



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 2023

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

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

PCC Membership

Incumbent:

The Rev'd David Glover

Assistant Curates:

The Rev'd Henry Hope

PCC Lay Chair:

Mrs Helen Milner MBE

Churchwardens

Mrs Rachael Haywood Smith (until APCM 2023)

Mrs Jane Pikett (until APCM 2023)

Mrs Helen Milner MBE (re-elected APCM 2023)

Mr Richard Thornton (re-elected APCM 2023)

Mr Malcolm Thompson (re-elected APCM 2023)

Mrs Vivien Drydon (elected APCM 2023)

Mrs Wendy Knott (elected APCM 2023)

Representatives on Hexham Deanery Synod (serving a three-year term, 2023-2026)

Mrs June Olliver (re-elected APCM 2023 but sadly deceased November 2023)

Ms Carol Wilson (re-elected APCM 2023)

Mr John Mitchell (elected APCM 2023)

Mrs Linda Rowell (elected APCM 2023)

Elected Members:

Mr Steve Brown (elected APCM 2022)

Mr Tony May (re-elected APCM 2021)

Mrs Wendy Knott (elected APCM 2022; elected Churchwarden 2023)

Mrs Frances Stride - PCC Secretary (until APCM 2023)

Ms Lynne Thomson (re-elected APCM 2021)

Mr William Tyson (until APCM 2023)

Mrs Fiona Finnon (re-elected at APCM 2023)

Mrs Vivien Drydon (elected at APCM 2021; elected Churchwarden 2023)

Mrs Caroline Jackson (elected at APCM 2022)

Mrs Jane Pikett - PCC Secretary (elected at APCM 2023)

Mrs Rachael Haywood-Smith (elected at APCM 2023)

Charity registered number

1132444

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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
Priestpople
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

Report of the PCC Members for the Year Ended 31 December 2023

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 2023. 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.

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 18 members (2 clergy, 5 Churchwardens, 4 Deanery Synod Representatives, 7 elected members (until June Olliver's death in November 2023)).

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 2023, in addition to the Standing Committee, the PCC had the following 3 committees: Property Committee, Finance 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

Report of the PCC Members for the Year Ended 31 December 2023 (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 Canon 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, 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 seventy volunteers.

Going concern

After making appropriate enquiries, reviewing 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

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

283 (284) people on the Church Electoral Roll
279 (205) communicants on Easter Eve and Easter Day
437 (371) total attending services on Easter Eve and Easter Day
1875 (1337) at special Advent services for congregation and local community
1280 (1090) at special Advent services for schools or civic organisations
269 (276) communicants on Christmas Eve and Christmas Day
901 (838) total attending services on Christmas Eve and Christmas Day
11 (12) baptisms conducted
10 (11) couples married in church
44 (41) funerals were conducted, of which 27 (26) were held in the Abbey
13 (0) people were confirmed.

There was a significant increase in attendances in services during Advent partly because of increase in schools' activity and partly because an extra Carol Service was required. It is likely that the increased popularity of the Carol Services was a due to new contacts established during the hosting of the Museum of the Moon.

In October the average attendance in church, each week, for all regular services was 217 (211) adults and 44 (44) children. In addition to this approximately 20 (25) people joined in October on-line services.

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

Review of activities

2023 effectively saw a complete end to any disruption caused by the Covid-19 pandemic although recovery in activities and attendance resulting from the pandemic continued throughout 2023.

Hexham Abbey's mission is promoted through the work of the PCC and its 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. Volunteers made a huge contribution to the success of the Museum of the Moon, and without volunteers most of the activities of the Abbey would be impossible to deliver.

