

PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST ANNE HIGHGATE

England & Wales · Charity number 1130501

Details

Other names PCC ST ANNE'S HIGHGATE

Status Registered

Legal form Previously excepted

Registered 2009-07-09

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

Contact

Address St. Anne C Of E Church
Highgate West Hill
London
N6 6AP

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Website <http://www.saintanneshighgate.co.uk/>

Activities

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

Activities: Prayer, liturgy, worship and music, in the Catholic tradition of the Church of England, with a welcoming congregation in a beautiful building. Eucharist (with Children's Church) Sunday 1030am. Regular programmes of support for charities in the neighbourhood and elsewhere, community lunches, social outreach events, and musical events organised by the church and by groups who hire the building.

Classification

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

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE LOCAL
- Camden

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£157,420	£115,405	-	-
2023-12-31	£190,371	£230,393	-	-
2022-12-31	£120,182	£88,767	-	-
2021-12-31	£122,331	£75,419	-	-
2020-12-31	£96,419	£95,319	-	-

Trustees

Name	Role	Appointed
REVD ANDREW JOHN BRUCE MELDRUM LLB, MA	Chair	
Anita Yvonne Compton		2021-04-01
BARBARA RUTH ROSS MA		
DR Carola Darwin		2017-12-01
ELEANOR MARY SIMONS		2013-07-16
Gus Amadi		2016-07-31
MARION RUSHBROOK		2018-04-29
Marian Donne		2017-04-02
Nicholas Taylor		2021-04-01
Prof Coral Ann Howells		2015-03-22
ROLAND ZLOWODZKI DE CHOLEWA		2013-07-30
Rev Simon Paul Walsh		2012-03-07
Rosemary Jane Partin		2021-04-01
michael Harris		2022-01-01

Accounts

St Anne's, Highgate

www.saintanneshighgate.co.uk

Financial Report
of the
Parochial Church Council
Registered Charity 1130501

for the year ended 31 December **2024**

supplementing the Annual Report

Priest:

The Revd Andrew Meldrum
106 Highgate West Hill
London N6 6AP

Treasurer:

Mike Harris

Bank:

HSBC Bank plc
69 Pall Mall
London SW1Y 5EY
Sort code 40 11 58, account no 6012 3064

Independent Examiner:

Thomas Middleton

Independent Examiner's Report to the Trustees (P.C.C.)

Respective responsibilities of Trustees and Independent Examiner

The *Parochial Church Council* ('PCC') are responsible as Trustees for the preparation of these accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an **independent examination** is needed.

As *Independent Examiner* my responsibility is to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission and with the *Church Accounting Regulations 2006*, in line with the guidance in *PCC Accountability: The Charities Act 2011 and the PCC*, 5th edition issued by the Church of England in 2016. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees (the PCC) concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements to keep accounting records in accordance with section 130 of the Charities Act, and to prepare accounts which agree with the accounting records and comply with the accounting requirements of the Charities Act, have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed



Thomas Middleton CPFA
Date: 28/04/2025

Financial Review

This year St Anne's reported a surplus of income over expenditure of **£42,015**. However, this included an estimated **£30,000** of restricted interest income that should be fully allocated to the Millfield fund, implying a net operating surplus of **£12,000**. Among the positives there was a rise in church shop takings, and a fall in electricity costs. This all countered a £7,670 rise in expenditure on Music, a £2,400 rise in the common fund contribution, and a £3,500 fall in regular gift aid standing orders.

INCOME

Gift Aided giving through Standing Orders was some **£25,364**, down from **£28,807 in 2023**. This is now significantly below the levels achieved in 2020 even excluding the impact of inflation.

Including 4 non-gift aid givers, there were 30 **regular givers in 2024, unchanged from 2023, but down from 34 in both 2022 and 2021**.

Giving via Gift Aid envelopes and Loose plate collections rose 6x to £3,682 vs 2023 thanks to the resumption of loose plate collections in late 2023. This figure may also include some cash associated with events that was difficult to segregate.

Total Giving in 2024 fell to £56,779, down from £58,905 (adjusted for accounting income from the Millfield fund that was subsequently paid out). This compares to £65,604 in 2022. These figures include tax recoverable from HMRC. As some of the giving reflected one off donations for both the 25th anniversary of the Vicar and a machine to help a longstanding member of the congregation read, the implied total sustained giving was overstated by upwards of £3,000.

We continued to benefit from a substantial historic **grant** from the *St Pancras Church Lands Trust*, however the cash income fell to £10,500 from £12,000 in recent years.

Estimated shop takings rose to nearly £7,000 from £2079 in 2023. This represents a significant uplift and now means the shop is net source of revenue of over £3,200 after costs.

Church lettings look to have fallen from £53,650 to £30,176. However the 2023 is distorted by the accounting for Shared Access payments for electricity which nets out to zero as St Annes pays for this electricity and is reimbursed by Shared Access. In 2024, the electricity reimbursements have been removed for the Church Letting category, giving a true reflection of funds raised for lettings of church resources. This includes Just Park £7,653 (down from £8,994 in 2023 which may reflect a volume impact post higher pricing), revenues from Shared Access for mast rental £17,993, with the remainder being for use of the church.

Church Fair: The church fair income is reported as £1,063 in 2024, less than half the 2023 figure. With a £600 fee for printing and delivery of leaflets, and incremental charges of £250, the church fair was only modestly profitable.

Interest Income rose substantially again in 2024 to £33,479 from £20,553 in 2023 and £8382 in 2022. This reflects higher interest rates at CCLA managed accounts, and comes despite a reduced value of the Millfield fund by £50,000 post a 2023 donation. Note while the

restricted amount is reported is just shy of £20,000, the issue from 2023 remains as some £245,000 of Millfield restricted monies are sitting in the CCLA General Reserve and CCLA Churchwardens accounts. This means about 75% of the £13,400 of unrestricted interest income should in fact be restricted and attributable to the Millfield accounts. Applying that ratio to total interest income means that total restricted income should be circa £30,000 with the unrestricted amount being about £3,500 vs the current reported. The Treasurer, with the support of the PCC, endeavours to transfer circa £245,000 back to the CCLA Millfield account from the General Reserve and Church Warden CCLA accounts as soon as possible.

EXPENDITURE

In 2024, our contribution to the **Diocesan Common Fund**, rose from £48,000 to £50,400 to pay for the training and provision of priests (including our own), clergy housing and other central services and ministry. The Common Fund rate for a Parish in London currently stands in excess of £80,000, but in agreement with the PCC St Anne's reduced this in recent years to assist with both the impact of Covid and the solvency of the church. Having reached a low of £40,000 in 2021, it has consistently risen and will rise further to £55,000 in 2025.

Electricity costs reported figures fell sharply in 2024 due to reclassification

Church electricity and gas costs were combined in 2023, and included electricity costs payable on behalf of shared access for the phone mast. This led to £43,535 of total utility charges in 2023 and hence is not comparable to the costs of £2,249 and for electricity used by the Church and Vestry, and £2,135 for gas. Including the £21,203 electricity costs for the phone mast in 2024, the more comparable figure for 2023 would be £25,587. The reduction is due to the fall in electricity and gas prices.

Music related rose to £15,150 in 2024 from £7,479 in 2023. This reflected greater use of cantors (circa £7,000). As wages have risen within 2024, similar usage of cantors in 2025 will lead to higher costs. 2024 music costs also included nearly £3,000 in higher but presumably one off expenditures for organ and piano maintenance and new cassocks.

Cashflow Reconciliation Significant Adjustments: From a cashflow perspective the situation was similar, although an application has yet to be made for recoverable gift aid from 2022, 2023 and now 2024 reducing cash on hand accordingly. For 2024, this equates to £7,261 booked as income that is yet to be claimed. In total receivables from HMRC surpass £20,000 and this will be reclaimed upon updated gift aid statement still as a receivable from HMRC.

Additionally 2024 proved complicated after a dispute with shared access over the meter readings for billing. After an audit of the meter system from Total Energies, the situation looks to be resolved with pending receipts from shared access of just of £20,396. All told, cash balances are understated by circa £43,000, which should be rectified in early 2025. This will significantly bolster cash balances at HSBC which fell from £

St Anne's Highgate - 1130501

Analysis of income and expenditure Selected period: 01 January 2024 to 31 December 2024

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
Income and endowments						
Donations and legacies						
0101 - Gift Aid (Standing Orders)	25,364	—	—	—	25,364	28,807
0110 - Gift Aid (Envelopes)	—	—	—	—	—	—
0201 - Other planned giving	1,290	—	677	—	1,967	4,070
0301 - Loose plate collections	3,682	—	—	—	3,682	525
0410 - Giving through church boxes	—	—	—	—	—	2,240
0501 - One-off Gift Aid gifts	—	—	50	—	50	1,160
0550 - Other donations	3,215	—	1,738	—	4,953	1,116
0601 - Tax recoverable on Gift Aid	7,261	—	—	—	7,261	7,787
0801 - Recurring grants	—	—	10,500	—	10,500	12,000
08A1 - One-off grants	3,000	—	—	—	3,000	52,000
Donations and legacies Totals	43,813	—	12,965	—	56,779	109,707
Income from charitable activities						
1101 - Fees for weddings, funerals etc	1,099	—	—	—	1,099	1,670
Income from charitable activities Totals	1,099	—	—	—	1,099	1,670
Other trading activities						
0910 - Shop	6,940	—	—	—	6,940	2,079
0911 - Fund raising events	1,229	—	1,175	—	2,404	2,711
1240 - Church lettings (fund raising)	30,176	—	—	—	30,176	48,052
Other trading activities Totals	38,345	—	1,175	—	39,520	52,842
Investments						
1020 - Interest	13,523	—	19,955	—	33,479	20,553
Investments Totals	13,523	—	19,955	—	33,479	20,553
Other income						
1241 - Electricity Payment from Shared Access f	26,541	—	—	—	26,541	5,598
Other income Totals	26,541	—	—	—	26,541	5,598
Income and endowments Grand totals	123,324	—	34,096	—	157,420	190,371

Expenditure

Raising funds

1730 - Cost of fund-raising events	455	—	1,515	—	1,970	2,176
1735 - Shop expenses	3,716	—	—	—	3,716	2,850
Raising funds Totals	4,171	—	1,515	—	5,686	5,026

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
<i>Expenditure on charitable activities</i>						
1800 - Charities	—	—	—	—	—	100,060
1910 - Diocesan Common Fund	50,400	—	—	—	50,400	48,000
2101 - Priest's expenses	—	—	1,722	—	1,722	206
2130 - Parsonage house	988	—	—	—	988	562
2201 - Pilgrimage, study, parish events	1,548	—	—	—	1,548	2,272
2210 - Children's church	388	—	—	—	388	—
2216 - Lunches	—	—	—	—	—	—
2301 - Church insurance	6,842	—	—	—	6,842	6,419
2330 - Church maintenance	1,125	—	61	—	1,187	4,415
2340 - Upkeep of services	383	—	2,411	—	2,794	945
2345 - Music	1,002	—	14,147	—	15,150	7,479
2350 - Upkeep of churchyard	600	—	—	—	600	800
2360 - Administration	162	—	—	—	162	77
2370 - Visiting priests	—	—	—	—	—	—
2380 - Flowers	—	—	657	—	657	534
2401 - Church running - electricity	2,249	—	—	—	2,249	43,535
2410 - Church running - gas	2,135	—	—	—	2,135	—
2445 - Church running - other	1,686	—	—	—	1,686	1,506
2601 - Governance costs	—	—	—	—	—	—
2701 - Church major repairs	—	—	—	—	—	2,408
<i>Expenditure on charitable activities Totals</i>	69,513	—	19,000	—	88,514	219,222
<i>Other expenditure</i>						
2802 - Electricity Payments for Phone Mast shar	21,203	—	—	—	21,203	—
2801 - Church Letting Refund	—	—	—	—	—	6,145
<i>Other expenditure Totals</i>	21,203	—	—	—	21,203	6,145
Expenditure Grand totals	94,888	—	20,516	—	115,405	230,393

Notes to 'Analysis of income & expenditure' table

For explanation of the split between 'Unrestricted', 'Designated', 'Restricted' and 'Endowment' Funds, see the notes on 'Funds' at the end of this report.

INCOME

Gift Aid Standing Orders is the mainstay of the church's income, it has been declining gradually but consistently with the number of regular givers falling to just 30.

Other planned giving is regular giving via the Charities Aid Foundation or regular donors whose donations do not qualify for Gift Aid.

Loose plate collections are non-attributable (non "envelope") money placed on the collection plate during church services. Recent changes in regulation allow us to claim gift aid on these donations within an ample limit, even though they are not supported by gift aid mandates.

One-off Gift Aid gifts are as implied. These are often designated or restricted for specific purposes or "appeals" such as restoration works, and can vary substantially from one year to the next

Tax recoverable on Gift Aid comprises (a) tax refunded under the Gift Aid scheme plus (b) Gift Aid allowed under the Small Donations scheme including gifts analogous to “loose plate collections”.

Recurring grants comprises the grant from the St Pancras Church Lands Trust: see the Financial Review above and Notes on the Churchwardens Fund on page 11.

The income of the **shop, fund raising events** and **lettings** is described in the Financial Review above

The ‘restricted’ column in **interest** principally includes interest on our Millfield grant.

EXPENDITURE

Shop expenses were mostly rent. After over a decade at £175 a month, the rent increased to £300 a month from August 2022. There is an expectation the rent will need to rise further. Incremental costs were for goods purchased.

For **Charities**, since 2017 the PCC judged that with its current financial difficulties, it was no longer appropriate to continue the practice of making fixed monthly donations to different charities unconnected with St Anne’s and chosen on behalf of the congregation. As observed in the closing paragraph on page 4, disbursements were made from the Millfield Fund for charitable purposes in 2023, but not 2024. Millfield Fund disbursements for landscaping to facilitate allotments for local schools are underway in 2025.

Diocesan Common Fund: see Financial Review on pages 3 & 4.

Parsonage house in 2022, is the maintenance of the vicarage burglar alarm and its water rates.

Pilgrimage, study & parish events. The main item is usually the cost of the annual pilgrimage to the Walsingham shrine. Each pilgrim meets their own cost but the church pays for the cost of the clergy and any shortfall in overall costs.

