

**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 2021**

**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:**

Chris Burton BA, FCA  
Chartered Accountant  
13 Warren Way  
Welwyn  
Herts AL1 0DQ

**Registered Charity no. 1130415**

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

## **Annual Report for the year ended 31 December 2021**

### **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<sup>th</sup> December 2020. The churches were again open to communal worship from 1<sup>st</sup> March 2021. We have operated a hybrid model, offering both in person and online services since then, until the present day. During that time restrictions on singing, mask wearing and social distancing have gradually been lifted. However just before Christmas 2021 the emergence of the omicron variant again placed more restrictions on places of worship. Since February 2022 there have been no legal restrictions affecting our worship or activities, though many people have chosen to continue with various precautions such as mask wearing and social distancing. We have encouraged people to remain vigilant on a voluntary but not mandatory basis. People are gradually returning to in person services and other church activities. We still do not share the common cup at communion services, or physically share the peace. I anticipate reviewing this after Easter 2022. Some activities having migrated online, have found it more convenient to stay there, at least for the time being.

Funerals, baptisms and weddings are returning to 'normal' levels after a difficult two years.

As well as services, every other aspect of church life has been impacted. Where possible, we have kept up activities online, 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

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

## **Annual Report for the year ended 31 December 2021 (continued)**

### **Plans for the future (continued)**

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.

### **Achievements and Performance**

The restrictions of COVID19 severely curtailed our church activities, though some of these were made available online. Services and nearly all other activities were stopped or moved online in the first two months of 2021. However for the rest of the year, all services and activities have been able to be in person (or on line or hybrid, as desired) though with varying restrictions on for instance singing, and mandatory mask wearing, over the year.

#### *Worship and Prayer*

All are welcome to attend our regular services. At present, there are 256 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 bi-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. In 2021 we said farewell to our Director of Music, Linden Innes-Hopkins as she retired and moved to Northumberland. We welcomed in October Pavlos Triniataris as our newly appointed Director of Music

#### *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 were restricted due to COVID19. The PCC decided to top up donations out of church funds to charities that would normally have benefitted from our donations, amounting to £5,440.

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.

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 10am 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.

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

## **Annual Report for the year ended 31 December 2021 (continued)**

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

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.

We usually take a key role as participant and venue in Welwyn Week, which unfortunately had to be cancelled in 2020 and 2021. In addition, the parish runs a walking group, two book groups, a theatre group, 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 2021. Further details of activities and up to date information can be found on our marvellous website.

### **Financial Review**

Overall the charity recorded a deficit of £3,678 (2020: *surplus of £35,102*) which was not unexpected bearing in mind the challenges and uncertainties in the second year of the COVID19 pandemic. There was considerable capital expenditure during the year - the installation of the replacement boiler and overhaul of the ground source heat pumps at St. Mary's was completed (£51,136) and the livestreaming system was installed (£5,574). A new kitchen and carpets were purchased for St. Michael's House (£6,927). This contributed to the fall in the cash balances (bank and deposit accounts) of £67,403 to £172,675 (2020: £240,078).

#### *Income*

Total income was £234,161 (2020: £238,590). Amounts received from donations and legacies was £27,856 lower than in 2020, largely because of reduced legacy income of £11,000 (2020: £37,000). The livestreaming appeal raised £13,125 to purchase equipment to enable services in the Welwyn team to be viewed by those not able to attend in person. Income from charitable activities and trading activities was £52,997 (£25,573 higher than in 2020) thanks to church groups being able to resume activities, at least for part of the year, and income of £15,220 from letting St. Michael's House whilst there is a curate vacancy.

Income from regular monthly giving by standing order or direct debit dropped by approximately £3,000 although donor numbers increased from 86 to 92. St. Mary's Church joined the Parish Giving Scheme, a direct debit scheme which is of great benefit as the diocese covers the cost of processing the donations and claiming gift aid. Regular monthly giving is especially valuable, providing a predictable monthly income and helping to budget for future expenditure. Next year we hope to introduce more donors to the scheme and plan to register St. Michael's Church.