Music

Under the leadership of Michael Haynes, Director of Music, music has flourished during 2023. The Choir has continued to see recruitment in all voice parts, although it must be recognised that this is a constantly demanding task and that recruitment in boy trebles is increasingly challenging (although the Abbey outperforms national trends in this regard). Throughout the year the choir enabled a full programme of choral services and during term time sings at 4 services each week. 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 3 very well attended Christmas Carol Services. Mrs Cath Newson continues 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 2023 the Choir took part in the three choirs' Festival in Newcastle, sang the Sunday services at Beverley Minster and engaged in another tour of Majorca. The PCC continues to see the supporting of music as a top priority.

Young People

The Abbey has continued to develop and support its work amongst children and young people, made possible by a devoted team of volunteers. Support for choristers has been a priority and has been aided by the establishment of a Games Cafe and an increased number of activities both during and outside practice times. Abbey Tots Praise and Messy Church continued successfully during the year.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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

The Sunday Morning Cloister Club continued but would benefit from more volunteers and remains quite fragile. The PCC recognises its work with children and young people as crucial to the mission of the Abbey and is committed to seeing it flourish. The Abbey played a full role in supporting Hexham Holiday Club, offering both clergy and lay volunteers and hosting a junior leaders event in the Abbey. It also gave financial support.

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 further working with schools and further developing and delivering the Abbey's offer for educational visits. 2023 has seen significantly more schools visiting the Abbey for educational visits. The clergy have continued to take assemblies in the Sele School, Hexham First School and the Middle School and all three schools have attended the Abbey for services and events. The Abbey has also initiated a new weekly lunch-time club at Hexham Middle School which engages with 40 - 50 students.

Pastoral Work and Fellowship

Abbey teams continue to visit nursing homes and Holy Communion is provided to residents. The clergy visit those in hospital and the Abbey Bereavement Team has continued to support a regular Memorial Service and organises a Bereavement Coffee Morning in the week following the service. A Poetry and Faith group meets during Lent and Advent. The weekly Pew Sheet continues to offer excellent communication to members of the congregation and others. During 2023 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 interface between science and Christianity. Space continued to be made available in the Abbey as a 'warm hub' for families and this has been well used.

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. The Abbey also has strong links with the Northumberland Lord Lieutenancy and a number of other local and regional organisations and has held a number of special services as a result of its County and regional links.

Major Events

During the year the Abbey promoted and/or hosted a number of major events. These included: Heritage Talks (10 minute talks), a significantly increased number of concerts, including an organ series celebrating 50 years of the Phelps organ, a major funeral following the tragic stabbing of a Hexham school student, a service of Confirmation, a County service to celebrate the King's Coronation and the Hexham Abbey Festival. The biggest event was the hosting of Luke Jerram's Museum of the Moon which included several concerts, a festival dinner, special outreach services and science talks. Over 28,000 people visited the Abbey during the Museum of the Moon.

The Abbey also held a very well attended Christmas Fair and supported a number of events in the lead up to Christmas.

Charitable Giving

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 2023 the Abbey benefitted from grants totalling £62,694. This included £29,000 from the National Churches Trust being a delayed contribution to the capital works on the East End of the Abbey in 2022.

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

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

Staff News

The vergers department has undergone a number of staff changes and Jeremy Housden retired from his role in HATL.

Other developments

The PCC continued to focus its attention on issues around its annual budget deficit. In particular it agreed to begin charging for entry to the crypt, produced an Abbey Guide Book for purchase and increased efforts to encourage higher visitor donations. It also made the decision to charge an entrance fee to the Abbey during the Museum of the Moon exhibition and this proved to be financially very successful. The PCC also began to explore plans for a major Heritage Lottery bid in order to restore the Abbey's painted panels and to improve the visitor experience of heritage in the Abbey.

FINANCIAL REVIEW

The accounts for the year ended 31 December 2023 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 also benefits from grants that are made to fund specific projects. During 2023 the PCC, together with Hexham Abbey Trading Limited, hosted a number of successful events, most notably the Museum of the Moon Exhibition which have made a significant contribution to the surplus generated in the year.

