

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 2022**

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:

The Rev'd David Glover

Assistant Curates:

The Rev'd Elaine Ryder (until 30 June 2022)

The Rev'd Henry Hope

PCC Lay Chair:

Mrs Helen Milner MBE

Churchwardens

Mrs Rachael Haywood Smith (re-elected APCM 2022)

Mrs Jane Pikett (re-elected at APCM 2022)

Mrs Helen Milner MBE (re-elected APCM 2022)

Mr Richard Thornton (re-elected APCM 2022)

Mr Malcolm Thompson (elected APCM 2022)

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

Mrs June Olliver (re-elected APCM 2020)

Ms Carol Wilson (re-elected APCM 2020)

Mr John Mitchell (elected APCM 2020)

Mrs Linda Rowell (elected APCM 2021)

Elected Members:

Mr Steve Brown (elected APCM 2022)

Mr Tony May (re-elected APCM 2021)

Mrs Wendy Knott (elected APCM 2022)

Mrs Frances Stride - PCC Secretary (elected at APCM 2020)

Ms Lynne Thomson (re-elected APCM 2021)

Mr William Tyson (re-elected at APCM 2020)

Mrs Fiona Finnon (elected at APCM 2020)

Mrs Vivien Drydon (elected at APCM 2021)

Mrs Caroline Jackson (co-opted at APCM 2021 and elected at APCM 2022)

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 Audit 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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report of the PCC Members for the Year Ended 31 December 2022

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 2022. 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 as amended by the Charities Act 2022 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 published on 16 July 2014.

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 (3 clergy (2 from 1 July 2022) 5 Churchwardens, 4 Deanery Synod Representatives, 6 elected members (and 1 co-opted member until APCM 2022).

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 and Safeguarding training.

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 2022, in addition to the Standing Committee, the PCC had the following 2 sub-committees: Property Committee and Safeguarding Committee. In addition, the PCC had the following working groups: Christmas Fair Group, Conservation Advisory Group, 1350th Planning 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 net profit, thus reducing its corporation tax liability to nil.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report of the PCC Members for the Year Ended 31 December 2022 (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. The PCC is also committed to ensuring that on-line worship is available for those unable to access in person worship and this has been widely used. 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, Wifrid 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 seventy 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

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 of the PCC Members for the Year Ended 31 December 2022 (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 2023 (2022)

282 (247) people on the Church Electoral Roll
205 (150) communicants on Easter Eve and Easter Day
371 (279) total attending services on Easter Eve and Easter Day
1337 (967) at special Advent services for congregation and local community
1090 (145) at special Advent services for schools or civic organisations
276 (221) communicants on Christmas Eve and Christmas Day
838 (519) total attending services on Christmas Eve and Christmas Day
12 (11) baptisms conducted
11 (7) couples married in church
41 (59) funerals were conducted, of which 26 (34) were held in the Abbey
0 (0) adults and 0 (0) young persons were confirmed

There has been a significant increase in much of the activity following emergence from the Covid-19 pandemic. In particular Christmas saw a full return to our normal patterns of worship and this was reflected in the attendance numbers.

In October the average attendance in church, each week, for all regular services was 211 (191) adults and 44 (44) children. In addition to this approximately 25 (30) people joined in October on-line services.

In addition to services about 45 people have taken part in GiFT groups which meet regularly for prayer, study and fellowship and regular Holy Communion services have been held in care homes.

Review of activities

2022 began with Omicron variant of Covid-19 still affecting the activities of the Abbey. From Easter 2022 the effects of Covid had largely ended and the Abbey Community began to operate on a more normal footing. This saw a rapid increase in activity and in 'in person' participation at events and services.

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, music has flourished during 2022. In particular the choir has seen significant recruitment in the treble line. Throughout the year the choir enabled a full programme of choral services and during term time sings at 4 services each week. Following the Covid-19 pandemic the choirs underwent some restructuring and this has been embedded during 2022. As well as its huge contribution to Sunday worship and twice weekly Choral Evensongs, the choir has contributed to a number of other significant events, including 2 very well attended Christmas Carol Services. Mrs Cath Newson provides logistical and social support to enhance the welfare and overall experience of the children in the choir. She is ably supported by an excellent team of chaperones and the Curate, the Rev'd Dr Henry Hope. During 2022 the Choir took part in the three choirs' Festival in Carlisle, sang the Sunday services at Beverley Minster and engaged in a tour of Majorca, performing two concerts and singing at several services. The PCC continues to see the supporting of music as a top priority.

