hull (Deanery Synod Rep.)<br>Mrs Usha Hull<br>Mr John Burnapp |                         |

# **Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

## **Annual Report for the year ended 31 December 2020 (continued)**

### **Administrative information (continued)**

|                             |   |  |
|-----------------------------|---|--|
| <i>Church Wardens:</i>      | Mr Stuart Westley<br>Mrs Diane Jenkin<br>Mrs Susan Keach (at St Michael's)  |  |
| <i>Deanery Synod Reps.:</i> | Ms Kathryn Alford<br>Mrs Vernonne Allan<br>Mrs Shoena Eggington (at St Michael's)   | Resigned 28 June 2020  |
| <i>Elected Members:</i>     | Mr Donald Bell (Treasurer until November 2020)<br>Mrs Jacqueline Davis<br>Mrs Joan Shelley<br>Mr Geoffrey Cummings<br>Mrs Gina Beck<br>Mrs Gloria Jean Perriman<br>Mr Emmanuel Emmanuel-Odiachi<br>Mr Stuart Jenkin<br>Mrs Margaret Varco (Treasurer from November 2020)<br>Mr Daniel Holroyd-Thomas (Secretary until Oct 2020)<br>Mrs Wendy Lawrence<br>Mrs Su Blanch<br>Mrs Jane Carr<br>Mr Stuart Carr | Appointed 14 Oct 2020<br>Appointed 14 Oct 2020<br>Resigned 14 Oct 2020<br>Resigned 14 Oct 2020<br>Resigned 14 Oct 2020<br>Resigned 14 Oct 2020<br>Resigned 14 Oct 2020<br>Resigned 14 Oct 2020 |
| <i>Secretary:</i>           | Mrs Louise Hughes   | Appointed 14 Oct 2020  |

Signed on behalf of the PCC by

The Rev'd Dr David Munchin (Chairman)

27 March 2021

## **Independent Examiner's Report to the members/trustees of the Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

I report to the charity's trustees on my examination of the accounts of the PCC for the year ended 31 December 2020.

### ***Responsibilities and basis of report***

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Trust's accounts as carried out under section 145 of the 2011 Act. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### ***Independent Examiner's statement***

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

1. accounting records were not kept in respect of the Trust, as required by section 130 of the 2011 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; or
4. the accounts have not been prepared in accordance with the Charities SORP (FRS 102).

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.

Peter McKay BSc (Hons), FCA  
Jones Hunt & Keelings  
Chartered Certified Accountants and Chartered Tax Advisers  
Broad House  
1 The Broadway  
Old Hatfield  
Herts AL9 5BG

