

Charity Number: 1132444



HEXHAM ABBEY
HERITAGE • WORSHIP • COMMUNITY

**THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF HEXHAM ABBEY**

**REPORT OF THE MEMBERS OF THE PCC AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

1. Reference and Administrative Details of the Charity, its Members and Advisors

PCC Membership

Incumbent:

In Vacancy until 14th May 2020

The Rev'd David Glover (from 14th May 2020)

Honorary Associate Priest:

The Rev'd Claire Robson (until 22nd September 2020)

PCC Lay Chair:

Mrs Helen Milner MBE

Churchwardens

Mr Simon Caudwell (to APCM 2020)

Mrs Rachael Haywood Smith (re-elected APCM 2020)

Mr Richard Snow (re-elected APCM 2020)

Mrs Jane Pikett (re-elected APCM 2020)

Mrs Helen Milner MBE (re-elected APCM 2020)

Mr Richard Thornton (elected APCM 2020)

Representatives on Hexham Deanery Synod (serving a three-year term, 2020-2023)

Mr Hedley Everett (until APCM 2020)

Mr David Ratcliff (until APCM 2020)

Mrs Wendy Nott (until APCM 2020)

Mrs June Olliver (re-elected APCM 2020)

Ms Carol Wilson (re-elected APCM 2020)

Mr John Mitchell (elected APCM 2020)

Elected Members:

Mrs Michelle Mackie (to APCM 2020)

Mrs Jill Hughes (APCM 2018)

Mr Tony May (APCM 2018)

Ms Lynne Thomson (APCM 2018)

Mr Malcolm Thompson (APCM 2019)

Peter Cockerill – Hon Treasurer (re-elected at APCM 2020)

Mr William Tyson (re-elected at APCM 2020)

Mrs Frances Stride - PCC Secretary from 17th November 2020 (elected at APCM 2020)

Mrs Fiona Fannon (elected at APCM 2020)

Mrs Valerie Fawdry (elected at APCM 2020, resigned 17th November 2020)

In Attendance:

Mrs Esther Russell - PCC Secretary (until 14th February 2020)

Mrs Rachel Ogilvie - Finance Officer

Charity registered number

1132444

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

1. Reference and Administrative Details of the Charity, Its Members and Advisors (contd)

Principal Office

Hexham Abbey Parish Centre
Beaumont Street
Hexham
Northumberland
NE46 3NB

Independent Auditor

Dodd & Co Limited
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
Carlisle
CA1 2RW

Bankers

Barclays Bank plc
Priestpopple
Hexham
Northumberland
NE46 1PE

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Incumbent

In Vacancy until 14th May 2020
The Revd David Glover from 14th May 2020

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2020

The Parochial Church Council (the PCC) submits its annual report and the audited financial statements of the Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey (the charity) for the year ended 31 December 2020. The PCC confirms that the annual report and financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements of Hexham Abbey Trading Ltd, as a subsidiary undertaking, are consolidated into the PCC's accounts in accordance with the provisions of the SORP.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The PCC is a corporate body established by the Church of England. The PCC operates under the Parochial Church Councils (Powers) Measure 1956 as amended. Having annual gross income of over £100,000, the PCC is, as required, registered with the Charity Commission.

The principal object of the charity is the promotion of the gospel of Jesus Christ according to the doctrines and practices of the Church of England and through service to the wider community.

Method of appointment or election of members

The appointment of PCC members is governed and set out in the Church Representation Rules. The PCC comprises 17 members (1 clergy, 5 Churchwardens, 3 Deanery Synod Representatives, 8 elected members).

Policies adopted for the induction and training of members

New PCC members are given a copy of the PCC's policies, told about diocesan training events, and are supported in their understanding of the work of the PCC by the Rector and Lay Chair. Every new PCC member undergoes a DBS check.

Organisational structure and decision making

The PCC has an agreed governance policy detailing where decisions can be made by sub-committees, Standing Committee, PCC or the Rector. The day to day management of the Abbey is delegated to the Standing Committee.

Sub-committees work under the vision and mission of the Abbey and the overall direction of the Rector, Churchwardens and PCC. They undertake areas of work on the PCC's behalf and report back to the PCC to whom they are responsible. The chair and members of each sub-committee are appointed by the PCC. The sub-committees can co-opt additional members for specific tasks during the course of the year. Each sub-committee has at least one member of the PCC.

In 2020, in addition to the Standing Committee, the PCC had the following 4 sub-committees: Property Committee, Safeguarding Committee, Social Committee, and Fundraising Committee. In addition, the PCC had the following working groups: Music in the Abbey, Christmas Fair Group and Conservation Advisory Group.

The PCC is the sole shareholder of Hexham Abbey Trading Ltd (HATL), a company which is responsible for the operation of the refectory cafe and the letting of rooms in the Priory Buildings, as well as the Abbey Shop, which it manages in its existing premises alongside the Abbey. It operates on a commercial basis and makes qualifying charitable donations to the PCC equivalent to its entire taxable profit, thus reducing its corporation tax liability to nil.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2020 (contd)

Risk management

An analysis of existing controls to minimise the major risks to which the PCC is exposed has been undertaken and controls are reviewed on a regular basis.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The PCC works with the incumbent, the Rev'd David Glover in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

It is committed to enabling as many people as possible to worship at Hexham Abbey and to become part of the church community. During the Covid-19 pandemic it was committed to ensuring the provision of on-line worship when in person worship was not possible. The PCC has contact, through its database, with many more individuals who see themselves as connected with the life of the Abbey and it keeps in regular contact with them. The PCC maintains an overview of worship at the Abbey and makes suggestions about how services and outreach serve the needs of people who live in the parish and the wider area.

When planning its activities for the year, the PCC has considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In particular, it tries to enable ordinary people to live out their faith as part of the Abbey's parish community through its Vision: of a world where God's love is enjoyed, celebrated and shared. And its Mission Action Plan which states that, inspired by Andrew, Wilfrid and Etheldreda, we seek to grow in breadth and numbers, in faith and learning, in prayer and generosity.

To facilitate this work, the PCC maintains the fabric of the Abbey, the Parish Centre and the Priory Buildings (Carnaby Building and former Magistrates' Court Building) and adjoining land. It also employs a number of staff and enjoys the service of over one hundred and fifty volunteers.

