

Annual Report
and
Financial Statements
of the
Parochial Church Council
of the Ecclesiastical Parish
of Welwyn and Woolmer Green

for the year ended 31 December 2022

Team Rector:

The Reverend Dr David Munchin
The Rectory
2 Ottway Walk
Welwyn
Herts AL6 9AS

Bank:

Barclays Bank plc
The Welwyn Group
12/12A The Howard Centre
Welwyn Garden City
Herts AL8 6ER

Independent examiner:

Chris Burton BA, FCA
Chartered Accountant
13 Warren Way
Welwyn
Herts AL1 0DQ

Registered Charity no. 1130415

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Annual Report for the year ended 31 December 2022

Aim and purposes

The PCC of the parish has the responsibility of co-operating with the incumbent, the Rev'd Canon Dr David Munchin, in promoting in the parish the whole mission of the Church, including its pastoral, evangelistic, social and ecumenical vision. It also has the maintenance responsibilities for St Mary the Virgin, Welwyn, St Michael and All Angels, Woolmer Green, St Michael's House and Church House.

Objectives and Activities

The PCC is committed to enabling as many people as possible to worship in our two churches and to become part of our parish community. The PCC maintains an overview of worship throughout the parish and makes suggestions on how our services can involve the many groups that live within our parish. Our services and worship put faith into practice through prayer, scripture, music and sacrament.

When planning our activities for the year, the incumbent and the PCC considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance for charities on the advancement of religion. Primarily, we try to enable ordinary people to live out their faith as part of our parish community through:

- Worship and prayer; learning about the Gospel; and developing their knowledge and trust in Jesus.
- Provision of pastoral care for people living in the parish.

To facilitate this work, it is important that we maintain the fabric of our two churches, St Michael's House and Church House.

Response to the Global Pandemic

The COVID19 pandemic and its associated restrictions have had a major impact on parish and church life. The restrictions associated with the pandemic began in March 2020, and concerning the time period of this report, just before Christmas 2021 the emergence of the omicron variant again placed more restrictions on places of worship. Since February 2022 there have been no legal restrictions affecting our worship or activities, though many people have chosen to continue with various precautions such as mask wearing and social distancing. We have encouraged people to remain vigilant on a voluntary but not mandatory basis. People are gradually returning to in person services and other church activities. The common cup at communion services was reintroduced during the year, but we still do not physically share the peace. Some activities having migrated online, have found it more convenient to stay there, at least for the time being.

Funerals, baptisms and weddings are returning to 'normal' levels after a difficult two years.

As well as services, every other aspect of church life has been impacted.

Plans for the future

Although there was a Mission Action Plan in place prior to COVID19, this was superseded by the need to recover from the effects of the pandemic. The impact on the life of the whole nation, its economic repercussions and its effect on our social and working lives cannot be overestimated. However we are now set to revisit this with an open meeting to look at a Mission Action Plan in March 2023.

The restrictions of COVID19 curtailed our church activities. However from the spring of 2022 we returned to a sort of 'business as usual' model. Probably the area we are still needing to reclaim is our work with children and families. However a good first step has been made with this, with a rejuvenated Junior Choir and the offer of Choral Scholarships.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Annual Report for the year ended 31 December 2022 (continued)

Achievements and Performance

Worship and Prayer

All are welcome to attend our regular services. At present, there are 256 parishioners on the Church Electoral Roll.

The PCC is keen to offer a range of services during the week that our community finds both beneficial and spiritually fulfilling. Quiet spoken Eucharist services are held on weekdays and on Sunday mornings. Sung Eucharist services are held every Sunday morning and on major festivals. Evensong services are held in St Mary's on the second, fourth and fifth Sundays of each month, with this generally being choral on the second Sunday. Services especially aimed at families and young children are held on a regular basis, usually in the more informal setting of Church House, such as the bi-monthly 40-minute pram service. Monthly services are held at various care homes and day centres for the elderly throughout the parish.

Special preparation classes are run for those who wish to get married in the churches and for those wishing to have their children baptised. Baptisms take place during normal Sunday morning services, enabling families to be welcomed by the church community. This is usually on the third Sunday of the month.

