

Charity Number: 1132444



HEXHAM ABBEY
HERITAGE • WORSHIP • COMMUNITY

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

**REPORT OF THE MEMBERS OF THE PCC AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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

PCC Membership

Incumbent:

The Revd Canon Dr Dagmar Winter (until 3rd July 2019)

Associate Priest:

Vacancy

Hon Associate Priest:

The Revd Claire Robson

PCC Lay Chair:

Mrs Helen Milner MBE (from 17th July 2019)

Churchwardens:

Mrs Steph Bingham (to APCM 2019)

Mr Simon Caudwell (re - elected APCM 2019)

Mrs Rachael Haywood Smith (re- elected APCM 2019)

Mr Richard Snow (re-elected APCM 2019)

Mrs Jane Pikett (elected at APCM 2019)

Mrs Helen Milner MBE (elected at Vestry Meeting 30th June 2019)

Representatives on Hexham Deanery Synod (serving a three-year term, 2017 - 2020):

Mr Hedley Everett

Mrs Wendy Nott

Mrs June Olliver

Mr David Ratcliff

Ms Carol Wilson

Elected Members:

Mr Peter Cockerill – Hon Treasurer (2016)

Mrs Jill Hughes(2018)

Mrs Michelle Mackie (2017)

Mr Tony May (2018)

Mr Jason Robinson-Gay (until APCM 2019)

Ms Lynne Thomson (2018)

Mr William Tyson (2017)

Mr Malcolm Thompson (elected at APCM 2019)

Mrs Vivienne Watson (until APCM 2019)

In Attendance:

Mrs Esther Russell - PCC Secretary (from 19th March 2019)

Mrs Rachel Ogilvie - Finance Officer

Charity registered number

1132444

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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

Principal Office

Hexham Abbey Parish Centre
Beaumont Street
Hexham
Northumberland
NE46 3NB

Independent Auditor

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

Bankers

Barclays Bank plc
Priestpottle
Hexham
Northumberland
NE46 1PE

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
WEST MALLING
Kent
ME19 4JQ

Incumbent

The Revd Canon Dr Dagmar Winter (until 3rd July 2019)
In Vacancy since 3rd July 2019

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2019

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 2019. The PCC confirms that the annual report and financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Method of appointment or election of members

The appointment of PCC members is governed and set out in the Church Representation Rules. The PCC comprises 19 members (2 clergy, 5 Churchwardens, 5 Deanery Synod Representatives, 7 elected members including the Lay Chair).

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.

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 2019, in addition to the Standing Committee, the PCC had the following 5 sub-committees: Property Committee, Safeguarding Committee, Social Committee, Aid and Global Issues Committee and Fundraising Committee. In addition, the PCC had the following working groups: Music in the Abbey, Christmas Fair Group and Conservation Advisory Group.

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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2019 (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 Revd Canon Dr Dagmar Winter and Church Wardens during the Interegnum, 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. In addition it has an important outreach to the 120,000+ a year visitors, tourists and pilgrims to the Abbey. The PCC has contact, through its database, with many more individuals who see themselves as connected with the life of the Abbey and it keeps in regular contact with them. The PCC maintains an overview of worship at the Abbey and makes suggestions about how services and outreach serve the needs of people who live in the parish and the wider area.

When planning its activities for the year, the PCC has considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In particular, it tries to enable ordinary people to live out their faith as part of the Abbey's parish community through its **VISION**:

of a world where God's love is enjoyed, celebrated and shared

and its **MISSION ACTION PLAN**

which states that:

Inspired by Andrew, Wilfrid and Etheldreda,
we seek to grow:
in breadth and numbers,
in faith and learning,
in prayer and generosity.