Upkeep of services includes communion wine, candles, service books, service sheets and publicity.

Music is the Music Director’s and cantors’ fees and other spending on music.

All spending (£657) on flowers in 2024 was met by donations, largely from two individuals. Expectations are that the flower float will need to be funded by either dedicated fund raising or transfers from the general fund.

Church running other comprises mainly hospitality, kitchen and toilet materials, the website fee and the water rate.

BALANCE SHEET COMMENTARY

Overall reserves rose to £785,941 from £743,925. Notably cash balances at HSBC fell from £102,640 to £66,854 due to the outstanding receivables from Shared Access and HMRC of £43,000. The CCLA accounts all reported gains due to the accrual of income.

For 2025, pressures will exist due to a rise in common fund contributions, the likelihood that interest income has peaked, and the real reduction in ongoing giving in recent years.

In 2009 St Anne's received a £500,000 grant from the Millfield Foundation plus £100,000 in January 2016. The money is to be used "for the benefit of those aged 22 years or below, with their families, living in the south-east of England" in ways specified by the grant. In 2018 two payments of £5,000 each were made for the development of the building for use in youth-related projects called for by the grant. In 2019 the PCC agreed to fund, in conjunction with HNCC, a woodwork grant to support young people. A further sum of £7,500 of the Millfield money was used for this purpose. After continuing to receive interest and no disbursements from 2020-2022, a grant of £50,000 was provided from the Millfield Fund to the Highgate Newtown Centre in 2023. There were no donations made in 2024 leading to a rise in the value of the fund.

Millfield Fund Bank account commentary and changes:

As noted in previous years, there remains a significant discrepancy between the £593,411 figure shown on the fund movement table, and the cash balance of £339,730 balance of the Millfield CCLA account as of the end of 2024. This looks to have been due to an approach many years ago to optimise interest income by moving funds to the CCLA PPC General reserve account. The Treasurer, with the approval of the PCC, will transfer those funds back so that the balance of the Millfield CCLA account is identical to the £593,411 value of the Millfield Fund balance.

Accounts Payable

Note accounts payable in the reported 2023 accounts showed a payable liability of £7,063.96. The majority of this was for a £6,145 overpayment from shared access in 2023 that was compensated for in 2025 by an underpayment vs actual electricity outlays for shared access (net of their outstanding receivable).

St Anne's Highgate - 1130501

Balance Sheet detailed

		As at 31/12/2024	As at 31/12/2023
Fixed assets			
	6430: Anne Barnett endowment	—	—
	6432: PUNL shares	650.00	650.00
	Total Fixed assets	650.00	650.00
Current assets			
	6501: Current account (HSBC)	66,853.98	102,640.24
	6507: PayPal	1,462.03	1,462.03
	6510: Reserve account (CCLA)	212,826.87	202,099.75
	6514: Reserve account (Nationwide)	—	—
	6516: Reserve account (Santander)	—	—
	6530: Anne Barnett account (CCLA)	288.60	274.06
	6540: Churchwardens account (CCLA)	121,940.78	105,826.36
	6550: Millfield account (CCLA)	339,730.34	322,606.89
	6555: Millfield account (Nationwide)	—	—
	6590: Cashbook	(42.29)	(42.29)
	6594: Flowers float	19.50	—
	6596: Music float	80.00	80.00
	6597: Electricity Receivable Phone Mast	20,396.10	—
	Z05: Accounts Receivable	22,654.23	15,392.48
	Total Current assets	786,210.14	750,339.52
Liabilities			
	6699: Agency collections	—	—
	Z04: Accounts Payable	918.96	7,063.96
	Total Liabilities	918.96	7,063.96
	Net Asset surplus (deficit)	785,941.18	743,925.56
Reserves			
	Excess / (deficit) to date	42,015.62	(40,022.18)
	Z01: Starting balances	743,925.56	783,947.74
	Total Reserves	785,941.18	743,925.56

	As at 31/12/2024	As at 31/12/2023
Represented by Funds		
Unrestricted	158,846.50	137,355.23
Designated	10,000.64	10,000.64
Restricted	617,093.30	596,568.95
Endowment	0.74	0.74
Total	785,941.18	743,925.56

Notes on Balance Sheet and ‘Funds’, and accounting policies

Balance Sheet

Fixed assets

The **Anne Barnett Fund endowment** was capital given by the church’s founder to provide income for ‘repairs or improvement’ (her Will Oct 1853) or for ‘making any necessary additions’ to the church, excluding the purchase of additional land (the second of two Codicils of Nov 1854). The amount has been estimated as the £1,000 in the Will plus £1,000 as the maximum likely amount resultant from the Codicil (which added £200 plus any legacies which lapsed before Anne Barnett’s death four years later). Following the closure of the Anne Barnett Endowment in 2023 due to immateriality, the PCC has determined to elevate the use of Anne Barnett’s name in the finances of the church by renaming the actively used music float in her honour.

Consecrated land and beneficed property and any improvements to property, fixtures and fittings are excluded from the accounts as assets by the Charities Act. The insurance valuation of **the church building and contents** is currently £17,035,200. Movable church **furnishings** are vested in the churchwardens; they cannot be disposed of without a Faculty (legal permission from the Diocese). **Other items which are not fixtures and fittings** coming into the possession of the PCC valued over £1,000 will normally be written off in equal parts over four years; those valued at £1,000 or less will be written off in the period in which they were acquired.

Current assets

During 2023 we had a **chequing account** at HSBC, a largely dormant PayPal account, and a Sum Up account (enabling people to pay to the church via the website and churchwardens to make small purchases of maintenance materials online). Our aim is to keep only sufficient balances for working purposes in the HSBC account, as the interest rate is zero. Additionally, we have 4 **instant-access accounts** in the **CBF (Church of England Central Board of Finance) Deposit Fund** managed by CCLA Investment Management. These funds were the source of the large rise in interest income in 2024, the vast majority of which is restricted.

Income in cash and cheques (collections, donations, income from the shop, etc) is held in the ‘**Cashbook**’ until banking, or cash disbursement (mainly into the Music Float) takes place. Other cash amounts (the **Flowers** and **Music Floats**) are held by individuals who maintain cashbooks for providing flowers in the church and paying singers.

Accounts receivable at the end of 2024 is an estimated provision for a gift-aid claim to be submitted to HMRC for donations received in the year, as well as just over £20,000 of receivables from shared access which will shortly be invoiced.

Liabilities

Accounts payable are cheques drawn in 2024 but not cleared by 31st.

Funds': analysis of Net Assets by function

St Anne's Highgate - 1130501
Fund movement summary
Selected period: 01 January 2024 to 31 December 2024

Fund	Fund Balances brought forward	Incoming Resources	Outgoing Resources	Transfers	Gains and Losses	Journal Entries	Fund balances Carried forward
GiftAndrew - F Andrew	—	1,223	1,722	499	—	—	0
Gift 25 years							
BRoss - Reading Machine	200	565	1,515	750	—	—	—
Barbara							
Flower - Flower Fund	0	677	657	—	—	—	20
General - General fund	137,355	123,324	94,888	(6,944)	—	—	158,846
Lavinia - Lavinia Mural Fund	500	1,175	—	695	—	—	2,370
BarbaraCar - Barbara Taxi Fund	835	—	—	—	—	—	835
Restor - Restoration Fund designated	10,000	—	—	—	—	—	10,000
RestorRes - Restoration Fund restricted	79	—	—	—	—	—	79
Barnett - Anne Barnett Fund	15	7	—	—	—	—	22
CWardens - Churchwardens Fund	1,929	13,325	16,620	5,000	—	—	3,634
Worship - Worship Fund	5,473	—	—	—	—	—	5,473
Lunches - Lunches Fund	—	—	—	—	—	—	—
Millfield - Millfield Fund	576,287	17,123	—	—	—	—	593,411
Developmnt - Development Fund	11,250	—	—	—	—	—	11,250
Bell - Bell Fund	0	—	—	—	—	—	0
Totals	743,925	157,420	115,405	—	—	—	785,941

Restricted funds can be used only for a specified purpose. **Designated** funds are amounts allocated by the PCC for a specific purpose; this allocation is not binding and can be changed by the PCC. **Endowment** funds are investments held in trust so that the PCC can benefit from the interest but cannot spend the capital.

General Fund holds assets that are not subject to any restriction or designation.

Restoration Fund comprises a donation (plus Gift Aid) restricted for repair of the chancel mural and other amounts designated by the PCC for restoration (at end 2016 essentially completion of the repairs to the vestry and preparatory stabilisation of the mural beyond that financed by the restricted donation).

Anne Barnett Fund was set up by the church's founder so that the interest generated could cover the cost of church maintenance. The amount in the Fund comprises the endowment capital (estimated at £2,000):-and net accumulated earnings on it (which, like the Restoration Fund, are usable for repairs and improvements). Due to the immaterial size of the fund and the 2008

blending of the monies in non-restricted accounts, the decision was made to close the fund at the end of 2023.

Churchwardens Fund receives the regular grants from the St Pancras Church Lands Trust (Registered Charity 212006). Under the terms of the Trust (the St Pancras Ecclesiastical Regulation Act 1868, as amended by the scheme effective 24 March 1965) the use of the grants is restricted to repair of the church and the expenses of performing divine worship (and was interpreted in a note written by a Trustee in April 2007, as excluding use for donations to charity or payment of clergy stipends). If too much qualifying expenditure is allocated to this Fund during the year, a transfer is made from the General Fund to bring the Churchwardens Fund back to zero at the year-end, rather than individual items being reclassified out of this Fund in retrospect.

Worship Fund holds a donation to support worship and the upkeep of services.

Lunches Fund comprises the expenditure on the Community Lunches and its financing, see page 8 'lunches' and the last para of the Financial Review on page 4.. but is no longer used

Millfield Fund holds the St Pancras Foundation grant described in the Financial Review and the interest on it net of expenditure from it. The Fund is distributed over several accounts in the Balance Sheet, not only those with 'Millfield' in their title.

Development Fund holds a donation restricted for the Development Plan.

Bell Fund is a restricted fund for maintenance of the bells. After substantial work on bells and belfry over recent years the fund ended last year exhausted.

Flower Fund is for the floral decoration of the church. When spending on flowers is not met by financial donations for flowers (including the tax recoverable on Gift Aided donations), the deficit is made up by transfers from the General Fund.

Barbara Ross Fund was set up to facilitate mobility and a an electronic reader for long-serving parishioner and reader Barbar Ross. This fund has now served its purpose.

Lavinia Mural Fund was set up in honour of the 100th birthday of a cherished parishioner. The fund is dedicated to the replacement of a water damaged mural and associated redecoration. The fund currently has £2,370 in donations.

Accounting Policies

These accounts have been prepared in accordance with the Church of England's Accounting Regulations, applicable accounting standards and the Charities Statement of Recommended Practice ('SORP'). Receipts and payments are in principle entered on an '**accruals**' basis (see notes on 'Accounts receivable' and 'Accounts payable' above).

Accounts

St Anne's, Highgate

www.saintanneshighgate.co.uk

Financial Report
of the
Parochial Church Council
Registered Charity 1130501

for the year ended 31 December **2023**

supplementing the Annual Report

Priest:

The Revd Andrew Meldrum
106 Highgate West Hill
London N6 6AP

Treasurer:

Mike Harris

Bank:

HSBC Bank plc
69 Pall Mall
London SW1Y 5EY
Sort code 40 11 58, account no 6012 3064

Independent Examiner:

Thomas Middleton

Independent Examiner's Report to the Trustees (P.C.C.)

Respective responsibilities of Trustees and Independent Examiner

The *Parochial Church Council* ('PCC') are responsible as Trustees for the preparation of these accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an **independent examination** is needed.

As *Independent Examiner* my responsibility is to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission and with the *Church Accounting Regulations 2006*, in line with the guidance in *PCC Accountability: The Charities Act 2011 and the PCC*, 5th edition issued by the Church of England in 2016. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees (the PCC) concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements to keep accounting records in accordance with section 130 of the Charities Act, and to prepare accounts which agree with the accounting records and comply with the accounting requirements of the Charities Act, have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed



Thomas Middleton CPFA

Date: 28 April 2024

Financial Review

This year St Anne's made a significant donation of £50,000 from the Millfield Fund to the Highgate Newtown Community fund for youth services which led to an excess of expenditures over income of £40,290. Excluding this, the church reported a surplus of income over expenditure of £9,710 despite an increase in giving to the common fund and a sizeable reduction in one off donations. This surplus overall surplus was largely due to a rise in interest income on restricted funds, and a rise in church lettings and a less than feared rise in electricity and gas charges.

INCOME

Gift Aided giving through Standing Orders was some **£28,807**. This made up for the reduction in standing orders in 2022 and returned St Annes to 2021 levels yet still below 2020. In real terms this represents a decline of greater than 10% since 2020.

Including 6 non-gift aid givers, there were 30 **regular givers in 2023, down from 34 in both 2022 and 2021**.

Giving via Gift Aid envelopes and **Loose plate collections** fell sharply in 2023, with the majority of one off donations made via sum-up. In late 2023 the church has resumed loose plate collections.

Total Giving in 2023 fell to £58,905 (adjusted for accounting income from the Millfield fund that was subsequently paid out). This compares to £65,604 in 2022. Both these figures include tax recoverable from HMRC. The decline in total giving was due to a fall in one-off donations of almost £10,000 vs 2022 levels.

We continued to benefit from a substantial historic **grant** from the *St Pancras Church Lands Trust* with four payments of £3,000, unchanged on 2021 and 2022.

Estimated shop takings fell from £2,824 to £2079. With a rise in shop rent from £175 to £300 a month, this annual figure does not keep pace with a full year of rent. As rent is perceived to be low and there is no council tax, the church will need to either raise revenues or reconsider the shop as a going concern. A pre-Christmas pop up (revenues for which were not recognized in 2023) showed promise as a source of revenue.

Church lettings improved considerably during the year to £53,650 from £39,805. This is somewhat distorted by the accounting for Shared Access which includes rebates of the variable electricity charges. Revenues from Shared Access, adjusted for an excess payment we must return, rose to £32,899 vs £10,927 in 2022. However the cost of electricity associated with this was £28,011 meaning the net proceeds were £4,888.