We have a notable choral tradition, which enhances worship. In 2022 we appointed Robert Milner as our Director of Music. This has led to an enlarged and revitalised musical tradition, with a large choir, complete with children and young people, offering an outstanding musical contribution to our worship.

Pastoral Care

There is a trained team within the congregation to provide Baptism preparation and a team to welcome newcomers and visitors. Pastoral care is largely provided by the clergy, and informally by members of the congregation on an ad hoc basis.

A Memorial service is held annually in November at St Mary's for those who have been bereaved during past years. This is followed by refreshments and a time for fellowship and support.

Mission and Outreach

The PCC has a policy of making donations to local, national and international charities, mostly through the fundraising work of church members, equivalent to at least 15% of the annual voluntary donations received by St Mary's. In 2022 regular donations of food from the congregation and the wider community were left in the porch at St Mary's church to support anyone struggling because of the cost of living crisis. These donations as well as the financial support to charities meant that this target was met this year.

Each year the parish produces 10 issues of the Welwyn Magazine, which contains both church and local information. It is sold widely throughout the parish.

The Welwyn Community Café, set up in November 2009 in conjunction with the Welwyn Parish Action Plan Group and in line with the Welwyn Parish Plan, has continued to be successful. The café runs most Tuesday mornings, from 10am until noon, in Church House. Church House also provides a venue for other community groups, such as a twice-weekly sewing and knitting group, a bridge club and a monthly community lunch.

There are many opportunities for Bible Study and other forms of Christian education; the website and the weekly pew bulletin give extensive details of these.

We take a key role as participant and venue in Welwyn Week and were pleased that it was able to go ahead in 2022, having unfortunately had to be cancelled in 2020 and 2021. In addition, the parish runs a walking group, two book groups, a theatre group, and Saturday Breakfast events, which are open to church and non-church members. We produced a successful pantomime in 2022, which was well attended, entertaining and raised money for charity. Further details of activities and up to date information can be found on our website.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Annual Report for the year ended 31 December 2022 (continued)

Financial Review

Income

Total income was £221,761 (2021: £234,161), a decrease of £12,400 on last year.

There was a small increase of £1,677 from regular giving and £3,049 from ‘open plate’ collections in services. This can be attributed to worship in church being possible for most of the year (compared to the previous year when this was affected by the COVID-19 restrictions), and a good uptake of the Parish Giving Scheme at St. Mary’s which now has 16 donors. We had no income from one-off appeals (2021: £10,500) and received no legacies in 2022 (2021: £11,000).

The Giving Station for card donations which was installed in St. Mary’s Church in November 2021 has been well used. It offers the congregation an alternative to donating cash during services and an option for people to donate who visit the church at other times.

We received grants of £5,059 from the Diocese and Herts County Council for energy costs and the Warm Spaces initiatives which began in the Autumn at both churches.

St Michael’s House was rented out for the first few months of the year, after which it was occupied by our new curates Rev’d Christie and Rev’d Ryan Gilfeather who we welcomed in July. We are happy that the Romanian Orthodox Church has started using St Michael’s Church for regular services which has brought in welcome Church lettings income, and the income from Church House bookings has doubled. Income from our charitable activities was very similar to the previous year, and income from trading activities was £1,259 less than the previous year.

We are very grateful for the generosity of the church community - for donations of money, time and talents – all of which enable the running costs of the buildings to be met and the church’s mission in the two communities of Welwyn and Woolmer Green to continue.

Expenditure

Total expenditure was £225,562 (2021: £238,551), a decrease of £12,989 on last year.

The costs associated with church services, and running and maintaining the buildings and churchyards, were £2,512 lower than in 2021, partly due to the clock repair at St Mary’s in 2021. Utility costs were £1,523 higher than last year due to the increase in gas and electricity prices when our fixed deals came to an end in the Autumn.

There was a big decrease in expenditure of £18,056 on St Michael’s House, following the cost of the refurbishment last year. There was a small increase of 1.8% in the diocesan parish share.

Summary

Overall the charity recorded a deficit of £4,465 (2021: deficit of £3,678). There was capital expenditure of £15,976 on the new fire alarm system installed at St. Mary’s. The cash balances (bank and deposit accounts) fell to £165,383 (2021 £172,675).