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

Going concern

After making appropriate enquiries, the Members have a reasonable expectation that the PCC has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Grant making policies

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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2019 (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 2019 (2018)

- 247 (343) people on the Church Electoral Roll
- 278 (291) communicants on Easter Eve and Easter Day
- 425 (494) total attending services on Easter Eve and Easter Day
- 1,265 (1,017) at special Advent services for congregation and local community
- 600 (864) at special Advent services for schools or civic organisations
- 370 (334) communicants on Christmas Eve and Christmas Day
- 1,500 (1,803) total attending services on Christmas Eve and Christmas Day
- 15 (14) baptisms conducted
- 10 (12) couples married in church
- 53 (58) funerals were conducted, of which 28 (28) were held in the Abbey
- 0 (0) adults and 0 (3) young persons were confirmed

Review of activities

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

In 2019 the PCC continued to implement its Mission Action Plan and reenergised the Leading Your Church into Growth (LYCiG) action plan.

In order to avoid overcrowding, we again ticketed the Crib Service and 9 Lessons and Carols services, this enabled us to provide a safe and calm environment for the affected services.

Visitor numbers have stabilised, estimated in the region of 120,000 for 2019, and the PCC is very grateful for its volunteer stewards and guides.

We hosted the Meissen Commission Conference in September, building close relationships between the Church of England and the Protestant Church of Germany.

Music

Under the leadership of Michael Haynes, Director of Music, assisted by Keith Dale, music continues to flourish in the Abbey. The choirs have grown in quantity and quality and the choristers' highlight was the choir trip to Palma in autumn half-term and recording a new Hexham Abbey CD.

Music in the Abbey and the Phelps Organ Series continue and are well supported.

For the Hexham Abbey Festival in September, the Abbey hosted a Festival Eucharist with a visiting preacher, the Rt Revd Mark Bryant, former Bishop of Jarrow.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2019 (contd)

Young People

Alongside our important musical work, the Education Officer offers programmes for schools as well as Heritage Workshops and other seasonal activities.

Monthly Messy Church and weekly Tots' Praise, continue to attract several families and their children.

Clergy are involved in visiting schools on a rota basis shared with Churches Together in Hexham.

Pastoral Work

Apart from the pastoral work of the clergy, a dedicated team of lay ministers takes Holy Communion to local care homes and to those who are housebound, and the Pastoral Visiting Group offers visits to those who are housebound.

Local Community Outreach

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

The Christmas Light switch on was followed by a Festival of Flame with thousands of candles, and displays in the Abbey linking with other town festivities, and included serving free Hot Chocolate to the hundreds of people who came. The event ended with a sung service of Compline with the choir at 9pm.

The Aid and Local Issues Group organised Christian Aid Week again and also allocated its budget by supporting the Holiday Club, Music fees for charitable carol services, and the remainder (which is the bulk) to the following charities:

- 25% USPG
- 25% West End Refugee Service
- 25% Jeel Al Amal Home for boys, Bethany
- 20% Northumberland Domestic Abuse Service
- 5% Farming Community Network

Major Grants

Hexham Abbey Restoration Fund generously funded a much needed new boiler in the Abbey. We are also grateful to the Mercers Company for supporting a Fundraising Manager, to shape a fundraising strategy and to raise money for major works identified by the Quinquennial Report.

Other Staff News

Our Rector, Rev Canon Dr Dagmar Winter left in July to take up a new post as Bishop of Huntington, many people from the town and congregations went down to support her at St Paul's Cathedral. In January Ed Clarke joined the Verging Team, followed in October by Louise Weaver as Lead Verger.

Plans for 2020

We welcome Canon David Glover as Rector in May 2020 and are intending to seek funding from NLHF to support the renewal of the roof and other projects which will further our outreach.

FINANCIAL REVIEW

The accounts for the year ended 31 December 2019 have been prepared in accordance with the accounting policies set out in note 1.1 to the accounts and comply with the Charities Act 2011, Financial Reporting Standard (FRS) 102 and the Charity Commission's Statement of Recommended Practice (SORP) applicable to charities.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2019 (contd)

Main Sources of Funds

The PCC relies entirely on support, gifts and donations received from its congregation, benefactors, visitors and fundraising events for which it is deeply grateful.

Performance for the year

The PCC's consolidated accounts incorporating the accounts of Hexham Abbey Trading Limited show a deficit for the year of £214,867, the main components of which was operational expenditure of £1,319,255 (£1,197,232 plus £122,023 depreciation charge), offset by grants, donations and other income of £1,140,460.