Young People

During the Covid-19 pandemic almost all of our children and young people's work had to be suspended. However 2022 saw a renewed engagement in children's work enabled by a very able and dedicated team, supported by the clergy. This has seen Abbey Tots Praise, Messy Church and

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report of the PCC Members for the Year Ended 31 December 2022 (contd)

the Sunday Morning Cloister Club running very successfully. Numbers attending can vary significantly from week to week/month to month and some aspects of the work, especially Cloister Club, are still quite fragile. However, the PCC is delighted to see this work growing and recognises it as crucial to the mission of the Abbey and is committed to seeing it flourish. As mentioned earlier, support of the children and young people in the choir, and the development of choir social activities, has been enhanced by the PCC agreeing to increase Cath Newson's hours to support the choir.

Once again, this year, there have been some excellent children's holiday activities organised by Cath Newson who, alongside her work as Fundraiser, has continued as the Abbey's Community Engagement Manager. This has included working with schools and developing and delivering the Abbey's offer for educational visits. 2022 has seen a significant return to schools visiting the Abbey for educational visits organised by Cath Newson and delivered by her and a team of volunteers.

The end to the Covid-19 restrictions has also enabled the clergy to visit schools and conduct assemblies. During 2022 links were strongly renewed with the Sele School, Hexham First School and Hexham Middle School. All three schools attended the Abbey for Christmas and other services.

The PCC also ensured that Hexham Holiday Club was supported both financially and through practical assistance.

Pastoral Work

Following the lifting of Covid-19 restrictions pastoral care was able to resume more traditional patterns. It became possible to visit nursing homes again and a dedicated team ensure Holy Communion is provided in Care Homes and to others who are housebound. Hospital visits became more straightforward and the clergy visited a number of parishioners in hospital. The Abbey Pastoral Visiting team re-grouped and is once again visiting housebound parishioners and others who benefit from such contact. The Abbey Bereavement Team has continued to support a regular Memorial Service and organises a Bereavement Coffee Morning in the week following the service. These have proved to be very effective ways of supporting bereaved families. A Poetry and Faith group meets on a regular basis. The weekly Pew Sheet continues to offer excellent communication to members of the congregation and others. During 2022 the Abbey ran a successful GiFT programme enabling people to meet together in small groups for fellowship, bible study and learning. It also ran a course enabling the congregation to engage in the issues of human sexuality explored in 'Living in Love and Faith'. Space was made available in the Abbey as a 'warm hub' for families and this has been well used as has a weekly 'Games Cafe' which is aimed at 13-18 year olds.

Local Community Outreach

We continue to nurture supportive relationships with West Northumberland Food Bank, Northumberland Domestic Abuse Service, the Hexham Community Partnership, and other projects within the Hexham area. The PCC has been keen to forge closer relationships with the Town Council and to engage fully in shared initiatives which benefit the wider community. In particular, the Abbey has hosted the Town Council's 'Net Zero Fairs', an NDAS presentation, White Ribbon Sunday, Royal Jubilee celebrations, the County service of Commemoration on the death of HM the Queen, the induction of the High Sheriff of Northumberland etc. The Abbey held a very effective Christmas Fair and supported a number of events in the lead up to Christmas including a Festival of Flame which attracted many hundreds of visitors.

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% NDAS; 20% WERS; 20% West Northumberland Foodbank; 13.3% St Paul's Children's Project; 13.3% SEDCU; 13.3% The Children's Society.

Major Grants

In 2022 the Abbey benefitted from grants totalling £293,513. This included some significant grants for East end masonry repairs as well as grants to cover work with young people, staff well-being and the Museum of the Moon (an exhibition which will take place in the autumn of 2023).

The PCC continues to be grateful to the Mercers Company for its regular grant which covers most of the cost of insuring the Abbey each year.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report of the PCC Members for the Year Ended 31 December 2022 (contd)

Staff News

The Rev'd Elaine Ryder moved on from the Abbey in June 2022 and has retired to Scotland. The Lead Verger left the Abbey in June 2022 to take up another appointment and been replaced by Mr Jason Cone. The verger department has further been strengthened by the appointment of Mr John Mitchell as relief verger, alongside Mr Austin Winstanley.

Other developments

The Abbey continues its commitment to addressing the climate change crisis and is seeking to adhere to the Church of England's policies on net zero targets.

The PCC began to seriously address issues around its annual budget deficit and made plans for introducing a variety of changes in 2023 particularly aimed at increasing income from the Abbey's many visitors.

FINANCIAL REVIEW

The accounts for the year ended 31 December 2022 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 as amended by the Charities Act 2022, 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 the PCC has also benefited from significant grants from the Hexham Abbey Restoration Trust (£110,000) and Suez (£50,000) towards the masonry works on the east end of the Abbey.

Performance for the year

The PCC's consolidated accounts incorporating the accounts of Hexham Abbey Trading Limited show a deficit for the year of £228,431, the main components for which was operational expenditure of £1,445,801 (£1,321,731 plus £124,070 depreciation charge) alongside grants, donations and other income of £1,217,370.