Going concern

After making appropriate enquiries, the PCC forecasts and projections for the next twelve months show that the charity expects to continue in operational existence for that period, taking into account reasonable possible changes in performance and the potential impact on the charity of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact, which have included raising funds through a Bounce Back Appeal, a temporary reduction in staff working hours, appropriate use of HM Government's Covid-19 furlough scheme and a reduction in the amount of 'Parish Share' to be contributed to the Diocese in 2021. The charity has a positive cash position and is forecasting for this to continue to be the case. The Trustees remain confident that the uncertainties caused by COVID-19 do not cast significant doubt on the charity's ability to continue as a going concern. Based on the factors set out above the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Grant making policies

Helping those in need is a demonstration of the Christian faith. The PCC has a policy for choosing the charities it supports, to which it gives 5% of the income it receives from planned giving.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2020 (contd)

Safeguarding

On behalf of the PCC, the Safeguarding Committee keeps constantly abreast of developments in Church of England and Diocesan safeguarding policies and practices and implements them accordingly.

ACHIEVEMENTS AND PERFORMANCE

Statistics 2020 (2019)

- 247 (247) people on the Church Electoral Roll
- 0 (278) communicants on Easter Eve and Easter Day
- 0 (425) total attending services on Easter Eve and Easter Day
- 746 (1,265) at special Advent services for congregation and local community
- 0 (600) at special Advent services for schools or civic organisations
- 183 (370) communicants on Christmas Eve and Christmas Day
- 381 (1,500) total attending services on Christmas Eve and Christmas Day
- 4 (15) baptisms conducted
- 1 (10) couples married in church
- 32 (53) funerals were conducted, of which 16 (28) were held in the Abbey
- 0 (0) adults and 0 (0) young persons were confirmed

All numbers (except the Electoral Roll) have been hugely affected by Covid-19, which caused very significant disruption to Church life from March 2020 onwards.

In October the average weekly attendance in church for all services was 200 adults and 14 children. In addition to this approximately 40 people joined in October Zoom services.

During lockdown when the Abbey closed for worship approximately 130 people joined in Zoom worship each Sunday and about 50 people participating each Wednesday.

Review of activities

Due to the Covid-19 pandemic the Abbey's activities were severely curtailed in 2020.

Hexham Abbey's mission is promoted through the work of the PCC and its sub-committees, the ongoing life of the Church, and with the support of the Abbey's staff team. There are also many people who volunteer to undertake many different and varied tasks to support the life, mission and ministry of the Abbey, for which the PCC is very grateful.

Music

Under the leadership of Michael Haynes, Director of Music, assisted by Keith Dale, music has continued to flourish in the Abbey despite Covid-19 restrictions. Live Choral music was not permitted from March to the end of August and in November but the choirs were able to rehearse on-line and produced online recordings for the benefit of Zoom services. When choral singing was permitted the choirs adjusted to singing in smaller groups and supported Abbey worship wonderfully. This included supporting two new style Sunday evening services and a big programme of Covid secure Christmas Carol services. The PCC has seen the supporting of music during the pandemic as a top priority.

Almost all other music events in the Abbey were not possible in 2020 because of the Covid-19 pandemic.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2020 (contd)

Young People

Due to Covid-19 almost all of our children and young people's work had to be suspended. With no prospect of school visits being possible for the foreseeable future the Abbey's Educational Officer, Zoe Robinson, was, regrettably, made redundant in August. Messy Church and Tots Praise met at the beginning of the year and Tots Praise was able to resume briefly in the Autumn but in a very limited way due to Covid restrictions.

Due to the Covid restrictions no school visits to the Abbey were possible after February 2020 and Clergy were not able to visit in schools. No children's Christmas activities were able to take place in the Abbey although the Abbey did support Churches Together in Hexham's Nativity Trail. The Abbey also supported, both financially and practically, the Hexham Holiday club.

Pastoral Work

The usual pastoral support of clergy, lay ministers and Pastoral Visitors was hugely affected by Covid-19 with visits not being possible to nursing homes or, for the most part, private homes. The Pastoral Visiting Group continued to support people by phone and met as a team a number of times during the year. An enhanced Pew Sheet, telephone support, and then a considerable pattern of online Zoom worship, a weekly "coffee morning", and other online activities enabled people to feel supported and connected.

Local Community Outreach

We continue to nurture supportive relationships with West Northumberland Food Bank, Northumberland Domestic Abuse Service, the Community Partnership, Hexham Youth Initiative and Hexham East Stakeholder Group.

The usual shared activities such as the Christmas Lights' Switch on and the Christmas Markets were not possible in 2020 due to Covid. However the Abbey reached out to the community through Zoom worship, its enhanced pew sheet and ensuring that the Abbey was as available as possible to the community when regulations allowed. The Abbey held restricted but effective Christmas Fairs and organised enough Covid safe Carol services to meet wide community need.

The Abbey continues to allocate 5% of its Planned Giving to charities. In addition to supporting the Hexham Holiday Club, the bulk of the remainder went to the following charities:

20% The Calvert Trust at Kielder; 20% NDAS; 20% WERS; 20% West Northumberland Foodbank
20% Hexham Priory School.

Major Grants

We were successful in applying for a grant from the Cultural Recovery Major Works Fund for £357,000 to renew a large part of the Abbey Roof and the work on site began in the Autumn 2020 and will be completed in Spring 2021. The PCC is hugely grateful to the Hexham Abbey Restoration Trust which is funding the remainder of the project.

The PCC continues to be grateful to the Mercers Company both for financially supporting a Fundraising Manager, to shape a fundraising strategy and to raise money for major works identified by the Quinquennial Report, and for its regular grant which covers most of the cost of insuring the Abbey each year.

Other Staff News

We welcomed the Rev'd David Glover as our new Rector in May 2020, during the Abbey's first Institution Service via Zoom. David joined the service from the Abbey but everyone else was on line. Auston Winstanley retired as Verger in the summer and Zoe Robinson was made redundant but successfully found another position very quickly.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2020 (contd)

Plans for 2021

We welcome Henry Hope in the summer as a training Curate.

FINANCIAL REVIEW

The accounts for the year ended 31 December 2020 have been prepared in accordance with the accounting policies set out in note 1.1 to the accounts and comply with the Charities Act 2011, Financial Reporting Standard (FRS) 102 and the Charity Commission's Statement of Recommended Practice (SORP) applicable to charities.

Main Sources of Funds

The PCC relies heavily on support, gifts and donations received from its congregation, benefactors, visitors and fundraising events for which it is deeply grateful. This year we also received an excellent response to our Covid Bounce Back Appeal. The PCC has also benefited from significant grants to support key projects, as well as the Coronavirus Job Retention Scheme grants totalling £133,529 and business grants received in relation to Covid-19.

Performance for the year

The PCC's consolidated accounts incorporating the accounts of Hexham Abbey Trading Limited show a deficit for the year of £88,176, the main components of which was operational expenditure of £1,101,304 (£978,925 plus £122,379 depreciation charge), offset by grants, donations and other income of £1,013,128.

The PCC's consolidated designated funds stand at £2,798,229 which includes £2,301,803 in fixed assets. At the end of the year the PCC's general unrestricted fund stood at £83,303 and free reserves stood at £579,729 at the year end, including designated funds.