The PCC's consolidated designated funds stand at £2,922,115, which includes £2,425,684 in fixed assets. At the end of the year the PCC's general unrestricted fund stood at £80,497.

Reserves and Investment Policies

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

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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

2. Report to the PCC Members for the Year Ended 31 December 2019 (contd)

STATEMENT OF PCC's RESPONSIBILITIES

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

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

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

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

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

This report was approved by the Members on _____ and signed on their behalf by:

Mrs Helen Milner MBE, PCC Lay Chair

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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

Opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey (the "Charity") for the year ended 31 December 2019 which comprise Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated Summary Income and Expenditure Account, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

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

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

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

Responsibilities of the trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

Use of this report

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

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

Date:

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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Consolidated Statement of Financial Activities (incorporating income and expenditure account)
for the Year Ended 31 December 2019

	Note	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and Legacies	2	265,030	271,702	536,732	453,271
Trading Activities	3	3,618	551,024	554,642	571,692
Investments	4	-	11,487	11,487	4,560
Charitable activities	5	-	6,655	6,655	7,585
Other Income	6	16,258	14,686	30,944	41,486
Total		<u>284,906</u>	<u>855,554</u>	<u>1,140,460</u>	<u>1,078,594</u>
Expenditure on:					
Raising funds	3	7,472	483,907	491,379	481,563
Charitable activities	7	226,921	575,102	802,023	723,847
Other Expenditure	11	15,543	10,310	25,853	20,252
		<u>249,936</u>	<u>1,069,319</u>	<u>1,319,255</u>	<u>1,225,662</u>
Other recognised gains/(losses):					
Gains/losses on revaluations of investment assets		-	(36,072)	(36,072)	-
Net income/(expenditure)		<u>34,970</u>	<u>(249,837)</u>	<u>(214,867)</u>	<u>(147,068)</u>
Transfers between funds		58	(58)	-	-
Net movement in funds		<u>35,028</u>	<u>(249,895)</u>	<u>(214,867)</u>	<u>(147,068)</u>
Reconciliation of funds:					
Total funds brought forward		132,487	3,252,507	3,384,994	3,532,062
Total funds carried forward		<u>167,515</u>	<u>3,002,612</u>	<u>3,170,127</u>	<u>3,384,994</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 2019**

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Income from:				
Donations and Legacies	265,031	309,218	574,249	514,555
Trading Activities	3,618	27,864	31,482	31,667
Investments	-	11,487	11,487	4,560
Charitable activities	-	6,655	6,655	7,585
Other Income	16,258	14,686	30,944	41,486
Total	<u>284,907</u>	<u>369,910</u>	<u>654,817</u>	<u>599,853</u>
Expenditure on:				
Raising funds	7,472	7,422	14,894	6,895
Charitable activities	226,920	572,761	799,681	722,306
Other Expenditure	15,542	10,310	25,852	20,252
	<u>249,934</u>	<u>590,493</u>	<u>840,427</u>	<u>749,453</u>
Other recognised gains/(losses):				
Gains/losses on revaluations of investment assets	-	(36,072)	(36,072)	-
Net income/(expenditure)	<u>34,973</u>	<u>(256,655)</u>	<u>(221,682)</u>	<u>(149,600)</u>
Transfers between funds	58	(58)	-	-
Net movement in funds	<u>35,031</u>	<u>(256,713)</u>	<u>(221,682)</u>	<u>(149,600)</u>
Reconciliation of funds:				
Total funds brought forward	132,491	3,249,973	3,382,464	3,532,064
Total funds carried forward	<u>167,522</u>	<u>2,993,260</u>	<u>3,160,782</u>	<u>3,382,464</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Consolidated Balance Sheet
for the Year Ended 31 December 2019