The PCC's consolidated designated funds stand at £2,582,694 which includes £2,088,124 in fixed assets. At the end of the year the PCC's general unrestricted fund stood at £216,351 and the free reserves stand at £710,921 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, as far as possible, deposits are guaranteed under the Financial Services Compensation Scheme.

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

2. Report to the PCC Members for the Year Ended 31 December 2022 (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 PCC on 23 April 2023 and signed on their behalf by:



The Rev'd David Glover
Chaplain to the King
Rector of Hexham

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 for the year ended 31 December 2022

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 2022 which comprise Consolidated Statement of Financial Activities, including income and expenditure account, Charity Statement of Financial Activities, 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 2022 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 trustees 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 trustees 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 for the year ended 31 December 2022

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: [\[www.frc.org.uk/auditorsresponsibilities\]](http://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 alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations

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 for the year ended 31 December 2022

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 Audit Limited, Statutory Auditors
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW
Date:

Dodd & Co Audit 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 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and Legacies	2	239,514	301,485	540,999	1,055,235
Trading Activities	3	-	615,154	615,154	431,939
Investments	4	-	15,372	15,372	12,723
Charitable activities	5	-	8,533	8,533	7,075
Other Income	6	23,357	13,955	37,312	5,152
Total		262,871	954,499	1,217,370	1,512,124
Expenditure on:					
Raising funds	3	-	521,577	521,577	390,236
Charitable activities	7	261,586	632,025	893,611	1,099,387
Other Expenditure	11	30,613	-	30,613	3,484
		292,199	1,153,602	1,445,801	1,493,107
Net income/(expenditure)		(29,328)	(199,103)	(228,431)	19,017
Net movement in funds		(29,328)	(199,103)	(228,431)	19,017
Reconciliation of funds:					
Total funds brought forward		102,820	2,998,148	3,100,968	3,081,951
Total funds carried forward		73,492	2,799,045	2,872,537	3,100,968

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 2022**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and Legacies	239,514	365,399	604,913	1,072,691
Trading Activities	-	25,567	25,567	26,273
Investments	-	15,372	15,372	12,723
Charitable activities	-	8,533	8,533	7,075
Other Income	23,357	13,955	37,312	5,152
Total	262,871	428,826	691,697	1,123,914
Expenditure on:				
Raising funds	-	8,965	8,965	2,912
Charitable activities	261,586	630,275	891,861	1,096,119
Other Expenditure	30,613	-	30,613	3,484
	292,199	639,240	931,439	1,102,515
Net income/(expenditure)	(29,328)	(210,414)	(239,742)	21,399
Net movement in funds	(29,328)	(210,414)	(239,742)	21,399
Reconciliation of funds:				
Total funds brought forward	102,820	2,995,450	3,098,270	3,076,871
Total funds carried forward	73,492	2,785,036	2,858,528	3,098,270

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Consolidated Balance Sheet
for the Year Ended 31 December 2022**

	Note	£	2022 £	£	2021 £
NON-CURRENT ASSETS					
Tangible assets	13		206,202		317,552
Heritage assets	14		1,606,922		1,609,326
Investments	16		275,000		275,000
			<u>2,088,124</u>		<u>2,201,878</u>
CURRENT ASSETS					
Stocks		30,417		27,890	
Debtors	17		60,091		50,624
Cash at bank and in hand			<u>795,184</u>		<u>894,106</u>
			885,692		972,620
CREDITORS: amounts falling due within one year	18		<u>(101,279)</u>		<u>(73,530)</u>
NET CURRENT ASSETS			<u>784,413</u>		<u>899,090</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,872,537</u>		<u>3,100,968</u>
NET ASSETS			<u>2,872,537</u>		<u>3,100,968</u>
CHARITY FUNDS					
Restricted funds	19		73,492		102,820
Unrestricted funds	19		2,799,045		2,998,148
TOTAL FUNDS			<u>2,872,537</u>		<u>3,100,968</u>

The financial statements were approved by the Members on 23 April 2023 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 2022**

	Note	£	2022 £	£	2021 £
NON-CURRENT ASSETS					
Tangible assets	13		196,726		315,485
Heritage assets	14		1,606,922		1,609,326
Investments	15		40,693		40,693
Investment property	16		275,000		275,000
			<u>2,119,341</u>		<u>2,240,504</u>
CURRENT ASSETS					
Debtors	17	209,543		247,099	
Cash at bank and in hand		<u>649,123</u>		<u>756,378</u>	
		858,666		1,003,477	
CREDITORS: amounts falling due within one year	18	<u>(119,479)</u>		<u>(145,711)</u>	
NET CURRENT ASSETS			739,187		857,766
NET ASSETS			<u>2,858,528</u>		<u>3,098,270</u>
CHARITY FUNDS					
Restricted funds	19		73,492		102,820
Unrestricted funds			2,785,036		2,995,450
TOTAL FUNDS			<u>2,858,528</u>		<u>3,098,270</u>