The quinquennial inspection, due to take place in the Autumn, was delayed and is scheduled for March 2023. There may be some modest expenditure this year as a result of the inspection. We expect a big increase in utility bills this year, possibly in the region of £23,000, which will be met by reserves.

Reserves

The charity’s total funds dropped by £4,465 to £899,655 (2021: £904,120). Restricted and endowment funds were £9,775 (2021: £10,439). Designated unrestricted funds set aside for emergency expenditure and capital for church groups and activities fell to £48,082 (2021: £64,505). General unrestricted funds increased to £216,798 (2021: £204,176).

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Annual Report for the year ended 31 December 2022 (continued)

Financial Review (continued)

Unrestricted cash reserves (i.e. undesignated money freely available to spend on the charity's purposes) were £113,631 (2021: £104,600). The PCC's reserves policy is to hold sufficient unrestricted cash reserves to cover at least four months' operating expenses, which the trustees believe will provide stability for the charity, and they are satisfied with its current position.

Risk Assessment Policy

The PCC is actively involved in the day-to-day running of the charity. Its members have assessed the major risks to which the charity is exposed and have satisfied themselves that systems have been established, or that other appropriate measures have been taken, to mitigate those risks, insofar as is reasonably practicable, but it is recognised that systems cannot give absolute assurance that risks have been eliminated. Training of trustees and volunteers has been provided to mitigate the safeguarding risks associated with young people.

The PCC is aware of its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to House of Bishops guidance on safeguarding children and vulnerable adults). It has appointed Safeguarding Officers for each church and approved the House of Bishops' Model Policies for safeguarding of children and vulnerable adults (this is done annually and the policies are displayed in the churches, with additional information). In addition at each meeting a report is given on any safeguarding incidents. Two potential safeguarding incidents occurred in 2022. The PCC was informed as was the Diocesan Safeguarding officer – in both cases he judged that no further action should be taken.

Matters associated with financial losses arising from a declining congregation have been identified as a risk too. Because regular monthly expenditure exceeds regular monthly giving income, there is a reliance on one-off donations, legacies and appeals to raise sufficient funds to break even.

The PCC continues to keep these risks under review, including consideration of any other major risks that might be present from time to time.

Volunteers

The PCC appreciates and thanks all the volunteers, at both St Mary's and St Michael's, who give their time and effort so willingly.

Structure, governance and management

Members of the PCC are either ex-officio or elected at the Annual Parochial Church Meeting in accordance with the Church Representation Rules. The PCC members are responsible for making decisions on all matters of general concern and importance to the parish, including deciding on how the funds of the PCC are to be spent. Given its wide responsibilities, the PCC operates through a number of action groups and committees, most of which meet on a regular basis.

Standing Committee:

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Fabric Action Group:

Deals with the maintenance, repair and development of the church buildings, St Michael's House and Church House.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green
Annual Report for the year ended 31 December 2022 (continued)

Structure, governance and management (continued)

Giving Action Group:

Deals with the allocation of donations to chosen charities, both at home and abroad, and is responsible for encouraging parishioners to commit to regular giving, both of time and money, to ensure the well-being of the church and its functions.

Church House Management Action Group:

Responsible for the management, maintenance and usage of Church House.

St Michael's Meeting:

Acts like an Action Group and deals with all matters relevant to St Michael's Church.

As the PCC has ultimate responsibility for a wide range of matters affecting the parish, it is important that the PCC adopts appropriate training procedures. Training courses arranged by the diocese are attended by a PCC representative who reports back to the PCC as a body, with any relevant reading matter being distributed.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Annual Report for the year ended 31 December 2022 (continued)

Administrative information

The PCC is a body corporate (PCC Powers Measure 1956, Church Representation Rules 2006). The Charities Act 2006 removed 'excepted status' from charities with incomes over £100,000 and therefore, during 2010, the PCC was required to register as a charity with the Charity Commission; its registration number is 1130415. The PCC's administrative office is located at St Mary's Church, Church Street, Welwyn, AL6 9LX.