	Note	2019	2018
		£	£
NON-CURRENT ASSETS			
Tangible assets	13	536,674	958,355
Heritage assets	14	1,614,010	1,616,575
Investments	16	275,000	-
		<u>2,425,684</u>	<u>2,574,930</u>
CURRENT ASSETS			
Stocks		38,130	44,400
Debtors	17	36,658	21,777
Cash at bank and in hand		748,774	817,926
		<u>823,562</u>	<u>884,103</u>
CREDITORS: amounts falling due within one year	18	<u>(77,862)</u>	<u>(74,039)</u>
NET CURRENT ASSETS		<u>745,700</u>	<u>810,064</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,171,384	3,384,994
CREDITORS: amounts falling due after more than one year	19	(1,257)	-
NET ASSETS		<u><u>3,170,127</u></u>	<u><u>3,384,994</u></u>
CHARITY FUNDS			
Restricted funds	20	167,515	132,487
Unrestricted funds	20	3,002,612	3,252,507
TOTAL FUNDS		<u><u>3,170,127</u></u>	<u><u>3,384,994</u></u>

The financial statements were approved by the Members on _____ and signed on their behalf, by:

Mrs Helen Milner MBE

The notes on pages 16 to 35 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 2019**

	Note	£	2019 £	£	2018 £
NON-CURRENT ASSETS					
Tangible assets	13		527,596		955,823
Heritage assets	14		1,614,010		1,616,575
Investments	15		1		1
Investment property	16		<u>275,000</u>		<u>-</u>
			<u>2,416,607</u>		<u>2,572,399</u>
CURRENT ASSETS					
Debtors	17	138,873		130,647	
Cash at bank and in hand		<u>660,230</u>		<u>721,676</u>	
			<u>799,103</u>		<u>852,323</u>
CREDITORS: amounts falling due within one year	18		<u>(54,928)</u>		<u>(42,258)</u>
NET CURRENT ASSETS					
			744,175		810,065
NET ASSETS					
			<u>3,160,782</u>		<u>3,382,464</u>
CHARITY FUNDS					
Restricted funds	20		167,522		132,491
Unrestricted funds	20		2,993,260		3,249,973
TOTAL FUNDS					
			<u>3,160,782</u>		<u>3,382,464</u>

The financial statements were approved by the Members on _____ and signed on their behalf, by:

Mrs Helen Milner MBE

The notes on pages 16 to 35 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 2019

	Note	2019 £	2018 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	25	<u>(71,790)</u>	<u>38,283</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		11,487	4,560
Purchase of property, plant and equipment		(11,414)	(14,810)
Purchase of heritage assets		2,565	2,565
Proceeds from sale of investments		-	-
Net cash provided by (used in) investing activities		<u>2,638</u>	<u>(7,685)</u>
Change in cash and cash equivalents in the reporting period		(69,152)	30,598
Cash and cash equivalents at the beginning of the reporting period		817,926	787,328
Cash and cash equivalents at the end of the reporting period	26	<u>748,774</u>	<u>817,926</u>

Analysis of changes in net debt:

	1 January 2019	Cash-flows	New finance leases	Other non- cash changes	31 December 2019
Cash	817,926	(69,152)			748,774
Finance lease obligations	-	934	(4,704)		(3,770)
Total	<u>817,926</u>	<u>(68,218)</u>	<u>(4,704)</u>	<u>-</u>	<u>745,004</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the Financial Statements for the Year ended 31 December 2019

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 2015 SORP, it is probable that the legacy will be received and the value of the income can be measured with sufficient reliability.

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

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

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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the Financial Statements for the Year ended 31 December 2019

1. ACCOUNTING POLICIES

1.4 EXPENDITURE

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

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

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

All resources expended are inclusive of irrecoverable VAT.

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

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

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

1.5 GOING CONCERN

The Members of the PCC are of the opinion that the PCC has sufficient resources to continue in operational existence for the foreseeable future, with surplus unrestricted liquid funds. There are no material uncertainties about the charity's ability to continue in operation. The Members of the PCC are therefore satisfied that these financial statements have been prepared using the going concern basis of accounting.

