



THE RUSSIAN ORTHODOX CHURCH ABROAD (LONDON)

ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2022 Summary Profit & Loss / Cashflow Reconciliation - Consolidated Accounts
01/01/22 Through 31/12/22

	Restricted Funds						Unrestricted Funds	Total 2022	Total 2021
	Building Account Restricted Funds	Treasurer Restricted Funds	Treasurer Reserved Account/ Choir A/c	CA Account	Sist Account	RSA Account			
Opening Bank Balances 1/1/21	5,113	8,166	7,681	130,000	45,727	232	196,910	10,445	207,354
Less: Loans between accounts	0	(1,736)	0	(45,870)	0		(47,606)	47,606	0
Opening Book Balances 1/1/21	5,113	6,420	7,681	84,130	45,727	232	149,304	58,051	207,354
Plus Income									
Voluntary Income	0	0	12,457	921	51,205	7,510	72,093	243,642	307,814
Property Income	0	0	0	0	0	0	0	0	0
Investment Income	0	0	0	187	0	0	187	0	11
Total Income	0	0	12,457	1,108	51,205	7,510	72,280	243,642	307,825
Less expenses									
Cost of generating charitable activities	(60)	(132)	(14,956)	0	(44,852)	(7,014)	(67,014)	(257,076)	0
Governance costs	0			0	0	0	0	0	(276,686)
Total resources expended	(60)	(132)	(14,956)	0	(44,852)	(7,014)	(67,014)	(257,076)	(276,686)
Net Income (Outgoing) before transfers	(60)	(132)	(2,499)	1,108	6,353	496	5,266	(13,434)	31,139
Gross transfers between funds	0			(10,000)			(10,000)	10,000	0
Net movement in funds	(60)	(132)	(2,499)	(8,892)	6,353	496	(4,734)	(3,434)	31,139
Total Funds brought forward	2,359,871	24,702	7,660	176,057	45,728	232	2,614,270	307,659	2,890,790
Total funds carried forward	2,359,811	24,570	5,181	167,165	52,081	728	2,609,536	304,224	2,921,929
Loans Between Accounts									
Loan from TRA to TAUF							0	0	0
Loan from CA to TAUF				(10,000)			(10,000)	10,000	0
Loan from TAREF to TAUF							0	0	0
Loan from TAUF to BARF							0	0	0
Loan from TAUF to RSA							0	0	0
Loan from TRA to TAREF							0	0	0
Less Capital Expenditure	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
Closing Bank Balances 31/12/22	5,053	8,024	5,182	121,108	52,080	728	192,175	7,010	199,186
Closing Book Balances 31/12/22	5,053	6,288	5,182	65,238	52,080	728	134,569	64,616	207,354

As at 31/12/2022

	Restricted Funds						Unrestricted Funds	Total 2022
	Building Account Restricted Funds	Treasurer Account Restricted Funds	Treasurer Reserved Account	Capital Account	Sist Account	RSA Account		
Fixed Assets								
Tangible Assets	2,354,758	16,547	0	46,057	0	0	2,417,362	2,714,078
Current Assets								
Debtors								
Due within one year:								
Debtors and Prepayments	5,053	8,024	5,182	121,108	52,080	728	192,175	0
Cash at Bank and in Hand	5,053	8,024	5,182	121,108	52,080	728	192,175	199,883
								199,883
Current Liabilities								
Amounts falling due within one year	0	0	0	0	0	0	0	0
Net Current Assets/Liabilities	5,053	8,024	5,182	121,108	52,080	728	192,175	199,883
Total Assets less current liabilities	2,359,811	24,571	5,182	167,165	52,080	728	2,609,537	2,913,761
Creditors								
Amounts falling due after one year							0	0
							0	0
Total Net Assets	2,359,811	24,571	5,182	167,165	52,080	728	2,609,537	2,913,761
Funds of the Charity								
Restricted Income Funds	2,359,811	24,570	5,182		52,080	728	2,442,372	2,438,214
Unrestricted Income Funds							0	307,859
Capital Funds							167,165	176,057
Total Funds	2,359,811	24,570	5,182	167,165	52,080	728	2,609,537	2,921,930

REVIEW OF THE ACTIVITIES

After a challenging couple of years, we finally started to emerge from the recessionary macroeconomic environment and experienced a solid recovery. The UK economy is expected to grow by 4.4% in 2023, after a 6.8% rebound in 2022, according to the Office for Budget Responsibility. However, the growth outlook is subject to uncertainty and risks, such as the ongoing effects of the COVID-19 pandemic, the adjustment to the new trading arrangements with the EU, and the potential impact of rising inflation and interest rates.