A Giving Station for card donations was installed in St. Mary's Church in November and has been very well used. It offers the congregation an alternative to donating cash during services, and an easy way for people to donate who visit the church at other times.

We are very grateful for the generosity of the church community - for donations of money, time and talents - all of which enable the running costs of the buildings to be met and the church's mission in the two communities of Welwyn and Woolmer Green to continue.

#### *Expenditure*

Total expenditure was £238,551 (2020: £203,807). The costs associated with church services, and running and maintaining the buildings and churchyards, were £11,289 higher than in 2020, which was expected as the churches were open and in use more than was possible the previous year. £20,132 was spent on the major refurbishment of St. Michael's House in order for it to be rented out whilst no curate is in post. There was a small reduction of £1,823 in St. Mary's diocesan parish share in 2021. In 2022 the fire alarm system in St. Mary's Church will be upgraded at an approximate cost of £15,000. The quinquennial inspection will take place in the Autumn and there may be some large expenditure as a result of this.

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

## **Annual Report for the year ended 31 December 2021 (continued)**

### **Reserves**

The charity's total funds dropped by £3,678 to £904,120 (2020: £907,798). Restricted and endowment funds fell to £10,439 (2020: £51,431). Designated unrestricted funds set aside for emergency expenditure and capital for church groups and activities fell to £64,505 (2020: £79,774). General unrestricted funds increased to £204,176 (2020: £151,593) because of the fixed assets acquired during the year from previously restricted funds.

Unrestricted cash reserves (i.e. undesignated money freely available to spend on the charity's purposes) were £104,600 (2020: £115,157). The PCC's reserves policy is to hold sufficient unrestricted cash reserves to cover at least four months' operating expenses, which they believe will provide stability for the charity and it is satisfied with its current position.

### **Risk Assessment Policy**

The PCC is actively involved in the day-to-day running of the charity. Its members 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.

The PCC is aware of its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to House of Bishops guidance on safeguarding children and vulnerable adults). It has appointed Safeguarding Officers for each church and approved the House of Bishops' Model Policies for safeguarding of children and vulnerable adults (this is done annually and the policies are displayed in the churches, with additional information). In addition at each meeting a report is given on any safeguarding incidents. We are pleased to report that no safeguarding incidents occurred in 2021.

Matters associated with financial losses arising from a declining congregation have been identified as a risk too. Because regular monthly expenditure exceeds regular monthly giving income, there is a reliance on one-off donations, legacies and appeals to raise sufficient funds to break even.

The PCC continues to keep these risks under review, including consideration of any other major risks that might be present from time to time.

### **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.

**Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green**  
**Annual Report for the year ended 31 December 2021 (continued)**

**Structure, governance and management (continued)**

*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.

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

## Annual Report for the year ended 31 December 2021 (continued)

### 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 2021, the following served as members of the PCC:

<i>Incumbent:</i>	Rev'd Dr David Munchin	Chairman
<i>Clergy:</i>	Vacancy	
<i>Readers:</i>	Mr Colin Hull (Deanery Synod Rep.) Mrs Usha Hull Mr John Burnapp	
<i>Church Wardens:</i>	Mr Stuart Westley Mrs Diane Jenkin Mrs Susan Keach (at St Michael's)	
<i>Deanery Synod Reps.:</i>	Mrs Vernonne Allan Mrs Shoena Eggington (at St Michael's)	
<i>Elected Members:</i>	Mrs Jacqueline Davis Mrs Joan Shelley Mr Geoffrey Cummings Mrs Gina Beck Mr Stuart Jenkin Mrs Margaret Varco Mrs Gloria Jean Perriman Mr Emmanuel Emmanuel-Odiachi (at St. Michael's) Mr Donald Bell	Resigned April 2021 Resigned April 2021 Resigned April 2021
<i>Secretary:</i>	Mrs Louise Hughes	