Just Park revenues were broadly unchanged in 2023 at £8,994. As 2023 saw a pricing adjustment, the mix has shifted more towards pricing than volumes. A closer look at recent trends will determine if there is scope to improve the price vs volume mix.

Church Fair: The church fair had another successful year with receipts of £2381.83.

Interest Income rose substantially again in 2023 to £20,553 from £8382 in 2022. The scale of the rise in interest rates led to a substantial rise in interest income at CCLA managed

accounts (primarily restricted). As HSBC pays no meaningful interest and charges a modest monthly fee, there is still a balance of about £100,000 that is missing out on the higher interest rate environment. While interest rates have peaked and some banks are lowering deposit rates again, on balance interest rates look to remain supportive of interest income in 2024. However as £50,000 has left the Millfield account, funds earning interest will fall in 2024.

EXPENDITURE

In 2023, our contribution to the **Diocesan Common Fund**, rose from £45,000 to £48,000 to pay for the training and provision of priests (including our own), clergy housing and other central services and ministry. The Common Fund rate for a Parish in London currently stands at £82,800 but in agreement with the PCC St Anne's reduced this in recent years to assist with both the impact of Covid and the solvency of the church. Having reached a low of £40,000 in 2021, it will rise to £50,400.

Electricity and Gas combined costs rose significantly in 2023 from £14,249 to £43,535. However much of this increase is due to third party costs associated with the telecom masts which are fully reimbursed. When only looking at charges payable by St Annes, total electricity and gas charges equated to £9,766. This was considerably less than feared.

Music related costs fell from £11,845 in 2022 to £7,479 in 2023 despite the higher wage inflation. This reflected reduced use of cantors and no adjustment to wages per session for either cantors or the music director. This is likely to increase in 2024.

Cashflow Reconciliation: From a cashflow perspective the situation was similar, although an application has yet to be made for recoverable gift aid from 2022 in 2023 reducing cash on hand accordingly. This left about £7,000 still as a receivable from HRMC. This was countered by an a meter reading mistake with shared access that led to a 2023 overpayment which leaves a liability in excess of £6,000 to be deducted from 2024 church letting receipts.

St Anne's Highgate - 1130501

Analysis of income and expenditure Selected period: 01 January 2023 to 31 December 2023

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
Income and endowments						
<i>Donations and legacies</i>						
0101 - Gift Aid (Standing Orders)	28,807	—	—	—	28,807	27,328
0110 - Gift Aid (Envelopes)	—	—	—	—	—	—
0201 - Other planned giving	4,070	—	—	—	4,070	4,060
0301 - Loose plate collections	525	—	—	—	525	1,978
0410 - Giving through church boxes	2,240	—	—	—	2,240	123
0501 - One-off Gift Aid gifts	—	—	1,160	—	1,160	218
0550 - Other donations	139	—	977	—	1,116	10,277
0601 - Tax recoverable on Gift Aid	7,787	—	—	—	7,787	6,977
0801 - Recurring grants	—	—	12,000	—	12,000	12,000
08A1 - One-off grants	52,000	—	—	—	52,000	2,641
<i>Donations and legacies Totals</i>	95,570	—	14,137	—	109,707	65,604
<i>Income from charitable activities</i>						
1101 - Fees for weddings, funerals etc	1,670	—	—	—	1,670	466
<i>Income from charitable activities Totals</i>	1,670	—	—	—	1,670	466
<i>Other trading activities</i>						
0910 - Shop	2,079	—	—	—	2,079	2,824
0911 - Fund raising events	2,711	—	—	—	2,711	3,099
1240 - Church lettings (fund raising)	53,650	—	—	—	53,650	39,805
<i>Other trading activities Totals</i>	58,440	—	—	—	58,440	45,728
<i>Investments</i>						
1020 - Interest	6,275	—	14,277	—	20,553	8,382
<i>Investments Totals</i>	6,275	—	14,277	—	20,553	8,382
Income and endowments Grand totals	161,957	—	28,414	—	190,371	120,181

Expenditure

Raising funds

1730 - Cost of fund-raising events	1,774	—	402	—	2,176	596
1735 - Shop expenses	2,850	—	—	—	2,850	2,725

Raising funds Totals	4,624	—	402	—	5,026	3,321
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Expenditure on charitable activities

1800 - Charities	50,060	—	50,000	—	100,060	—
1910 - Diocesan Common Fund	48,000	—	—	—	48,000	45,000
2101 - Priest's expenses	206	—	—	—	206	40
2130 - Parsonage house	562	—	—	—	562	546
2201 - Pilgrimage, study, parish events	2,272	—	—	—	2,272	669
2210 - Children's church	—	—	—	—	—	—
2216 - Lunches	—	—	—	—	—	—

There may be minor discrepancies in the totals if the pence are not being shown

28 April 2024 Page 1

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
2301 - Church insurance	—	—	6,419	—	6,419	5,835
2330 - Church maintenance	2,650	—	1,765	—	4,415	3,472
2340 - Upkeep of services	—	—	945	—	945	2,192
2345 - Music	—	—	7,479	—	7,479	11,845
2350 - Upkeep of churchyard	—	—	800	—	800	150
2360 - Administration	77	—	—	—	77	—
2370 - Visiting priests	—	—	—	—	—	—
2380 - Flowers	—	—	534	—	534	421
2401 - Church running - electricity	43,453	—	82	—	43,535	14,249
2410 - Church running - gas	—	—	—	—	—	—
2445 - Church running - other	702	—	803	—	1,506	1,023
2601 - Governance costs	—	—	—	—	—	—
2701 - Church major repairs	2,408	—	—	—	2,408	—
Expenditure on charitable activities Totals	150,393	—	68,829	—	219,222	85,445
Other expenditure						
2801 - Church Letting Refund	6,145	—	—	—	6,145	—
Other expenditure Totals	6,145	—	—	—	6,145	—
Expenditure Grand totals	161,162	—	69,231	—	230,393	88,766

Notes to 'Analysis of income & expenditure' table

For explanation of the split between 'Unrestricted', 'Designated', 'Restricted' and 'Endowment' Funds, see the notes on 'Funds' at the end of this report.

INCOME

Gift Aid Standing Orders is the mainstay of the church's income, it has been declining gradually but consistently with the number of regular givers falling to just 30.

Other planned giving is regular giving via the Charities Aid Foundation or regular donors whose donations do not qualify for Gift Aid.

Loose plate collections are non-attributable (non “envelope”) money placed on the collection plate during church services. Recent changes in regulation allow us to claim gift aid on these donations within an ample limit, even though they are not supported by gift aid mandates.

One-off Gift Aid gifts are as implied. These are often designated or restricted for specific purposes or “appeals” such as restoration works, and can vary substantially from one year to the next

Tax recoverable on Gift Aid comprises (a) tax refunded under the Gift Aid scheme plus (b) Gift Aid allowed under the Small Donations scheme including gifts analogous to “loose plate collections”.

Recurring grants comprises the grant from the St Pancras Church Lands Trust: see the Financial Review above and Notes on the Churchwardens Fund on page 11.

The income of the **shop, fund raising events** and **lettings** is described in the Financial Review above

The ‘restricted’ column in **interest** principally includes interest on our Millfield grant.

EXPENDITURE

Shop expenses were fully rent. After over a decade at £175 a month, the rent increased to £300 a month from August 2022. There is an expectation the rent will need to rise further.

For **Charities**, since 2017 the PCC judged that with its current financial difficulties, it was no longer appropriate to continue the practice of making fixed monthly donations to different charities unconnected with St Anne’s and chosen on behalf of the congregation. As observed in the closing paragraph on page 4, disbursements were made from the Millfield Fund for charitable purposes.

Diocesan Common Fund: see Financial Review on pages 3 & 4.

Parsonage house in 2022, is the maintenance of the vicarage burglar alarm and its water rates.

Pilgrimage, study & parish events. The main item is usually the cost of the annual pilgrimage to the Walsingham shrine. Each pilgrim meets their own cost but the church pays for the cost of the clergy and any shortfall in overall costs.

Upkeep of services includes communion wine, candles, service books, service sheets and publicity.

Music is the Music Director’s and cantors’ fees and other spending on music.

All spending (£534) on flowers in 2023 was met by donations, largely from two individuals. Expectations are that the flower float will need to be funded by either dedicated fund raising or transfers from the general fund.

Church running other comprises mainly hospitality, kitchen and toilet materials, the website fee and the water rate.

BALANCE SHEET COMMENTARY

With the £50,000 donation to Highgate Newtown Centre, overall reserves fell from £783,947 to £743,657. Adjusted for this reserves would have risen almost £10,000.

For 2024, pressures will exist due to a rise in common fund contributions and the likelihood that interest income has peaked (due to both interest rates & the £50,000 reduction in Millfield balances). With pressure on regular giving and a common fund contribution still over £30,000 below a typical parish, near term any funding uplift will likely be reliant on continued improvements in church lettings. More structurally, increasing both the size of the congregation and regular giving is imperative.

In 2009 St Anne's received a £500,000 grant from the St Pancras Foundation plus £100,000 in January 2016. The money is to be used "for the benefit of those aged 22 years or below, with their families, living in the south-east of England" in ways specified by the grant. In 2018 two payments of £5,000 each were made for the development of the building for use in youth-related projects called for by the grant. In 2019 the PCC agreed to fund, in conjunction with HNCC, a woodwork grant to support young people. A further sum of £7,500 of the Millfield money was used for this purpose. After continuing to receive interest and no disbursements from 2020-2022, a grant of £50,000 was provided from the Millfield Fund to the Highgate Newtown Centre in 2023. This led to a reduction in the value of the Millfield Fund from £615,000 to £576,287 at the end of 2023.

Millfield Fund Bank account commentary and changes: Note there remains a significant discrepancy between this stated figure, and the actual £322,606 balance of the Millfield CCLA account as of the end of 2023. This looks to have been due to an approach many years ago to optimise interest income by moving funds to the CCLA PPC General reserve account which had an end 2023 balance of £202,099 CCLA PCC General Reserve account, as well as to the HSBC account which holds in excess of £100,000. The Treasurer, with the approval of the PCC, will transfer those funds back so that the balance of the Millfield CCLA account is identical to the £576,287 value of the Millfield Fund balance.

Anne Barnet Endowment historical accounting deficiency resolved via closure: For over a decade, there has also been a negative balance in the balance sheet reports for the Anne Barnet bank account which stood at (£1,725.94) as of the end of 2023. The actual account has a positive surplus of £273. Upon investigation, this persistent discrepancy reflects a 2008 cash movement out of the Anne Barnet Endowment into the General fund, including the cash associated with the restricted £2,000 endowment which originally started the church. While the cash was moved, no adjustment was made to the balance sheet which has meant that the reported cash balance in the account has and a negative balance for over a decade despite an actual positive cash balance (reflecting the residual of what was left in the account from 2008 plus accrued interest). As the earnings potential of the founding donation restricted capital of £2,000 is immaterial in the current era, rather than replenish the funds, the PCC has decided to close the endowment which has been zeroed out retrospectively as of December 31, 2023. This led to an accounting "sale" of the fixed asset with the £2,000 funds now moved to the Anne Barnet CCLA account which, with rounding, now aligns the reported balance £274, with the actual balance of £273. The PCC has determined to elevate the use of Anne Barnet's name in the finances of the church by renaming the actively used music float in her honour.

St Anne's Highgate - 1130501

Balance Sheet detailed

		As at 31/12/2023	As at 31/12/2022
Fixed assets			
	6430: Anne Barnett endowment	—	2,000
	6432: PUNL shares	650	650
	Total Fixed assets	650	2,650
Current assets			
	6501: Current account (HSBC)	102,640	127,125
	6507: PayPal	1,462	1,462
	6510: Reserve account (CCLA)	202,099	195,823
	6514: Reserve account (Nationwide)	—	—
	6516: Reserve account (Santander)	—	—
	6530: Anne Barnett account (CCLA)	274	(1,734)
	6540: Churchwardens account (CCLA)	105,826	90,725
	6550: Millfield account (CCLA)	322,606	361,439
	6555: Millfield account (Nationwide)	—	—
	6590: Cashbook	(42)	(42)
	6594: Flowers float	—	(67)
	6596: Music float	80	(120)
	Z05: Accounts Receivable	15,392	7,604
	Total Current assets	750,339	782,216
Liabilities			
	6699: Agency collections	—	—
	Z04: Accounts Payable	7,063	918
	Total Liabilities	7,063	918
	Net Asset surplus (deficit)	743,925	783,947
Reserves			
	Excess / (deficit) to date	(40,022)	31,415
	Z01: Starting balances	783,947	752,532
	Total Reserves	743,925	783,947

	As at 31/12/2023	As at 31/12/2022
Represented by Funds		
Unrestricted	137,355	134,560
Designated	10,000	10,000
Restricted	596,568	637,385
Endowment	0	2,000
Total	743,925	783,947

Notes on Balance Sheet and ‘Funds’, and accounting policies

Balance Sheet

Fixed assets

The **Anne Barnett Fund endowment** is the capital given by the church’s founder to provide income for ‘repairs or improvement’ (her Will Oct 1853) or for ‘making any necessary additions’ to the church, excluding the purchase of additional land (the second of two Codicils of Nov 1854). The amount has been estimated as the £1,000 in the Will plus £1,000 as the maximum likely amount resultant from the Codicil (which added £200 plus any legacies which lapsed before Anne Barnett’s death four years later). **As discussed above, this endowment has now been closed and the music funds will now be named in her honour.**

Consecrated land and beneficed property and any improvements to property, fixtures and fittings are excluded from the accounts as assets by the Charities Act. The insurance valuation of **the church building and contents** is currently £17,035,200. Movable church **furnishings** are vested in the churchwardens; they cannot be disposed of without a Faculty (legal permission from the Diocese). **Other items which are not fixtures and fittings** coming into the possession of the PCC valued over £1,000 will normally be written off in equal parts over four years; those valued at £1,000 or less will be written off in the period in which they were acquired.

Current assets

During 2023 we had a **chequing account** at HSBC, a largely dormant PayPal account, and a Sum Up account (enabling people to pay to the church via the website and churchwardens to make small purchases of maintenance materials online). Our aim is to keep only sufficient balances for working purposes in the HSBC account, as the interest rate is zero. Additionally, we have 4 **instant-access accounts** in the **CBF (Church of England Central Board of Finance) Deposit Fund** managed by CCLA Investment Management. These funds were the source of the large rise in interest income in 2023.