During 2022, the following served as members of the PCC:

<i>Incumbent:</i>	Rev'd Dr David Munchin	Chairman
<i>Clergy:</i>	Rev'd Christie Gilfeather	Appointed 18 th July
<i>Readers:</i>	Mr Colin Hull (Deanery Synod Rep.) Mrs Usha Hull Mr John Burnapp	
<i>Church Wardens:</i>	Mr Stuart Westley Mrs Diane Jenkin Mrs Susan Keach (at St Michael's)	
<i>Deanery Synod Reps.:</i>	Mrs Vernonne Allan Mrs Shoena Eggington (at St Michael's)	
<i>Elected Members:</i>	Mrs Jacqueline Davis Mrs Joan Shelley Mr Geoffrey Cummings Mrs Georgina Beck Mr Stuart Jenkin Mrs Margaret Varco Ms Crystal Lam Mrs Elizabeth Hesketh	Appointed 25 th May Appointed 18 th July
<i>Secretary:</i>	Mrs Louise Hughes	

Signed on behalf of the PCC by

.....
The Rev'd Dr David Munchin (Chairman)

.....
Date

Independent Examiner's Report to the members/trustees of the Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

I report to the charity's trustees on my examination of the accounts of the PCC for the year ended 31 December 2022.

Responsibilities and basis of report

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

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

Independent Examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Trust, as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008, other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the Charities SORP (FRS 102).

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

Chris Burton BA, FCA
Chartered Accountant
13 Warren Way
Welwyn
Herts AL6 0DQ

.....
Date

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Statement of Financial Activities

For the year ended 31 December 2022

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 TOTAL £	2021 TOTAL £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2a	169,316	-	-	169,316	179,897
Charitable activities	2b	19,716	-	-	19,716	19,463
Other trading activities	2c	32,275	-	-	32,275	33,534
Investments	2d	305	-	149	454	186
Government grant	2e	-	-	-	-	1,081
TOTAL		<u>221,612</u>	-	149	221,761	<u>234,161</u>
EXPENDITURE ON:						
Raising funds	3a	225	-	-	225	-
Charitable activities	3b	225,188	-	149	225,337	238,089
Other Costs - loss on disposal of fixed assets	3c	-	-	-	-	462
TOTAL		<u>225,413</u>	-	149	225,562	<u>238,551</u>
NET INCOME		(3,801)	-	-	(3,801)	(4,390)
NET GAINS ON INVESTMENTS		-	-	(664)	(664)	712
TRANSFERS BETWEEN FUNDS		-	-	-	-	-
NET MOVEMENT IN FUNDS		(3,801)	-	(664)	(4,465)	(3,678)
BALANCES BROUGHT FORWARD AT 1 JANUARY 2022		<u>893,681</u>	<u>4,779</u>	<u>5,660</u>	904,120	<u>907,798</u>
BALANCES CARRIED FORWARD AT 31 DECEMBER 2022		<u>889,880</u>	<u>4,779</u>	<u>4,996</u>	899,655	<u>904,120</u>

The notes on the pages following the balance sheet form part of these accounts

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Balance Sheet at 31 December 2022

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	6		721,627		719,182
Fixed asset investments	7		<u>4,996</u>		<u>5,660</u>
			726,623		724,842
CURRENT ASSETS					
Stock		1,107		1,207	
Debtors	8	19,885		18,614	
Short term deposits		29,036		29,001	
Cash at bank and in hand		<u>136,347</u>		<u>143,674</u>	
		186,375		192,496	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(13,343)</u>		<u>(13,218)</u>	
NET CURRENT ASSETS			<u>173,032</u>		<u>179,278</u>
TOTAL NET ASSETS			<u>899,655</u>		<u>904,120</u>
FUNDS OF THE CHARITY					
Expendable endowment funds	11c		4,996		5,660
Restricted funds	11c		4,779		4,779
Unrestricted funds	11c		264,880		268,681
Revaluation reserve	11c		<u>625,000</u>		<u>625,000</u>
TOTAL CHARITY FUNDS			<u>899,655</u>		<u>904,120</u>

Approved by the Parochial Church Council on and signed on its behalf by:

.....
The Rev'd Dr David Munchin (Chairman)

The notes on the pages following the balance sheet form part of these accounts

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements

For the year ended 31 December 2022

1 ACCOUNTING POLICIES

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, together with 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 (FRS 102) (effective 1 January 2019) ('the SORP'). The PCC is a public benefit entity within the meaning of the Charities SORP (FRS 102).