Reserves and Investment Policies

The PCC does not intend to build up large reserves. However, it faces particular uncertainties at present, so to minimise the risk of being unable to meet all its financial obligations as they fall due, including full payment of the diocesan parish share, it aims to hold sufficient liquid general fund resources to meet one year's operating costs. Cash required for immediate use is held in current accounts with a main clearing bank. Cash not required for immediate use is held in interest-bearing accounts with either a main clearing bank or an equivalent institution. The PCC has taken action to reduce its exposure to risk so that deposits are guaranteed under the Financial Services Compensation Scheme.

The PCC's ethical investment policy guides all investment decisions.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2020 (contd)

STATEMENT OF PCC's RESPONSIBILITIES

The Members of the PCC are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

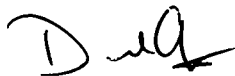
The law applicable to charities in England & Wales requires the Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Members are responsible for keeping proper accounting records that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Church Representation Rules as amended. The Members are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The PCC is responsible for the maintenance and integrity of the financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Members on 18 April 2021 and signed on their behalf by:



The Rev'd David Glover

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Independent Auditor's Report to the Members of the Ecclesiastical Parish of Hexham Abbey

Opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey (the "Charity") for the year ended 31 December 2020 which comprise Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated Summary Income and Expenditure Account, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2020 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note [1] to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Independent Auditor's Report to the Members of the Ecclesiastical Parish of Hexham Abbey

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the charity's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Independent Auditor's Report to the Members of the Ecclesiastical Parish of Hexham Abbey

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act and pensions legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. The key laws and regulations we considered in this context related to the Health and Safety Act.

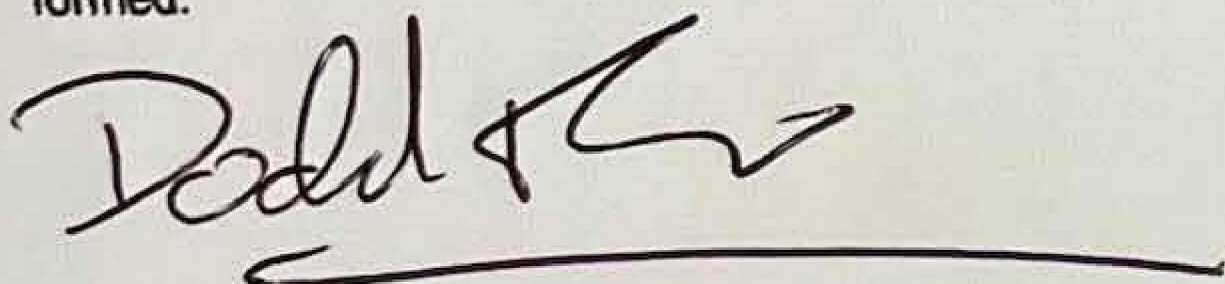
As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of this report

This report is made solely to the Charity's trustees, as a body, in accordance with section 151 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or the opinions we have formed.



Dodd & Co Limited, Statutory Auditors
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW
Date:

Dodd & Co Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Consolidated Statement of Financial Activities (incorporating income and expenditure account)
for the Year Ended 31 December 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and Legacies	2	303,716	468,094	771,810	536,732
Trading Activities	3	-	219,697	219,697	554,642
Investments	4	-	15,379	15,379	11,487
Charitable activities	5	-	2,797	2,797	6,655
Other Income	6	2,234	1,211	3,445	30,944
Total		305,950	707,178	1,013,128	1,140,460
Expenditure on:					
Raising funds	3	1,500	328,800	330,300	491,379
Charitable activities	7	266,738	499,224	765,962	802,023
Other Expenditure	11	5,042	-	5,042	25,853
		273,280	828,024	1,101,304	1,319,255
Other recognised gains/(losses):					
Gains/losses on revaluation of investment assets		-	-	-	(36,072)
Net income/(expenditure)		32,670	(120,846)	(88,176)	(214,867)
Transfers between funds		234	(234)	-	-
Net movement in funds		32,904	(121,080)	(88,176)	(214,867)
Reconciliation of funds:					
Total funds brought forward		167,515	3,002,612	3,170,127	3,384,994
Total funds carried forward		200,419	2,881,532	3,081,951	3,170,127

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**PCC Only Statement of Financial Activities (incorporating income and expenditure account)
for the Year Ended 31 December 2020**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Donations and Legacies	303,716	348,754	652,470	574,249
Trading Activities	-	16,840	16,840	31,482
Investments	-	15,379	15,379	11,487
Charitable activities	-	2,797	2,797	6,655
Other Income	2,234	1,211	3,445	30,944
Total	305,950	384,981	690,931	654,817
Expenditure on:				
Raising funds	1,500	6,178	7,678	14,894
Charitable activities	266,738	495,384	762,122	799,681
Other Expenditure	5,042	-	5,042	25,852
	273,280	501,562	774,842	840,427
Other recognised gains/(losses):				
Gains/losses on revaluation of investment assets	-	-	-	- 36,072
Net income/(expenditure)	32,670	(116,581)	(83,911)	- 221,682
Transfers between funds	234	(234)	-	-
Net movement in funds	32,904	(116,815)	(83,911)	- 221,682
Reconciliation of funds:				
Total funds brought forward	167,522	2,993,260	3,160,782	3,382,464
Total funds carried forward	200,426	2,876,445	3,076,871	3,160,782

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Consolidated Balance Sheet
for the Year Ended 31 December 2020**

	Note	£	2020 £	£	2019 £
NON-CURRENT ASSETS					
Tangible assets	13		415,358		536,674
Heritage assets	14		1,611,445		1,614,010
Investments	16		275,000		275,000
			<u>2,301,803</u>		<u>2,425,684</u>
CURRENT ASSETS					
Stocks			35,101	38,130	
Debtors	17		123,235	36,658	
Cash at bank and in hand			<u>774,808</u>	<u>748,774</u>	
			933,144	823,562	
CREDITORS: amounts falling due within one year	18		<u>(152,996)</u>	<u>(77,862)</u>	
NET CURRENT ASSETS			<u>780,148</u>	<u>745,700</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			3,081,951	3,171,384	
CREDITORS: amounts falling due after more than one year	19		-	(1,257)	
NET ASSETS			<u>3,081,951</u>	<u>3,170,127</u>	
CHARITY FUNDS					
Restricted funds	20		200,419	167,515	
Unrestricted funds	20		2,881,532	3,002,612	
TOTAL FUNDS			<u>3,081,951</u>	<u>3,170,127</u>	

The financial statements were approved by the Members on 18 April 2021 and signed on their behalf, by:

The Rev'd David Glover

The notes on pages 17 to 37 form part of these financial statements

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**PCC Only Balance Sheet
for the Year Ended 31 December 2020**