Signed on behalf of the PCC by

.....  
The Rev'd Dr David Munchin (Chairman)

.....  
Date

## **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 2021.

### ***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.

Chris Burton BA, FCA  
Chartered Accountant  
13 Warren Way  
Welwyn  
Herts AL6 0DQ

.....  
Date



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

## Statement of Financial Activities

For the year ended 31 December 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 TOTAL £	2020 TOTAL £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	2a	166,772	13,125	-	<b>179,897</b>	207,753
Charitable activities	2b	19,463	-	-	<b>19,463</b>	8,046
Other trading activities	2c	33,534	-	-	<b>33,534</b>	19,378
Investments	2d	42	-	144	<b>186</b>	539
Government grant	2e	1,081	-	-	<b>1,081</b>	2,874
<b>TOTAL</b>		<u>220,892</u>	<u>13,125</u>	<u>144</u>	<b>234,161</b>	238,590
<b>EXPENDITURE ON:</b>						
Raising funds	3a	-	-	-	-	29
Charitable activities	3b	237,929	16	144	<b>238,089</b>	203,778
Other Costs - loss on disposal of fixed assets	3c	462	-	-	<b>462</b>	-
<b>TOTAL</b>		<u>238,391</u>	<u>16</u>	<u>144</u>	<b>238,551</b>	203,807
<b>NET INCOME</b>		(17,499)	13,109	-	<b>(4,390)</b>	34,783
<b>NET GAINS ON INVESTMENTS</b>		-	-	712	<b>712</b>	319
<b>TRANSFERS BETWEEN FUNDS</b>		<u>54,813</u>	<u>(54,813)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>		37,314	(41,704)	712	<b>(3,678)</b>	35,102
<b>BALANCES BROUGHT FORWARD AT 1 JANUARY 2021</b>		<u>856,367</u>	<u>46,483</u>	<u>4,948</u>	<b>907,798</b>	872,696
<b>BALANCES CARRIED FORWARD AT 31 DECEMBER 2021</b>		<u>893,681</u>	<u>4,779</u>	<u>5,660</u>	<b>904,120</b>	907,798

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 2021

	Note	2021	2020
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	719,182	663,412
Fixed asset investments	7	<u>5,660</u>	<u>4,948</u>
		724,842	668,360
<b>CURRENT ASSETS</b>			
Stock		1,207	1,336
Debtors	8	18,614	10,260
Short term deposits		29,001	29,000
Cash at bank and in hand		<u>143,674</u>	<u>211,078</u>
		192,496	251,674
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(13,218)</u>	<u>(12,236)</u>
<b>NET CURRENT ASSETS</b>		<u>179,278</u>	<u>239,438</u>
<b>TOTAL NET ASSETS</b>		<u>904,120</u>	<u>907,798</u>
<b>FUNDS OF THE CHARITY</b>			
Expendable endowment funds	11c	5,660	4,948
Restricted funds	11c	4,779	46,483
Unrestricted funds	11c	268,681	231,367
Revaluation reserve	11c	<u>625,000</u>	<u>625,000</u>
<b>TOTAL CHARITY FUNDS</b>		<u>904,120</u>	<u>907,798</u>

Approved by the Parochial Church Council on ..... 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 2021**

### **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 (FRS 102).

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**

At the time of approval, the COVID19 pandemic continues to have an impact on the UK economy and on the Parish, but the trustees consider that the vaccination programme and other measures taken by the UK Government and the charity have reduced, although not eliminated, the risk of a more enduring impact.

The Treasurer, in conjunction with the trustees, continues to monitor the situation closely and highlights any potential adverse effects on the charity. Despite the current circumstances the trustees believe that the charity's financial resources and contingency planning is sufficient to ensure the ability of the charity to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

### **Funds**

General unrestricted 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 11. Endowment funds, where the capital must be retained, are also explained in Note 11.

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

#### ***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.

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

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

**For the year ended 31 December 2021**

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

#### ***Donations and legacies (continued)***

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.