Performance for the year

The PCC's consolidated accounts incorporating the accounts of Hexham Abbey Trading Limited show a deficit for the year of £23,948, the main components for which was operational expenditure of £1,268,406 (£1,139,270 plus £129,136 depreciation charge) alongside grants, donations and other income of £1,244,458.

The PCC's consolidated designated funds stand at £2,469,301 which includes £1,974,731 in fixed assets. At the end of the year the PCC's general unrestricted fund stood at £315,668 and the free reserves stand at £797,574 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.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Report to the PCC Members for the Year Ended 31 December 2023 (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 28 April 2024 and signed on their behalf by:

The Rev'd Canon 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 2023

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 2023 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 2023 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 2023

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 2023

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 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and Legacies	2	89,017	290,665	379,682	540,999
Trading Activities	3	-	782,936	782,936	615,154
Investments	4	-	25,211	25,211	15,372
Charitable activities	5	-	8,308	8,308	8,533
Other Income	6	30,099	18,222	48,321	37,312
Total		<u>119,116</u>	<u>1,125,342</u>	<u>1,244,458</u>	<u>1,217,370</u>
Expenditure on:					
Raising funds	3	5,000	578,620	583,620	521,577
Charitable activities	7	62,824	589,798	652,622	893,611
Other Expenditure	11	32,164	-	32,164	30,613
		<u>99,988</u>	<u>1,168,418</u>	<u>1,268,406</u>	<u>1,445,801</u>
Net income/(expenditure)		<u>19,128</u>	<u>(43,076)</u>	<u>(23,948)</u>	<u>(228,431)</u>
Transfers between funds		<u>(29,000)</u>	<u>29,000</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(9,872)</u>	<u>(14,076)</u>	<u>(23,948)</u>	<u>(228,431)</u>
Reconciliation of funds:					
Total funds brought forward		73,492	2,799,045	2,872,537	3,100,968
Total funds carried forward		<u>63,620</u>	<u>2,784,969</u>	<u>2,848,589</u>	<u>2,872,537</u>

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 2023**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Income from:				
Donations and Legacies	89,017	426,669	515,686	604,913
Trading Activities	-	71,052	71,052	25,567
Investments	-	25,211	25,211	15,372
Charitable activities	-	8,308	8,308	8,533
Other Income	30,099	18,222	48,321	37,312
Total	119,116	549,462	668,578	691,697
Expenditure on:				
Raising funds	5,000	10,902	15,902	8,965
Charitable activities	62,824	584,866	647,690	891,861
Other Expenditure	32,164	-	32,164	30,613
	99,988	595,768	695,756	931,439
Net income/(expenditure)	19,128	(46,306)	(27,178)	(239,742)
Transfers between funds	(29,000)	29,000	-	-
Net movement in funds	(9,872)	(17,306)	(27,178)	(239,742)
Reconciliation of funds:				
Total funds brought forward	73,492	2,785,036	2,858,528	3,098,270
Total funds carried forward	63,620	2,767,730	2,831,350	2,858,528

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Consolidated Balance Sheet
for the Year Ended 31 December 2023**

	Note	2023	2022
		£	£
NON-CURRENT ASSETS			
Tangible assets	13	107,795	206,202
Heritage assets	14	1,604,600	1,606,922
Investment property	16	275,000	275,000
		<u>1,987,395</u>	<u>2,088,124</u>
CURRENT ASSETS			
Stocks		39,653	30,417
Debtors	17	34,834	60,091
Cash at bank and in hand		896,686	795,184
		<u>971,173</u>	<u>885,692</u>
CREDITORS: amounts falling due within one year	18	<u>(109,979)</u>	<u>(101,279)</u>
NET CURRENT ASSETS		<u>861,194</u>	<u>784,413</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,848,589</u>	<u>2,872,537</u>
NET ASSETS		<u><u>2,848,589</u></u>	<u><u>2,872,537</u></u>
CHARITY FUNDS			
Restricted funds	19	63,620	73,492
Unrestricted funds	19	2,784,969	2,799,045
TOTAL FUNDS		<u><u>2,848,589</u></u>	<u><u>2,872,537</u></u>