	Note	£	2020 £	£	2019 £
NON-CURRENT ASSETS					
Tangible assets	13		410,541		527,596
Heritage assets	14		1,611,445		1,614,010
Investments	15		40,693		1
Investment property	16		275,000		275,000
			<u>2,337,679</u>		<u>2,416,607</u>
CURRENT ASSETS					
Debtors	17	197,267		138,873	
Cash at bank and in hand		<u>682,750</u>		<u>660,230</u>	
		880,017		799,103	
CREDITORS: amounts falling due within one year	18	<u>(140,825)</u>		<u>(54,928)</u>	
NET CURRENT ASSETS			739,192		744,175
NET ASSETS			<u>3,076,871</u>		<u>3,160,782</u>
CHARITY FUNDS					
Restricted funds	20		200,426		167,522
Unrestricted funds			2,876,445		2,993,260
TOTAL FUNDS			<u>3,076,871</u>		<u>3,160,782</u>

The financial statements were approved by the Members on 18 April 2021 and signed on their behalf, by:

The Rev'd David Glover

The notes on pages 17 to 37 form part of these financial statements

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Group Cash Flow Statement
for the Year Ended 31 December 2020**

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	25	<u>9,153</u>	<u>(71,790)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		15,379	11,487
Purchase of property, plant and equipment		(1,063)	(11,414)
Purchase of heritage assets		2,565	2,565
Proceeds from sale of investments		-	-
Net cash provided by (used in) investing activities		<u>16,881</u>	<u>2,638</u>
Change in cash and cash equivalents in the reporting period		26,034	(69,152)
Cash and cash equivalents at the beginning of the reporting period		748,774	817,926
Cash and cash equivalents at the end of the reporting period	26	<u>774,808</u>	<u>748,774</u>

Analysis of changes in net debt:

	1 January 2020	Cash-flows	New finance leases	Other non- cash changes	31 December 2020
Cash	748,774	26,034	-	-	774,808
Finance lease obligations	(3,770)	2,262	-	-	(1,508)
Total	<u>745,004</u>	<u>28,296</u>	<u>-</u>	<u>-</u>	<u>773,300</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the PCC and its subsidiary undertakings.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.2 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Members in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Members for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 INCOME

All income is included in the Statement of Financial Activities when the charity has entitlement to the funds, probability of receipt and the amount can be measured with sufficient reliability.

For legacies, entitlement is when the legacy has been received or, if earlier, there is sufficient evidence that, in line with the SORP, it is probable that the legacy will be received and the value of the income can be measured with sufficient reliability.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Funds raised by events are accounted for gross of expenditure. Rental income from letting of church premises is accounted for on a receivable basis. Parochial fees due to the PCC for weddings, funerals etc. are accounted for on an event basis. Collections are recognised when made.

Grants are included as income when the income is received with the exception of grants to fund specific items of expenditure, where income is recognised in the period corresponding to the expenditure. Grants from the Heritage Lottery Fund are included as income when the conditions of probability, entitlement and measurability

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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

1. ACCOUNTING POLICIES

1.4 EXPENDITURE

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

The Diocesan parish share is accounted for when payable and any quota unpaid at the year end is shown as a creditor in the balance sheet.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Terminations and redundancy payments have been accounted for on a payable basis.

1.5 GOING CONCERN

The Charity has considered whether the use of going concern basis is appropriate. To do this, they have considered whether there are any material uncertainties as to the Charity's ability to continue as a going concern.

Following the COVID-19 outbreak, the trustees have prepared detailed budgets to take into account the uncertainties surrounding the pandemic and its effect on their ability to operate. As a result of this review, the trustees remain confident that there are sufficient financial resources available to see the Charity through until normal operations resume and are satisfied that there are no material uncertainties about the Charity's ability to continue as a going concern.

1.6 INVESTMENTS

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Dividends and interest are accounted for when due. Tax recoverable on such income is accrued for on the same basis.

1.7 STOCK

Stock is valued at the lower of cost and net realisable value.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,500 are capitalised by the PCC. No capitalisation de minimis has been applied in Hexham Abbey Trading Ltd.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property (other than heritage assets)	Not depreciated
Fixed equipment	10% straight line
Loose furniture and fittings	16.67% and 33.33% straight line
Office equipment	25% straight line
Other tangible fixed assets	2% straight line

Heritage Assets are not subject to depreciation but are subject to annual impairment review.

Consecrated and benefice properties are excluded from the financial statements in accordance with section 10 of the Charities Act 2011.

Moveable church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal are treated as inalienable property. Prior to 2008, all expenditure incurred on consecrated or beneficial buildings and movable church furnishings, whether maintenance or improvement, was written off. The SORP requires all improvement costs to be capitalised. No attempt has been made in these accounts to capitalise costs incurred in previous years. This departure from the SORP is considered justifiable on the basis that the depreciated value of these costs is unlikely to be material in the context of the accounts.

No attempt has been made to value artefacts and other historic objects held by the PCC for a considerable number of years and for which information relating to their original costs is not available.

1.9 INVESTMENT PROPERTIES

Investment properties are included in the accounts at fair value. No depreciation is charged on investment properties in line with FRS 102.

1.10 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of the PCC and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.11 OPERATING LEASES

Leases in which substantially all the risks and rewards are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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

2. DONATIONS AND LEGACIES	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Planned giving and income under gift aid	-	99,011	99,011	116,803
Service collections	-	2,838	2,838	16,432
Visitors' donations	-	27,123	27,123	31,125
Gift Aid reclaimed	57	37,893	37,950	30,620
The Mercers' Company	-	8,000	8,000	8,000
The Mercers' Charitable Foundation	15,000	-	15,000	15,000
Votive candles	-	4,111	4,111	11,310
Other donations	15,111	83,302	98,413	28,182
Listed place of Worship grant	-	34,772	34,772	38,479
Coronavirus Job Retention Scheme	-	133,529	133,529	-
Legacies	-	300	300	-
Grants receivable	273,548	37,215	310,763	240,781
	<u>303,716</u>	<u>468,094</u>	<u>771,810</u>	<u>536,732</u>

Of the £536,732 received in 2019, £265,030 related to PCC restricted funds and £271,702 related to unrestricted funds.

In addition to the income recorded above, donations of £735 (2019 - £7,286) were received from members of the public attending funerals and other services and paid over to various charities as agreed and announced at the services.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

3. TRADING ACTIVITIES

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Trading income				
Income from café, gift shop and lettings	-	203,629	203,629	514,610
Special fundraising events	-	-	-	5,180
Car park receipts	-	8,914	8,914	7,682
Music in the Abbey	-	732	732	4,159
Tour fees	-	292	292	9,344
Other fundraising events	-	6,130	6,130	13,667
	<u>-</u>	<u>219,697</u>	<u>219,697</u>	<u>554,642</u>

Of the £554,642 received in 2019, £3,618 related to restricted funds and £551,024 related to unrestricted funds.