Income in cash and cheques (collections, donations, income from the shop, etc) is held in the ‘**Cashbook**’ until banking, or cash disbursement (mainly into the Music Float) takes place. Other cash amounts (the **Flowers** and **Music Floats**) are held by individuals who maintain cashbooks for providing flowers in the church and paying singers.

Accounts receivable at the end of 2023 is an estimated provision for a gift-aid claim to be submitted to HMRC for donations received in the year.

Liabilities

Accounts payable are cheques drawn in 2023 but not cleared by 31st December, as well as a refund of £6,145.10 due to Shared Access due to an overpayment they made to us do confusion over the correct meter reading earlier in 2023.

Funds': analysis of Net Assets by function

St Anne's Highgate - 1130501
Fund movement summary
Selected period: 01 January 2023 to 31 December 2023

Fund	Fund Balances brought forward	Incoming Resources	Outgoing Resources	Transfers	Gains and Losses	Journal Entries	Fund balances Carried forward
Flower - Flower Fund	(67)	602	534	—	—	—	0
General - General fund	134,560	161,957	161,162	2,000	—	—	137,355
Lavinia - Lavinia Mural Fund	—	500	—	—	—	—	500
BarbaraCar - Barbara Taxi Fund	—	1,035	—	—	—	—	1,035
Restor - Restoration Fund designated	10,000	—	—	—	—	—	10,000
RestorRes - Restoration Fund restricted	79	—	—	—	—	—	79
Barnett - Anne Barnett Fund	2,006	8	—	(2,000)	—	—	15
CWardens - Churchwardens Fund	5,525	15,100	18,697	—	—	—	1,929
Worship - Worship Fund	5,473	—	—	—	—	—	5,473
Lunches - Lunches Fund	—	—	—	—	—	—	—
Millfield - Millfield Fund	615,119	11,167	50,000	—	—	—	576,287
Developmnt - Development Fund	11,250	—	—	—	—	—	11,250
Bell - Bell Fund	0	—	—	—	—	—	0
Totals	783,947	190,371	230,393	—	—	—	743,925

Restricted funds can be used only for a specified purpose. **Designated** funds are amounts allocated by the PCC for a specific purpose; this allocation is not binding and can be changed by the PCC. **Endowment** funds are investments held in trust so that the PCC can benefit from the interest but cannot spend the capital.

General Fund holds assets that are not subject to any restriction or designation.

Restoration Fund comprises a donation (plus Gift Aid) restricted for repair of the chancel mural and other amounts designated by the PCC for restoration (at end 2016 essentially completion of the repairs to the vestry and preparatory stabilisation of the mural beyond that financed by the restricted donation).

Anne Barnett Fund was set up by the church's founder so that the interest generated could cover the cost of church maintenance. The amount in the Fund comprises the endowment capital (estimated at £2,000):-and net accumulated earnings on it (which, like the Restoration Fund, are usable for repairs and improvements). Due to the immaterial size of the fund and the 2008 blending of the monies in non restricted accounts, the decision was made to close the fund at the end of 2023.

Churchwardens Fund receives the regular grants from the St Pancras Church Lands Trust (Registered Charity 212006). Under the terms of the Trust (the St Pancras Ecclesiastical Regulation Act 1868, as amended by the scheme effective 24 March 1965) the use of the grants is restricted to repair of the church and the expenses of performing divine worship (and was interpreted in a note written by a Trustee in April 2007, as excluding use for donations to charity or payment of clergy stipends). If too much qualifying expenditure is allocated to this Fund during the year, a transfer is made from the General Fund to bring the Churchwardens Fund back to zero at the year-end, rather than individual items being reclassified out of this Fund in retrospect.

Worship Fund holds a donation to support worship and the upkeep of services.

Lunches Fund comprises the expenditure on the Community Lunches and its financing, see page 8 ‘lunches’ and the last para of the Financial Review on page 4.. but is no longer used

Millfield Fund holds the St Pancras Foundation grant described in the Financial Review and the interest on it net of expenditure from it. The Fund is distributed over several accounts in the Balance Sheet, not only those with ‘Millfield’ in their title.

Development Fund holds a donation restricted for the Development Plan.

Bell Fund is a restricted fund for maintenance of the bells. After substantial work on bells and belfry over recent years the fund ended last year exhausted.

Flower Fund is for the floral decoration of the church. When spending on flowers is not met by financial donations for flowers (including the tax recoverable on Gift Aided donations), the deficit is made up by transfers from the General Fund.

Barbara Ross Fund was set up to facilitate mobility and a an electronic reader for long-serving parishioner and reader Barbar Ross.

Lavinia Mural Fund was set up in honour of the 100th birthday of a cherished parishioner. The fund is dedicated to the replacement of a water damaged mural and associated redecoration. The fund is expected to become active in 2024.

Accounting Policies

These accounts have been prepared in accordance with the Church of England’s Accounting Regulations, applicable accounting standards and the Charities Statement of Recommended Practice (‘SORP’). Receipts and payments are in principle entered on an ‘**accruals**’ basis (see notes on ‘Accounts receivable’ and ‘Accounts payable’ above).

Accounts

St Anne's, Highgate

www.saintanneshighgate.co.uk

Financial Report
of the
Parochial Church Council
Registered Charity 1130501

for the year ended 31 December **2022**

supplementing the Annual Report

Priest:

The Revd Andrew Meldrum
106 Highgate West Hill
London N6 6AP

Treasurer:

Mike Harris

Bank:

HSBC Bank plc
69 Pall Mall
London SW1Y 5EY
Sort code 40 11 58, account no 6012 3064

Independent Examiner:

Supriya Gureja

Independent Examiner's Report to the Trustees (P.C.C.)

Respective responsibilities of Trustees and Independent Examiner

The *Parochial Church Council* ('PCC') are responsible as Trustees for the preparation of these accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an **independent examination** is needed.

As *Independent Examiner* my responsibility is to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

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My examination was carried out in accordance with general Directions given by the Charity Commission and with the *Church Accounting Regulations 2006*, in line with the guidance in *PCC Accountability: The Charities Act 2011 and the PCC*, 5th edition issued by the Church of England in 2016. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees (the PCC) concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

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- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed.....

Date.....

Supriya Gureja
ACCT

Financial Review

This year St Anne's roughly broke even with total St Anne's income (£120,181) exceeded expenditure (£88,766) by a substantial £31,415. Despite a £10,000 fall in donations (after a £20,000 one off donation in 2021), and a £5,000 rise in the Diocesan common fund contributions vs 2021, the surplus is larger than anticipated in part due to a rise in interest income, support for energy costs, and a continued lack of charitable giving.

INCOME

Gift Aided giving through Standing Orders was some £27,328. This represented a fall of over £1,330 from 2021 (which itself was £1,000 lower than in 2020). Including 6 non-gift aid givers, there were *34 regular givers in 2022, unchanged from 2021. With inflation, the fall in regular giving in real terms is significant.*

Giving via Gift Aid envelopes and Loose plate collections fell from £3,591 to £1,978. (HMRC allow Gift Aid claims up to £8,000 without a donor mandate, so all our loose plate collections now qualify.)

Total Giving in 2022 of £65,604 (including tax refund) was down from £75,761 in 2021, largely due to a fall in one-off donations. However in excess of £10,000 (including a £5,000 donation and a £2,000 bequest from Des Davies), this level of giving can not be taken for granted in 2023.

We continued to benefit from a substantial historic *grant* from the *St Pancras Church Lands Trust* with four payments of £3,000, unchanged on 2021.

Estimated shop takings rose to £2,824. With a rise in shop rent from £175 to £300 a month, this annual figure does not keep pace with a full year of rent. While recent run rates have approached the £300 level, a future prospect of council rates returning means the shop can not yet be considered financially viable.

Church lettings were largely unchanged on the year, driven by significant contributions from shared access for 4G masts (£10,927) and Just Park (£8,719). While mast income regretfully is not adjusted for inflation due to the lack of a market mechanism in the contract, the move to 5G will nonetheless lead to a rise in income which should ultimately compensate for inflation. However unless there are changes in the Church of England negotiating stance, the subsequent fee agreed is likely to remain largely flat thereafter.

Interest Income rose substantially (from £323 to £8382) to the normalisation of interest rates on bank balances with the exception of the current account which creates meaningful opportunity cost of not moving banks. A reasonable portion of the rise in interest income is restricted.

EXPENDITURE

Just over half of our expenditure was reflected in our contribution to the *Diocesan Common Fund*, to pay for the training and provision of priests (including our own), clergy housing and other central services and ministry. The Common Fund rate for a Parish in London currently stands at £82,800 but in agreement with the PCC St Anne's reduced this in recent years to assist with the solvency of the church. Having reached a low of £40,000 in 2021, in 2022 they rose to £45,000. For 2023, the common fund contribution will rise to £48,000.

Electricity and Gas (included fully under "Electricity" in 2022 but which was separate line item in 2022), increased from £10,148 in 2021 to £14,249 in 2022. With the October rise in Energy prices (cash accounting means the energy bills in 2022 reflect usage from Dec 2021-Nov 2022), on two pre-winter months (Oct & Nov) reflect the higher tariffs. The current run rate implies that full year 2023 expenditures will rise many thousands further. In advance of this, St. Annes has secured over £8,000 in relief grants that are unlikely to be repeated in 2023.

With the normalisation of social engagement, the cost of Music for services increased from £7,840 to £11,845. With this effectively a cost of labor, it is likely that inflation will impact this cost in the coming years.

St Anne's Highgate - 1130501

Analysis of income and expenditure
Selected period: 01 January 2022 to 31 December 2022

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
Income and endowments						
<i>Donations and legacies</i>						
0101 - Gift Aid (Standing Orders)	27,328	—	—	—	27,328	28,658
0110 - Gift Aid (Envelopes)	—	—	—	—	—	82
0201 - Other planned giving	4,060	—	—	—	4,060	2,540
0301 - Loose plate collections	1,978	—	—	—	1,978	3,591
0410 - Giving through church boxes	124	—	—	—	124	31
0501 - One-off Gift Aid gifts	126	—	93	—	219	—
0550 - Other donations	9,921	—	357	—	10,278	21,827
0601 - Tax recoverable on Gift Aid	6,977	—	—	—	6,977	7,032
0801 - Recurring grants	—	—	12,000	—	12,000	12,000
08A1 - One-off grants	2,641	—	—	—	2,641	—
Donations and legacies Totals	53,155	—	12,450	—	65,605	75,761
<i>Income from charitable activities</i>						
1101 - Fees for weddings, funerals etc	466	—	—	—	466	385
Income from charitable activities Totals	466	—	—	—	466	385
<i>Other trading activities</i>						
0910 - Shop	2,824	—	—	—	2,824	1,308
0911 - Fund raising events	3,099	—	—	—	3,099	5,231
1240 - Church lettings (fund raising)	39,805	—	—	—	39,805	39,322
Other trading activities Totals	45,729	—	—	—	45,729	45,862
<i>Investments</i>						
1020 - Interest	2,542	—	5,840	—	8,382	323
Investments Totals	2,542	—	5,840	—	8,382	323
Income and endowments Grand totals	101,892	—	18,290	—	120,182	122,331
Expenditure						
<i>Raising funds</i>						
1730 - Cost of fund-raising events	596	—	—	—	596	1,163
1735 - Shop expenses	2,725	—	—	—	2,725	2,100
Raising funds Totals	3,321	—	—	—	3,321	3,263
<i>Expenditure on charitable activities</i>						
1800 - Charities	—	—	—	—	—	—
1910 - Diocesan Common Fund	45,000	—	—	—	45,000	40,000
2101 - Priest's expenses	40	—	—	—	40	—
2130 - Parsonage house	546	—	—	—	546	793
2201 - Pilgrimage, study, parish events	669	—	—	—	669	240
2210 - Children's church	—	—	—	—	—	—
2216 - Lunches	—	—	—	—	—	—

There may be minor discrepancies in the totals if the pence are not being shown

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
2301 - Church insurance	5,836	—	—	—	5,836	5,724
2330 - Church maintenance	3,472	—	—	—	3,472	790
2340 - Upkeep of services	—	—	2,192	—	2,192	1,002
2345 - Music	1,450	—	10,395	—	11,845	7,840
2350 - Upkeep of churchyard	150	—	—	—	150	—
2360 - Administration	—	—	—	—	—	55
2370 - Visiting priests	—	—	—	—	—	—
2380 - Flowers	—	—	422	—	422	428
2401 - Church running - electricity	14,249	—	—	—	14,249	6,734
2410 - Church running - gas	—	—	—	—	—	3,114
2445 - Church running - other	1,024	—	—	—	1,024	789
2601 - Governance costs	—	—	—	—	—	—
2701 - Church major repairs	—	—	—	—	—	4,647
Expenditure on charitable activities Totals	72,437	—	13,009	—	85,445	72,157
Expenditure Grand totals	75,758	—	13,009	—	88,767	75,420

Notes to 'Analysis of income & expenditure' table

For explanation of the split between 'Unrestricted', 'Designated', 'Restricted' and 'Endowment' Funds, see the notes on 'Funds' at the end of this report.

INCOME

Gift Aid Standing Orders is the mainstay of the church's income, it has been declining gradually but consistently.

Other planned giving is regular giving via the Charities Aid Foundation or regular donors whose donations do not qualify for Gift Aid.

Loose plate collections are non-attributable (non "envelope") money placed on the collection plate during church services. Recent changes in regulation allow us to claim gift aid on these donations within an ample limit, even though they are not supported by gift aid mandates.

One-off Gift Aid gifts are as implied. These are often designated or restricted for specific purposes or "appeals" such as restoration works, and can vary substantially from one year to the next

Tax recoverable on Gift Aid comprises (a) tax refunded under the Gift Aid scheme plus (b) Gift Aid allowed under the Small Donations scheme including gifts analogous to "loose plate collections".

Recurring grants comprises the grant from the St Pancras Church Lands Trust: see the Financial Review above and Notes on the Churchwardens Fund on page 11.

The income of the **shop, fund raising events and lettings** is described in the Financial Review above

The 'restricted' column in **interest** principally includes interest on our Millfield grant.