The financial statements were approved by the Members on 28 April 2024 and signed on their behalf, by:

The Rev'd David Glover

The notes on pages 19 to 38 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 2023**

	Note	2023	2022
		£	£
NON-CURRENT ASSETS			
Tangible assets	13	95,131	196,726
Heritage assets	14	1,604,600	1,606,922
Investments	15	40,693	40,693
Investment property	16	275,000	275,000
		<u>2,015,424</u>	<u>2,119,341</u>
CURRENT ASSETS			
Debtors	17	289,822	209,543
Cash at bank and in hand		<u>749,864</u>	<u>649,123</u>
		1,039,686	858,666
CREDITORS: amounts falling due within one year	18	<u>(223,760)</u>	<u>(119,479)</u>
NET CURRENT ASSETS		815,926	739,187
NET ASSETS		<u>2,831,350</u>	<u>2,858,528</u>
CHARITY FUNDS			
Restricted funds	19	63,620	73,492
Unrestricted funds		2,767,730	2,785,036
TOTAL FUNDS		<u>2,831,350</u>	<u>2,858,528</u>

The financial statements were approved by the Members on 28 April 2024 and signed on their behalf, by

The Rev'd David Glover

The notes on pages 19 to 38 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	24	<u>109,483</u>	<u>(103,978)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		25,211	15,372
Purchase of property, plant and equipment		(35,514)	(12,720)
Purchase of heritage assets		<u>2,322</u>	<u>2,404</u>
Net cash provided by (used in) investing activities		<u>(7,981)</u>	<u>5,056</u>
Change in cash and cash equivalents in the reporting period		101,502	(98,922)
Cash and cash equivalents at the beginning of the reporting period		795,184	894,106
Cash and cash equivalents at the end of the reporting period	25	<u>896,686</u>	<u>795,184</u>

Analysis of changes in net debt:

	1 January 2023	Cash-flows	New finance leases	Other non- cash changes	31 December 2023
Cash	795,184	101,502	-	-	896,686
Total	<u>795,184</u>	<u>101,502</u>	<u>-</u>	<u>-</u>	<u>896,686</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the Financial Statements for the Year ended 31 December 2023

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.

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.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the Financial Statements for the Year ended 31 December 2023

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.

Notes to the Financial Statements for the Year ended 31 December 2023

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 2023

2. DONATIONS AND LEGACIES	Restricted funds	Unrestricted funds	Total funds	<i>Total funds</i>
	2023	2023	2023	<i>2022</i>
	£	£	£	£
Planned giving and income under gift aid	-	107,089	107,089	104,543
Service collections	-	21,710	21,710	12,550
Visitors' donations	-	75,367	75,367	76,860
Gift Aid reclaimed	35	29,290	29,325	21,637
The Mercers' Company	-	8,000	8,000	8,000
The Mercers' Charitable Foundation	15,000	-	15,000	15,000
Votive candles	-	8,099	8,099	9,157
Other donations	11,288	22,704	33,992	22,739
Listed place of Worship grant	-	13,906	13,906	55,674
Legacies	-	4,500	4,500	-
Grants receivable	62,694	-	62,694	214,839
	<u>89,017</u>	<u>290,665</u>	<u>379,682</u>	<u>540,999</u>

Of the £540,999 received in 2022, £239,514 related to PCC restricted funds and £301,485 related to unrestricted funds.

In addition to the income recorded above, donations of £6,809 (2022 - £6,288) 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 2023

3. TRADING ACTIVITIES

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Trading income				
Income from café, gift shop and lettings	-	711,884	711,884	589,587
Car park receipts	-	13,079	13,079	10,358
Music in the Abbey	-	5,679	5,679	61
Tour fees	-	32,939	32,939	3,366
Other fundraising events	-	19,355	19,355	11,782
	<u>-</u>	<u>782,936</u>	<u>782,936</u>	<u>615,154</u>

Of the £615,154 received in 2022, all related to unrestricted funds.