The financial statements have been prepared under the historic cost convention, modified by the revaluation of investments and land and buildings, which are shown at fair value.

The presentation currency of the financial statements is the Pound Sterling (£).

Going concern

The Trustees believe that the charity's financial resources and contingency planning is sufficient to ensure the ability of the charity to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Funds

General unrestricted funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds are those funds that must be spent for restricted purposes and details of the funds held and restrictions are provided in Note 11. Endowment funds, where the capital must be retained, are also explained in Note 11.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, or those that are informal gatherings of church members.

Income and Endowments

The following gives details of how and when income is included in the Statement of Financial Activities

Donations and legacies

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under Gift Aid is recognised when received.

Income tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants, legacies and endowment income are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt is reasonably certain.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

1 ACCOUNTING POLICIES (continued)

Donations and legacies (continued)

Donated services are included in income (and at the same time in resources expended) at the estimated value to the PCC of the service received.

Charitable and other trading activities

Rental income from letting church premises is recognised when the rent becomes due.

Funds raised by social events are accounted for gross, after the event has taken place.

Sales of books and magazines from the church bookstall are accounted for gross, when received.

Income from investments

Dividends are accounted for when due and payable. Interest is accounted for when received.

Gains and losses on investments

Realised gains and losses are recognised when investments are sold. Unrealised gains and losses are accounted for on the revaluation of investments at 31 December each year.

Expenditure

The financial statements have been prepared under the accruals basis, inclusive of any irrecoverable VAT. Expenditure and any related liabilities are recognised as soon as there is a legal or constructive obligation and settlement is probable and quantifiable.

Donations

Donations are recognised when a commitment has been made externally.

Other costs

Governance costs include the cost of the independent examination of these accounts, the costs of trustee meetings and any legal advice to trustees on governance or constitutional matters.

Pensions

The charity contributes to a defined contribution pension scheme for its staff members. Contributions payable to the scheme are charged to the SOFA as incurred.

Fixed assets

Consecrated property and movable church furnishings

Consecrated and benefited property of any kind is excluded from the accounts by section 10(2)(a) and (c) of the Charities Act 2011.

Movable church furnishings held by the Rector and Church Wardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property, unless consecrated. They are listed in the church's inventory, which can be inspected at any reasonable time. For inalienable property acquired prior to 2001, there is insufficient cost information available and therefore such assets are not valued in the accounts.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

1 ACCOUNTING POLICIES (continued)

Fixed assets - Consecrated property and movable church furnishings (continued)

Items acquired since 1 January 2001 have been capitalised and depreciated in the financial statements over their currently anticipated useful economic life on a straight-line basis. All expenditure incurred in the year on consecrated or beneficed buildings, or individual items costing less than £1,000, or on the repair of movable church furnishings acquired before 1 January 2001, is written off when incurred.

Freehold land and buildings

Freehold land and buildings owned by the PCC are carried at fair value based on an open market valuation. Any changes in the valuation are recognised in the Statement of Financial Activities.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight-line basis over five years for office equipment and ten years for Church House and church equipment. Individual items of equipment with a purchase price of £250 or less are written off when the asset is acquired. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the Statement of Financial Activities. An impairment review is carried out at each year-end and any resultant loss identified and included in expenditure for the year.

Investments

Listed investments are included at market value at the Balance Sheet date.

Net gains/losses arising on the revaluation and disposal of investments are recognised in the Statement of Financial Activities. Income deriving from these investments is accounted for on a receivable basis and is recognised through the Statement of Financial Activities.

Current assets

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors, less a provision for amounts that may prove uncollectable.

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

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks. Short term deposits consist of cash held on deposit with the CBF Church of England Funds or other PCC-approved institutions.

