



holy trinity
Registered Charity No. 1131724

northwood

ANNUAL REPORT

Financial Review and Accounts



for the year 2022

**Presented to the
Annual Church Meeting
on 23 April 2023**

Financial Review

This review explains the financial activities of the Holy Trinity Church, Northwood ("the Church", technically the PCC) in a simple way to make them as understandable as possible. The full statutory financial statements, Independent Examiner's report and the budget for 2023 follow the review.

Key: **Blue** means good news, **Red** means bad news. Numbers are rounded for simplicity.

HEADLINES

- The Church made a general £3,000 surplus in 2022, having made a £5,000 surplus in 2021.
- Rising energy costs and inflation will make it very difficult to achieve the breakeven budget in 2023.
- All church members are invited to work together to achieve the goals of the parish, including financial goals.

General funds

2022 versus 2021

In 2022 the Church raised around £166,000 and spent £163,000 in its general account. This gives a surplus of £3,000. We were on track to have a deficit for 2022 before an appeal in December helped to cover the shortfall.

This compares to 2021 where we raised £152,000 and spent £147,000 which gave a surplus of £5,000.

The increase in money raised compared to 2021 comes mainly from Hall hire (+£7,500), cash given in services (+£4,000), donations (+£3,000) and fundraising (+£3,000), off-setting a reduction in planned giving (-£10,000).

The increase in money spent compared to 2021 is mostly due to church running costs (+£6,500), Hall costs (+£4,000) and youth work (+£4,000).

However, underlying these numbers is a real concern – income from planned giving fell 10% to £81,000 in 2022, down from £90,000 in 2021 and £95,000 in 2020. This is due to reduction in the number of donors. We don't expect this to fall much further in 2023, but the trend remains down rather than up. However, with costs increasing significantly with inflation, there is the possibility of a significant loss in 2023. Planned giving is the best way of giving for the church as it is reliable and helps planning.

Designated and Restricted Funds

The only activity in the 'designated' fund were donations for the AV System project of around **£11,000** plus gift aid of **£2,000**. The system was paid for in 2020, so this appears a bit misleadingly as a surplus in this year's accounts.

The only restricted activity was money collected in church for other charities which was passed on to the charities concerned.

Overall assets of the Church

The assets of the church increased by **£12,000** in 2022.

This was due to the **£3,000** general surplus and the **£12,000** AV System donation, offset by a reduction of **£3,000** as the value of our investments fell.

The total assets of **£458,000** is made up of a house used as accommodation for church staff (**£355,000**), **£46,000** in investments and **£56,000** cash in the bank. This may sound like a lot, but in 2023 we will have to fix some electrics in the church and replace windows in the office, costing around £40,000. The cash and investments would be used up quite quickly if that sort of thing happens again soon.

The Budget for 2023

The budget for 2023 is included at the end of this report. It reflects the expectations of the PCC for 2023 and would result in the money raised by the church matching the money spent in 2023. Overall income is budgeted to stay broadly the same - £167,000 in 2023 compared with £165,000 in 2022. Each individual income item is expected to be similar in 2023 to 2022, with a **reduction in expected donations** off-set by an **increase in expected fundraising**. The PCC does recognise that achieving the budgeted income will be challenging and we will need all of the Church to work together.

Overall costs are budgeted to increase from £161,000 to £167,000. **Increased energy costs** are offset to some degree **by reductions in church running costs and youth work**. As with the income budget, the PCC recognises that achieving the budgeted expenditure will be challenging. We will keep a close eye on the running costs of the Church as the year goes on.

We would welcome any ideas and help from all of you on how to raise money and reduce costs, such as ideas for fundraising and ways to reduce energy use!

*Jon Hooper
Treasurer
25 February 2023.*

Note on labelling of funds

Churches generally separate out their transactions and assets into three categories.

The main category is called 'general' or 'unrestricted' funds which are available for spending on anything.