The financial statements were approved by the Members on 23 April 2023 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 2022**

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	24	<u>(103,978)</u>	<u>133,832</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		15,372	12,723
Purchase of property, plant and equipment		(12,720)	(29,376)
Purchase of heritage assets		<u>2,404</u>	<u>2,119</u>
Net cash provided by (used in) investing activities		<u>5,056</u>	<u>(14,534)</u>
Change in cash and cash equivalents in the reporting period		(98,922)	119,298
Cash and cash equivalents at the beginning of the reporting period		894,106	774,808
Cash and cash equivalents at the end of the reporting period	25	<u>795,184</u>	<u>894,106</u>

Analysis of changes in net debt:

	1 January 2022	Cash-flows	New finance leases	Other non- cash changes	31 December 2022
Cash	894,106	(98,922)	-	-	795,184
Total	<u>894,106</u>	<u>(98,922)</u>	<u>-</u>	<u>-</u>	<u>795,184</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the Financial Statements for the Year ended 31 December 2022

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 are met.

Interest on deposit accounts is recognised when received and not apportioned between financial years.

Notes to the Financial Statements for the Year ended 31 December 2022

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

These financial statements have been prepared on a going concern basis.

The trustees assess whether the use of the going concern basis is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

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 2022

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,500 are capitalised by the PCC. All assets costing more than £1,000 are capitalised by 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 2022

2. DONATIONS AND LEGACIES	Restricted funds	Unrestricted funds	Total funds	<i>Total funds</i>
	2022	2022	2022	<i>2021</i>
	£	£	£	£
Planned giving and income under gift aid	-	104,543	104,543	95,457
Service collections	-	12,550	12,550	7,390
Visitors' donations	-	76,860	76,860	48,849
Gift Aid reclaimed	-	21,637	21,637	24,667
The Mercers' Company	-	8,000	8,000	8,000
The Mercers' Charitable Foundation	15,000	-	15,000	15,000
Votive candles	-	9,157	9,157	7,255
Other donations	11,198	11,541	22,739	21,157
Listed place of Worship grant	-	55,674	55,674	80,591
Coronavirus Job Retention Scheme	-	-	-	55,512
Legacies	-	-	-	5,000
Grants receivable	213,316	1,523	214,839	686,357
	<u>239,514</u>	<u>301,485</u>	<u>540,999</u>	<u>1,055,235</u>

Of the £1,055,235 received in 2021, £392,592 related to PCC restricted funds and £662,643 related to unrestricted funds.

In addition to the income recorded above, donations of £6,288 (2021 - £3,002) 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 2022

3. TRADING ACTIVITIES

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Trading income				
Income from café, gift shop and lettings	-	589,587	589,587	406,066
Car park receipts	-	10,358	10,358	10,335
Music in the Abbey	-	61	61	400
Tour fees	-	3,366	3,366	2,163
Other fundraising events	-	11,782	11,782	12,975
	-	615,154	615,154	431,939

Of the £431,939 received in 2021, £1,885 related to PCC restricted funds and £430,054 related to unrestricted funds.

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Trading expenses				
Staff costs	-	253,751	253,751	214,778
Special fundraising events	-	61	61	725
Car park	-	5,365	5,365	605
Costs relating to the café, gift shop and lettings	-	261,138	261,138	173,386
Music in the Abbey	-	745	745	40
Other fundraising expenses	-	517	517	702
	-	521,577	521,577	390,236

Of the £390,236 paid in 2021, £725 related to restricted funds and £389,511 related to unrestricted funds.

Net income from fundraising activities	93,577	93,577	41,703
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4. INVESTMENT INCOME

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Dividends and interest	-	5,172	5,172	2,523
Rental income	-	10,200	10,200	10,200
	-	15,372	15,372	12,723

Of the £12,723 received in 2021, 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 2022

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Funeral and wedding fees and similar income	-	7,225	7,225	7,075
Income from school visits	-	1,308	1,308	-
	<u>-</u>	<u>8,533</u>	<u>8,533</u>	<u>7,075</u>

Of the £7,075 received in 2021, all related to unrestricted funds.