Financial instruments

The PCC has elected to apply the provisions of Section 11 'Accounting for financial assets and financial liabilities' of the Charities SORP (FRS 102) 2019 to all its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

1 ACCOUNTING POLICIES (continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, when the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Government grant income

Grants from government bodies and other sources are received for specific purposes and are recognised in accordance with their individual terms and conditions. Income is recognised when the charity has entitlement to the funds, which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 INCOME AND ENDOWMENTS	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2022	TOTAL 2021
	£	£	£	£	£
<i>2a Donations and Legacies</i>					
Regular giving	113,023	-	-	113,023	111,346
One off donations	3,175	-	-	3,175	12,338
Online and card reader donations	9,360	-	-	9,360	9,587
“Open plate” collections at services	6,465	-	-	6,465	3,416
Sundry donations	1,586	-	-	1,586	1,597
Income tax recoverable	29,898	-	-	29,898	30,113
Grants received	5,809	-	-	5,809	500
Legacies	-	-	-	-	11,000
	169,316	-	-	169,316	179,897
<i>2b Charitable Activities</i>					
Fees for Weddings, Funerals etc	8,234	-	-	8,234	9,386
Choir	400	-	-	400	254
Coffee	1,014	-	-	1,014	393
Church groups and activities:					
Arpeggios	-	-	-	-	-
Bell Ringers	1,359	-	-	1,359	705
Fellowship	465	-	-	465	62
Flowers	3,675	-	-	3,675	2,030
Parish Magazine Sales	4,569	-	-	4,569	6,633
	19,716	-	-	19,716	19,463
<i>2c Other trading activities</i>					
Church and Church House lettings	9,052	-	-	9,052	2,213
St. Michael’s House letting	5,981	-	-	5,981	15,220
Fetes, bazaars and other fund-raising events	3,209	-	-	3,209	753
Church groups and activities:					
Bookstall	227	-	-	227	282
Fair Trade	6,655	-	-	6,655	7,398
Parish Magazine Advertisements	7,151	-	-	7,151	7,668
	32,275	-	-	32,275	33,534
<i>2d Investments</i>					
Dividends and interest	305	-	149	454	186
<i>2e Government grants</i>					
Coronavirus Job Retention Scheme	-	-	-	-	1,081
TOTAL INCOME AND ENDOWMENTS	221,612	-	149	221,761	234,161

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3 EXPENDITURE	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2022 £	TOTAL 2021 £
<i>3a Raising funds</i>					
Fetes, bazaars, other fund-raising events	225	-	-	225	-
<i>3b Charitable activities</i>					
Mission giving and donations	10,168	-	-	10,168	9,379
Ministry:					
Diocesan parish share	122,597	-	-	122,597	120,389
Clergy expenses	2,536	-	-	2,536	1,557
Church running expenses:					
Salaries	15,582	-	-	15,582	13,481
Insurance	5,906	-	-	5,906	6,322
Utilities	14,612	-	-	14,612	13,090
Other running costs	3,935	-	-	3,935	3,219
Upkeep of services	7,343	-	-	7,343	6,334
Subcontract costs – verger and organists	6,105	-	-	6,105	7,170
Church maintenance	3,936	-	-	3,936	10,238
Upkeep of churchyard	2,021	-	149	2,170	2,098
Major repairs/replacements	-	-	-	-	3,200
Church House costs	4,010	-	-	4,010	798
St Michael's House, London Road	2,076	-	-	2,076	20,132
Training and Mission	-	-	-	-	-
Youth costs	722	-	-	722	252
Choir expenditure	147	-	-	147	147
Depreciation of New Church House equipment	68	-	-	68	155
Depreciation of Church equipment	8,469	-	-	8,469	6,516
Depreciation of St. Michael's House equipment	879	-	-	879	733
Bank charges	356	-	-	356	309
Independent examination fee	-	-	-	-	-
Church groups and activities costs:					
Arpeggios	-	-	-	-	-
Bell Ringers	1,151	-	-	1,151	1,000
Bookstall	210	-	-	210	189
Fair Trade	6,157	-	-	6,157	6,571
Fellowship	51	-	-	51	125
Flowers	2,936	-	-	2,936	1,453
Parish Magazine	3,215	-	-	3,215	3,232
	225,188	-	149	225,337	238,089
<i>3c Other costs – loss on disposal of fixed assets</i>	-	-	-		462
TOTAL EXPENDITURE	225,413	-	149	225,562	238,551

During the year, two clergy (2021: one) were reimbursed expenses totalling £2,536 (2021: £1,557), relating mainly to travel and other costs incurred on behalf of church ministry.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

4 MISSIONARY AND CHARITABLE GIVING

The two churches donated £10,168 directly to a variety of charities in the UK and abroad (see table below). In addition, £7,222 was raised for charities as a result of fundraising activities organised by the churches.