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Trading expenses				
Staff costs	-	217,010	217,010	242,607
Special fundraising events	-	900	900	2,856
Car park	-	3,792	3,792	-
Costs relating to the café, gift shop and lettings	-	105,842	105,842	234,697
Music in the Abbey	-	203	203	2,020
Other fundraising expenses	1,500	1,053	2,553	9,199
	<u>1,500</u>	<u>328,800</u>	<u>330,300</u>	<u>491,379</u>

Of the £491,379 paid in 2019, £7,472 related to restricted funds and £483,907 related to unrestricted funds.

Net income from fundraising activities	<u>(1,500)</u>	<u>(109,103)</u>	<u>(110,603)</u>	<u>63,263</u>
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4. INVESTMENT INCOME

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Dividends and interest	-	5,179	5,179	4,519
Rental income	-	10,200	10,200	6,968
	<u>-</u>	<u>15,379</u>	<u>15,379</u>	<u>11,487</u>

Of the £11,487 received in 2019, all related to unrestricted funds.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Funeral and wedding fees and similar income	-	2,697	2,697	5,868
Income from school visits	-	100	100	787
	-	2,797	2,797	6,655

Of the £6,655 received in 2019, all related to unrestricted funds.

6. OTHER INCOME

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Insurance claim	-	-	-	2,148
Choir fund	1,985	-	1,985	15,461
Bellringers	249	-	249	797
Other income	-	1,211	1,211	12,538
	2,234	1,211	3,445	30,944

Of the £30,944 received in 2019, £16,258 related to restricted funds and £14,686 related to unrestricted funds.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
PCC costs	622,847	5,000	131,691	759,538	795,347
HATL costs	5,628	-	796	6,424	6,676
	628,475	5,000	132,487	765,962	802,023

Of the £802,023 paid in 2019, £226,921 related to restricted funds and £575,102 related to unrestricted funds.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

8. DIRECT COSTS

	PCC Costs	HATL Costs	Total	Total funds
	£	£	2020	2019
			£	£
Diocesan parish share	136,801	-	136,801	134,119
Worship, ministry and mission	3,070	-	3,070	4,457
Church running and maintenance costs	69,858	-	69,858	74,157
Choir and organ expenses	2,050	-	2,050	9,368
Major repairs and capital projects	191,285	-	191,285	244,786
Staff costs	74,514	-	74,514	71,926
Priory building running and maintenance costs	26,386	-	26,386	24,508
Priory Leschman garden	1,667	-	1,667	4,737
Festival of flame	2,572	-	2,572	9,820
Depreciation	114,644	5,628	120,272	119,816
	622,847	5,628	628,475	697,694

9. GRANT FUNDING OF ACTIVITIES

	Restricted	Unrestricted	Total	Total funds
	funds	funds	funds	2019
	2020	2020	2020	£
	£	£	£	
Mission and ministry activities	-	5,000	5,000	5,170
Outreach activities	-	-	-	108
	-	5,000	5,000	5,278

Included within the grants paid were the following grants of £500 or more:

Mission and ministry activities

Calvert Trust Keilder £930
 NDAS (Northumberland Domestic Abuse Services) £930
 WERS (West End Refugee Service) £930
 West Northumberland food bank £930
 Priory School Hexham £930

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

10. SUPPORT COSTS

	PCC Costs	HATL Costs	Total	Total funds
	£	£	2020	2019
			£	£
Premises costs	9,326	-	9,326	11,736
Office costs	5,229	-	5,229	5,906
Health and safety	1,202	-	1,202	1,001
Advertising and publicity	1,328	-	1,328	3,115
Staff costs	64,910	-	64,910	46,687
Professional fees	33,533	796	34,329	13,212
Auditor's remuneration	8,868	-	8,868	8,780
Depreciation	2,107	-	2,107	2,207
Other	5,188	-	5,188	6,407
	<u>131,691</u>	<u>796</u>	<u>132,487</u>	<u>99,051</u>

11. OTHER EXPENDITURE

	Restricted	Unrestricted	Total	Total funds
	funds 2020	funds	funds	2019
	£	2020	2020	£
		£	£	
Bell ringers	300	-	300	1,358
Choir fund	1,920	-	1,920	14,185
Other expenditure	2,822	-	2,822	-
Robson Drive capital repairs	-	-	-	10,310
	<u>5,042</u>	<u>-</u>	<u>5,042</u>	<u>25,853</u>

Of the £25,853 received in 2019, £15,543 related to restricted funds and £10,310 related to unrestricted

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

12. STAFF COSTS

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	327,975	361,634
National Insurance	12,573	19,324
Pension contributions	1,657	1,454
Death in service	1,300	1,085
	<u>343,505</u>	<u>383,497</u>

The average monthly number of employees during the year was as follows:

	2020	2019
	£	£
Employed by PCC	8	8
Employed by Hexham Abbey Heritage Trading Limited	<u>25</u>	<u>25</u>
	<u>33</u>	<u>33</u>
Employed by PCC - Full Time	-	-
Employed by PCC - Part Time	8	8
Employed by Hexham Abbey Heritage Trading Limited - Full Time	8	8
Employed by Hexham Abbey Heritage Trading Limited - Part Time	<u>17</u>	<u>17</u>
	<u>33</u>	<u>33</u>

No employee received remuneration amounting to more than £60,000 in either year.

None of the employees were Members of the PCC.

During the year, no PCC member received any remuneration or benefits in kind (2019 - £Nil).

During the year, no PCC member received any reimbursement of expenses (2019 - £Nil).

Key management personnel remuneration amounted to £73,776 in the year.

During the year both Hexham Abbey PCC and Hexham Abbey Trading Limited used the Government's Coronavirus Job Retention scheme which resulted in grants of £133,529 being received in the year ended 31 December 2020 to cover staff costs.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

13. TANGIBLE FIXED ASSETS - Group

	Freehold property £	Fixtures & fittings £	Total £
Group			
Cost			
At 1 January 2020	52,501	1,214,746	1,267,247
Additions	-	1,063	1,063
At 31 December 2020	<u>52,501</u>	<u>1,215,809</u>	<u>1,268,310</u>
Depreciation			
At 1 January 2020	-	730,573	730,573
Charge for the year	-	122,379	122,379
At 31 December 2020	<u>-</u>	<u>852,952</u>	<u>852,952</u>
Net book value			
At 31 December 2020	<u>52,501</u>	<u>362,857</u>	<u>415,358</u>
<i>At 31 December 2019</i>	<i>52,501</i>	<i>484,173</i>	<i>536,674</i>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