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Trading expenses				
Staff costs	-	267,649	267,649	253,751
Special fundraising events	-	40	40	61
Car park	-	2,540	2,540	5,365
Costs relating to the café, gift shop and lettings	-	301,057	301,057	261,138
Music in the Abbey	-	1,615	1,615	745
Other fundraising expenses	5,000	5,719	10,719	517
	<u>5,000</u>	<u>578,620</u>	<u>583,620</u>	<u>521,577</u>

Of the £521,577 paid in 2022, all related to unrestricted funds.

Net income from fundraising activities	<u>(5,000)</u>	<u>204,316</u>	<u>199,316</u>	<u>93,577</u>
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4. INVESTMENT INCOME

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Dividends and interest	-	15,011	15,011	5,172
Rental income	-	10,200	10,200	10,200
	<u>-</u>	<u>25,211</u>	<u>25,211</u>	<u>15,372</u>

Of the £15,372 received in 2022, 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 2023

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Funeral and wedding fees and similar income	-	8,308	8,308	7,225
Income from school visits	-	-	-	1,308
	-	8,308	8,308	8,533

Of the £8,533 received in 2022, all related to unrestricted funds.

6. OTHER INCOME

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Choir fund	29,170	-	29,170	22,538
Bellringers	929	-	929	819
Other income	-	18,222	18,222	8,069
Insurance claim	-	-	-	5,886
	30,099	18,222	48,321	37,312

Of the £37,312 received in 2022, £23,357 related to restricted funds and £13,955 related to unrestricted funds.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
PCC costs	476,121	5,250	160,951	642,322	887,002
HATL costs	9,305	-	995	10,300	6,609
	485,426	5,250	161,946	652,622	893,611

Of the £893,611 paid in 2022, £261,586 related to restricted funds and £632,025 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 2023

8. DIRECT COSTS

	PCC Costs	HATL Costs	Total 2023	<i>Total funds 2022</i>
	£	£	£	£
Diocesan parish share	105,000	-	105,000	105,000
Worship, ministry and mission	7,714	-	7,714	7,768
Church running and maintenance costs	106,083	-	106,083	101,222
Choir and organ expenses	6,365	-	6,365	4,184
Major repairs and capital projects	32,810	-	32,810	305,171
Staff costs	68,528	-	68,528	74,025
Priory building running and maintenance costs	38,575	-	38,575	28,139
Prior Leschman garden	317	-	317	321
Depreciation	110,729	9,305	120,034	118,262
	<u>476,121</u>	<u>9,305</u>	<u>485,426</u>	<u>744,092</u>

9. GRANT FUNDING OF ACTIVITIES

	Restricted funds 2023	Unrestricted funds 2023	Total funds 2023	<i>Total funds 2022</i>
	£	£	£	£
Mission and ministry activities	-	4,900	4,900	4,650
Outreach activities	-	350	350	350
	<u>-</u>	<u>5,250</u>	<u>5,250</u>	<u>5,000</u>

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 £930
SEDCU (Supporting the Education of Disadvantaged Children in Uganda) £590
St. Pauls Children's Project £590
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 2023**

10. SUPPORT COSTS

	PCC Costs	HATL Costs	Total 2023	<i>Total funds 2022</i>
	£	£	£	£
Premises costs	22,680	-	22,680	19,342
Office costs	9,177	-	9,177	6,549
Health and safety	1,074	-	1,074	2,602
Advertising and publicity	616	-	616	888
Staff costs	87,956	-	87,956	76,362
Professional fees	7,049	995	8,044	18,978
Auditor's remuneration	12,058	-	12,058	9,220
Depreciation	9,102	-	9,102	5,808
Other	6,454	-	6,454	4,770
Loss on disposal of fixed assets	4,785	-	4,785	-
	<u>160,951</u>	<u>995</u>	<u>161,946</u>	<u>144,519</u>