27 March 2021

# Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

## Statement of Financial Activities

For the year ended 31 December 2020

|   | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | TOTAL FUNDS<br>2020<br>£ | 2019<br>£             |
|---|------|----------------------------|--------------------------|-------------------------|--------------------------|-----------------------|
| <b>INCOME AND ENDOWMENTS FROM:</b>        |      |                            |                          |                         |                          |                       |
| Donations and legacies                    | 2a   | 202,374                    | 5,379                    | -                       | 207,753                  | 205,267               |
| Charitable activities                     | 2b   | 8,046                      | -                        | -                       | 8,046                    | 23,292                |
| Other trading activities                  | 2c   | 19,378                     | -                        | -                       | 19,378                   | 25,770                |
| Investments                               | 2d   | 400                        | -                        | 139                     | 539                      | 1,298                 |
| Government grant                          | 2e   | 2,874                      | -                        | -                       | 2,874                    | -                     |
| <b>TOTAL</b>                              |      | <b>233,072</b>             | <b>5,379</b>             | <b>139</b>              | <b>238,590</b>           | <b>255,627</b>        |
| <b>EXPENDITURE ON:</b>                    |      |                            |                          |                         |                          |                       |
| Raising funds                             | 3a   | 29                         | -                        | -                       | 29                       | 1,008                 |
| Charitable activities                     | 3b   | 202,109                    | 30                       | 139                     | 202,278                  | 227,818               |
| Other                                     | 3c   | 1,500                      | -                        | -                       | 1,500                    | 2,000                 |
| <b>TOTAL</b>                              |      | <b>203,638</b>             | <b>30</b>                | <b>139</b>              | <b>203,807</b>           | <b>230,826</b>        |
| <b>NET INCOME</b>                         |      | <b>29,434</b>              | <b>5,349</b>             | <b>-</b>                | <b>34,783</b>            | <b>24,801</b>         |
| <b>TRANSFER BETWEEN FUNDS</b>             |      | <b>11,178</b>              | <b>(11,178)</b>          | <b>-</b>                | <b>-</b>                 | <b>-</b>              |
| <b>OTHER RECOGNISED GAINS AND LOSSES:</b> |      |                            |                          |                         |                          |                       |
| Gain on investment assets                 |      | -                          | -                        | 319                     | 319                      | (49,270)              |
| <b>NET MOVEMENT IN FUNDS</b>              |      | <b>40,612</b>              | <b>(5,829)</b>           | <b>319</b>              | <b>35,102</b>            | <b>(24,469)</b>       |
| <b>RECONCILIATION OF FUNDS:</b>           |      |                            |                          |                         |                          |                       |
| <b>TOTAL FUNDS BROUGHT FORWARD</b>        |      | <b>815,755</b>             | <b>52,312</b>            | <b>4,629</b>            | <b>872,696</b>           | <b>897,165</b>        |
| <b>TOTAL FUNDS CARRIED FORWARD</b>        |      | <b><u>856,367</u></b>      | <b><u>46,483</u></b>     | <b><u>4,948</u></b>     | <b><u>907,798</u></b>    | <b><u>872,696</u></b> |

The notes on the pages following the balance sheet form part of these accounts



# Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

## Balance Sheet at 31 December 2020

|   | Note | 2020<br>£             | 2019<br>£             |
|---|------|-----------------------|-----------------------|
| <b>FIXED ASSETS</b>                                     |      |                       |                       |
| Tangible fixed assets                                   | 6a   | 663,412               | 656,974               |
| Investment assets                                       | 6b   | 4,948                 | 4,629                 |
|   |      | <u>668,360</u>        | <u>661,603</u>        |
| <b>CURRENT ASSETS</b>                                   |      |                       |                       |
| Stock   |      | 1,336                 | 887                   |
| Debtors   | 8    | 10,260                | 24,174                |
| Short term deposits                                     |      | 29,000                | 35,988                |
| Cash at bank and in hand                                |      | 211,078               | 162,972               |
|   |      | <u>251,674</u>        | <u>224,021</u>        |
| <b>LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | 9    | (12,236)              | (12,928)              |
| <b>NET CURRENT ASSETS</b>                               |      | <u>239,438</u>        | <u>211,093</u>        |
| <b>TOTAL NET ASSETS</b>                                 |      | <u><b>907,798</b></u> | <u><b>872,696</b></u> |
| <b>FUNDS OF THE CHARITY</b>                             |      |                       |                       |
| Endowment   | 7    | 4,948                 | 4,629                 |
| Other restricted funds                                  |      | 46,483                | 52,312                |
| Total restricted funds                                  |      | <u>51,431</u>         | <u>56,941</u>         |
| Designated funds  |      |                       |                       |
| - Fixed assets revaluation reserve                      |      | 625,000               | 625,000               |
| - Other reserves  |      | 79,774                | 82,376                |
| Total designated funds                                  |      | <u>704,774</u>        | <u>707,376</u>        |
| Unrestricted funds                                      |      | 151,593               | 108,379               |
| <b>TOTAL CHARITY FUNDS</b>                              |      | <u><b>907,798</b></u> | <u><b>872,696</b></u> |

Approved by the Parochial Church Council on 27 March 2021 and signed on its behalf by:

The Rev'd Dr David Munchin (Chairman)

The notes on the pages following the balance sheet form part of these accounts

# **Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

## **Notes to the Financial Statements**

**For the year ended 31 December 2020**

### **1 ACCOUNTING POLICIES**

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, together with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) ('the SORP'). The PCC is a public benefit entity within the meaning of the Charities SORP.