13. TANGIBLE FIXED ASSETS (continued) - PCC Only

	Freehold property £	Fixtures & fittings £	Total £
PCC			
Cost			
At 1 January 2020	52,501	733,931	786,432
Additions	-	(304)	(304)
At 31 December 2020	<u>52,501</u>	<u>733,627</u>	<u>786,128</u>
Depreciation			
At 1 January 2020	-	258,836	258,836
Charge for the year	-	116,751	116,751
At 31 December 2020	<u>-</u>	<u>375,587</u>	<u>375,587</u>
Net book value			
At 31 December 2020	<u>52,501</u>	<u>358,040</u>	<u>410,541</u>
<i>At 31 December 2019</i>	<i>52,501</i>	<i>475,095</i>	<i>527,596</i>

The net book value for freehold property is made up of one property:

1. The Parish Centre - A former cottage used as offices and meeting rooms. This property is maintained by the PCC and was brought into the financial statements approximately 14 years ago.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

14. HERITAGE ASSETS

	Henry Perlee Parker Painting	Land and Buildings £	Total £
Group			
Market value			
At 1 January 2020	15,000	1,599,010	1,614,010
Additions	-	(2,565)	(2,565)
At 31 December 2020	<u>15,000</u>	<u>1,596,445</u>	<u>1,611,445</u>

	Henry Perlee Parker Painting	Land and Buildings £	Total £
PCC			
Market value			
At 1 January 2020	15,000	1,599,010	1,614,010
Additions	-	(2,565)	(2,565)
At 31 December 2020	<u>15,000</u>	<u>1,596,445</u>	<u>1,611,445</u>

The net book value for land and buildings is made up of the following properties:

The Priory Buildings and adjoining land - Acquired for the Hexham Abbey Project and leased to Hexham Abbey Heritage, until 31 December 2017 when they were transferred to Hexham Abbey PCC. Expenditure on refurbishment of the Priory Buildings, but not expenditure on the exhibition or on furniture or equipment (except where this cannot practicably be separated from expenditure on the buildings), has been treated as relating to a heritage asset, which, having an indefinite life, is not subject to depreciation.

The Henry Perlee Parker Painting - Included at valuation, which was carried out by Anderson and Garland Valuers on 21 June 2004. The Members' consider that the current valuation of the painting will not be substantially different to the valuation carried out in 2004. The painting was reclassified from investments to heritage assets two years ago, as this is a more accurate reflection of the assets use and purpose.

Details of transactions relating to heritage assets for the past six years are as follows:

	Additions £
2014	1,447,723
2015-2017	49,985
2018	(2,565)
2019	(2,565)
2020	(2,565)

The PCC also owns The Deposition, a 16th century Flemish oil-on-canvas painting now known to be the centrepiece of a triptych. The painting is not presently kept in the Abbey, as the PCC has loaned the painting to a third party charity for exhibition. The characteristics and provenance of The Deposition mean that the trustees are unable to obtain a reliable estimate of valuation in accordance with FRS102, the range of valuations already having been obtained stretching from £80,000 to £150,000. On this basis, The Deposition has not been included as a heritage asset in the balance sheet.

15. FIXED ASSET INVESTMENTS

	Holding in subsidiary undertaking £
PCC	
Market value	
At 1 January 2020	1
Additions	40,692
At 31 December 2020	<u>40,693</u>

All the fixed asset investments are held in the UK.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

16. INVESTMENT PROPERTY

	<u>Unrestricted</u>
VALUATION	
At 1 January 2020	275,000
Transfer	-
Disposals	-
Revaluation	
At 31 December 2020	<u><u>275,000</u></u>

All investment properties are freehold. Investment properties were last valued during the year ended 31 December 2020 based on the trustees estimate of fair value.

17. DEBTORS

	<u>Group</u>		<u>PCC</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Trade debtors	1,623	17,101	1,121	2,936
Amounts owed by group undertakings	-	-	75,458	117,598
Other debtors	106,360	8,158	105,436	6,940
Prepayments and accrued income	15,252	11,399	15,252	11,399
	<u>123,235</u>	<u>36,658</u>	<u>197,267</u>	<u>138,873</u>

18. CREDITORS

Amounts falling due within one year

	<u>Group</u>		<u>PCC</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Trade creditors	114,864	32,200	110,126	13,360
Amounts owed to group undertakings	-	-	19,699	28,716
Other taxation and social security	10,285	21,763	(3,945)	59
Other creditors	1,257	1,883	-	-
Accruals and deferred income	26,590	22,016	14,945	12,793
	<u>152,996</u>	<u>77,862</u>	<u>140,825</u>	<u>54,928</u>

19. CREDITORS

Amounts falling due after more than one year

	<u>Group</u>		<u>PCC</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Hire purchase	-	1,257	-	-
	<u>-</u>	<u>1,257</u>	<u>-</u>	<u>-</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

20. STATEMENT OF FUNDS

Restricted funds

	Brought forward 2020 £	Income 2020 £	Expenditure 2020 £	Transfers 2020	Carried forward 2020 £
Choir fund	3,743	1,985	(1,920)	-	3,808
Hexham Abbey Guild of Bellringers	3,697	305	(300)	-	3,702
Tyrrell Bequest	83,406	-	(10,378)	(8,183)	64,845
The Mercers' Charitable Foundation	-	15,000	(15,000)	-	-
Chorister Prizes	945	-	-	-	945
Abbey roof	41,203	6,001	-	-	47,204
Medieval panel paintings	2,006	8,353	-	-	10,359
Prior Leschman Garden	3,822	-	(1,667)	-	2,155
Hexham Abbey Restoration Trust (HART)	-	101,920	(75,429)	-	26,491
Friends of Cathedral Music grants	4,697	-	(643)	-	4,054
Sequestration fund	1,468	758	(2,226)	-	-
Festival of Flame	-	2,850	(2,850)	-	-
The Mercers Company FR grant	22,528	-	(22,528)	8,417	8,417
The Ousley Church Music Trust	-	2,700	-	-	2,700
Gillian Dickinson Grant	-	3,888	-	-	3,888
Rothley Trust Grant	-	1,000	(24)	-	976
Historic England Civic 19 Heritage at Risk Response Fund	-	18,375	-	-	18,375
Culture Recovery Fund for Heritage	-	140,315	(140,315)	-	-
William Leech	-	2,500	-	-	2,500
	167,515	305,950	(273,280)	234	200,419

Comparative restricted funds

	Brought forward 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019	Carried forward 2019 £
Choir fund	2,466	15,461	(14,184)	-	3,743
Hexham Abbey Guild of Bellringers	4,177	878	(1,358)	-	3,697
Tyrrell Bequest	83,406	-	-	-	83,406
Friends of Hexham Abbey Music	-	2,500	(2,500)	-	-
The Mercers' Charitable Foundation	-	15,000	(15,000)	-	-
Chorister Prizes	1,035	-	(090)	-	945
Abbey roof	34,231	7,492	(520)	-	41,203
Medieval panel paintings	2,006	-	-	-	2,006
Prior Leschman Garden	5,224	1,735	(3,137)	-	3,822
Heritage and learning outreach	(58)	-	-	58	-
Hexham Abbey Restoration Trust (HART)	-	192,421	(192,421)	-	-
Friends of Cathedral Music grants	-	8,000	(3,303)	-	4,697
Sequestration fund	-	1,468	-	-	1,468
Festival of Flame	-	9,950	(9,950)	-	-
The Mercers Company FR grant	-	30,000	(7,472)	-	22,528
	132,487	284,905	(249,935)	58	167,515

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Notes to the financial statements for the year ended 31 December 2020

PCC Restricted Funds

Choir Fund – Funds raised from the activities of the Hexham Abbey Choir to be applied towards activities and purchases as specified by the Choir, including choir tours.