EXPENDITURE

Shop expenses were fully rent. After over a decade at £175 a month, the rent increased to £300 a month from August. Hence full year 2023 rent will rise to £3600.

For **Charities**, since 2017 the PCC judged that with its current financial difficulties, it was no longer appropriate to continue the practice of making fixed monthly donations to different charities unconnected with St Anne's and chosen on behalf of the congregation. As observed in the closing paragraph on page 4, disbursements were made from the Millfield Fund for charitable purposes.

Diocesan Common Fund: see Financial Review on pages 3 & 4.

Parsonage house in 2020 is the maintenance of the vicarage burglar alarm and its water rates.

Pilgrimage, study & parish events. The main item is usually the cost of the annual pilgrimage to the Walsingham shrine. Each pilgrim meets their own cost but the church pays for the cost of the clergy and any shortfall in overall costs.

Upkeep of services includes communion wine, candles, service books, service sheets and publicity.

Music is the Music Director's and cantors' fees and other spending on music.

The majority of spending on **flowers** in 2022 (£422) was met by donations

Church running other comprises mainly hospitality, kitchen and toilet materials, the website fee and the water rate.

BALANCE SHEET COMMENTARY

Following a £47,182 surplus in 2021, in 2022 reserves increased by almost £32,000 further. This surplus is likely to fall further in 2023 due to the rise in energy costs and overall inflation relative to recurring contributions. With the subsequent rise in common fund contributions in 2023, it is likely that surpluses in 2023 will be modest and hence vulnerable to the cost of any one off repairs or reduced donations. Very little can be done to rectify this in terms of adjusting ongoing expenditure. The main cost drivers are the common fund contribution. The second is that we occupy an old building which places a heavy burden on our congregation to insure, run and maintain it, despite grants available and generous donations made towards the latter. In 2009 St Anne's received a £500,000 grant from the St Pancras Foundation plus £100,000 in January 2016. The money is to be used "for the benefit of those aged 22 years or below, with their families, living in the south-east of England" in ways specified by the grant. In 2018 two payments of £5,000 each were made for the development of the building for use in youth-related projects called for by the grant. In 2019 the PCC agreed to fund, in conjunction with HNCC, a woodwork grant to support young people. A further sum of £7,500 of the Millfield money was used for this purpose. With no disbursements since, and over £4,000 of interest income in 2022, the Millfield Fund has risen to over £615,000.

St Anne's Highgate - 1130501

Balance Sheet detailed

		As at 31/12/2022	As at 31/12/2021
Fixed assets			
	6430: Anne Barnett endowment	2,000	2,000
	6432: PUNL shares	650	650
	Total Fixed assets	2,650	2,650
Current assets			
	6501: Current account (HSBC)	127,126	120,939
	6507: PayPal	1,462	1,462
	6510: Reserve account (CCLA)	195,824	193,282
	6514: Reserve account (Nationwide)	—	—
	6516: Reserve account (Santander)	—	—
	6530: Anne Barnett account (CCLA)	(1,734)	(1,738)
	6540: Churchwardens account (CCLA)	90,726	77,581
	6550: Millfield account (CCLA)	361,439	356,747
	6555: Millfield account (Nationwide)	—	—
	6590: Cashbook	(42)	1,570
	6594: Flowers float	(68)	(96)
	6596: Music float	(120)	260
	Z05: Accounts Receivable	7,605	628
	Total Current assets	782,217	750,634
Liabilities			
	6699: Agency collections	—	—
	Z04: Accounts Payable	919	751
	Total Liabilities	919	751
	Net Asset surplus (deficit)	783,948	752,533
Reserves			
	Excess / (deficit) to date	31,415	46,912
	Z01: Starting balances	752,533	705,621
	Total Reserves	783,948	752,533

There may be minor discrepancies in the totals if the pence are not being shown

Balance Sheet

Fixed assets

The **Anne Barnett Fund endowment** is the capital given by the church's founder to provide income for 'repairs or improvement' (her Will Oct 1853) or for 'making any necessary additions' to the church, excluding the purchase of additional land (the second of two Codicils of Nov 1854). The amount has been estimated as the £1,000 in the Will plus £1,000 as the maximum likely amount resultant from the Codicil (which added £200 plus any legacies which lapsed before Anne Barnett's death four years later).

Consecrated land and beneficed property and any improvements to property, fixtures and fittings are excluded from the accounts as assets by the Charities Act. The insurance valuation of **the church building and contents** is currently £17,035,200. Movable church **furnishings** are vested in the churchwardens; they cannot be disposed of without a Faculty (legal permission from the Diocese). **Other items which are not fixtures and fittings** coming into the possession of the PCC valued over £1,000 will normally be written off in equal parts over four years; those valued at £1,000 or less will be written off in the period in which they were acquired.

Current assets

During 2022 we had a **chequing account** at HSBC, a largely dormant PayPal account, and a Sum Up account (enabling people to pay to the church via the website and churchwardens to make small purchases of maintenance materials online). Our aim is to keep only sufficient balances for working purposes in the HSBC account, as the interest rate is zero. Additionally, we have 4 **instant-access accounts** in the CBF (**Church of England Central Board of Finance**) **Deposit Fund** managed by CCLA Investment Management. These funds were the source of the large rise in interest income in 2022.

The Anne Barnett £2,000 endowment Fund (see 'Funds' below) and accrued interest is held in a number of accounts including **Anne Barnett account** at CCLA (shown on the balance sheet as a negative figure).

Income in cash and cheques (collections, donations, income from the shop, etc) is held in the '**Cashbook**' until banking, or cash disbursement (mainly into the Music Float) takes place. **Other cash amounts** (the **Flowers** and **Music Floats**) are held by individuals who maintain cashbooks for providing flowers in the church and paying singers.

Accounts receivable at the end of 2022 is an estimated provision for a gift-aid claim to be submitted to HMRC for donations received in the year.

Liabilities

Accounts payable are cheques drawn in 2022 but not cleared by 31st December.

St Anne's Highgate - 1130501
Fund movement summary
Selected period: 01 January 2022 to 31 December 2022

Fund	Fund Balances brought forward	Incoming Resources	Outgoing Resources	Transfers	Gains and Losses	Journal Entries	Fund balances Carried forward
General - General fund	108,426	101,892	75,758	—	—	—	134,560
Restor - Restoration Fund designated	10,000	—	—	—	—	—	10,000
RestorRes - Restoration Fund restricted	79	—	—	—	—	—	79
Barnett - Anne Barnett Fund	2,003	3	—	—	—	—	2,006
CWardens - Churchwardens Fund	4,968	13,144	12,587	—	—	—	5,525
Worship - Worship Fund	5,473	—	—	—	—	—	5,473
Lunches - Lunches Fund	—	—	—	—	—	—	—
Mitfield - Mitfield Fund	610,427	4,692	—	—	—	—	615,119
Development - Development Fund	11,250	—	—	—	—	—	11,250
Bell - Bell Fund	0	—	—	—	—	—	0
Flower - Flower Fund	(95)	449	421	—	—	—	(67)
Totals	782,832	120,181	88,766	—	—	—	783,947

Funds': analysis of Net Assets by function

Restricted funds can be used only for a specified purpose. **Designated** funds are amounts allocated by the PCC for a specific purpose; this allocation is not binding and can be changed by the PCC. **Endowment** funds are investments held in trust so that the PCC can benefit from the interest but cannot spend the capital.

General Fund holds assets that are not subject to any restriction or designation.

Restoration Fund comprises a donation (plus Gift Aid) restricted for repair of the chancel mural and other amounts designated by the PCC for restoration (at end 2016 essentially completion of the repairs to the vestry and preparatory stabilisation of the mural beyond that financed by the restricted donation).

Anne Barnett Fund was set up by the church's founder so that the interest generated could cover the cost of church maintenance. The amount in the Fund comprises the endowment capital (estimated at £2,000)-and net accumulated earnings on it (which, like the Restoration Fund, are usable for repairs and improvements). The balance of those earnings fell to zero in 2016, being used in the large repairs then.

Churchwardens Fund receives the regular grants from the St Pancras Church Lands Trust (Registered Charity 212006). Under the terms of the Trust (the St Pancras Ecclesiastical Regulation Act 1868, as amended by the scheme effective 24 March 1965) the use of the grants is restricted to repair of the church and the expenses of performing divine worship (and was interpreted in a note written by a Trustee in April 2007, as excluding use for donations to charity or payment of clergy stipends). If too much qualifying expenditure is allocated to this Fund during the year, a transfer is made from the General Fund to bring the Churchwardens Fund

back to zero at the year-end, rather than individual items being reclassified out of this Fund in retrospect.

Worship Fund holds a donation to support worship and the upkeep of services.

Lunches Fund comprises the expenditure on the Community Lunches and its financing, see page 8 'lunches' and the last para of the Financial Review on page 4.. but is no longer used

Millfield Fund holds the St Pancras Foundation grant described in the Financial Review and the interest on it net of expenditure from it. The Fund is distributed over several accounts in the Balance Sheet, not only those with 'Millfield' in their title.

Development Fund holds a donation restricted for the Development Plan.

Bell Fund is a restricted fund for maintenance of the bells. After substantial work on bells and belfry over recent years the fund ended last year exhausted.

Flower Fund is for the floral decoration of the church. When spending on flowers is not met by financial donations for flowers (including the tax recoverable on Gift Aided donations), the deficit is made up by transfers from the General Fund.

Accounting Policies

These accounts have been prepared in accordance with the Church of England's Accounting Regulations, applicable accounting standards and the Charities Statement of Recommended Practice ('SORP'). Receipts and payments are in principle entered on an '**accruals**' basis (see notes on 'Accounts receivable' and 'Accounts payable' above).

Accounts

St. Anne's, Highgate

Annual Report 2021.

The two highlights of the year were, undoubtedly, the Artisan Fair and the John Etheridge/Vimala Rowe concert.

Artisan Fair:

This was the first time we had done this, inspired and helped by St. Mary's Primrose Hill, and it turned out to be a great success. I was impressed by the stalls and the number of people who came through the doors throughout the day. If I recall correctly, it raised around £2,000 which was a great result for a first attempt. Many of the stallholders are keen to return, and this can only grow. Our especial thanks go to Marion Rushbrook for all of her work behind the scenes to make this happen.

John Etheridge and Vimala Rowe Concert:

Another great evening with John and Vimala, and well-supported. Our thanks to Paul Maskell for organising this, and he has grander plans for 2022!

Overview of 2021:

2021 was another year over-shadowed by the Covid pandemic. As cases began to rise dramatically following Christmas, and out of concern for the safety of the congregation, the PCC voted to close the church after the Feast of the Epiphany. The church was re-opened on Easter Sunday. Continuing concern made it difficult to restart many church events as we might have hoped. However, it was possible to restore the cantors to the Sunday Mass and hold some events in the second half of the year, most notably the Artisan Fair and the Etheridge/Rowe concert.

Our new Reader – Carola Darwin:

We were delighted in 2021 to welcome our new Reader, Carola Darwin, who was licensed on 24th June, at St. John's, West Ealing, by the Bishop of Willesden. I was delighted to be there and place her Reader's scarf around her head, and equally delighted and amused to be asked, as I arrived at the church, to bless a young Sikh couple who had just got married!

Pop up Fair:

In the summer we held a 'pop-up' fair and were blessed with glorious weather, so we were, largely, able to be outside. Although it didn't raise quite as much as previous fairs, the format of doing everything on the day made it much easier and, perhaps, more fun for all involved.

Children's Christmas Video:

Our thanks to Carola Darwin for organising a second Children's Christmas video. Once again, a joy to watch and our thanks too to the Fleet Singers for their participation.

Walsingham Pilgrimage:

Very sadly it was not possible to hold our Annual Pilgrimage to Walsingham during 2021.

Holy Week:

For the second year it was not possible to celebrate the usual Holy Week liturgies, but more things will return in 2022, but services were able to resume, appropriately, on Easter Sunday, with a new Missa Brevis written by our own Matthew Power.

Our Palm Sunday Mailing also included a setting of a poem by Marie Perle, by Carola Darwin. You can hear it again here:

<https://www.dropbox.com/s/a0wor9aws86nlz9/Palm%20Sunday%20-%20Carola%20Darwin.mp4?dl=0>

‘Greening St. Anne’s.’

We are all aware of the environmental imperative and the PCC has agreed to explore ways in which we can make St. Anne’s a ‘greener’ church and reduce our carbon-footprint. Carola Darwin, who had done some work on this as part of her training to become a Reader will lead us on this.

Church Shop:

The Church Shop on Swain’s Lane has now re-opened, although we have fewer volunteers than we had pre-pandemic. We need new people to step forward and offer a few hours a week.

Partnership with HNCP.

Despite the pandemic, we have continued our strong partnership with Highgate New Town Community Partnership, and been pleased to support the work of the CEO, Andrew Sanalidro who has continued to work from St. Anne’s in these difficult times.

HNCP is facing a challenging time as it seeks to raise funds to equip the new Community Centre on Bertram Street which is due to open in 2023. It is also hoped that, as things begin to ‘unlock,’ more Community activities will return to St. Anne’s.

Occasional Offices:

There were no weddings or baptisms in 2021.

We did, however, mark, host and celebrate the life of our brother Desmond Davies who died this year.

St Anne's, Highgate

www.saintanneshighgate.co.uk

Financial Report of the Parochial Church Council *Registered Charity 1130501*

for the year ended 31 December **2021**

supplementing the Annual Report

Priest:

The Revd Andrew Meldrum
106 Highgate West Hill
London N6 6AP

Treasurer:

Michael Harris

Bank:

HSBC Bank plc
69 Pall Mall
London SW1Y 5EY
Sort code 40 11 58, account no 6012 3064

Independent Examiner:

Supriya Gureja

Analysis of income and expenditure
Selected period: 01 January 2021 to 31 December 2021

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
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Independent Examiner's Report to the Trustees (P.C.C.)

Respective responsibilities of Trustees and Independent Examiner

The *Parochial Church Council* ('PCC') are responsible as Trustees for the preparation of these accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an **independent examination** is needed.

As *Independent Examiner* my responsibility is to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission and with the *Church Accounting Regulations 2006*, in line with the guidance in *PCC Accountability: The Charities Act 2011 and the PCC*, 5th edition issued by the Church of England in 2016. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees (the PCC) concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements to keep accounting records in accordance with section 130 of the Charities Act, and to prepare accounts which agree with the accounting records and comply with the accounting requirements of the Charities Act, have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed.....