The financial statements have been prepared under the historic cost convention, modified by the revaluation of investments and land and buildings, which are shown at fair value.

The presentation currency of the financial statements is the Pound Sterling (£).

### **Going concern**

The trustees have a reasonable expectation that the charity will continue to operate for the foreseeable future, even given the impact of COVID19, and so these financial statements are again prepared on the going concern basis.

### **Funds**

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds are those funds that must be spent for restricted purposes and details of the funds held and restrictions are provided in Note 10. Endowment funds, where the capital must be retained, are explained in Note 10.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, or those that are informal gatherings of church members.

### **Income and Endowments**

The following gives details of how and when income is included in the statement of financial activities ('SOFA'):

#### ***Donations and legacies***

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under Gift Aid is recognised when received.

Income tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants, legacies and endowment income are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt is reasonably certain.

Donated services are included in income (and at the same time in resources expended) at the estimated value to the PCC of the service received.

# **Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

## **Notes to the Financial Statements (continued)**

**For the year ended 31 December 2020**

### **1 ACCOUNTING POLICIES (continued)**

#### **Income and Endowments (continued)**

##### ***Charitable and other trading activities***

Rental income from letting church premises is recognised when the rent becomes due.

Funds raised by social events are accounted for gross, after the event has taken place.

Sales of books and magazines from the church bookstall are accounted for gross, when received.

##### ***Income from investments***

Dividends are accounted for when due and payable. Interest is accounted for when received.

##### ***Gains and losses on investments***

Realised gains and losses are recognised when investments are sold. Unrealised gains and losses are accounted for on the revaluation of investments at 31 December.

#### **Expenditure**

The financial statements have been prepared under the accruals basis, inclusive of any irrecoverable VAT. Expenditure and any related liabilities are recognised as soon as there is a legal or constructive obligation and settlement is probable and quantifiable.

##### ***Donations***

Donations are recognised when a commitment has been made externally.

##### ***Other costs***

Governance costs include the cost of the independent examination of these accounts, the costs of trustee meetings and any legal advice to trustees on governance or constitutional matters.

##### ***Pensions***

The charity contributes to a defined contribution pension scheme for its staff members. Contributions payable to the scheme are charged to the SOFA as incurred.

#### **Fixed assets**

##### ***Consecrated property and movable church furnishings***

Consecrated and beneficed property of any kind is excluded from the accounts by section 10(2)(a) and (c) of the Charities Act 2011.

Movable church furnishings held by the Rector and Church Wardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property, unless consecrated. They are listed in the church's inventory, which can be inspected at any reasonable time. For inalienable property acquired prior to 2001, there is insufficient cost information available and therefore such assets are not valued in the accounts.

Items acquired since 1 January 2001 have been capitalised and depreciated in the accounts over their currently anticipated useful economic life on a straight-line basis. All expenditure incurred in the year on consecrated or beneficed buildings, or individual items costing less than £1,000, or on the repair of movable church furnishings acquired before 1 January 2001, is written off when incurred.

# **Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

## **Notes to the Financial Statements (continued)**

**For the year ended 31 December 2020**

### **1 ACCOUNTING POLICIES (continued)**

#### ***Freehold land and buildings***

Freehold land and buildings owned by the PCC are carried at fair value based on an open market valuation. Any changes in the valuation are credited or charged to the SOFA.

#### ***Other fixtures, fittings and office equipment***

Equipment used within the church premises is depreciated on a straight-line basis over five years for office equipment and ten years for Church House and church equipment. Individual items of equipment with a purchase price of £250 or less are written off when the asset is acquired. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the SOFA. An impairment review is carried out at each year-end and any resultant loss identified and included in expenditure for the year.

#### ***Investments***

Investments are valued at market value at 31 December.