#### ***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 each year.

#### **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.

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

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

**For the year ended 31 December 2021**

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

#### ***Fixed assets - Consecrated property and movable church furnishings (continued)***

Items acquired since 1 January 2001 have been capitalised and depreciated in the financial statements 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.

#### ***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 recognised in the Statement of Financial Activities.

#### ***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 recognised in the Statement of Financial Activities. An impairment review is carried out at each year-end and any resultant loss identified and included in expenditure for the year.

#### ***Investments***

Listed investments are included at market value at the Balance Sheet date.

Net gains/losses arising on then revaluation and disposal of investments are recognised in the Statement of Financial Activities. Income deriving from these investments is accounted for on a receivables basis and is recognised through the Statement of Financial Activities.

#### **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 net realisable 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 (FRS 102) 2019 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.

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

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

**For the year ended 31 December 2021**

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

#### **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 grant income**

Grants from government bodies and other sources are received for specific purposes and are recognised in accordance with their individual terms and conditions. Income is recognised when the charity has entitlement to the funds, which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

#### **Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

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

## Notes to the Financial Statements (continued)

For the year ended 31 December 2021

<b>2 INCOME AND ENDOWMENTS</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>TOTAL 2021</b>	<b>TOTAL 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>2a Donations and Legacies</i>					
Planned giving:					
Gift Aid donations	110,752	10,500	-	<b>121,252</b>	122,144
Other planned giving	12,019	-	-	<b>12,019</b>	10,785
Collections (open plate) at all services	3,416	-	-	<b>3,416</b>	1,981
Sundry donations	1,597	-	-	<b>1,597</b>	1,544
Income tax recoverable	27,488	2,625	-	<b>30,113</b>	33,549
Grants received	500	-	-	<b>500</b>	750
Legacies	11,000	-	-	<b>11,000</b>	37,000
	<b>166,772</b>	<b>13,125</b>	<b>-</b>	<b>179,897</b>	<b>207,753</b>
<i>2b Charitable Activities</i>					
Fees for Weddings, Funerals etc	9,386	-	-	<b>9,386</b>	5,245
Choir	254	-	-	<b>254</b>	380
Coffee	393	-	-	<b>393</b>	409
Church groups and activities:					
Arpeggios	-	-	-	<b>-</b>	90
Bell Ringers	705	-	-	<b>705</b>	130
Fellowship	62	-	-	<b>62</b>	500
Flowers	2,030	-	-	<b>2,030</b>	720
Parish Magazine Sales	6,633	-	-	<b>6,633</b>	572
	<b>19,463</b>	<b>-</b>	<b>-</b>	<b>19,463</b>	<b>8,046</b>
<i>2c Other trading activities</i>					
Church and Church House lettings	2,213	-	-	<b>2,213</b>	1,915
St. Michael's House letting	15,220	-	-	<b>15,220</b>	-
Fetes, bazaars and other fund-raising events	753	-	-	<b>753</b>	938
Church groups and activities:					
Bookstall	282	-	-	<b>282</b>	163
Fair Trade	7,398	-	-	<b>7,398</b>	8,346
Parish Magazine Advertisements	7,668	-	-	<b>7,668</b>	8,016
	<b>33,534</b>	<b>-</b>	<b>-</b>	<b>33,534</b>	<b>19,378</b>
<i>2d Investments</i>					
Dividends and interest	42	-	144	<b>186</b>	539
<i>2e Government grants</i>					
Coronavirus Job Retention Scheme	1,081	-	-	<b>1,081</b>	2,874
<b>TOTAL INCOME AND ENDOWMENTS</b>	<b>220,892</b>	<b>13,125</b>	<b>144</b>	<b>234,161</b>	<b>238,590</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 2021