	Donations		No. of institutions/ individuals	
	2022 £	2021 £	2022	2021
Support of disadvantaged people - UK	3,813	1,979	9	4
Support of disadvantaged people - Overseas	6,355	7,400	8	7
Natural disaster appeals - Overseas	-	-	-	-
Total donations to Institutions	10,168	9,379	17	11

5 STAFF COSTS

	2022 £	2021 £
Wages and salaries	15,239	13,207
Social security costs	60	-
Other pension costs	<u>283</u>	<u>274</u>
	<u>15,582</u>	<u>13,481</u>

The Director of Music resigned in July and during the summer his duties were carried out by relief organists. A voluntary Director of Music started work in September. During the year the PCC contracted for the services of a vergers and relief organists, who are paid on a contractor basis on presentation of their invoices. No-one on the payroll, nor the vergers or relief organists, earned £60,000 pa or more. The average number of employees during the year was 3 (2021: 3).

The church operates a defined contribution pension scheme which is available for all staff to join.

There were no other disclosable transactions in respect of PCC members, persons closely connected with them or other related parties.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

6 FIXED ASSETS

	Freehold land and buildings	Office equipment	Church House equipment	St. Mary's Church & St. Michael's House equipment	TOTAL
	£	£	£	£	£
ACTUAL COST OR VALUATION					
At 1 January 2022	625,000	6,641	35,673	193,729	861,043
Additions/disposals	-	-	-	11,861	11,861
Disposals	-	-	-	-	-
At 31 December 2022	<u>625,000</u>	<u>6,641</u>	<u>35,673</u>	<u>205,590</u>	<u>872,904</u>
DEPRECIATION					
At 1 January 2022	-	6,641	35,603	99,617	141,861
Charge for the year	-	-	68	9,348	9,416
Disposals	-	-	-	-	-
At 31 December 2022	<u>625,000</u>	<u>6,641</u>	<u>35,671</u>	<u>108,965</u>	<u>151,277</u>
NET BOOK VALUE					
At 31 December 2021	<u>625,000</u>	-	<u>70</u>	<u>94,112</u>	<u>719,182</u>
At 31 December 2022	<u>625,000</u>	-	<u>2</u>	<u>96,625</u>	<u>721,627</u>

The freehold land and buildings are St Michael's House, London Road, Woolmer Green, which is used as accommodation for the curate. A desktop valuation of £650,000 was carried out by Alexander Bond & Company in December 2021, for information only. The house was built in the 1950s and its historical cost had not been reflected in the accounts.

7 INVESTMENTS

	2022 £	2021 £
Quoted Investments:		
Investments at 1 January 2022	5,660	4,948
Unrealised losses – decrease in market value	(664)	712
Balance at 31 December 2022	<u>4,996</u>	<u>5,660</u>
Historic cost	<u>300</u>	<u>300</u>

Represented by 242 (2021: 242) shares in the CBF Church of England Investment Fund.

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

8 DEBTORS

	2022	2021
	£	£
Income tax recoverable	13,871	13,236
Other debtors	3,526	5,378
Prepayments and accrued income	<u>2,488</u>	-
	<u>19,885</u>	<u>18,614</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	£152	7,778
Accruals	£9,569	-
Other creditors	<u>£3,622</u>	<u>5,440</u>
	<u>13,343</u>	<u>13,218</u>

10 FINANCIAL COMMITMENTS

The future minimum lease payments under non-cancellable operating leases, in respect of other equipment, is as follows:

	2022	2021
	£	£
Payable within 1 year	995	995
Payable between 1 and 5 years	-	<u>1,243</u>
	<u>995</u>	<u>2,338</u>