1.6 INVESTMENTS

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

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

1.7 STOCK

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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the Financial Statements for the Year ended 31 December 2019

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

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

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

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

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

1.9 INVESTMENT PROPERTIES

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

1.10 BASIS OF CONSOLIDATION

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

1.11 OPERATING LEASES

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

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the Financial Statements for the Year ended 31 December 2019

2. DONATIONS AND LEGACIES	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Planned giving and income under gift aid	-	116,803	116,803	<i>121,243</i>
Service collections	-	16,432	16,432	<i>17,163</i>
Visitors' donations	-	31,125	31,125	<i>35,651</i>
Gift Aid reclaimed	856	29,764	30,620	<i>31,072</i>
The Mercers' Company	-	8,000	8,000	<i>7,000</i>
The Mercers' Charitable Foundation	15,000	-	15,000	<i>15,000</i>
Votive candles	-	11,310	11,310	<i>13,268</i>
Other donations	8,393	19,789	28,182	<i>71,993</i>
Listed place of Worship grant	-	38,479	38,479	<i>23,000</i>
Legacies	-	-	-	<i>117,881</i>
Grants receivable	240,781	-	240,781	<i>-</i>
	<u>265,030</u>	<u>271,702</u>	<u>536,732</u>	<u><i>453,271</i></u>

Of the £453,271 received in 2018, £91,281 related to PCC restricted funds and £361,990 related to unrestricted funds.

In addition to the income recorded above, donations of £7,286 (2018 - £6,022) 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 2019**

3. TRADING ACTIVITIES

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Trading income				
Income from café, gift shop and lettings	-	514,610	514,610	<i>536,638</i>
Special fundraising events	1,584	3,596	5,180	<i>7,235</i>
Car park receipts	-	7,682	7,682	<i>8,850</i>
Music in the Abbey	-	4,159	4,159	<i>5,109</i>
Tour fees	-	9,344	9,344	<i>4,598</i>
Other fundraising events	2,034	11,633	13,667	<i>9,262</i>
	<u>3,618</u>	<u>551,024</u>	<u>554,642</u>	<u><i>571,692</i></u>

Of the £571,692 received in 2018, £7,235 related to restricted funds and £564,457 related to unrestricted funds.

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Trading expenses				
Staff costs	-	242,607	242,607	<i>231,820</i>
Special fundraising events	-	2,856	2,856	<i>2,072</i>
Car park	-	-	-	<i>930</i>
Costs relating to the café, gift shop and lettings	-	234,697	234,697	<i>243,498</i>
Music in the Abbey	-	2,020	2,020	<i>2,132</i>
Other fundraising expenses	7,472	1,727	9,199	<i>1,111</i>
	<u>7,472</u>	<u>483,907</u>	<u>491,379</u>	<u><i>481,563</i></u>

Of the £481,563 paid in 2018, £2,072 related to restricted funds and £479,491 related to unrestricted funds.

Net income from fundraising activities	<u>(3,854)</u>	<u>67,117</u>	<u>63,263</u>	<u><i>90,129</i></u>
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4. INVESTMENT INCOME

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Dividends and interest	-	4,519	4,519	<i>4,560</i>
Rental income	-	6,968	6,968	<i>-</i>
	<u>-</u>	<u>11,487</u>	<u>11,487</u>	<u><i>4,560</i></u>

Of the £4,560 received in 2018, 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 2019

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Funeral and wedding fees and similar income	-	5,868	5,868	6,514
Heritage Lottery Fund grant	-	787	787	1,071
	-	6,655	6,655	7,585

Of the £7,585 received in 2018, £1,071 related to restricted funds and £6,514 related to unrestricted funds.

6. OTHER INCOME

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other income	-	12,538	12,538	14,788
Rental income	-	-	-	5,913
Choir fund	15,461	-	15,461	14,669
Bellringers	797	-	797	1,402
Insurance claim	-	2,148	2,148	4,714
	16,258	14,686	30,944	41,486

Of the £41,486 received in 2018, £16,071 related to restricted funds and £25,415 related to unrestricted funds.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
PCC costs	692,522	5,278	97,547	795,347	719,571
HATL costs	5,172	-	1,504	6,676	4,276
	697,694	5,278	99,051	802,023	723,847

Of the £723,847 paid in 2018, £196,347 related to restricted funds and £527,500 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 2019**