The second category is called 'designated' funds, which are again funds which the church can spend on anything, but have been designated by the PCC towards a specific purpose.

Finally, the third category of funds is called 'restricted' as they can only be spent according to the wishes of the donor.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	Unrestricted Funds	Designated Funds	Restricted Funds	TOTAL 2022	2021
		£	£	£	£	£
INCOME AND ENDOWMENTS						
Voluntary Income	2a	121,491	13,069	1,223	135,783	228,979
Activities for generating funds	2b	9,378			9,378	4,162
Income from investments	2c	12,802			12,802	11,931
Income from church activities	2d	22,462			22,462	14,081
TOTAL INCOME		166,133	13,069	1,223	180,425	259,153
EXPENDITURE						
Charitable giving	3a	1,115	1,216	1,223	3,554	6,616
Church activities	3b	158,702	(28)	272	158,946	251,320
Investment outgoings	3c	2,694			2,694	2,664
TOTAL EXPENDITURE		162,511	1,188	1,495	165,194	260,600
SURPLUS / DEFICIT		3,622	11,881	(272)	15,231	(1,447)
Gains on investments		(2,726)	0		(2,726)	5,776
Transfers between funds		0	0	0	0	0
NET MOVEMENT IN FUNDS		896	11,881	(272)	12,505	4,329
Total funds brought forward		0	197,343	247,978	445,321	440,992
Total funds carried forward		896	209,224	247,706	457,826	445,321

BALANCE SHEET AS AT 31ST DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible	5a	355,438	355,438
Investments	5b	46,219	48,946
Office equipment	5c	0	0
		401,657	404,384
CURRENT ASSETS			
Debtors	6	12,796	60,047
Cash at bank		56,224	52,255
		69,020	112,302
TOTAL ASSETS		470,677	516,686
LIABILITIES			
Amounts falling due within 1 year	7	12,851	71,365
TOTAL NET ASSETS	8	457,826	445,321
REPRESENTED BY			
Funds:			
General	9	0	0
Designated	9	210,120	197,343
Restricted	9	247,706	247,978
		457,826	445,321

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations "true and fair view" provisions.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their affiliations to another body, nor those which are informal gatherings of church members.

Going Concern

The accounts have been prepared on a going concern basis which assumes that the charity will continue to operate for the foreseeable future. This is based on the Trustees opinion that the activity will continue due to support of their charitable activities.

If the charity were unable to continue to operate, adjustments would be made to provide for any further liabilities which may arise.

Assets

The financial statements have been prepared under the historical cost convention except for:

- a. The Church, built in 1854, and other consecrated and beneficed property assets, previously excluded from financial statements in accordance with generally accepted practice and now included as required by Charity Accounting regulations. Due to their location and purposes, and having no known cost, the value ascribed is nominal.
- b. Other property assets at cost.
- c. Moveable church furnishings at cost where known.
- d. Plant and equipment, over £1,000 with a life of 2 years and over, at cost

Depreciation

No depreciation is provided on consecrated and beneficed property as its cost is unknown and by reason of it being unsaleable by its nature and age, being 50 or more years old.

No depreciation is provided on other property assets as their current estimated residual value is not less than the carrying value and the remaining useful life exceeds 50 years.

Depreciation on plant, equipment and furnishings is calculated to write off their cost less their anticipated residual value over their estimated useful life.

Investments

Investments quoted on a recognised stock exchange or whose value derives from them are valued at market value at the year end.

Funds**Unrestricted Funds**

These represent the remaining income funds of the PCC that are available for spending on the general purposes of the PCC.

Designated Funds

These represent unrestricted amounts designated by the PCC for specific purposes which may well extend over one or more accounting periods.

Restricted Funds

These represent amounts received which must be used for the purpose specified by the donor.

As in previous years, the net movement on the general fund has been moved into the designated maintenance fund at the end of the year.