Date.....

Supriya Gureja
ACCT

Analysis of income and expenditure

Selected period: 01 January 2021 to 31 December 2021

Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
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Financial Review

This year St Anne's had a surplus (**£47,182**) as income (**£122,331**) exceeded expenditure (**£75,419**). The most significant change vs the lock-down impacted 2020 was an improvement in both fundraising and church lettings by over £20,000 while other donations rose in excess of £8,000 vs 2020. Our charitable donations fell by **£7,500**

INCOME

Gift Aided giving through Standing Orders was some **£28,658, only £384** up on the previous year. There are currently 33 **regular givers** – this is 1 less than last year. **Giving via Gift Aid envelopes** dropped to **£82 in 2021 vs £140 in 2020**.

Loose plate collections benefitted from the re-opening and rose to **£3,591** from **£1,794**. (HMRC allow Gift Aid claims up to £8,000 without a donor mandate, so all our loose plate collections now qualify.) Tax recoverable from Gift Aid fell by £420 to **£7,032**.

Total Giving in 2021 was **£75,761** (including tax refund), up just short of £8,000 on the previous year, aided by a £20,000 one off donation.

We continued to benefit from a substantial historic **grant** from the *St Pancras Church Lands Trust* with four payments of £3,000 though this represented a fall of £2,000 on the previous year

Takings from the shop only improved by £80 to **£1,308 of income despite the re-opening. This compares to £2,100 of rental expenses which leads to a loss of nearly £800 excluding future council taxes.**

Church lettings rose sharply to **£39,322 vs. £23,039** aided by over £12,000 revenue from Just Park while we continue to benefit from the mast income which is projected to remain flat in 2022.

Analysis of income and expenditure
Selected period: 01 January 2021 to 31 December 2021

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
Analysis of income and expenditure						
Selected period: 01 January 2021 to 31 December 2021						
	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
Income and endowments						
Donations and legacies						
0101 - Gift Aid (Standing Orders)	28,658	—	—	—	28,658	28,274
0110 - Gift Aid (Envelopes)	82	—	—	—	82	140
0201 - Other planned giving	2,540	—	—	—	2,540	1,892
0301 - Loose plate collections	3,591	—	—	—	3,591	1,794
0410 - Giving through church boxes	31	—	—	—	31	—
0501 - One-off Gift Aid gifts	—	—	—	—	—	900
0550 - Other donations	21,575	—	251	—	21,826	13,436
0601 - Tax recoverable on Gift Aid	7,032	—	—	—	7,032	7,452
0801 - Recurring grants	—	—	12,000	—	12,000	14,000
08A1 - One-off grants	—	—	—	—	—	—
Donations and legacies Totals	63,510	—	12,251	—	75,761	67,890
Income from charitable activities						
1101 - Fees for weddings, funerals etc	385	—	—	—	385	171
Income from charitable activities Totals	385	—	—	—	385	171
Other trading activities						
0910 - Shop	1,308	—	—	—	1,308	1,229
0911 - Fund raising events	5,231	—	—	—	5,231	1,516
1240 - Church lettings (fund raising)	39,322	—	—	—	39,322	23,039
Other trading activities Totals	45,861	—	—	—	45,861	25,785
Investments						
1020 - Interest	135	—	187	0	323	2,572
Investments Totals	135	—	187	0	323	2,572
Income and endowments Grand totals	109,892	—	12,438	0	122,331	96,419

EXPENDITURE

More than half of our expenditure remains our contribution to the **Diocesan Common Fund**, to pay for the training and provision of priests (including our own), clergy housing and other central services and ministry. The Common Fund rate for a Parish in London currently stands at £82,800 but in agreement with the PCC St Anne's reduced this to assist the solvency of the church and payments in 2020 and reached **a total of £53,200**. For 2021, our Common Fund contribution fell further to £40,000 to mitigate the fall in income during 2020. The contribution will rise to £45,000 in calendar year 2022.

There may be minor discrepancies in the totals if the pence are not being shown

Analysis of income and expenditure
Selected period: 01 January 2021 to 31 December 2021

Electricity & Gas, combined our second largest expense remained largely unchanged in 2021 yet this will inevitably rise due to both hikes due to reduced global supplies of gas (which also raises the marginal cost of electricity) and any increased opening of the church relative to last year. An analysis of potential operational benefits from more efficient and greener boiler may help to mitigate this cost in the future. This may also be facilitated by utilising the cheaper electricity from the solar panel agreement.

Music expenditure rose £685 to £7,840

Costs for **insurance** fell almost £1,800 to £5,723. The cost of insurance will be rising nearly 10% in 2022 to £486.38 per month.

Expenditure

Raising funds

1730 - Cost of fund-raising events	1,162	—	—	—	1,162	692
1735 - Shop expenses	2,100	—	—	—	2,100	2,100

Raising funds Totals	3,262	—	—	—	3,262	2,792
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Expenditure on charitable activities

1800 - Charities	—	—	—	—	—	7,500
1910 - Diocesan Common Fund	40,000	—	—	—	40,000	53,200
2101 - Priest's expenses	—	—	—	—	—	—
2130 - Parsonage house	793	—	—	—	793	682
2201 - Pilgrimage, study, parish events	240	—	—	—	240	207
2210 - Children's church	—	—	—	—	—	—
2216 - Lunches	—	—	—	—	—	—
2301 - Church insurance	5,723	—	—	—	5,723	7,513
2330 - Church maintenance	790	—	—	—	790	594
2340 - Upkeep of services	669	—	332	—	1,002	1,900
2345 - Music	800	—	7,040	—	7,840	7,125
2350 - Upkeep of churchyard	—	—	—	—	—	1,460
2360 - Administration	55	—	—	—	55	194
2370 - Visiting priests	—	—	—	—	—	—
2380 - Flowers	—	—	427	—	427	490
2401 - Church running - electricity	6,734	—	—	—	6,734	6,350
2410 - Church running - gas	3,114	—	—	—	3,114	3,017
2445 - Church running - other	643	—	146	—	789	2,289
2601 - Governance costs	—	—	—	—	—	—
2701 - Church major repairs	4,646	—	—	—	4,646	—

Expenditure on charitable activities Totals	64,210	—	7,946	—	72,156	92,526
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Expenditure Grand totals	67,473	—	7,946	—	75,419	95,319
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There may be minor discrepancies in the totals if the pence are not being shown

Analysis of income and expenditure
Selected period: 01 January 2021 to 31 December 2021

					Total
Unrestricted	Designated	Restricted	Endowment	This year	Last year

COMMENTARY

The finances of St Anne's had seen its reserves deplete significantly over recent years. Excluding round figures for the Millfield money of £500,000 in 2015 and £600,000 since 2016, which may have been serving to mask the true financial position of the church, its worth per the balance sheet has fallen from **£166,000 at the end of 2015** to **£90,000 at the end of 2020**. The £47,182 surplus has improved the situation significantly. However the non-recurrence of the £20,000 donation in 2021 and the rise in energy costs and overall inflation relative to recurring contributions will significantly reduce this surplus in 2022. With the subsequent rise in common fund contributions in 2023, it is likely that surpluses in 2023 will be modest and hence vulnerable to the cost of any one off repairs.

Very little can be done to rectify this in terms of adjusting ongoing expenditure. The main cost drivers are the common fund contribution. The second is that we occupy an old building which places a heavy burden on our congregation to insure, run and maintain it, despite grants available and generous donations made towards the latter.

In 2009 St Anne's received a **£500,000 grant** from the St Pancras Foundation plus **£100,000** in January 2016. The money is to be used "*for the benefit of those aged 22 years or below, with their families, living in the south-east of England*" in ways specified by the grant. In 2018 two payments of £5,000 each were made for the development of the building for use in youth-related projects called for by the grant. In 2019 the PCC agreed to fund, in conjunction with HNCC, a woodwork grant to support young people. A further sum of **£7,500** of the Millfield money was used for this purpose. After interest earnings of **£1,507**, and the expenditure above, the Fund fell to **£610,277** at the end of 2020. In 2021, the only change to the fund was interest income of £150 which raised the balance to **£610,427**

Notes to 'Analysis of income & expenditure' table

For explanation of the split between '**Unrestricted**', '**Designated**', '**Restricted**' and '**Endowment**' Funds, see the notes on 'Funds' at the end of this report.

INCOME

Gift Aid Standing Orders are very clearly the mainstay of the church's income

Other planned giving is regular giving via the Charities Aid Foundation or regular donors whose donations do not qualify for Gift Aid.

Loose plate collections are non-attributable (non "envelope") money placed on the collection plate during church services. Recent changes in regulation allow us to claim gift aid on these donations within an ample limit, even though they are not supported by gift aid mandates.

One-off Gift Aid gifts are as implied. These are often designated or restricted for specific purposes or "appeals" such as restoration works, and can vary substantially from one year to the next

Tax recoverable on Gift Aid comprises (a) tax refunded under the Gift Aid scheme plus (b) Gift Aid allowed under the Small Donations scheme including gifts analogous to "loose plate collections".

Recurring grants comprises the grant from the St Pancras Church Lands Trust: see the Financial Review above and Notes on the Churchwardens Fund on page 11.

The income of the **shop, fund raising events** and **lettings** is described in the Financial Review above

The 'restricted' column in **interest** principally includes interest on our Millfield grant.

Fees in 2020 include funeral fees.

EXPENDITURE

Shop expenses were mainly rent (£2,100 in 2021). Council rates (which would be around £600 in a full tax year) were again nil, due to a Government moratorium. With the end of this moratorium, losses would be in the range of £1,400 per annum unless there is an improvement in sales activity.

Diocesan Common Fund: see Financial Review on pages 3 & 4.

Parsonage house in 2021 is the maintenance of the vicarage burglar alarm and its water rates.

Pilgrimage, study & parish events. The main item is usually the cost of the annual pilgrimage to the Walsingham shrine but this was cancelled this year. Each pilgrim meets their own cost but the church pays for the cost of the clergy and any shortfall in overall costs.

St Anne's Highgate - 1130501

Analysis of income and expenditure

Selected period: 01 January 2021 to 31 December 2021

	Unrestricted This year	Designated Last year	Restricted	Endowment	Total
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Upkeep of services includes communion wine, candles, service books, service sheets and publicity.

Music is the Music Director's and cantors' fees and other spending on music.

The majority of spending on **flowers** in 2020 (£427) was met by donations

The cost of utilities was stable in 2021.

Church running other comprises mainly hospitality, kitchen and toilet materials, the website fee and the water rate.

St Anne's Highgate - 1130501

Analysis of income and expenditure Selected period: 01 January 2021 to 31 December 2021

	Unrestricted This year	Designated Last year	Restricted	Endowment	Total
Balance Sheet detailed					
			As at 31/12/2021	As at 31/12/2020	
Fixed assets					
6430: Anne Barnett endowment			2,000.00	2,000.00	
6432: PUNL shares			650.00	650.00	
Total Fixed assets			2,650.00	2,650.00	
Current assets					
6501: Current account (HSBC)			120,938.72	86,604.38	
6507: PayPal			1,462.03	1,462.03	
6510: Reserve account (CCLA)			193,281.63	193,181.00	
6514: Reserve account (Nationwide)			—	—	
6516: Reserve account (Santander)			—	—	
6530: Anne Barnett account (CCLA)			(1,737.89)	(1,738.03)	
6540: Churchwardens account (CCLA)			77,580.99	65,544.27	
6550: Millfield account (CCLA)			356,746.91	356,561.18	
6555: Millfield account (Nationwide)			—	—	
6590: Cashbook			1,569.81	1,092.20	
6594: Flowers float			(95.98)	80.77	
6596: Music float			260.00	725.00	
Z05: Accounts Receivable			627.75	936.00	
Total Current assets			750,633.97	704,448.80	
Liabilities					
6699: Agency collections			—	—	
Z04: Accounts Payable			751.23	1,477.90	
Total Liabilities			751.23	1,477.90	
Net Asset surplus (deficit)			752,532.74	705,620.90	
Reserves					
Excess / (deficit) to date			46,911.84	1,100.52	
Z01: Starting balances			705,620.90	704,520.38	
Total Reserves			752,532.74	705,620.90	

Notes on Balance Sheet and 'Funds', and accounting policies

Balance Sheet

Fixed assets

The **Anne Barnett Fund endowment** is the capital given by the church's founder to provide income for 'repairs or improvement' (her Will Oct 1853) or for 'making any necessary additions' to the church, excluding the purchase of additional land (the second of two Codicils of Nov 1854). The amount has been estimated as the £1,000 in the Will plus £1,000 as the maximum likely amount resultant from the Codicil (which added £200 plus any legacies which lapsed before Anne Barnett's death four years later).

Analysis of income and expenditure
Selected period: 01 January 2021 to 31 December 2021

	Unrestricted This year	Designated Last year	Restricted	Endowment	Total
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Consecrated land and beneficed property and any improvements to property, fixtures and fittings are excluded from the accounts as assets by the Charities Act. The insurance valuation of **the church building and contents** is currently £16.8mn. Movable church **furnishings** are vested in the churchwardens; they cannot be disposed of without a Faculty (legal permission from the Diocese). **Other items which are not fixtures and fittings** coming into the possession of the PCC valued over £1,000 will normally be written off in equal parts over four years; those valued at £1,000 or less will be written off in the period in which they were acquired.

Current assets

During 2020 we had a **chequing account** at HSBC, and a **PayPal** account (enabling people to pay to the church via the website and churchwardens to make small purchases of maintenance materials online). Our aim is to keep only sufficient balances for working purposes in the HSBC account, as the interest rate is zero. Additionally, we have 4 **instant-access accounts** in the **CBF (Church of England Central Board of Finance) Deposit Fund** managed by CCLA Investment Management. The gross interest rate paid by the CBF Deposit Fund is related to short-term market rates and accordingly has been negligible. HSBC has begun to charge a £5 monthly fee and 40p per cheque processed. As HSBC does not offer us online payment potential we will be looking to change current accounts to a bank that can facilitate online payments.

The Anne Barnett £2,000 endowment Fund (see 'Funds' below) and accrued interest is held in a number of accounts including **Anne Barnett account** at CCLA (shown on the balance sheet as a negative figure).