6. OTHER INCOME

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Choir fund	22,538	-	22,538	615
Bellringers	819	-	819	863
Other income	-	8,069	8,069	3,674
Insurance claim	-	5,886	5,886	-
	<u>23,357</u>	<u>13,955</u>	<u>37,312</u>	<u>5,152</u>

Of the £5,152 received in 2021, £1,478 related to restricted funds and £3,674 related to unrestricted funds.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
PCC costs	738,496	5,000	143,506	887,002	1,093,852
HATL costs	5,596	-	1,013	6,609	5,535
	<u>744,092</u>	<u>5,000</u>	<u>144,519</u>	<u>893,611</u>	<u>1,099,387</u>

Of the £1,099,387 paid in 2021, £489,570 related to restricted funds and £609,817 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 2022

8. DIRECT COSTS

	PCC Costs	HATL Costs	Total	<i>Total funds</i>
	£	£	2022	<i>2021</i>
			£	£
Diocesan parish share	105,000	-	105,000	100,000
Worship, ministry and mission	7,768	-	7,768	5,928
Church running and maintenance costs	101,222	-	101,222	88,027
Choir and organ expenses	4,184	-	4,184	4,190
Major repairs and capital projects	305,171	-	305,171	490,049
Staff costs	74,025	-	74,025	66,930
Priory building running and maintenance costs	28,139	-	28,139	35,117
Prior Leschman garden	321	-	321	2,695
Depreciation	112,666	5,596	118,262	121,368
	738,496	5,596	744,092	914,304

9. GRANT FUNDING OF ACTIVITIES

	Restricted	Unrestricted	Total	<i>Total funds</i>
	funds	funds	funds	<i>2021</i>
	2022	2022	2022	£
	£	£	£	
Mission and ministry activities	-	4,650	4,650	4,650
Outreach activities	-	350	350	350
	-	5,000	5,000	5,000

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

Mission and ministry activities

NDAS (Northumberland Domestic Abuse Services) £930
WERS (West End Refugee Service) £930
The Children's Society £620
SEDCU (Supporting the Education of Disadvantaged Children in Uganda) £620
St. Pauls Children's Project £620
West Northumberland Food Bank £930

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2022**

10. SUPPORT COSTS

	PCC Costs	HATL Costs	Total 2022	<i>Total funds 2021</i>
	£	£	£	£
Premises costs	19,342	-	19,342	14,767
Office costs	6,549	-	6,549	10,631
Health and safety	2,602	-	2,602	1,272
Advertising and publicity	888	-	888	1,986
Staff costs	76,362	-	76,362	74,646
Professional fees	17,965	1,013	18,978	53,327
Auditor's remuneration	9,220	-	9,220	8,927
Depreciation	5,808	-	5,808	5,815
Other	4,770	-	4,770	8,712
	<u>143,506</u>	<u>1,013</u>	<u>144,519</u>	<u>180,083</u>

11. OTHER EXPENDITURE

	Restricted funds 2022	Unrestricted funds 2022	Total funds 2022	<i>Total funds 2021</i>
	£	£	£	£
Bell ringers	360	-	360	514
Choir fund	23,801	-	23,801	-
Other expenditure	6,452	-	6,452	2,752
Robson Drive capital repairs	-	-	-	218
	<u>30,613</u>	<u>-</u>	<u>30,613</u>	<u>3,484</u>

Of the £3,484 paid in 2021, £3,266 related to restricted funds and £218 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 2022

12. STAFF COSTS

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	385,771	334,741
National Insurance	8,080	13,199
Pension contributions	6,326	5,846
Death in service	1,067	2,568
	<u>401,244</u>	<u>356,354</u>

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

	2022	2021
	£	£
Employed by PCC	8	7
Employed by Hexham Abbey Heritage Trading Limited	<u>32</u>	<u>24</u>
	<u>40</u>	<u>31</u>
Employed by PCC - Full Time	-	-
Employed by PCC - Part Time	8	7
Employed by Hexham Abbey Heritage Trading Limited - Full Time	4	4
Employed by Hexham Abbey Heritage Trading Limited - Part Time	<u>28</u>	<u>20</u>
	<u>40</u>	<u>31</u>

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

One of the part time employees, John Mitchell is also a Member of the PCC.

During the year, no PCC member received any remuneration or benefits in kind (2021 - £Nil).

During the year, one PCC member received reimbursement of expenses totalling £1,892 (2021 - £2,544) for travel, telephone and hospitality relating to his work on funerals and visiting mercers.

Key management personnel remuneration amounted to £86,538 in the year (2021 - £81,637).