2. INCOME AND ENDOWMENTS

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Donations and Legacies	2a					
Planned giving		80,997			80,997	90,350
Open plate collections		6,192			6,192	2,451
Gift aid recoverable		22,730	2,293		25,023	25,228
Donations and appeals		11,572	10,776	1,223	23,571	110,950
Legacies						
		121,491	13,069	1,223	135,783	228,979
Activities for generating funds	2b					
Fund raising events		3,511			3,511	219
Holiday club		1,455			1,455	1,350
Other funds generated		4,412			4,412	2,593
		9,378	0	0	9,378	4,162
Investment income	2c					
Interest		2,802			2,802	2,331
Property rent		10,000			10,000	9,600
		12,802	0	0	12,802	11,931
Income from church activities	2d					
Fees payable to the PCC		3,712			3,712	2,844
Hall and Parish Rooms		18,750			18,750	11,237
		22,462	0	0	22,462	14,081
TOTAL INCOME		166,133	13,069	1,223	180,425	259,153

3. EXPENDITURE

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Missionary and charitable giving	3a	1,115	1,216	1,223	3,554	6,616
Church activities	3b					
Ministry:						
Parish		85,200			85,200	85,200
Staff expenses		2,016			2,016	858
Church running expenses		19,824			19,824	13,379
Hall and Parish Rooms		13,174			13,174	9,040
Property upkeep		0			0	180
Churchyard		150			150	671
Youth work costs		9,266			9,266	5,595
Services and resources		7,556		272	7,828	10,239
Holiday club		829			829	727
Administration		19,326			19,326	18,759
Fund Raising Costs		1,361	0		1,361	106
Other Costs		0			0	144
Refurbishments			(28)	0	(28)	106,422
		158,702	(28)	272	158,946	251,320
Investment outgoings	3c					
Property upkeep		2,694	0	0	2,694	2,664
TOTAL EXPENDITURE		162,511	1,188	1,495	165,194	260,600

4. Staff costs and Trustee Donations

	2022 £	2021 £
Within youth work costs and Church administration costs are:		
Salaries and employer's National Insurance	21,887	19,691
Employer's pension contributions	368	324
Total	22,255	20,015

Each of the four Readers was granted a sum of £250 each

Other than reimbursement of expenses incurred, no payments were paid to any PCC member, person closely connected or related to them, or related parties.

In 2022, members of the PCC, being Trustees of the Charity, contributed £29,371 by way of donations.

5. Fixed Assets	2022	2021
(a) Tangible		
Consecrated and benefice property assets - Hall, adjacent Parish Rooms with Flat at nominal value	2	2
Freehold property at cost	<u>355,436</u>	<u>355,436</u>
	<u>355,438</u>	<u>355,438</u>
(b) Investments		
Market value 1st January	48,946	43,170
Investments Sold at market value	0	0
Unrealised (loss)/gain on revaluation	<u>(2,727)</u>	<u>5,776</u>
Market value 31st December	<u>46,219</u>	<u>48,946</u>
The investments are in the CBF Investment Fund and the Equities Investment Fund for Charities (Charifund).		
(c) Equipment at cost	7,588	7,588
Less accumulated depreciation	<u>7,588</u>	<u>7,588</u>
Net book value at 31st December	<u>0</u>	<u>0</u>
6. Debtors (Unrestricted Funds)	2022	2021
Amounts falling due within one year:		
Gift aid recoverable	5,554	5,232
Other debtors	<u>7,242</u>	<u>54,815</u>
	<u>12,796</u>	<u>60,047</u>
7. Liabilities	2022	2021
Amounts falling due within one year:		
Accounts payable	8,331	7,471
Other creditors	<u>4,520</u>	<u>63,894</u>
	<u>12,851</u>	<u>71,365</u>

8. Analysis of net assets by fund

	General Fund	Designated Fund	Restricted Fund	Total Funds
	£	£	£	£
Tangible fixed assets		109,838	245,600	355,438
Investment fixed assets		46,219		46,219
Equipment fixed assets				0
Current assets	13,751	53,167	2,106	69,024
Current liabilities	(12,851)			(12,851)
	896	209,224	247,706	457,826