#### **Current assets**

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors, less a provision for amounts that may prove uncollectable.

Stock is stated at the lower of cost and year-end fair value.

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks. Short term deposits consist of cash held on deposit with the CBF Church of England Funds or other PCC-approved institutions.

#### **Financial instruments**

The PCC has elected to apply the provisions of Section 11 'Accounting for financial assets and financial liabilities' of the Charities SORP to all its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors, are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, when the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Government grants**

Government grants, including those in respect of furloughed employees, are credited in the same period as the costs to which the grants relate are charged to the statement of financial activities.

# Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

### 2 INCOME AND ENDOWMENTS

|  | Unrestricted<br>Funds | Restricted<br>Funds | Endowment<br>Funds | TOTAL FUNDS           |                       |
|--|-----------------------|---------------------|--------------------|-----------------------|-----------------------|
|  | 2020                  | 2019                |                    |                       |                       |
|  | £                     | £                   | £                  | £                     | £                     |
| <i>2a Donations and Legacies</i>             |                       |                     |                    |                       |                       |
| Planned giving:                              |                       |                     |                    |                       |                       |
| Gift Aid donations                           | 120,209               | 1,935               | -                  | 122,144               | 127,970               |
| Other planned giving                         | 10,785                | -                   | -                  | 10,785                | 1,800                 |
| Collections (open plate) at all services     | 1,981                 | -                   | -                  | 1,981                 | 10,427                |
| Sundry donations                             | 1,544                 | -                   | -                  | 1,544                 | 3,503                 |
| Income tax recoverable                       | 33,105                | 444                 | -                  | 33,549                | 32,846                |
| Grants received                              | 750                   | -                   | -                  | 750                   | 750                   |
| Legacies                                     | 34,000                | 3,000               | -                  | 37,000                | 27,971                |
|  | <u>202,374</u>        | <u>5,379</u>        | <u>-</u>           | <u>207,753</u>        | <u>205,267</u>        |
| <i>2b Charitable Activities</i>              |                       |                     |                    |                       |                       |
| Arpeggios                                    | 90                    | -                   | -                  | 90                    | 130                   |
| Bell Ringers                                 | 130                   | -                   | -                  | 130                   | 1,250                 |
| Choir Income                                 | 380                   | -                   | -                  | 380                   | 25                    |
| Church Women's Fellowship                    | 500                   | -                   | -                  | 500                   | 193                   |
| Coffee                                       | 409                   | -                   | -                  | 409                   | 563                   |
| Flowers                                      | 720                   | -                   | -                  | 720                   | 2,996                 |
| Parish Magazine Sales                        | 572                   | -                   | -                  | 572                   | 4,879                 |
| Fees for Weddings, Funerals etc              | 5,245                 | -                   | -                  | 5,245                 | 13,256                |
|  | <u>8,046</u>          | <u>-</u>            | <u>-</u>           | <u>8,046</u>          | <u>23,292</u>         |
| <i>2c Other trading activities</i>           |                       |                     |                    |                       |                       |
| Parish Magazine Advertisements               | 8,016                 | -                   | -                  | 8,016                 | 7,672                 |
| Church and Church House lettings etc.        | 1,915                 | -                   | -                  | 1,915                 | 6,399                 |
| Bookstall                                    | 163                   | -                   | -                  | 163                   | 396                   |
| Fair Trade                                   | 8,346                 | -                   | -                  | 8,346                 | 7,724                 |
| Fetes, bazaars and other fund-raising events | 938                   | -                   | -                  | 938                   | 3,579                 |
|  | <u>19,378</u>         | <u>-</u>            | <u>-</u>           | <u>19,378</u>         | <u>25,770</u>         |
| <i>2d Investments</i>                        |                       |                     |                    |                       |                       |
| Dividends and interest                       | <u>400</u>            | <u>-</u>            | <u>139</u>         | <u>539</u>            | <u>1,298</u>          |
| <i>2e Government grants</i>                  |                       |                     |                    |                       |                       |
| Coronavirus Job Retention Scheme             | <u>2,874</u>          | <u>-</u>            | <u>-</u>           | <u>2,874</u>          | <u>-</u>              |
| <b>TOTAL INCOME AND ENDOWMENTS</b>           | <b><u>233,072</u></b> | <b><u>5,379</u></b> | <b><u>139</u></b>  | <b><u>238,590</u></b> | <b><u>255,627</u></b> |

# Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

| <b>3 EXPENDITURE</b>                       | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Endowment Funds</b> | <b>TOTAL FUNDS</b> |                |
|--|---------------------------|-------------------------|------------------------|--------------------|----------------|
|  | <b>£</b>                  | <b>£</b>                | <b>£</b>               | <b>2020</b>        | <b>2019</b>    |
|  |                           |                         |                        | <b>£</b>           | <b>£</b>       |
| <i>3a Raising funds</i>                    |                           |                         |                        |                    |                |
| Fetes, bazaars, other fund-raising events  | 29                        | -                       | -                      | 29                 | 1,008          |
| <i>3b Charitable activities</i>            |                           |                         |                        |                    |                |
| Missionary and charitable giving:          |                           |                         |                        |                    |                |
| Relief and development agencies            | 528                       | -                       | -                      | 528                | -              |
| Home missions and other Church Societies   | -                         | -                       | -                      | -                  | 2,611          |
| Secular charities                          | 6,454                     | -                       | -                      | 6,454              | 5,229          |
| Ministry: Diocesan parish share            | 122,212                   | -                       | -                      | 122,212            | 120,240        |
| Clergy expenses                            | 2,441                     | -                       | -                      | 2,441              | 4,427          |
| Church – running expenses                  | 29,589                    | -                       | -                      | 29,589             | 34,444         |
| Church maintenance                         | 6,885                     | -                       | -                      | 6,885              | 6,339          |
| St Michael's House, London Road            | 503                       | -                       | -                      | 503                | 3,787          |
| Upkeep of services                         | 4,927                     | -                       | -                      | 4,927              | 6,991          |
| Upkeep of churchyard                       | 1,923                     | 30                      | 139                    | 2,092              | 2,045          |
| Training and Mission                       | 350                       | -                       | -                      | 350                | 350            |
| Major Repairs/Replacements                 | -                         | -                       | -                      | -                  | 2,503          |
| Remuneration – Organist, Verger            | 5,957                     | -                       | -                      | 5,957              | 9,491          |
| Depreciation of New Church House equipment | 253                       | -                       | -                      | 253                | 456            |
| Depreciation of Church equipment           | 4,997                     | -                       | -                      | 4,997              | 6,716          |
| Arpeggios costs                            | 133                       | -                       | -                      | 133                | -              |
| Bell Ringers costs                         | 85                        | -                       | -                      | 85                 | 1,381          |
| Choir Expenditure                          | 401                       | -                       | -                      | 401                | 896            |
| Bank charges                               | 329                       | -                       | -                      | 329                | 340            |
| Flowers costs                              | 750                       | -                       | -                      | 750                | 2,525          |
| Church House costs                         | 3,057                     | -                       | -                      | 3,057              | 5,838          |
| Church Women's Fellowship costs            | 455                       | -                       | -                      | 455                | 345            |
| Youth costs                                | 249                       | -                       | -                      | 249                | 240            |
| Parish Magazine costs                      | 1,819                     | -                       | -                      | 1,819              | 3,598          |
| Bookstall costs                            | 291                       | -                       | -                      | 291                | 354            |
| Fair Trade costs                           | 7,521                     | -                       | -                      | 7,521              | 6,674          |
|  | 202,109                   | 30                      | 139                    | 202,278            | 227,818        |
| <i>3c Other costs</i>                      | 1,500                     | -                       | -                      | 1,500              | 2,000          |
| <b>TOTAL EXPENDITURE</b>                   | <b>203,638</b>            | <b>30</b>               | <b>139</b>             | <b>203,807</b>     | <b>230,826</b> |

During the year, two clergymen (2019: two) - one left the parish in October 2020 - were reimbursed expenses totalling £2,441 (2019: £4,427), relating mainly to travel and other costs incurred on behalf of church ministry.

# Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

### 4 MISSIONARY AND CHARITABLE GIVING

The two churches donated £6,982 to a variety of charities in the UK and abroad (see table below). In addition, money was raised and sent directly to charities as a result of fundraising activities organised by members of the two churches.

|  | Donations    |              | No. of institutions/<br>individuals |           |
|--|--------------|--------------|-------------------------------------|-----------|
|  | 2020<br>£    | 2019<br>£    | 2020                                | 2019      |
| Support of disadvantaged people - UK       | 3,884        | 4,209        | 9                                   | 12        |
| Support of disadvantaged people - Overseas | 1,898        | 3,239        | 4                                   | 5         |
| Natural disaster appeals - Overseas        | 1,200        | 392          | 1                                   | 2         |
| <b>Total donations to Institutions</b>     | <b>6,982</b> | <b>7,840</b> | <b>14</b>                           | <b>19</b> |

### 5 STAFF COSTS

|              | 2020<br>£     | 2019<br>£     |
|--------------|---------------|---------------|
| Remuneration | 11,458        | 11,178        |
|              | <b>11,458</b> | <b>11,178</b> |

During the year, the PCC also contracted for the services of an organist and verger, who are paid on a contractor basis on presentation of their invoices. No-one on the payroll, and neither the organist nor verger, earned £60,000 pa or more. The average number of employees during the year was 3 (2019: 2).

During the periods when services were suspended and the church office was closed, we were able to claim £2,874 from the government's CJRS scheme for eligible staff on the payroll.

There were no other disclosable transactions in respect of PCC members, persons closely connected with them or other related parties.

# Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

### 6 FIXED ASSETS FOR USE BY THE PCC

| 6a <i>Tangible fixed assets</i> | Freehold land and buildings<br>£ | Office equipment<br>£ | Church House equipment<br>£ | Church equipment<br>£ | TOTAL<br>£ |
|---------------------------------|----------------------------------|-----------------------|-----------------------------|-----------------------|------------|
| <b>ACTUAL COST OR VALUATION</b> |                                  |                       |                             |                       |            |
| At 1 January 2020               | 625,000                          | 6,641                 | 35,673                      | 123,005               | 790,319    |
| Additions                       | -                                | -                     | -                           | 11,687                | 11,687     |
| At 31 December 2020             | 625,000                          | 6,641                 | 35,673                      | 134,692               | 802,006    |
| <b>DEPRECIATION</b>             |                                  |                       |                             |                       |            |
| At 1 January 2020               | -                                | 6,486                 | 35,196                      | 91,663                | 133,345    |
| Charge for the year             | -                                | 155                   | 252                         | 4,842                 | 5,250      |
| At 31 December 2020             | -                                | 6,641                 | 35,448                      | 96,505                | 138,594    |
| <b>NET BOOK VALUE</b>           |                                  |                       |                             |                       |            |
| At 31 December 2020             | 625,000                          | -                     | 225                         | 38,187                | 663,412    |
| At 31 December 2019             | 625,000                          | 155                   | 477                         | 31,342                | 656,974    |

The freehold land and buildings are St Michael's House, London Road, Woolmer Green, which is used as accommodation for the curate. St Michael's House was last valued in May 2020, on an open-market basis, at £625,000, by Stuart Carnegie, an experienced valuer. The property market in the area has not shown a significant increase or decrease since then. The house was built in the 1950s and its historical cost had not been reflected in the accounts.