<b>3 EXPENDITURE</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>TOTAL 2021 £</b>	<b>TOTAL 2020 £</b>
<i>3a Raising funds</i>					
Fetes, bazaars, other fund-raising events	-	-	-	-	29
<i>3b Charitable activities</i>					
Missionary and charitable giving:					
Relief and development agencies	301	-	-	301	528
Home missions and other Church Societies	-	-	-	-	-
Secular charities	9,078	-	-	9,078	6,454
Ministry:					
Diocesan parish share	120,389	-	-	120,389	122,212
Clergy expenses	1,557	-	-	1,557	2,441
Church running expenses:					
Salaries	13,481	-	-	13,481	11,458
Insurance	6,322	-	-	6,322	4,274
Utilities	13,090	-	-	13,090	10,877
Other running costs	3,219	-	-	3,219	2,980
Upkeep of services	6,334	-	-	6,334	4,927
Subcontract costs – verger and organists	7,170	-	-	7,170	5,957
Church maintenance	10,238	-	-	10,238	6,885
Upkeep of churchyard	1,938	16	144	2,098	2,092
Major repairs/replacements	3,200	-	-	3,200	-
Church House costs	798	-	-	798	3,057
St Michael's House, London Road	20,132	-	-	20,132	503
Training and Mission	-	-	-	-	350
Youth costs	252	-	-	252	249
Choir expenditure	147	-	-	147	401
Depreciation of New Church House equipment	155	-	-	155	253
Depreciation of Church equipment	6,516	-	-	6,516	4,997
Depreciation of St. Michael's House equipment	733	-	-	733	-
Bank charges	309	-	-	309	329
Independent examination fee	-	-	-	-	1,500
Church groups and activities costs:					
Arpeggios	-	-	-	-	133
Bell Ringers	1,000	-	-	1,000	85
Bookstall	189	-	-	189	291
Fair Trade	6,571	-	-	6,571	7,521
Fellowship	125	-	-	125	455
Flowers	1,453	-	-	1,453	750
Parish Magazine	3,232	-	-	3,232	1,819
	237,929	16	144	238,089	203,778
<i>3c Other costs – loss on disposal of fixed assets</i>	462	-	-	462	-
<b>TOTAL EXPENDITURE</b>	<b>238,391</b>	<b>16</b>	<b>144</b>	<b>238,551</b>	<b>203,807</b>

During the year, one clergyman (2020: two) was reimbursed expenses totalling £1,557 (2020: £2,441), 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 2021

### 4 MISSIONARY AND CHARITABLE GIVING

The two churches donated £9,379 directly to a variety of charities in the UK and abroad (see table below). In addition, £10,120 was raised for charities as a result of fundraising activities organised by members of the two churches.

	Donations		No. of institutions/ individuals	
	2021	2020	2021	2020
	£	£		
Support of disadvantaged people - UK	1,979	3,884	4	9
Support of disadvantaged people - Overseas	7,400	1,898	7	4
Natural disaster appeals - Overseas	-	1,200	-	1
<b>Total donations to Institutions</b>	<b>9,379</b>	<b>6,982</b>	<b>11</b>	<b>14</b>

### 5 STAFF COSTS

	2021	2020
	£	£
Wages and salaries	13,207	11,194
Social security costs	-	-
Other pension costs	<u>274</u>	<u>264</u>
	<b><u>13,481</u></b>	<b><u>11,458</u></b>

The new Director of Music commenced work on 1<sup>st</sup> October being paid through payroll. During the year the PCC contracted for the services of a vergers and relief organists, who are paid on a contractor basis on presentation of their invoices. No-one on the payroll, nor the vergers or relief organists, earned £60,000 pa or more. The average number of employees during the year was 3 (2020: 3).

During the periods when services were suspended and the church office was closed, we were able to claim £1,081 from the government's Coronavirus Job Retention Scheme for eligible staff on the payroll.

The church operates a defined contribution pension scheme which is available for all staff to join.