11. OTHER EXPENDITURE

	Restricted funds 2023	Unrestricted funds 2023	Total funds 2023	<i>Total funds 2022</i>
	£	£	£	£
Bell ringers	1,896	-	1,896	360
Choir fund	24,514	-	24,514	23,801
Other expenditure	5,754	-	5,754	6,452
	<u>32,164</u>	<u>-</u>	<u>32,164</u>	<u>30,613</u>

Of the £30,613 paid in 2022, all related to restricted funds.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2023

12. STAFF COSTS

Staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	406,005	385,771
National Insurance	7,786	8,080
Pension contributions	6,521	6,326
Death in service	781	1,067
	<u>421,093</u>	<u>401,244</u>

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

	2023	2022
	£	£
Employed by PCC	8	8
Employed by Hexham Abbey Heritage Trading Limited	<u>34</u>	<u>32</u>
	<u>42</u>	<u>40</u>
Employed by PCC - Full Time	-	-
Employed by PCC - Part Time	8	8
Employed by Hexham Abbey Heritage Trading Limited - Full Time	4	4
Employed by Hexham Abbey Heritage Trading Limited - Part Time	<u>30</u>	<u>28</u>
	<u>42</u>	<u>40</u>

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

During the year, one PCC member received remuneration or benefits in kind of £2,635 (2022 - £1,286).
The member is a part time employee.

During the year, two PCC members received reimbursement of expenses totalling £2,803 (2022 - £1,892) including for travel, telephone and hospitality relating to his work on funerals and visiting mercers.

Key management personnel remuneration amounted to £89,938 in the year (2022 - £86,538).

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2023**

13. TANGIBLE FIXED ASSETS - Group

	Freehold property £	Fixtures & fittings £	Total £
Group Cost			
At 1 January 2023	52,501	793,873	846,374
Additions	-	35,514	35,514
Disposals	-	(15,952)	(15,952)
At 31 December 2023	<u>52,501</u>	<u>813,435</u>	<u>865,936</u>
Depreciation			
At 1 January 2023	-	640,172	640,172
Charge for the year	-	129,136	129,136
On disposals	-	(11,167)	(11,167)
At 31 December 2023	<u>-</u>	<u>758,141</u>	<u>758,141</u>
Net book value			
At 31 December 2023	<u>52,501</u>	<u>55,294</u>	<u>107,795</u>
<i>At 31 December 2022</i>	<i>52,501</i>	<i>153,701</i>	<i>206,202</i>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2023**

13. TANGIBLE FIXED ASSETS (continued) - PCC Only

	Freehold property £	Fixtures & fittings £	Total £
PCC			
Cost			
At 1 January 2023	52,501	760,302	812,803
Additions	-	23,021	23,021
Disposals	-	(15,952)	(15,952)
At 31 December 2023	<u>52,501</u>	<u>767,371</u>	<u>819,872</u>
Depreciation			
At 1 January 2023	-	616,077	616,077
Charge for the year	-	119,831	119,831
On disposals	-	(11,167)	(11,167)
At 31 December 2023	<u>-</u>	<u>724,741</u>	<u>724,741</u>
Net book value			
At 31 December 2023	<u>52,501</u>	<u>42,630</u>	<u>95,131</u>
<i>At 31 December 2022</i>	<i>52,501</i>	<i>144,225</i>	<i>196,726</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 17 years ago.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2023

14. HERITAGE ASSETS

	Henry Perlee Parker Painting	Land and Buildings £	Total £
Group			
Market value			
At 1 January 2023	15,000	1,591,922	1,606,922
Additions	-	(2,322)	(2,322)
At 31 December 2023	<u>15,000</u>	<u>1,589,600</u>	<u>1,604,600</u>

	Henry Perlee Parker Painting	Land and Buildings £	Total £
PCC			
Market value			
At 1 January 2023	15,000	1,591,922	1,606,922
Additions	-	(2,322)	(2,322)
At 31 December 2023	<u>15,000</u>	<u>1,589,600</u>	<u>1,604,600</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 year ended 31 December 2017, as this is a more accurate reflection of the assets use and purpose.