Income in cash and cheques (collections, donations, income from the shop, etc) is held in the '**Cashbook**' until banking, or cash disbursement (mainly into the Music Float) takes place. Other cash amounts (the **Flowers** and **Music Floats**) are held by individuals who maintain cashbooks for providing flowers in the church and paying singers.

Accounts receivable at the end of 2021 is an estimated provision for a gift-aid claim to be submitted to HMRC for donations received in the year.

Liabilities

Accounts payable are cheques drawn in 2021 but not cleared by 31st December.

St Anne's Highgate - 1130501

Analysis of income and expenditure Selected period: 01 January 2021 to 31 December 2021

	Unrestricted This year	Designated Last year	Restricted	Endowment	Total
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St Anne's Highgate - 1130501 Fund movement by type Selected period: 01 January 2021 to 31 December 2021

Fund and type	Fund balances brought forward	Incoming Resources	Outgoing Resources	Transfers	Gains and Losses	Journal Entries	Fund balances carried forward
Unrestricted							
General - General fund	66,456	109,892	67,473	(450)	—	—	108,426
Sub-totals	66,456	109,892	67,473	(450)	—	—	108,426
Designated							
Restor - Restoration Fund designated	10,000	—	—	—	—	—	10,000
Sub-totals	10,000	—	—	—	—	—	10,000
Restricted							
RestorRes - Restoration Fund restricted	79	—	—	—	—	—	79
Barnett - Anne Barnett Fund	2	0	—	—	—	—	2
CWardens - Churchwardens Fund	0	12,036	7,518	450	—	—	4,968
Worship - Worship Fund	5,473	—	—	—	—	—	5,473
Lunches - Lunches Fund	—	—	—	—	—	—	—
Millfield - Millfield Fund	610,277	150	—	—	—	—	610,427
Developmnt - Development Fund	11,250	—	—	—	—	—	11,250
Bell - Bell Fund	0	—	—	—	—	—	0
Flower - Flower Fund	81	251	427	—	—	—	(95)
Sub-totals	627,162	12,438	7,946	450	—	—	632,104
Endowment							
Barnett - Anne Barnett Fund	2,000	0	—	—	—	—	2,000
Sub-totals	2,000	0	—	—	—	—	2,000
Totals	705,620	122,331	75,419	—	—	—	752,532

Funds': analysis of Net Assets by function

Restricted funds can be used only for a specified purpose. **Designated** funds are amounts allocated by the PCC for a specific purpose; this allocation is not binding and can be changed by the PCC. **Endowment** funds are investments held in trust so that the PCC can benefit from the interest but cannot spend the capital.

General Fund holds assets that are not subject to any restriction or designation.

St Anne's Highgate - 1130501

Analysis of income and expenditure

Selected period: 01 January 2021 to 31 December 2021

	Unrestricted This year	Designated Last year	Restricted	Endowment	Total
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Restoration Fund comprises a donation (plus Gift Aid) restricted for repair of the chancel mural and other amounts designated by the PCC for restoration (at end 2016 essentially completion of the repairs to the vestry and preparatory stabilisation of the mural beyond that financed by the restricted donation).

Anne Barnett Fund was set up by the church's founder so that the interest generated could cover the cost of church maintenance. The amount in the Fund comprises the endowment capital (estimated at £2,000):-and net accumulated earnings on it (which, like the Restoration Fund, are usable for repairs and improvements). The balance of those earnings fell to zero in 2016, being used in the large repairs then.

Churchwardens Fund receives the regular grants from the St Pancras Church Lands Trust (Registered Charity 212006). Under the terms of the Trust (the St Pancras Ecclesiastical Regulation Act 1868, as amended by the scheme effective 24 March 1965) the use of the grants is restricted to repair of the church and the expenses of performing divine worship (and was interpreted in a note written by a Trustee in April 2007, as excluding use for donations to charity or payment of clergy stipends). If too much qualifying expenditure is allocated to this Fund during the year, a transfer is made from the General Fund to bring the Churchwardens Fund back to zero at the year-end, rather than individual items being reclassified out of this Fund in retrospect.

Worship Fund holds a donation to support worship and the upkeep of services.

Lunches Fund comprises the expenditure on the Community Lunches and its financing, see page 8 'lunches' and the last para of the Financial Review on page 4.. but is no longer used

Millfield Fund holds the St Pancras Foundation grant described in the Financial Review and the interest on it net of expenditure from it. The Fund is distributed over several accounts in the Balance Sheet, not only those with 'Millfield' in their title.

Development Fund holds a donation restricted for the Development Plan.

Bell Fund is a restricted fund for maintenance of the bells. After substantial work on bells and belfry over recent years the fund ended last year exhausted.

Flower Fund is for the floral decoration of the church. When spending on flowers is not met by financial donations for flowers (including the tax recoverable on Gift Aided donations), the deficit is made up by transfers from the General Fund.

Accounting Policies

These accounts have been prepared in accordance with the Church of England's Accounting Regulations, applicable accounting standards and the Charities Statement of Recommended Practice ('SORP'). Receipts and payments are in principle entered on an '**accruals**' basis (see notes on 'Accounts receivable' and 'Accounts payable' above).

Unrestricted	Designated	Restricted	Endowment	This year	Total	Last year
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Independent Examiner's Report to the Trustees (P.C.C.)

Respective responsibilities of Trustees and Independent Examiner

The *Parochial Church Council* ('PCC') are responsible as Trustees for the preparation of these accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an **independent examination** is needed.

As *Independent Examiner* my responsibility is to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission and with the *Church Accounting Regulations 2006*, in line with the guidance in *PCC Accountability: The Charities Act 2011 and the PCC*, 5th edition issued by the Church of England in 2016. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees (the PCC) concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements to keep accounting records in accordance with section 130 of the Charities Act, and to prepare accounts which agree with the accounting records and comply with the accounting requirements of the Charities Act, have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounting records to be reached.

Signed.....

Date... 20/7/22

Supriya Gureja

Accounts

St. Anne's, Highgate

Annual Report 2020.

Children's Christmas Video.

Let us begin with the highlight of the year which was, I think, the Children's Christmas Video. Carefully put together by Carola Darwin and Roland de Cholewa, and edited by Roland, and observing all social-distancing and Coronavirus rules a number of the children of St. Anne's told the Christmas story in various locations around the church, and some from their bedrooms. We were also delighted and grateful to have the involvement of the Fleet Singers, to whom go many thanks, who sang the carols along the way. The video on the website was viewed over 12,000 times!

Overview of 2020.

It goes without saying that in 2020 the life of the Church at St. Anne's was, largely, defined by the global Coronavirus pandemic. Even as we began the year, we could see the dark clouds gathering in the East. Nevertheless, it hit us more quickly and more profoundly than any of us would have predicted. By order of the Government, the churches across England were forced to close their doors and suspend their worship, something which has not happened in the history of the Church. Inevitably, this caused considerable distress, anxiety and fear to which we all, gradually, learned to adjust; and, given that we could no longer be the Church gathered around the altar on Sunday, we had to understand how to be 'the Church gathered around the kitchen table.' It remains, as it was at the beginning, my hope and prayer that this experience has fostered in all of us a deeper sense of, and commitment to, personal devotion and prayer in our daily home lives, a rediscovery of God in the ordinary and the commonplace.

St. Anne's re-opened for Private Prayer as soon as it became possible and also once again for Public Worship as soon as it became possible.

Inevitably, all of our usual Annual events and social gatherings were suspended, and our finances have taken a severe hit.

However, if we hold on to and draw on the best of this bitter experience we shall emerge as a stronger Church and a stronger community.

Parish Mailing.

The weekly Parish mailing, which I began at the beginning of the first lockdown in order to keep in touch with you all and to try to provide some spiritual and pastoral contact and support, especially in those early and confused days, has proved to be the great success of this period with, almost, universal appreciation. It has been amazing to me how many of you pass it on to others, who then pass it on themselves such that we now know that it goes across the country and the world.

We all owe a great vote of thanks to Roland de Cholewa who, quietly, each week turns the script I send him into the professional and polished mailing you receive. We all thank him for his 'Godmin!'

Partnership with HNCC (now HNCP).

Despite the pandemic, we have continued our strong partnership with Highgate New Town Community Centre, now Highgate New Town Community Partnership, especially in our support for the Meals on Wheels programme and the Food Parcels. We have also been pleased to support the work of the CEO, Andrew Sanalidro who has continued to work from St. Anne's in these challenging times.

Church Shop.

Very sadly, the Church Shop has had to remain closed since the first lockdown.

PCC.

The PCC met eight times in the year to discuss and decide the business of the Parish. Amongst other matters we were delighted to appoint Dr. Alex Veal as the new Church Architect and Quinquennial Inspector and to appoint Rosie Partin as the Safeguarding Officer and co-opt her to the PCC.

Occasional Offices.

There were no baptisms, confirmations or funerals in church during this year.

However, there was a Memorial Service for Jamie Partin, followed by the burial of his ashes, the day before the first lockdown.

Covid took from us our brother, Dylan Grundy, and our sister Jill Cornish. We also remember Ruth Bromley who died in this year.

There was one wedding in the summer and I was delighted to marry George Freeman to Fiona Laird: a very happy day!

St Anne's, Highgate

www.saintanneshighgate.co.uk

Financial Report
of the
Parochial Church Council
Registered Charity 1130501

for the year ended 31 December **2020**

supplementing the Annual Report

Priest:

The Revd Andrew Meldrum
106 Highgate West Hill
London N6 6AP

Treasurer:

Vince Rodriguez

Bank:

HSBC Bank plc
69 Pall Mall
London SW1Y 5EY
Sort code 40 11 58, account no 6012 3064

Independent Examiner:

Supriya Gureja

Independent Examiner's Report to the Trustees (P.C.C.)

Respective responsibilities of Trustees and Independent Examiner

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- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed.....

Date.....

Supriya Gureja
ACCT

Financial Review

This year St Anne's roughly broke even with total St Anne's income (**£96,419**) exceeded expenditure (**£95,319**) by **£1100**. This was an exceptionally difficult year for the nation with the pandemic forcing church closure and lockdown. This meant that income fell heavily, but also that some savings were generated through church closure. Unlike many other churches St Anne's does not rely on income from letting a church hall so the impact was less severe than for many other churches. The pandemic will continue to impact over the coming year.

INCOME

Gift Aided giving through Standing Orders was some **£28,274**, over **£1,000** less than the previous year. Sadly some regular givers are no longer able to Gift Aid their contributions. There are currently 34 **regular givers** – this is 2 less than last year.

Giving via Gift Aid envelopes dropped to **£140** and **Loose plate collections** fell also to **£1,794** because of church closure. (HMRC allow Gift Aid claims up to £8,000 without a donor mandate, so all our loose plate collections now qualify.) Total donations – not eligible for Gift Aid – rose to £15,041 including a payment of £10k from Swains Lane easements.

Total Giving in 2019 at **£58,000** (including tax refund) fell by around 6% on the previous year (net of recurring and one-off grants).

We continued to benefit from a substantial historic **grant** from the *St Pancras Church Lands Trust* with four payments of £3,500 though this represented a fall of £1,500 on the previous year

Takings from the **shop fell to £1229 because of closure and this meant that the shop operated at a loss in 2020**. **Fund-raising events** were inevitably curtailed and it was not possible to run many of the usual events this year.

Church lettings which have seen a year on year growth also fell to £23,039 because of loss of parking income through Justpark though we continue to benefit from the mast income. Hopefully parking income will gently recover in 2021 as lockdown ends though it's likely that with increasing numbers of people homeworking we won't reach the levels seen in recent years.

EXPENDITURE

As usual, a major item in our **expenditure** (56%) was our contribution to the **Diocesan Common Fund**, to pay for the training and provision of priests (including our own), clergy housing and other central services and ministry. The Common Fund rate for a Parish in London currently stands at £82,800 but in agreement with the PCC St Anne's reduced this to assist the solvency of the church and payments this year reached **a total of £53,200**. For 2021, the PCC resolved to reduce the Common Fund contribution to mitigate the fall in income during 2020 with a view to re-instating the contribution to the previous level in two years' time.

The only remaining individually significant costs to the church are our **Music** (which again was curtailed because of church closure) and **Insurance** expenditure at 7% each

COMMENTARY

The finances of St Anne's have seen its reserves deplete significantly over recent years. Excluding round figures for the Millfield money of £500,000 in 2015 and £600,000 since 2016, which may have been serving to mask the true financial position of the church, its worth per the balance sheet has fallen from **£166,000 at the end of 2015** to **£90,000 at the end of 2020**. Other things being approximately equal, the church will have exhausted all its reserves within four to five years and could be facing insolvency, especially if major repairs are needed.

Very little can be done to rectify this in terms of adjusting expenditure. The main cost drivers are the common fund contribution. The second is that we occupy an old building which places a heavy burden on our congregation to insure, run and maintain it, despite grants available and generous donations made towards the latter.

The only solution is to increase income. Significant steps have already been taken to improve income from the assets of the church – the telephone antennae and income from parking have shown significant growth and there is no reason to think that these will recover slowly to previous levels. Fund-raising events bring in much needed additional income but can only contribute marginally to improvements in the overall financial picture.

Improvement can only, realistically, come from giving. As a crude calculation this needs to increase by some 40% for St Anne's to raise an additional £12,000 to break even each year. However, there is already significant pressure on those who have generously supported St Anne's year after year and continue to do so with much generosity, and our need is for **new donors** giving significant amounts to redress the developing problem, be they **existing worshipers** who see the joy of supporting the church more substantially or **new members** of the congregation. This is the challenge St Anne's faces both financially and spiritually if it is to continue to serve the Parish.

MILLFIELD GRANT

In 2009 St Anne's received a **£500,000 grant** from the St Pancras Foundation plus **£100,000** in January 2016. The money is to be used "*for the benefit of those aged 22 years or below, with their families, living in the south-east of England*" in ways specified by the grant. In 2018 two payments of £5,000 each were made for the development of the building for use in youth-related projects called for by the grant. In 2019 the PCC agreed to fund, in conjunction with HNCC, a woodwork grant to support young people. A further sum of **£7,500** of the Millfield money was used for this purpose. After interest earnings of **£1,507**, and the expenditure above, the Fund fell to **£610,277** at the end of 2020.