Hexham Abbey Guild of Bellringers - Funds raised from the activities of the Guild of Bellringers are to be applied towards activities and purchases as specified by the members of the Guild.

Tyrrell Bequest – A bequest from the estate of Mrs Marjorie Tyrrell to be applied "towards such improvement to and restoration of the fabric of Hexham Abbey as the Rector and Churchwardens in their absolute discretion think fit and with the wish that the residuary estate be applied firstly to towards the provision of stained glass in the windows at the south end of the south transept of Hexham Abbey". The Rector and the churchwardens, in association with the PCC have earmarked the balance of this bequest for future restoration of the Phelps organ and general repair and maintenance of the fabric of the Abbey.

Friends of Hexham Abbey Music – Annual donation towards the salary of the Assistant Organist.

The Mercers' Charitable Foundation - Annual contributions towards the cost of insuring the Abbey.

Chorister Prizes – Donation to encourage the work of the choirs; to be organised in prize form divided in two parts separately and equally between boy and girl choristers, at the discretion of the Director of Music over a number of years.

Abbey Roof – Donations and funds raised for the repair of the Abbey roof, in addition to those earmarked or designated from legacies.

Medieval Panel Paintings - Donation received for the upkeep and refurbishment of the medieval panelled paintings within the Abbey and Priory buildings.

Prior Leschman Garden - For redevelopment of the Prior Leschman garden, including a medieval herb garden, to complement the redevelopment of the priory buildings.

Heritage and Learning Outreach - For paid-for activities, surplus funds from which can be re-used to invest in further activities and to broaden the range of people able to join in them.

Hexham Abbey Restoration Trust (HART) - A charitable trust, which is separate to the charity and its subsidiaries, that awards grants to the Abbey to assist with restorative work, capital expenditure and unforeseen repairs.

Friends of Cathedral music - A fund to help the purchase of new robes, new music and singing lessons for the choristers.

Sequestration fund - Income collected through fees that would have been due to the DBF on behalf of the incumbent but held in benefit to the next incumbent in the interregnum.

Festival of Flame - Donations and grants received to fund an event whereby the Abbey was illuminated only by candlelight.

The Mercers Company FR grant - A grant to fund the position of a fundraising officer.

The Ousley Church Music Trust - a fund for choral outreach work to schools to encourage choral singing and choir membership.

Gillian Dickinson Trust - a fund for choral outreach work to schools to encourage choral singing and choir membership.

Rothley Trust Grant - a grant toward providing children's guides and information leaflets.

Historic England Covid-19 Heritage at Risk Response Fund - A grant to fund work required to improve the damp conditions of the Crypt.

Culture Recovery Fund for Heritage - A grant to fund significant roof replacement works

William Leech - a fund to support the cost of music staff for the running of the Abbey choirs and to fund the purchase of new music stands

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2020**

	Brought forward 2020 £	Income 2020 £	Expenditure 2020 £	Transfers in/out 2020 £	Other 2020 £	Carried forward 2020 £
Designated funds						
Property Maintenance and Conservation:						
Watson, Edwards & Emerson bequests	13,495	-	-	-	-	13,495
Other	136,014	-	-	-	-	136,014
Mission and Ministry fund	10,591	-	-	-	-	10,591
Outreach work	8,372	-	-	-	-	8,372
Music in the Abbey	1,000	1,796	(1,797)	-	-	999
Norman Hill Bequest (Vestments)	2,824	-	-	-	-	2,824
Fixed Assets (Freehold land and buildings and fixtures and fittings)	802,102	-	(120,784)	1,063	-	682,381
Fixed Assets (Heritage Assets)	1,614,010	-	-	(2,569)	-	1,611,441
Fixed Assets (Information Screens)	9,572	-	(1,595)	-	-	7,977
The Mercers' Company	-	8,000	(8,000)	-	-	-
Abbey roof - Margaret Watson bequest	250,000	-	-	-	-	250,000
Abbey roof - Ann Edwards legacy	14,917	-	-	-	-	14,917
Prior Leschman Garden (Disposal of Lowgate)	9,218	-	-	-	-	9,218
Nora Horne Legacy (Abbey Roof replacement)	50,000	-	-	-	-	50,000
	2,922,115	9,796	(132,176)	(1,506)	-	2,798,229
General fund						
General funds - all funds	80,497	697,382	(695,848)	1,272	-	83,303
Total Unrestricted funds	3,002,612	707,178	(828,024)	(234)	-	2,881,532

Comparative funds

	Brought forward 2019 £	Income 2019 £	Expenditure 2019 £	Transfers in/out 2019 £	Gains /losses 2019	Carried forward 2019 £
Designated funds						
Property Maintenance and Conservation:						
Watson, Edwards & Emerson bequests	20,995	-	(7,500)	-	-	13,495
Other	136,014	-	-	-	-	136,014
Mission and Ministry fund	12,591	-	(2,000)	-	-	10,591
Outreach work	10,372	-	(2,000)	-	-	8,372
Music in the Abbey	1,000	4,840	(2,220)	(2,620)	-	1,000
Norman Hill Bequest (Vestments)	3,031	-	(207)	-	-	2,824
Fixed Assets (Freehold land and buildings and fixtures and fittings)	944,656	-	(120,428)	13,946	(36,072)	802,102
Fixed Assets (Heritage Assets)	1,616,575	-	-	(2,565)	-	1,614,010
Fixed Assets (Information Screens)	11,167	-	(1,595)	-	-	9,572
Alan Rowell bequest (choir robes)	3,353	-	-	(3,353)	-	-
The Mercers' Company	-	8,000	(8,000)	-	-	-
Henry Bell grant (Education work)	2,005	700	(2,705)	-	-	-
Abbey roof - Margaret Watson bequest	250,000	-	-	-	-	250,000
Abbey roof - Ann Edwards legacy	14,917	-	-	-	-	14,917
Prior Leschman Garden (Disposal of Lowgate)	10,818	-	(1,600)	-	-	9,218
Nora Horne Legacy (Abbey Roof replacement)	50,000	-	-	-	-	50,000
	3,087,494	13,540	(148,255)	5,408	(36,072)	2,922,115
General fund						
General funds - all funds	165,013	842,014	(921,064)	(5,466)	-	80,497
Total Unrestricted funds	3,252,507	855,554	(1,069,319)	(58)	(36,072)	3,002,612

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2020

DESIGNATED FUNDS

Property Maintenance and Conservation Fund – Mindful of the unique building and its heritage that is Hexham Abbey, a fund designated for maintenance and conservation costs of this very special building, including portions of a number of legacies

Mission and Ministry Fund – A fund designated to ensure money is available when required for identified projects of a religious nature.