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

	Additions £
2016-2017	(2,469)
2018	(2,565)
2019	(2,565)
2020	(2,565)
2021	(2,119)
2022	(2,404)
2023	(2,322)

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 2023	40,693
Additions	-
At 31 December 2023	<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 2023

16. INVESTMENT PROPERTY - Group and PCC Only

	<u>Unrestricted</u>
VALUATION	
At 1 January 2023	275,000
At 31 December 2023	<u><u>275,000</u></u>

All investment properties are freehold. Investment properties were last valued during the year ended 31 December 2023 based on the trustees estimate of fair value.

17. DEBTORS

	<u>Group</u>		<u>PCC</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	£	£	£	£
Trade debtors	12,965	9,815	944	124
Amounts owed by group undertakings	-	-	267,009	159,753
Other debtors	-	2,566	-	2,866
Prepayments and accrued income	21,869	47,710	21,869	46,800
	<u>34,834</u>	<u>60,091</u>	<u>289,822</u>	<u>209,543</u>

18. CREDITORS

Amounts falling due within one year

	<u>Group</u>		<u>PCC</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	£	£	£	£
Trade creditors	42,239	48,819	22,110	23,779
Other taxation and social security	41,838	24,183	10,361	-
Accruals and deferred income	25,902	28,277	15,497	17,674
	<u>109,979</u>	<u>101,279</u>	<u>223,760</u>	<u>119,479</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2023**

19. STATEMENT OF FUNDS

Restricted funds

	Brought forward 2023 £	Income 2023 £	Expenditure 2023 £	Transfers 2023	Carried forward 2023 £
Choir fund	3,160	29,170	(24,514)	-	7,816
Hexham Abbey Guild of Bellringers	4,554	964	(1,896)	-	3,622
The Mercers' Charitable Foundation	-	15,000	(15,000)	-	-
Chorister Prizes	745	-	(240)	-	505
Medieval Panel Paintings	3,855	300	(4,155)	-	-
Abbey roof	42,150	-	-	-	42,150
Hexham Abbey Restoration Trust (HART)	-	8,700	(8,700)	-	-
Cathedral Music Trust	-	13,000	(10,960)	-	2,040
The Ousley Church Music Trust	1,080	-	(1,080)	-	-
Gillian Dickinson Trust	2,568	-	(2,568)	-	-
Rothley Trust Grant	-	800	(800)	-	-
Miscellaneous	4,258	12,400	(16,450)	-	208
Addison bequest	4,000	-	-	-	4,000
National Churches Trust	-	2,434	(2,434)	-	-
Sir James Knott Trust	-	3,000	(3,000)	-	-
Benefact Trust	2,460	1,760	(4,220)	-	-
C of E Grant Trust	1,560	-	(1,560)	-	-
DBF Youth Grant	61	-	(61)	-	-
Ballinger Trust	1,000	-	(1,000)	-	-
NHCT Grant	-	29,000	-	(29,000)	-
St. Hilda's Trust	1,350	-	(1,350)	-	-
Saxon Fragments	691	588	-	-	1,279
Garden Grant	-	2,000	-	-	2,000
	73,492	119,116	(99,988)	(29,000)	63,620

Comparative 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)	-	-
Sir James 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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2023

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.

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

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

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.

Cathedral Music Trust - A fund to help towards the music and organ tuning within the Abbey.

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 towards setting up a games cafe.

Miscellaneous - a combination of funds to help towards flag and burst pipe repairs 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.

National Churches Trust - The Pilgrim Trust, a grant to support the gutter repairs and downpipes.

Sir James 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 and a grant for the provision of live streaming facilities in the Abbey.

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 childrens corner.