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 2021

### 6 FIXED ASSETS

	Freehold land and buildings	Office equipment	Church House equipment	St. Mary's Church & St. Michael's House equipment	TOTAL
	£	£	£	£	£
<b>ACTUAL COST OR VALUATION</b>					
At 1 January 2021	625,000	6,641	35,673	134,692	802,006
Additions/disposals		-	-	63,636	63,636
Disposals	-	-	-	(4,599)	(4,599)
At 31 December 2021	<u>625,000</u>	<u>6,641</u>	<u>35,673</u>	<u>193,729</u>	<u>861,043</u>
<b>DEPRECIATION</b>					
At 1 January 2021	-	6,641	35,448	96,505	138,594
Charge for the year	-	-	155	7,249	7,404
Disposals	-	-	-	(4,137)	(4,137)
At 31 December 2021	-	<u>6,641</u>	<u>35,603</u>	<u>99,617</u>	<u>141,861</u>
<b>NET BOOK VALUE</b>					
At 31 December 2021	<u>625,000</u>	-	<u>70</u>	<u>94,112</u>	<u>719,182</u>
At 31 December 2020	<u>625,000</u>	-	<u>225</u>	<u>38,187</u>	<u>663,412</u>

The freehold land and buildings are St Michael's House, London Road, Woolmer Green, which is used as accommodation for the curate. A desktop valuation of £650,000 was carried out by Alexander Bond & Company in December 2021, for information only. The house was built in the 1950s and its historical cost had not been reflected in the accounts.

7 INVESTMENTS	2021 £	2020 £
<b>Quoted Investments:</b>		
Investments at 1 January 2021	4,948	4,629
Unrealised gains – increase in market value	<u>712</u>	<u>319</u>
<b>Balance at 31 December 2021</b>	<u>5,660</u>	<u>4,948</u>
Historic cost	<u>300</u>	<u>300</u>

Represented by 242 (2020: 242) shares in the CBF Church of England Investment Fund

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

## Notes to the Financial Statements (continued)

For the year ended 31 December 2021

### 8 DEBTORS

	2021	2020
	£	£
Income tax recoverable	13,236	8,354
Other debtors	<u>5,378</u>	<u>1,906</u>
	<b><u>18,614</u></b>	<b><u>10,260</u></b>

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

	2021	2020
	£	£
Accruals	7,778	7,036
Other creditors	<u>5,440</u>	<u>5,200</u>
	<b><u>13,218</u></b>	<b><u>12,236</u></b>

### 10 FINANCIAL COMMITMENTS

The future minimum lease payments under non-cancellable operating leases, in respect of other equipment, is as follows:

	2021	2020
	£	£
Payable within 1 year	995	158
Payable between 1 and 5 years	<u>1,243</u>	<u>-</u>
	<b><u>1,338</u></b>	<b><u>158</u></b>

### 11 FUND DETAILS

11a Analysis of net assets by fund category at 31 December 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fixed Assets for Church use	719,182	-	-	719,182
Investment Fixed Assets	-	-	5,660	5,660
Current Assets	187,717	4,779	-	192,496
Current Liabilities	<u>(13,218)</u>	<u>-</u>	<u>-</u>	<u>(13,218)</u>
<b>Fund Balances</b>	<b><u>893,681</u></b>	<b><u>4,779</u></b>	<b><u>5,660</u></b>	<b><u>904,120</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 2021

### 11 FUND DETAILS (continued)

#### 11b Description of funds

##### Endowment fund

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

##### Restricted funds

<b>Fund</b>	<b>Purpose of fund – to pay for:</b>	<b>Movements during the year</b>
St Mary's Restoration Fund	Quinquennial work and other significant fabric projects	£43,563 was spent on the boiler replacement project
St. Mary's Memorial Garden	New tools and gardening equipment	£16 was spent
St Mary's Organ	Repair costs	No expenditure
St Michael's Piano or Organ Fund	Repair costs	No expenditure
St. Mary's livestreaming system	A livestreaming system to enable churches in the Welwyn team to stream services to those unable to attend in person	£13,125 was raised from the Rector's appeal, the live streaming system was purchased and installed; the balance of £7,551 was transferred to the St. Mary's Reserve fund

