

**St Anne's, Highgate**

[www.saintanneshighgate.co.uk](http://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.

### 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*, 5<sup>th</sup> 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.....25/10/23.....

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
<b>Income and endowments</b>						
<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	—
<b>Donations and legacies Totals</b>	<b>53,155</b>	<b>—</b>	<b>12,450</b>	<b>—</b>	<b>65,605</b>	<b>75,761</b>
<i>Income from charitable activities</i>						
1101 - Fees for weddings, funerals etc	466	—	—	—	466	385
<b>Income from charitable activities Totals</b>	<b>466</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>466</b>	<b>385</b>
<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
<b>Other trading activities Totals</b>	<b>45,729</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>45,729</b>	<b>45,862</b>
<i>Investments</i>						
1020 - Interest	2,542	—	5,840	—	8,382	323
<b>Investments Totals</b>	<b>2,542</b>	<b>—</b>	<b>5,840</b>	<b>—</b>	<b>8,382</b>	<b>323</b>
<b>Income and endowments Grand totals</b>	<b>101,892</b>	<b>—</b>	<b>18,290</b>	<b>—</b>	<b>120,182</b>	<b>122,331</b>
<b>Expenditure</b>						
<i>Raising funds</i>						
1730 - Cost of fund-raising events	596	—	—	—	596	1,163
1735 - Shop expenses	2,725	—	—	—	2,725	2,100
<b>Raising funds Totals</b>	<b>3,321</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,321</b>	<b>3,263</b>
<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
<b>Expenditure on charitable activities Totals</b>	<b>72,437</b>	<b>—</b>	<b>13,009</b>	<b>—</b>	<b>85,445</b>	<b>72,157</b>
<b>Expenditure Grand totals</b>	<b>75,758</b>	<b>—</b>	<b>13,009</b>	<b>—</b>	<b>88,767</b>	<b>75,420</b>

## 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
<b>Fixed assets</b>			
	6430: Anne Barnett endowment	2,000	2,000
	6432: PUNL shares	650	650
	<b>Total Fixed assets</b>	<b>2,650</b>	<b>2,650</b>
<b>Current assets</b>			
	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
	<b>Total Current assets</b>	<b>782,217</b>	<b>750,634</b>
<b>Liabilities</b>			
	6699: Agency collections	—	—
	Z04: Accounts Payable	919	751
	<b>Total Liabilities</b>	<b>919</b>	<b>751</b>
	<b>Net Asset surplus (deficit)</b>	<b>783,948</b>	<b>752,533</b>
<b>Reserves</b>			
	Excess / (deficit) to date	31,415	46,912
	Z01: Starting balances	752,533	705,621
	<b>Total Reserves</b>	<b>783,948</b>	<b>752,533</b>

*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 31<sup>st</sup> 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
Developmnt - Development Fund	11,250	—	—	—	—	—	11,250
Bell - Bell Fund	0	—	—	—	—	—	0
Flower - Flower Fund	(95)	449	421	—	—	—	(67)
<b>Totals</b>	<b>782,832</b>	<b>120,181</b>	<b>88,768</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>783,947</b>

### 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).

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