In the prior year both Hexham Abbey PCC and Hexham Abbey Trading Limited used the Government's Coronavirus Job Retention scheme which resulted in grants of £55,512 to cover staff costs. No grants were received in 2022

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2022

13. TANGIBLE FIXED ASSETS - Group

	Freehold property £	Fixtures & fittings £	Total £
Group			
Cost			
At 1 January 2022	52,501	781,153	833,654
Additions	-	12,720	12,720
At 31 December 2022	<u>52,501</u>	<u>793,873</u>	<u>846,374</u>
Depreciation			
At 1 January 2022	-	516,102	516,102
Charge for the year	-	124,070	124,070
At 31 December 2022	<u>-</u>	<u>640,172</u>	<u>640,172</u>
Net book value			
At 31 December 2022	<u>52,501</u>	<u>153,701</u>	<u>206,202</u>
<i>At 31 December 2021</i>	<i>52,501</i>	<i>265,051</i>	<i>317,552</i>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2022

13. TANGIBLE FIXED ASSETS (continued) - PCC Only

	Freehold property £	Fixtures & fittings £	Total £
PCC			
Cost			
At 1 January 2022	52,501	760,587	813,088
Additions	-	(285)	(285)
At 31 December 2022	<u>52,501</u>	<u>760,302</u>	<u>812,803</u>
Depreciation			
At 1 January 2022	-	497,603	497,603
Charge for the year	-	118,474	118,474
At 31 December 2022	<u>-</u>	<u>616,077</u>	<u>616,077</u>
Net book value			
At 31 December 2022	<u>52,501</u>	<u>144,225</u>	<u>196,726</u>
<i>At 31 December 2021</i>	<i>52,501</i>	<i>262,984</i>	<i>315,485</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 15 years ago.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2022

14. HERITAGE ASSETS

	Henry Perlee Parker Painting	Land and Buildings £	Total £
Group			
Market value			
At 1 January 2022	15,000	1,594,326	1,609,326
Additions	-	(2,404)	(2,404)
At 31 December 2022	<u>15,000</u>	<u>1,591,922</u>	<u>1,606,922</u>

	Henry Perlee Parker Painting	Land and Buildings £	Total £
PCC			
Market value			
At 1 January 2022	15,000	1,594,326	1,609,326
Additions	-	(2,404)	(2,404)
At 31 December 2022	<u>15,000</u>	<u>1,591,922</u>	<u>1,606,922</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 in the prior year, as this is a more accurate reflection of the assets use and purpose.

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

	Additions £
2016-2017	(2,469)
2018	(2,565)
2019	(2,565)
2020	(2,565)
2021	(2,119)
2022	(2,404)

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 2022	40,693
Additions	-
At 31 December 2022	<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 2022

16. INVESTMENT PROPERTY - Group and PCC Only

	<u>Unrestricted</u>
VALUATION	
At 1 January 2022	275,000
At 31 December 2022	<u>275,000</u>

All investment properties are freehold. Investment properties were last valued during the year ended 31 December 2022 based on the trustees estimate of fair value.

17. DEBTORS

	<u>Group</u>		<u>PCC</u>	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	9,815	9,097	124	1,602
Amounts owed by group undertakings	-	-	159,753	204,852
Other debtors	2,566	1,096	2,866	1,096
Prepayments and accrued income	47,710	40,431	46,800	39,549
	<u>60,091</u>	<u>50,624</u>	<u>209,543</u>	<u>247,099</u>

18. CREDITORS

Amounts falling due within one year

	<u>Group</u>		<u>PCC</u>	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	48,819	22,097	23,779	13,745
Amounts owed to group undertakings	-	-	78,026	96,694
Other taxation and social security	24,183	8,816	-	-
Accruals and deferred income	28,277	42,617	17,674	35,272
	<u>101,279</u>	<u>73,530</u>	<u>119,479</u>	<u>145,711</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements
for the year ended 31 December 2022

19. STATEMENT OF FUNDS

Restricted funds

	Brought forward 2022 £	Income 2022 £	Expenditure 2022 £	Transfers 2022	Carried forward 2022 £
Choir fund	4,423	22,538	(23,801)	-	3,160
Hexham Abbey Guild of Bellringers	4,095	819	(360)	-	4,554
The Mercers' Charitable Foundation	-	15,000	(15,000)	-	-
Chorister Prizes	945	-	(200)	-	745
Abbey roof	47,135	-	(4,985)	-	42,150
Medieval Panel Paintings	10,359	11,360	(17,864)	-	3,855
Hexham Abbey Restoration Trust (HART)	-	110,000	(110,000)	-	-
Friends of Cathedral Music	3,711	-	(3,711)	-	-
The Mercers Company FR grant	17,424	-	(17,424)	-	-
The Ousley Church Music Trust	2,700	-	(1,620)	-	1,080
Gillian Dickinson Trust	2,568	-	-	-	2,568
Rothley Trust Grant	976	-	(976)	-	-
Miscellaneous	4,484	1,900	(2,126)	-	4,258
Addison bequest	4,000	-	-	-	4,000
Parish Support Grant	-	1,411	(1,411)	-	-
Hedley Trust	-	15,000	(15,000)	-	-
Knott Trust	-	3,000	(3,000)	-	-
Benefact Trust	-	2,500	(40)	-	2,460
C of E Grant Trust	-	1,560	-	-	1,560
DBF Youth Grant	-	495	(434)	-	61
Ballinger Trust	-	1,000	-	-	1,000
Leche Trust	-	3,000	(3,000)	-	-
SUEZ Trust	-	50,000	(50,000)	-	-
NHCT Grant	-	5,000	(5,000)	-	-
HAHD	-	15,000	(15,000)	-	-
St. Hilda's Trust	-	1,350	-	-	1,350
Saxon Fragments	-	1,938	(1,247)	-	691
	102,820	262,871	(292,199)	-	73,492