##### Designated funds

<b>Fund</b>	<b>Purpose of fund – to pay for:</b>	<b>Movements during the year</b>
St Mary's Reserve	Fabric expenditure and emergency works	£7,573 was spent on the boiler replacement project and £5,655 was spent on the tower clock repair; £7,551 was transferred in from the St. Mary's livestreaming fund
St Michael's Fabric	Fabric expenditure and emergency works	No expenditure
St Michael's House	Fabric expenditure and emergency works	£20,132 was spent on the refurbishment and other repairs; £15,220 rental income was received from letting the property
Commission for altar frontals and vestments at St. Mary's	Commission using the John Sainsbury legacy	The commission was completed and is now in use, and the final instalment of £3,200 was paid; £3,600 remains in the fund
Youth	Youth work	£252 was spent
The remaining designated funds	To provide working capital for various church groups and activities	See 10c Funds balances and movement for the year

# 11 FUND DETAILS (continued)

## 11c Funds balances and movements for the year

Fund	Opening Balance 1/1/21	Income	Expenditure	Transfers	Investment gains/losses	Closing balance 31/12/21
<b>ENDOWMENT FUND</b>						
St Michaels Church Yard (Sales Grave Trust)	4,948	144	(144)	0	712	5,660
<b>RESTRICTED FUNDS</b>						
St Mary's Restoration	41,688			(41,688)		0
St. Mary's Memorial Garden	455		(16)			439
St. Mary's Organ	2,082					2,082
St. Michael's Piano or Organ	2,258					2,258
St. Mary's livestreaming system	0	13,125		(13,125)		0
<b>TOTAL RESTRICTED FUNDS</b>	<b>46,483</b>	<b>13,125</b>	<b>(16)</b>	<b>(54,813)</b>	<b>0</b>	<b>4,779</b>
<b>UNRESTRICTED FUNDS</b>						
<b>Designated:</b>						
St Mary's Restoration	1,875		(1,875)			0
St. Mary's Reserve	40,003		(13,228)	7,551		34,326
St. Michael's Fabric	1,818					1,818
St. Michael's House	10,000	15,220	(20,132)			5,088
Commission for altar frontals and vestments at St. Mary's	6,800		(3,200)			3,600
Youth	2,695		(252)			2,443
<b>Designated for church groups and activities:</b>						
Arpeggios Hand Bell Ringers	245					245
St. Mary's Bell Ringers	4,026	705	(1,000)			3,731
St. Mary's Bookstall	892	282	(189)	(400)		585
St. Mary's Flowers	931	2,030	(1,453)	(1,001)		507
Parish Magazine	8,245	14,301	(3,232)	(9,361)		9,953
Fellowship	283	62	(125)			220
St. Mary's Fairtrade Stall	1,961	7,398	(6,571)	(799)		1,989
<b>Total designated funds</b>	<b>79,774</b>	<b>39,998</b>	<b>(51,257)</b>	<b>(4,010)</b>	<b>0</b>	<b>64,505</b>
<b>General unrestricted fund *</b>	<b>151,593</b>	<b>180,894</b>	<b>(187,133)</b>	<b>58,822</b>	<b>0</b>	<b>204,176</b>
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>231,367</b>	<b>220,892</b>	<b>(238,390)</b>	<b>54,812</b>	<b>-</b>	<b>268,681</b>
<b>REVALUATION RESERVE</b>						
St. Michael's House, Woolmer Green	625,000	0	0	0	0	625,000
<b>CHARITY'S TOTAL FUNDS</b>	<b>907,798</b>	<b>234,161</b>	<b>(238,550)</b>	<b>-</b>	<b>712</b>	<b>904,120</b>

* General unrestricted fund: breakdown		
	Opening Balance 1/1/21	Closing Balance 31/12/21
<b>Cash</b>	<b>115,157</b>	<b>104,598</b>
Fixed assets	38,412	94,182
Debtors	10,260	18,614
Liabilities	(12,236)	(13,218)
<b>TOTAL</b>	<b>151,593</b>	<b>204,176</b>