9. Funds

	Bal fwd 01 Jan 2022 £	Income £	Expenditure £	Losses £	Funds Transfer £	Bal fwd 31 Dec 2022 £
Unrestricted Fund						
General	-	166,133	(162,511)	(2,726)	(896)	-
Designated Funds						
Maintenance	39,344	896				40,240
House	109,838					109,838
Working Capital	18,500					18,500
Projects	26,986	11,853	28			38,867
Organ	2,675					2,675
Mission and charity	-	1,216	(1,216)			-
	197,343	13,965	(1,188)		0	210,120
Restricted Funds						
House	245,600					245,600
Projects	-		-			-
Organ	-	-				-
Mission and charity	-	1,223	(1,495)			(272)
Vicar's Discretionary	2,378	-	-			2,378
	247,978	1,223	(1,495)	-	-	247,706

10. Charitable and other donations

The PCC made grants totalling £3,554 (2021 - £6,166) from its funds, from special collections, fund raising events and on behalf of other beneficiaries from special collections and fund raising and passed on directly to them. The beneficiaries were:-

New Hope Trust	450
Diocese of London	70
Children's Society	295
Royal British Legion	210
Macmillan Coffee morning	521
Lynda Jackson	998
Alzheimer Society	225
Tearfund	455
Michael Sobel	330
	<hr/>
	3,554

In addition to the above the PCC paid out of youth work costs £852 to the London Diocesan Willesden Area Education Fund.

Approval of Report and Financial Statements

The Report, Financial Statements and Activity Reports were approved by the Parochial Church Council on 29th March 2022 and signed on their behalf, by Chairperson.

Ann Lynes

Independent Examiner's Report to the Parochial Church Council of Holy Trinity Northwood

I report on the accounts of the charity for the year ended 31st of December 2022 which are set out on pages 5 to 13.

Respective responsibilities of the PCC and examiner and basis of report

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

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

Basis of independent examiner's report

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- The accounting records were not kept in accordance with section 130 of the Charities Act: or
- The accounts did not accord with the accounting records: or
- The accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matter in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Date: 23 March 2023



Shahbaz Ahmed ACA; FCCA

LPS Livingstone Limited Chartered Accountants

Relevant Professional body: Institute of Chartered Accountants in England and Wales

Address:





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Olds Approach,
Tolpits Lane,
Watford,
WD18 9AB.

Holy Trinity Northwood

Budget for year ending 31st December 2023

General Fund	Actual for 2022	Budget for 2023
	£	£
Incoming Resources		
Planned Giving	80,998	83,200
Loose Plate	6,192	6,600
Gift Aid	22,730	22,800
Donations	10,667	8,700
Fund raising	3,511	5,500
Holiday Club	1,455	1,500
Other	4,412	4,400
Interest	2,802	2,000
Rent	10,000	10,600
Fees to PCC	3,712	3,700
Hall and Parish Rooms Hire	18,750	18,500
Total income	165,227	167,500
Outgoing Resources		
Common Fund	85,200	87,775
Staff expenses	2,016	2,000
Services and Resources	7,556	8,143
Church Running Costs	19,824	17,586
Youth Work	9,266	7,610
Holiday Club	829	750
Fund Raising Costs	1,361	0
Churchyard	150	500
Church Hall and Parish Rooms Costs	13,174	22,839
Administration	19,536	19,022
Cloister Flat	585	0
Tanworth Close House	2,110	1,275
Total expenditure	161,605	167,500
Surplus / (Deficit) for the period	3,622	-
Reduction in value of investments	-2,726	-
Overall Surplus / (Deficit)	896	-

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 holy trinity northwood <small>Registered Charity No. 1131724</small>			
a welcoming community of Christ  open to God  inclusive of all  serving one another			
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<hr/>			
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