Comparative restricted funds

	Brought forward 2021 £	Income 2021 £	Expenditure 2021 £	Transfers 2021	Carried forward 2021 £
Choir fund	3,808	615	-	-	4,423
Hexham Abbey Guild of Bellringers	3,702	900	(514)	7	4,095
Tyrrell Bequest	64,845	-	(64,845)	-	-
The Mercers' Charitable Foundation	-	15,000	(15,000)	-	-
Chorister Prizes	945	-	-	-	945
Abbey roof	47,204	-	(69)	-	47,135
Medieval panel paintings	10,359	-	-	-	10,359
Prior Leschman Garden	2,155	-	(2,155)	-	-
Hexham Abbey Restoration Trust (HART)	26,491	97,500	(123,991)	-	-
Friends of Cathedral Music grants	4,054	10,000	(10,343)	-	3,711
The Mercers Company FR grant	8,417	30,000	(20,993)	-	17,424
The Ousley Church Music Trust	2,700	-	-	-	2,700
Gillian Dickinson Grant	3,888	-	(1,320)	-	2,568
Rothley Trust Grant	976	-	-	-	976
Historic England Civic 19 Heritage at Risk Response Fund	18,375	6,125	(24,500)	-	-
William Leech	2,500	-	(2,500)	-	-
Culture Recovery Fund for Heritage	-	224,075	(224,075)	-	-
Miscellaneous	-	5,140	(656)	-	4,484
Addison bequest	-	4,000	-	-	4,000
All Churches Trust	-	2,600	(2,600)	-	-
	200,419	395,955	(493,561)	7	102,820

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2022

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.

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.

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.

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.

Miscellaneous - a combination of funds to help purchase performance lighting improvements and to go towards the museum of the moon production in 2023.

Addison Bequest - A bequest from the estate of John B Addison to be used for the benefit of the Church Music Fund.

Parish Support Grant - A cost of living support grant.

Hedley Trust - A grant towards the costs involved in stabilising the stonework of the Chancel East End.

Knott Trust - A grant to support the relaunching of our offer for schools and families.

Benefact Trust - A grant to support mental health and wellbeing of staff and volunteers.

Church of England Grant Trust - A grant to support the work of a Community Engagement Manager in welcoming schools and families.

DBF Youth Grant - A grant to increase visibility of our offer to young people and children by improvements to the children's corner.

Ballinger Trust - A grant to support the setting up and running of a games cafe and study space.

Leche Trust - A grant for conservation of paintings in Ogle and Leschman Chantries.

SUEZ Trust - A grant towards the East End masonry conservation and repair.

National Historic Churches Trust Grant - A grant towards the East End masonry conservation and repair.

HAHD - Hexham Abbey Heritage Development Trust - A charitable trust which is separate to the charity and its subsidiaries, which exists to support the heritage of Hexham Abbey.

St. Hilda's Trust - A grant to support the setting up and running of a games cafe and study space.

Saxon Fragments - Donations towards conservation of Anglo-Saxon Crucifixion fragments.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2022**

	Brought forward 2022 £	Income 2022 £	Expenditure 2022 £	Transfers in/out 2022 £	Carried forward 2022 £
Designated funds					
Property Maintenance and Conservation	149,509	-	-	250,000	399,509
Mission and Ministry	10,591	-	-	-	10,591
Outreach Work	8,372	-	-	-	8,372
Norman Hill Bequest (Vestments)	2,824	-	-	-	2,824
Fixed Assets (Freehold Land and Buildings & fixtures & fittings)	587,265	-	(108,712)	(10,894)	467,659
Fixed Assets (Information Screens)	5,287	-	(2,690)	10,946	13,543
Fixed Assets (Heritage Assets)	1,609,326	-	(2,404)	-	1,606,922
The Mercers' Company (Other)	-	8,000	(8,000)	-	-
Abbey Roof replacement Watson bequest	250,000	-	-	(250,000)	-
Abbey Roof Ann Edwards legacy	14,917	-	-	-	14,917
Prior Leschman Garden (Disposal of Lowgate)	8,678	-	(321)	-	8,357
Nora Horne Roof replacement	50,000	-	-	-	50,000
	<u>2,696,769</u>	<u>8,000</u>	<u>(122,127)</u>	<u>52</u>	<u>2,582,694</u>
General fund					
General funds - all funds	301,379	946,499	(1,031,475)	(52)	216,351
Total Unrestricted funds	<u>2,998,148</u>	<u>954,499</u>	<u>(1,153,602)</u>	<u>-</u>	<u>2,799,045</u>

Transfers during the year reflect the combining of designated funds for the same purpose and to ensure the carried forward balances agree to the net book values of assets held by the charity, to meet the costs of replacement.