11 FUND DETAILS

11a Analysis of net assets by fund category at 31 December 2022

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fixed Assets for Church use	721,627	-	-	721,627
Investment Fixed Assets	-	-	4,996	4,996
Current Assets	181,596	4,779	-	186,375
Current Liabilities	<u>(13,343)</u>	-	-	<u>(13,343)</u>
Fund Balances	<u>889,880</u>	<u>4,779</u>	<u>4,996</u>	<u>899,655</u>

Parochial Church Council of the Ecclesiastical Parish of Welwyn and Woolmer Green

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

11 FUND DETAILS (continued)

11b Description of funds

Endowment fund

The St Michael's Churchyard Endowment fund is a permanent endowment that requires income to be spent on the grave of Stanley Victor Sales.

Restricted funds

Fund	Purpose of fund – to pay for:	Movements during the year
St. Mary's Memorial Garden	New tools and gardening equipment	No expenditure
St Mary's Organ	Repair costs	No expenditure
St Michael's Piano or Organ Fund	Repair costs	No expenditure

Designated funds

Fund	Purpose of fund – to pay for:	Movements during the year
St Mary's Reserve	Fabric expenditure and emergency works	£15,976 was spent on the new fire alarm system
St Michael's Fabric	Fabric expenditure and emergency works	No expenditure
St Michael's House	Fabric expenditure and emergency works	£5,981 rental income was received from letting the property, £1,988 was spent on repairs and maintenance
St Mary's commission for altar frontals and vestments	Commission using the John Sainsbury legacy	No expenditure
Youth	Youth work	£722 was spent including the Summer Club resources and Children's corner at St. Mary's.
St Mary's Choir (new fund)	Choral scholar costs and other choir expenses	£3,737 was transferred into the fund from lunchtime recitals and choir revenue.
The remaining designated funds	To provide working capital for various church groups and activities	See 11c Funds balances and movement for the year

11 FUND DETAILS (continued)

11c Funds balances and movements for the year

Fund Name	Opening Balance 1/1/22	Income	Expenditure	Transfers	Investment gains/losses	Closing balance 31/12/22
REVALUATION RESERVE						
St. Michael's House, Woolmer Green	625,000	0	0	0	0	625,000
ENDOWMENT FUND						
St Michaels Church Yard (Sales Grave Trust)	5,660	149	(149)	0	(664)	4,996
RESTRICTED FUNDS						
St. Mary's Memorial Garden	439					439
St. Mary's Organ	2,082					2,082
St. Michael's Piano or Organ	2,258					2,258
TOTAL RESTRICTED FUNDS	4,779	-	0	0	0	4,779
UNRESTRICTED FUNDS						
Designated:						
St. Mary's Reserve	34,326		(15,976)			18,350
St. Michael's Fabric	1,818					1,818
St. Michael's House	5,088	5,981	(1,988)			9,081
Commission for altar frontals and vestments at St. Mary's	3,600					3,600
Youth	2,443		(722)			1,721
St Mary's Choir	-	3,737				3,737
Designated for church groups and activities:						
Arpeggios Hand Bell Ringers	245	0	-			245
St. Mary's Bell Ringers	3,731	1,359	(1,151)			3,939
St. Mary's Bookstall	585	227	(210)			601
St. Mary's Flowers	507	3,675	(2,936)	(1,000)		246
Parish Magazine	9,953	11,421	(3,215)	(15,500)		2,659
Fellowship	220	465	(51)	(200)		434
St. Mary's Fairtrade Stall	1,989	6,655	(6,157)	(837)		1,650
Total designated	64,505	33,520	(32,406)	(17,537)	0	48,082
General unrestricted fund *	204,176	188,093	(193,008)	17,537	0	216,798
TOTAL UNRESTRICTED FUNDS	268,681	221,612	(225,413)	-	0	264,880
CHARITY'S TOTAL FUNDS	904,120	221,761	(225,562)	-	(664)	899,655

* General unrestricted fund breakdown		
	Opening Balance 1/1/22	Closing Balance 31/12/22
Cash	104,598	113,629
Fixed assets	94,182	96,627
Debtors	18,614	19,885
Liabilities	(13,218)	(13,343)
TOTAL	204,176	216,798