The UK inflation rate surged to 11.1% in October 2022, prompting the Bank of England to increase the official Bank Rate up to 3% in November 2022. Inflation is one of the main factors behind the ongoing Cost of Living Crisis in the UK. Russia's invasion of Ukraine in February 2022 brought an end to the era of cheap gas flowing to European markets from Russia. The war has also disrupted global food markets, with both Russia and Ukraine being major exporters of cereal crops. Along with soaring food costs, high energy bills have hit UK households hard, especially lower-income ones that spend more of their earnings on housing costs. With global energy prices spiralling, the UK's energy price cap has increased substantially. The cap, which limits what suppliers can charge consumers, reached £3,549 per year in October 2022, compared with £1,277 pounds a year earlier. Unfortunately, while wages are growing quite fast, they are currently not keeping pace with inflation. UK households experienced the biggest fall in living standards in decades in 2022, with 2023 also expected to be a difficult year.

In addition to the direct costs like petrol, diesel, gas, electricity, etc., there are indirect costs such as the cost of transportation to bring products to market, the cost of keeping businesses open as energy costs rise, etc. Moreover, the increase in the costs of oil and gas, the underlying cause of the energy price rises, also creates a significant spike in the cost of petrochemicals. Petrochemicals are used for fertilisers, packing material, clothing, and many other household and industrial products. All these price increases have put further pressure on wages to help people cope.

All these factors have made a huge impact on our Parish, the lives of our parishioners and our community. Unfortunately, people feel the constraints of the current economic climate therefore finding it hard to cope with rising prices and support their families. This resulted in the decline of the Church's collections.

The **operating expenditure** exceeded the **operating income** by £35k. The operating deficit (£35k) is higher than the operating deficit we had in 2021 (£34.2k). **Total expenditure** exceeded the **total income** by £10k, which is slightly lower (by £3k) than in 2021.

This was due to several factors: the sale of candles decreased by £3k, the Church plate collection decreased by £2.4k, but regular donations increased by £5.6k, which means more people opted to donate via transfers into a bank account and setting up direct debit. Overall income dropped by £14.5k in comparison to 2021 despite the generosity of our parishioners and hard-working Clergy.

The factors discussed earlier in this report, such as inflation, and rising energy prices have resulted in increased expenditure for our Parish. We had to increase salaries to reflect the impact of the inflation and support our Clergy as much as we could. The prices in the UK went up by 10.5%, the highest since 1997.

For now, we can sustain this deficit due to the number of operating funds accumulated in previous years. Due to the post-pandemic effect and cost of living increase, as it has a direct effect on our financial results, we need to continue increasing fund-raising activities and seek new ways of attracting donations to cover our operating costs soon.

Our **main sources of regular income** are raised from donations made by the parishioners in the form of the purchase of candles, plate collection, regular donations, and subscriptions. The Parish is very grateful to all the people who helped it stay afloat financially during these difficult times.

The income from donations for candles was £70.8k in 2022 (£73.8k in 2021)

Plate collections for the needs of the Church were £35.7k in 2022 (£38k in 2021)

Collections boxes for the needs of the Church were £10.4k in 2022 (£8.2k in 2021)

The number of regular donations and subscriptions was £46.6k in 2022 (£40.9k in 2021)

The miscellaneous donation amounted to £16.8k in 2022 (£33.7k in 2021)

Our main items of regular expenditure consisted of salaries, clergy expenses and accommodation, electricity bills, and insurance. Salary expenditure was £76.6k in 2021 (£76.6k in 2021). Clergy expenses and accommodation were £25.4k in 2021 (£24.2k in 2021). Gas and electricity expenditure in 2021 was £28.7k whereas in 2022 it was £14.1k. Insurance costs remained at the same level. It is currently paid via direct debit payment method instead of the lump sum.

The closing position of all restricted and unrestricted funds at the end of the year 2022 was £199.7k, which is lower than £207.8k at the end of last year.

INVESTMENT POLICY

The Charity continued to be lodging its cash surpluses in the bank account in 2022 due to two main reasons: (a) low-interest rates for short-term bank deposits that defeat their purpose, and (b) aversion to long-term liquidity risk. A review of this policy will be conducted in 2023.

RESERVES POLICY

As of 31 December 2022, the total unrestricted net current assets were £64,616 which would cover nearly 4 months of average operating expenses of the Parish.

RISK REVIEW

The Charity is debt-free as of 31 December 2022. The Church Council has been monitoring the financial position regularly to ensure we can maintain sustainability by matching our income and expenditure.

PROFESSIONAL ADVISORS

Bankers:

HSBC Bank PLC

90 Baker Street

London

W1U 6AX

Accountants and independent examiners:

C Yew & Company



54 Glenburnie Road

London

SW17 7NF

The principal address of the Charity:
The Cathedral of the Nativity of the Most Holy Mother of God and the Holy Tsar Martyrs
and the New Martyrs of Russia
57 Harvard Road
London
W4 4ED

Summary pre-audit accounts are presented overleaf.

 
Chairman of Trustees