Comparative funds

	Brought forward 2021 £	Income 2021 £	Expenditure 2021 £	Transfers in/out 2021 £	Carried forward 2021 £
Designated funds					
Property Maintenance and Conservation	149,509	-	-	-	149,509
Mission and Ministry	10,591	-	-	-	10,591
Outreach Work	8,372	-	-	-	8,372
Music in the Abbey	999	-	(999)	-	-
Norman Hill Bequest (Vestments)	2,824	-	-	-	2,824
Fixed Assets (Freehold Land and Buildings & fixtures & fittings)	682,381	-	(124,492)	29,376	587,265
Fixed Assets (Information Screens)	7,977	-	(2,690)	-	5,287
Fixed Assets (Heritage Assets)	1,611,441	-	-	(2,115)	1,609,326
The Mercers' Company (Other)	-	8,000	(8,000)	-	-
Abbey Roof replacement Watson bequest	250,000	-	-	-	250,000
Abbey Roof Ann Edwards legacy	14,917	-	-	-	14,917
Prior Leschman Garden (Disposal of Lowgate)	9,218	-	(540)	-	8,678
Nora Horne Roof replacement	50,000	-	-	-	50,000
	<u>2,798,229</u>	<u>8,000</u>	<u>(136,721)</u>	<u>27,261</u>	<u>2,696,769</u>
General fund					
General funds - all funds	83,303	1,108,169	(862,825)	(27,268)	301,379
Total Unrestricted funds	<u>2,881,532</u>	<u>1,116,169</u>	<u>(999,546)</u>	<u>(7)</u>	<u>2,998,148</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2022

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.

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

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 Horne 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.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2022**

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Other	Carried forward £
Designated funds	2,696,769	8,000	(122,127)	52	-	2,582,694
General funds	301,379	946,499	(1,031,475)	(52)	-	216,351
	<u>2,998,148</u>	<u>954,499</u>	<u>(1,153,602)</u>	<u>-</u>	<u>-</u>	<u>2,799,045</u>
Restricted funds	102,820	262,871	(292,199)	-	-	73,492
	<u>3,100,968</u>	<u>1,217,370</u>	<u>(1,445,801)</u>	<u>-</u>	<u>-</u>	<u>2,872,537</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	206,202	206,202	-	317,552	317,552
Heritage assets	-	1,606,922	1,606,922	-	1,609,326	1,609,326
Investment properties	-	275,000	275,000	-	275,000	275,000
Current assets	73,492	812,200	885,692	102,820	869,800	972,620
Creditors due within one year	-	(101,279)	(101,279)	-	(73,530)	(73,530)
	<u>73,492</u>	<u>2,799,045</u>	<u>2,872,537</u>	<u>102,820</u>	<u>2,998,148</u>	<u>3,100,968</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2022

21. 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 2022 it made a qualifying charitable donation to Hexham Abbey PCC of £64,437 of which all was outstanding at the end of the year.

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

Summary of income and expenditure

	Hexham Abbey Trading Limited	
	2022	2021
	£	£
Total income for the year	597,246	532,240
Total expenditure in the year	(521,498)	(394,099)
Total	<u>75,748</u>	<u>138,141</u>

Balance sheet summary

	Hexham Abbey Trading	
	2022	2021
	£	£
Fixed assets	-	2,067
Heritage assets	-	-
Investments	-	-
Current assets	159,753	270,426
Current liabilities	-	(229,365)
Total	<u>159,753</u>	<u>43,128</u>

22. RELATED PARTY TRANSACTIONS

Donations from members of £9,641.50 were received during the year. There are no further related party transactions during the year.

23. Capital commitments

At the balance sheet date the PCC had no capital commitments.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2022**

24. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022	2021
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(228,431)	19,017
Depreciation charges	124,070	127,183
Dividends, interest and rents from investments	(15,372)	(12,723)
(Increase)/decrease in stocks	(2,527)	7,210
(Increase)/decrease in debtors	(9,467)	72,611
Increase/(decrease) in creditors	27,749	(79,466)
Net cash provided by (used in) operating activities	<u>(103,978)</u>	<u>133,832</u>

25. Analysis of cash and cash equivalents

	2022	2021
Cash at bank and in hand	<u>795,184</u>	<u>894,106</u>