Outreach Work – A fund designated to ensure money is available when required for identified projects connected with social welfare for the community and people of Hexham and further afield.

Music in the Abbey – A fund for the running of the Music in the Abbey concert series, to provide a working balance of £1,000.

Norman Hill Bequest – The balance of a legacy from the Reverend Norman Hill for the commissioning of new vestments and altar linen.

Fixed Assets Freehold Land and Buildings and Fixtures and Fittings – Includes The Parish Centre and 29 Robson Drive and fixtures and fittings.

Fixed Assets (Heritage Assets) – The Priory Buildings and adjoining land.

Fixed Assets (Information Screens) - Information screens in the slype and porch entrances to the abbey.

Alan Rowell bequest (choir robes) – A bequest from a former chorister designated for new choir robes.

The Mercers' Company - An annual contribution towards the general running costs of the Abbey.

Henry Bell grant – Grants from the Henry Bell Trust designated for the Education and Community Officer's work with visiting schools.

Abbey Roof (Margaret Watson Bequest and Ann Edwards legacy) – The major part of an unrestricted bequest from the estate of Mrs Margaret Watson and part of an unrestricted bequest from the estate of Ann Edwards designated for the repair of the Abbey roof.

Prior Leschman Garden – The net proceeds from the disposal of Lowgate Church, designated as a contribution towards the redevelopment of the Prior Leschman garden as a medieval herb garden to complement the refurbishment of the Priory Buildings.

Nora Home Legacy (Abbey Roof replacement) - This is a legacy received by Hexham Abbey PCC which has been designated by the trustees for the replacement of the Abbey roof.

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**Notes to the financial statements
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SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Other	Carried forward £
Designated funds	2,922,115	9,796	(132,176)	(1,506)		2,798,229
General funds	80,497	697,382	(695,848)	1,272		83,303
	<u>3,002,612</u>	<u>707,178</u>	<u>(828,024)</u>	<u>(234)</u>		<u>2,881,532</u>
Restricted funds	167,515	305,950	(273,280)	234		200,419
	<u>3,170,127</u>	<u>1,013,128</u>	<u>(1,101,304)</u>	<u>-</u>		<u>3,081,951</u>

Transfers

The transfers between funds represent wages of staff in restricted costs being paid for by the unrestricted CJRS grant, and £5,000 expenditure in 2019 that has been reclassified from unrestricted to the restricted Tyrell Bequest Fund.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	415,358	415,358	-	536,674	536,674
Heritage assets	-	1,611,445	1,611,445	-	1,614,010	1,614,010
Investment properties	-	275,000	275,000	-	275,000	275,000
Current assets	200,419	732,725	933,144	167,515	656,047	823,562
Creditors due within one year	-	(152,996)	(152,996)	-	(77,862)	(77,862)
Creditors due in more than one year	-	-	-	-	(1,257)	(1,257)
	<u>200,419</u>	<u>2,881,532</u>	<u>3,081,951</u>	<u>167,515</u>	<u>3,002,612</u>	<u>3,170,127</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2020

22. SUBSIDIARY UNDERTAKINGS

Company name	Country	Control	Description
Hexham Abbey Trading Ltd	England & Wales	100%	Company limited by shares, of which the PCC of Hexham Abbey is the sole shareholder, with a £40,693 ordinary shareholding. Company number 07719334.

Hexham Abbey Trading Ltd is a separate non-charitable company which undertakes the day-to-day delivery of services in the buildings, including the operation of the café and the letting of rooms in the buildings. It also manages the Abbey Shop in its existing premises alongside the Abbey. It operates on a commercial basis but may make qualifying charitable donations to the PCC equivalent to its entire profit, thus reducing its corporation tax liability to nil. In 2020 it made a qualifying charitable donation to Hexham Abbey PCC of £12,894, of which all was outstanding at the end of the year. Hexham Abbey Trading Limited converted a £40,692 debt to Hexham Abbey PCC into share capital, thereby increasing Hexham Abbey PCC's shareholding from £1 to £40,693.

The results and balance sheets of the subsidiary are summarised below:

Summary of income and expenditure

	Hexham Abbey Trading Limited	
	2020	2019
	£	£
Total income for the year	339,035	528,777
Total expenditure in the year	(330,402)	(484,712)
Total	<u>8,633</u>	<u>44,065</u>

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**Notes to the financial statements
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Balance sheet summary

Hexham Abbey Trading Limited

	2020	2019
	£	£
Fixed assets	4,818	9,079
Current assets	148,020	170,505
Current liabilities	(107,328)	(128,556)
Long term liabilities	-	(41,949)
Total	<u>45,510</u>	<u>9,079</u>

23. RELATED PARTY TRANSACTIONS

Donations from members of £18,500 were received during the year. There are no further related party transactions during the year.

24. Capital commitments

At the balance sheet date the PCC had committed to the following VAT-exclusive capital expenditure:

Kaefer roof project contract amount	228,069
Less spent in year	<u>(110,886)</u>
	<u>117,183</u>

The contract is for major repair work to the Abbey roof.

25. COMMITMENTS UNDER OPERATING LEASES

<u>Future minimum lease payments</u>	2020	2019
<u>Other</u>		
Not later than one year	2,805	2,128
Later than one year and not later than five years	-	2,805
Total	<u>2,805</u>	<u>4,933</u>

Operating lease payments of £2,128 were recognised as an expense during the year.

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**Notes to the financial statements
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26. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020	2019
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(88,176)	(214,867)
Depreciation charges	122,379	122,023
(Gains)/Losses on investments		36,072
Dividends, interest and rents from investments	(15,379)	(11,487)
(Increase)/decrease in stocks	3,029	6,270
(Increase)/decrease in debtors	(86,577)	(14,881)
Increase/(decrease) in creditors	73,877	5,080
Net cash provided by (used in) operating activities	<u>9,153</u>	<u>(71,790)</u>

27. Analysis of cash and cash equivalents

	2020	2019
Cash at bank and in hand	<u>774,808</u>	<u>748,774</u>