#### 6b *Investment fixed assets*

|                                 | £            |
|---------------------------------|--------------|
| Movements in the year:          |              |
| Market value – 1 January 2020   | 4,629        |
| Increase in annual valuation    | 319          |
| Market value – 31 December 2020 | <u>4,948</u> |

Holdings at 31 December 2020: 242 shares in the CBF Church of England Investment Fund

### 7 ANALYSIS OF NET ASSETS BY FUND CATEGORY AT 31 DECEMBER 2020

|                             | Unrestricted Funds<br>£ | Restricted Funds<br>£ | Endowment Funds<br>£ | Total<br>£     |
|-----------------------------|-------------------------|-----------------------|----------------------|----------------|
| Fixed Assets for Church use | 663,412                 | -                     | -                    | 663,412        |
| Investment Fixed Assets     | -                       | -                     | 4,948                | 4,948          |
| Current Assets              | 205,191                 | 46,483                | -                    | 251,674        |
| Current Liabilities         | (12,236)                | -                     | -                    | (12,236)       |
| <b>Fund Balances</b>        | <b>856,367</b>          | <b>46,483</b>         | <b>4,948</b>         | <b>907,798</b> |



# Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

### 8 DEBTORS

|                        | 2020          | 2019          |
|------------------------|---------------|---------------|
|                        | £             | £             |
| Income tax recoverable | 8,354         | 20,965        |
| Other debtors          | 1,906         | 3,209         |
|                        | <b>10,260</b> | <b>24,174</b> |

### 9 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                 | 2020          | 2019          |
|-----------------|---------------|---------------|
|                 | £             | £             |
| Deferred income | -             | 554           |
| Other creditors | 12,236        | 12,374        |
|                 | <b>12,236</b> | <b>12,928</b> |

### 10 FUND DETAILS

Endowment funds are for St Michael's Churchyard. The St Michael's Churchyard Endowment is a permanent endowment that requires income to be spent on the grave of Stanley Victor Sales.

The Charity's restricted reserves at the year-end and their movements during the year were as follows:

- St Mary's Restoration – was set up to raise funds to finance the quinquennial work and other significant fabric projects. During the year, a £3,000 legacy and a £160 donation was received for this fund, and £9,878 was spent on preparatory work for the boiler replacement project. This amount was capitalised and was covered by the transfer to unrestricted funds.
- Memorial Garden – was set up to cover the cost of new tools and gardening equipment; £30 was spent from this fund.
- St Mary's Organ – was set up to cover its repair costs. During the year, donations of £2,219 were received and £1,300 was spent on the installation of a new handrail by the side of the organ. This amount was capitalised and was covered by the transfer to unrestricted funds.
- St Michael's Piano or Organ Fund – was set up to cover their repair costs and there were no movements in the year.

The designated funds include the John Sainsbury legacy that stood at £6,800 at the beginning and end of the year, which is to be used to create a memorial to John Sainsbury. It is anticipated it will be quite some time before the memorial is completed.

In previous years, the trustees designated some of the unrestricted funds for specific purposes. The planned use of material designated funds is as follows:

- St Michael's Fabric – for emergency repairs at St Michael's Church
- Parish Magazine - to fund working capital for the Welwyn Parish magazine
- Reserve for St Mary's – a reserve for emergency works required to the fabric of St Mary's
- St Michael's House – a reserve for emergency works
- John Sainsbury Legacy - set aside for completing a memorial to John Sainsbury, as referred to above
- Youth - a reserve for spending on youth work

Fund balances and movements for the year are shown on the next page (note 10 continued).

**Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

**Notes to the Financial Statements for the Financial Year ended 31 December 2020**

**Note 10 FUND DETAILS (continued)**

| Fund Name                                   | Opening Balances 1/1/20 |               |              |                | Movements during the year |              |            |           | Closing balances 31/12/20 |               |              |                |
|---|-------------------------|---------------|--------------|----------------|---------------------------|--------------|------------|-----------|---------------------------|---------------|--------------|----------------|
|   | Unrestricted            | Restricted    | Endowment    | Total          | Unrestricted              | Restricted   | Endowment  | Transfers | Unrestricted              | Restricted    | Endowment    | Total          |
| Arpeggios Hand Bell Ringers                 | 288                     | -             | -            | 288            | (43)                      | -            | -          | -         | 245                       | -             | -            | 245            |
| Bell Ringers                                | 3,981                   | -             | -            | 3,981          | 45                        | -            | -          | -         | 4,026                     | -             | -            | 4,026          |
| Bookstall                                   | 1,021                   | -             | -            | 1,021          | (129)                     | -            | -          | -         | 892                       | -             | -            | 892            |
| Fixed Assets- Buildings                     | 625,000                 | -             | -            | 625,000        | -                         | -            | -          | -         | 625,000                   | -             | -            | 625,000        |
| St Michaels Church Yard (Sales Grave Trust) | -                       | -             | 4,629        | 4,629          | -                         | -            | 319        | -         | -                         | -             | 4,948        | 4,948          |
| St Michaels Fabric                          | 1,818                   | -             | -            | 1,818          | -                         | -            | -          | -         | 1,818                     | -             | -            | 1,818          |
| St Marys Restoration Fund                   | 1,875                   | 48,406        | -            | 50,281         | -                         | 3,160        | -          | (9,878)   | 1,875                     | 41,688        | -            | 43,563         |
| St Marys Flowers                            | 960                     | -             | -            | 960            | (30)                      | -            | -          | -         | 931                       | -             | -            | 931            |
| General Fund                                | 108,380                 | -             | -            | 108,380        | 32,035                    | -            | -          | 11,178    | 151,593                   | -             | -            | 151,593        |
| Memorial Garden                             | -                       | 485           | -            | 485            | -                         | (30)         | -          | -         | -                         | 455           | -            | 455            |
| St Marys Organ                              | -                       | 1,163         | -            | 1,163          | -                         | 2,219        | -          | (1,300)   | -                         | 2,082         | -            | 2,082          |
| Parish Magazine                             | 10,228                  | -             | -            | 10,228         | (1,983)                   | -            | -          | -         | 8,245                     | -             | -            | 8,245          |
| St Michaels Piano or Organ                  | -                       | 2,258         | -            | 2,258          | -                         | -            | -          | -         | -                         | 2,258         | -            | 2,258          |
| Reserve for St Marys                        | 40,003                  | -             | -            | 40,003         | -                         | -            | -          | -         | 40,003                    | -             | -            | 40,003         |
| St Michaels House                           | 10,000                  | -             | -            | 10,000         | -                         | -            | -          | -         | 10,000                    | -             | -            | 10,000         |
| Sainsbury Legacy                            | 6,800                   | -             | -            | 6,800          | -                         | -            | -          | -         | 6,800                     | -             | -            | 6,800          |
| Womens Fellowship                           | 538                     | -             | -            | 538            | (255)                     | -            | -          | -         | 283                       | -             | -            | 283            |
| Youth                                       | 2,695                   | -             | -            | 2,695          | -                         | -            | -          | -         | 2,695                     | -             | -            | 2,695          |
| Fair Trade                                  | 2,168                   | -             | -            | 2,168          | (207)                     | -            | -          | -         | 1,961                     | -             | -            | 1,961          |
| <b>Totals</b>                               | <b>815,755</b>          | <b>52,312</b> | <b>4,629</b> | <b>872,696</b> | <b>29,434</b>             | <b>5,349</b> | <b>319</b> | <b>-</b>  | <b>856,367</b>            | <b>46,483</b> | <b>4,948</b> | <b>907,798</b> |
|   |                         |               |              |                |                           |              |            |           |                           |               |              |                |

# **Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**

## **Notes to the Financial Statements (continued)**

**For the year ended 31 December 2020**

### **11. POST BALANCE SHEET EVENTS**

Since the balance sheet date, the charity has continued to be affected by the global pandemic, COVID19. However, it is hoped that as restrictions are lifted the church's services and activities are able to return to normal. While the impact of the pandemic has caused a reduction in income for the charity, there have also been reductions and savings in expenditure resulting in the church's finances holding up well under the circumstances. As a result, the trustees believe that the charity will be able to continue for the foreseeable future.