Analysis of income and expenditure
Selected period: 01 January 2020 to 31 December 2020

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
Income and endowments						
<i>Donations and legacies</i>						
0101 - Gift Aid (Standing Orders)	28,274	—	—	—	28,274	29,652
0110 - Gift Aid (Envelopes)	140	—	—	—	140	1,945
0201 - Other planned giving	1,892	—	—	—	1,892	1,245
0301 - Loose plate collections	1,794	—	—	—	1,794	6,138
0410 - Giving through church boxes	—	—	—	—	—	68
0501 - One-off Gift Aid gifts	900	—	—	—	900	3,093
0550 - Other donations	13,024	—	412	—	13,436	4,247
0601 - Tax recoverable on Gift Aid	7,452	—	—	—	7,452	9,302
0801 - Recurring grants	—	—	14,000	—	14,000	15,500
08A1 - One-off grants	—	—	—	—	—	14,100
Donations and legacies Totals	53,478	—	14,412	—	67,890	85,291
<i>Income from charitable activities</i>						
1101 - Fees for weddings, funerals etc	171	—	—	—	171	1,118
Income from charitable activities Totals	171	—	—	—	171	1,118
<i>Other trading activities</i>						
0910 - Shop	1,229	—	—	—	1,229	2,724
0911 - Fund raising events	1,516	—	—	—	1,516	13,284
1240 - Church lettings (fund raising)	23,039	—	—	—	23,039	29,300
Other trading activities Totals	25,785	—	—	—	25,785	45,309
<i>Investments</i>						
1020 - Interest	816	—	1,754	0	2,572	4,418
Investments Totals	816	—	1,754	0	2,572	4,418
Income and endowments Grand totals	80,252	—	16,166	0	96,419	136,137
Expenditure						
<i>Raising funds</i>						
1730 - Cost of fund-raising events	692	—	—	—	692	3,779
1735 - Shop expenses	2,100	—	—	—	2,100	2,126
Raising funds Totals	2,792	—	—	—	2,792	5,906

	Unrestricted	Designated	Restricted	Endowment	This year	Last year
Expenditure on charitable activities						
1800 - Charities	—	—	7,500	—	7,500	7,850
1910 - Diocesan Common Fund	53,200	—	—	—	53,200	58,475
2101 - Priest's expenses	—	—	—	—	—	—
2130 - Parsonage house	682	—	—	—	682	464
2201 - Pilgrimage, study, parish events	207	—	—	—	207	240
2210 - Children's church	—	—	—	—	—	—
2216 - Lunches	—	—	—	—	—	513
2301 - Church insurance	5,008	—	2,504	—	7,513	7,375
2330 - Church maintenance	594	—	—	—	594	3,418
2340 - Upkeep of services	189	—	1,710	—	1,900	4,996
2345 - Music	—	—	7,125	—	7,125	11,031
2350 - Upkeep of churchyard	1,460	—	—	—	1,460	1,320
2360 - Administration	194	—	—	—	194	182
2370 - Visiting priests	—	—	—	—	—	—
2380 - Flowers	300	—	190	—	490	676
2401 - Church running - electricity	5,852	—	497	—	6,350	4,885
2410 - Church running - gas	1,821	—	1,196	—	3,017	5,654
2445 - Church running - other	2,289	—	—	—	2,289	2,117
2601 - Governance costs	—	—	—	—	—	—
2701 - Church major repairs	—	—	—	—	—	32,018
Expenditure on charitable activities Totals	71,801	—	20,725	—	92,526	141,219
Expenditure Grand totals	74,593	—	20,725	—	95,319	147,126

Notes to 'Analysis of income & expenditure' table

For explanation of the split between 'Unrestricted', 'Designated', 'Restricted' and 'Endowment' Funds, see the notes on 'Funds' at the end of this report.

INCOME

Gift Aid Standing Orders are very clearly the mainstay of the church's income

Other planned giving is regular giving via the Charities Aid Foundation or regular donors whose donations do not qualify for Gift Aid.

Loose plate collections are non-attributable (non "envelope") money placed on the collection plate during church services. Recent changes in regulation allow us to claim gift aid on these donations within an ample limit, even though they are not supported by gift aid mandates.

One-off Gift Aid gifts are as implied. These are often designated or restricted for specific purposes or "appeals" such as restoration works, and can vary substantially from one year to the next

Tax recoverable on Gift Aid comprises (a) tax refunded under the Gift Aid scheme plus (b) Gift Aid allowed under the Small Donations scheme including gifts analogous to "loose plate collections". .

Recurring grants comprises the grant from the St Pancras Church Lands Trust: see the Financial Review above and Notes on the Churchwardens Fund on page 11.

The income of the **shop, fund raising events** and **lettings** is described in the Financial Review above

The ‘restricted’ column in **interest** principally includes interest on our Millfield grant.

Fees in 2020 include funeral fees.

EXPENDITURE

Shop expenses were mainly rent (£2,100 in 2020). Council rates (which would be around £600 in a full tax year) were again nil, due to a Government moratorium.

For **Charities** in 2017, the PCC judged that with its current financial difficulties, it was no longer appropriate to continue the practice of making fixed monthly donations to different charities unconnected with St Anne’s and chosen on behalf of the congregation. As observed in the closing paragraph on page 4, disbursements were made from the Millfield Fund for charitable purposes. We also made a payment of £250 to The Harrington Scheme.

Diocesan Common Fund: see Financial Review on pages 3 & 4.

Parsonage house in 2020 is the maintenance of the vicarage burglar alarm and its water rates.

Pilgrimage, study & parish events. The main item is usually the cost of the annual pilgrimage to the Walsingham shrine but this was cancelled this year. Each pilgrim meets their own cost but the church pays for the cost of the clergy and any shortfall in overall costs.

Church maintenance fell to £104

Upkeep of services includes communion wine, candles, service books, service sheets and publicity.

Music is the Music Director’s and cantors’ fees and other spending on music.

The majority of spending on **flowers** in 2020 (£490) was met by donations

The cost of utilities fell slightly because of church closure. We continue to receive a contribution towards these costs from HNCC

Church running other comprises mainly hospitality, kitchen and toilet materials, the website fee and the water rate.

St Anne's Highgate - 1130501

Balance Sheet detailed

	As at 31/12/2020	As at 31/12/2019
Fixed assets		
6430: Anne Barnett endowment	2,000.00	2,000.00
6432: PUNL shares	650.00	650.00
Total Fixed assets	2,650.00	2,650.00
Current assets		
6501: Current account (HSBC)	86,604.38	100,747.80
6507: PayPal	1,462.03	1,436.99
6510: Reserve account (CCLA)	193,181.00	192,364.19
6514: Reserve account (Nationwide)	—	—
6516: Reserve account (Santander)	—	—
6530: Anne Barnett account (CCLA)	(1,738.03)	(1,739.16)
6540: Churchwardens account (CCLA)	65,544.27	51,297.36
6550: Millfield account (CCLA)	356,561.18	355,053.57
6555: Millfield account (Nationwide)	—	—
6590: Cashbook	1,092.20	2,060.97
6594: Flowers float	80.77	(140.27)
6596: Music float	725.00	240.00
Z05: Accounts Receivable	936.00	4,249.06
Total Current assets	704,448.80	705,570.51
Liabilities		
6699: Agency collections	—	—
Z04: Accounts Payable	1,477.90	3,700.13
Total Liabilities	1,477.90	3,700.13
Net Asset surplus (deficit)	705,620.90	704,520.38
Reserves		
Excess / (deficit) to date	1,100.52	—
Z01: Starting balances	704,520.38	704,520.38
Total Reserves	705,620.90	704,520.38

Notes on Balance Sheet and 'Funds', and accounting policies

Balance Sheet

Fixed assets

The **Anne Barnett Fund endowment** is the capital given by the church's founder to provide income for 'repairs or improvement' (her Will Oct 1853) or for 'making any necessary additions' to the church, excluding the purchase of additional land (the second of two Codicils of Nov 1854). The amount has been estimated as the £1,000 in the Will plus £1,000 as the maximum likely amount resultant from the Codicil (which added £200 plus any legacies which lapsed before Anne Barnett's death four years later).

Consecrated land and beneficed property and any improvements to property, fixtures and fittings are excluded from the accounts as assets by the Charities Act. The insurance valuation of

the church building and contents is currently £17,035,200. Movable church **furnishings** are vested in the churchwardens; they cannot be disposed of without a Faculty (legal permission from the Diocese). **Other items which are not fixtures and fittings** coming into the possession of the PCC valued over £1,000 will normally be written off in equal parts over four years; those valued at £1,000 or less will be written off in the period in which they were acquired.

Current assets

During 2020 we had a **chequing account** at HSBC, and a **PayPal** account (enabling people to pay to the church via the website and churchwardens to make small purchases of maintenance materials online). Our aim is to keep only sufficient balances for working purposes in the HSBC account, as the interest rate is zero. Additionally, we have 4 **instant-access accounts** in the **CBF (Church of England Central Board of Finance) Deposit Fund** managed by CCLA Investment Management. The gross interest rate paid by the CBF Deposit Fund is related to short-term market rates; and has remained at approximately 1%.

The Anne Barnett £2,000 endowment Fund (see 'Funds' below) and accrued interest is held in a number of accounts including **Anne Barnett account** at CCLA (shown on the balance sheet as a negative figure).

Income in cash and cheques (collections, donations, income from the shop, etc) is held in the '**Cashbook**' until banking, or cash disbursement (mainly into the Music Float) takes place. Other cash amounts (the **Flowers** and **Music Floats**) are held by individuals who maintain cashbooks for providing flowers in the church and paying singers.

Accounts receivable at the end of 2020 is an estimated provision for a gift-aid claim to be submitted to HMRC for donations received in the year.

Liabilities

Accounts payable are cheques drawn in 2020 but not cleared by 31st December.

St Anne's Highgate - 1130501
Fund movement summary
Selected period: 01 January 2020 to 31 December 2020

Fund	Fund balances brought forward	Incoming Resources	Outgoing Resources	Transfers	Gains and Losses	Fund balances Carried forward
General - General fund	59,265	80,252	74,593	1,533	—	66,456
Restor - Restoration Fund designated	10,000	—	—	—	—	10,000
RestorRes - Restoration Fund restricted	79	—	—	—	—	79
Barnett - Anne Barnett Fund	2,001	1	—	—	—	2,003
CWardens - Churchwardens Fund	0	14,246	13,034	(1,212)	—	0
Worship - Worship Fund	5,473	—	—	—	—	5,473
Lunches - Lunches Fund	—	—	—	—	—	—
Millfield - Millfield Fund	616,269	1,507	7,500	—	—	610,277
Developmnt - Development Fund	11,250	—	—	—	—	11,250
Bell - Bell Fund	0	—	—	—	—	0
Flower - Flower Fund	181	412	190	(321)	—	81
Totals	704,520	96,419	95,319	—	—	705,620

Funds': analysis of Net Assets by function

Restricted funds can be used only for a specified purpose. **Designated** funds are amounts allocated by the PCC for a specific purpose; this allocation is not binding and can be changed by

the PCC. **Endowment** funds are investments held in trust so that the PCC can benefit from the interest but cannot spend the capital.

General Fund holds assets that are not subject to any restriction or designation.

Restoration Fund comprises a donation (plus Gift Aid) restricted for repair of the chancel mural and other amounts designated by the PCC for restoration (at end 2016 essentially completion of the repairs to the vestry and preparatory stabilisation of the mural beyond that financed by the restricted donation).

Anne Barnett Fund was set up by the church's founder so that the interest generated could cover the cost of church maintenance. The amount in the Fund comprises the endowment capital (estimated at £2,000)-and net accumulated earnings on it (which, like the Restoration Fund, are usable for repairs and improvements). The balance of those earnings fell to zero in 2016, being used in the large repairs then.

Churchwardens Fund receives the regular grants from the St Pancras Church Lands Trust (Registered Charity 212006). Under the terms of the Trust (the St Pancras Ecclesiastical Regulation Act 1868, as amended by the scheme effective 24 March 1965) the use of the grants is restricted to repair of the church and the expenses of performing divine worship (and was interpreted in a note written by a Trustee in April 2007, as excluding use for donations to charity or payment of clergy stipends). If too much qualifying expenditure is allocated to this Fund during the year, a transfer is made from the General Fund to bring the Churchwardens Fund back to zero at the year-end, rather than individual items being reclassified out of this Fund in retrospect.

Worship Fund holds a donation to support worship and the upkeep of services.

Lunches Fund comprises the expenditure on the Community Lunches and its financing, see page 8 'lunches' and the last para of the Financial Review on page 4.. but is no longer used

Millfield Fund holds the St Pancras Foundation grant described in the Financial Review and the interest on it net of expenditure from it. The Fund is distributed over several accounts in the Balance Sheet, not only those with 'Millfield' in their title.

Development Fund holds a donation restricted for the Development Plan.

Bell Fund is a restricted fund for maintenance of the bells. After substantial work on bells and belfry over recent years the fund ended last year exhausted.

Flower Fund is for the floral decoration of the church. When spending on flowers is not met by financial donations for flowers (including the tax recoverable on Gift Aided donations), the deficit is made up by transfers from the General Fund.

Accounting Policies

These accounts have been prepared in accordance with the Church of England's Accounting Regulations, applicable accounting standards and the Charities Statement of Recommended Practice ('SORP'). Receipts and payments are in principle entered on an '**accruals**' basis (see notes on 'Accounts receivable' and 'Accounts payable' above).

Independent Examiner's Report to the Trustees (P.C.C.)

Respective responsibilities of Trustees and Independent Examiner

The *Parochial Church Council* ('PCC') are responsible as Trustees for the preparation of these accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an **independent examination** is needed.

As *Independent Examiner* my responsibility is to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission and with the *Church Accounting Regulations 2006*, in line with the guidance in *PCC Accountability: The Charities Act 2011 and the PCC*, 5th edition issued by the Church of England in 2016. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees (the PCC) concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements to keep accounting records in accordance with section 130 of the Charities Act, and to prepare accounts which agree with the accounting records and comply with the accounting requirements of the Charities Act, have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed.....



Supriya Gureja
AATQB

Date.....

11/10/2021