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

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

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

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

Garden Grant - A grant to support the surrounding gardens of the Abbey.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements
for the year ended 31 December 2023

	Brought forward 2023 £	Income 2023 £	Expenditure 2023 £	Transfers in/out 2023 £	Carried forward 2023 £
Designated funds					
Property Maintenance and Conservation	399,509	-	-	-	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)	467,659	-	(116,414)	11,223	362,468
Fixed Assets (Information Screens)	13,543	-	(1,095)	(4,785)	7,663
Fixed Assets (Heritage Assets)	1,606,922	-	(2,322)	-	1,604,600
The Mercers' Company (Other)	-	8,000	(8,000)	-	-
Abbey Roof Ann Edwards legacy	14,917	-	-	-	14,917
Prior Leschman Garden (Disposal of Lowgate)	8,357	-	-	-	8,357
Nora Horne Roof replacement	50,000	-	-	-	50,000
	<u>2,582,694</u>	<u>8,000</u>	<u>(127,831)</u>	<u>6,438</u>	<u>2,469,301</u>
General fund					
General funds - all funds	216,351	1,117,342	(1,040,587)	22,562	315,668
Total Unrestricted funds	<u>2,799,045</u>	<u>1,125,342</u>	<u>(1,168,418)</u>	<u>29,000</u>	<u>2,784,969</u>

Transfers during the year reflect the disposal of fixed assets having met their original restrictions, and expenditure amounts reclassified from unrestricted funds incurred in the prior period

Comparative funds

	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>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2023

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.

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

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

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 2023**

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Carried forward £
Designated funds	2,582,694	8,000	(127,831)	6,438	2,469,301
General funds	216,351	1,117,342	(1,040,587)	22,562	315,668
	<u>2,799,045</u>	<u>1,125,342</u>	<u>(1,168,418)</u>	<u>29,000</u>	<u>2,784,969</u>
Restricted funds	73,492	119,116	(99,988)	(29,000)	63,620
	<u>2,872,537</u>	<u>1,244,458</u>	<u>(1,268,406)</u>	<u>-</u>	<u>2,848,589</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	107,795	107,795	-	206,202	206,202
Heritage assets	-	1,604,600	1,604,600	-	1,606,922	1,606,922
Investment properties	-	275,000	275,000	-	275,000	275,000
Current assets	63,620	907,553	971,173	73,492	812,200	885,692
Creditors due within one year	-	(109,979)	(109,979)	-	(101,279)	(101,279)
	<u>63,620</u>	<u>2,784,969</u>	<u>2,848,589</u>	<u>73,492</u>	<u>2,799,045</u>	<u>2,872,537</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2023

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 2023 it made a qualifying charitable donation to Hexham Abbey PCC of £136,004 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	
	2023	2022
	£	£
Total income for the year	718,239	597,246
Total expenditure in the year	(579,006)	(521,498)
Total	<u>139,233</u>	<u>75,748</u>

Balance sheet summary

	Hexham Abbey Trading Limited	
	2023	2022
	£	£
Fixed assets	12,664	9,476
Current assets	373,043	264,842
Current liabilities	(328,039)	(219,879)
Total	<u>57,668</u>	<u>54,439</u>

22. RELATED PARTY TRANSACTIONS

Donations from members of £8,574 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 2023**

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

	2023	2022
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(23,948)	(228,431)
Depreciation charges	129,136	124,070
Loss on disposal of fixed assets	4,785	
Dividends, interest and rents from investments	(25,211)	(15,372)
(Increase)/decrease in stocks	(9,236)	(2,527)
(Increase)/decrease in debtors	25,257	(9,467)
Increase/(decrease) in creditors	8,700	27,749
Net cash provided by (used in) operating activities	<u>109,483</u>	<u>(103,978)</u>

25. Analysis of cash and cash equivalents

	2023	2022
Cash at bank and in hand	<u>896,686</u>	<u>795,184</u>