8. DIRECT COSTS

	PCC Costs	HATL Costs	Total	<i>Total funds</i>
	£	£	2019	<i>2018</i>
	£	£	£	£
Diocesan parish share	134,119	-	134,119	138,757
Worship, ministry and mission	4,457	-	4,457	5,841
Church running and maintenance costs	74,157	-	74,157	75,995
Choir and organ expenses	9,368	-	9,368	7,464
Major repairs and capital projects	244,786	-	244,786	125,914
Staff costs	71,926	-	71,926	79,311
Priory building running and maintenance costs	24,508	-	24,508	23,937
Priory Leschman garden	4,737	-	4,737	6,976
Festival of flame	9,820	-	9,820	-
Depreciation	114,644	5,172	119,816	121,063
	<u>692,522</u>	<u>5,172</u>	<u>697,694</u>	<u>585,258</u>

9. GRANT FUNDING OF ACTIVITIES

	Restricted	Unrestricted	Total	<i>Total funds</i>
	funds	funds	funds	<i>2018</i>
	2019	2019	2019	£
	£	£	£	
Mission and ministry activities	-	5,170	5,170	5,550
Outreach activities	-	108	108	-
	<u>-</u>	<u>5,278</u>	<u>5,278</u>	<u>5,550</u>

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

Mission and ministry activities
 Jeel al-Amal boys home £1,205
 USPG (United Society Partners in the Gospel) £1,205
 West End Refugee Services £1,205
 Northumberland Domestic Abuse Services £964

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements
for the year ended 31 December 2019

10. SUPPORT COSTS

	PCC Costs £	HATL Costs £	Total 2019 £	<i>Total funds 2018 £</i>
Premises costs	11,736	-	11,736	14,263
Office costs	5,906	-	5,906	4,859
Health and safety	1,001	-	1,001	279
Advertising and publicity	3,115	-	3,115	3,668
Staff costs	46,687	-	46,687	61,735
Professional fees	11,708	1,504	13,212	32,198
Auditor's remuneration	8,780	-	8,780	8,440
Depreciation	2,207	-	2,207	2,207
Other	6,407	-	6,407	5,391
	<u>97,547</u>	<u>1,504</u>	<u>99,051</u>	<u>133,040</u>

11. OTHER EXPENDITURE

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bell ringers	1,358	-	1,358	356
Choir fund	14,185	-	14,185	15,596
Other expenditure	-	10,310	10,310	4,300
	<u>15,543</u>	<u>10,310</u>	<u>25,853</u>	<u>20,252</u>

Of the £20,252 paid in 2018, 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 2019

12. STAFF COSTS

Staff costs were as follows:

	2019	<i>2018</i>
	£	£
Wages and salaries	361,634	343,079
National Insurance	19,324	16,323
Pension contributions	1,454	916
Termination and redundancy payments	-	11,934
Death in service	1,085	614
	<u>383,497</u>	<u>372,866</u>

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

	2019	<i>2018</i>
	£	£
Employed by PCC	8	9
Employed by Hexham Abbey Heritage Trading Limited	<u>25</u>	<u>24</u>
	<u>33</u>	<u>33</u>
Employed by PCC - Full Time	-	
Employed by PCC - Part Time	8	
Employed by Hexham Abbey Heritage Trading Limited - Full Time	5	
Employed by Hexham Abbey Heritage Trading Limited - Part Time	<u>20</u>	
	<u>33</u>	

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

None of the employees were Members of the PCC.

During the year, no PCC member received any remuneration or benefits in kind (2018 - £Nil).

During the year, no PCC member received any reimbursement of expenses (2018 - £Nil).

Key management personnel remuneration amounted to £77,951 in the year.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements
for the year ended 31 December 2019

13. TANGIBLE FIXED ASSETS - Group

	Freehold property £	Fixtures & fittings £	Total £
Group			
Cost			
At 1 January 2019	363,573	1,203,332	1,566,905
Additions	-	11,414	11,414
Transfer	(311,072)		(311,072)
At 31 December 2019	<u>52,501</u>	<u>1,214,746</u>	<u>1,267,247</u>
Depreciation			
At 1 January 2019	-	608,550	608,550
Charge for the year	-	122,023	122,023
At 31 December 2019	<u>-</u>	<u>730,573</u>	<u>730,573</u>
Net book value			
At 31 December 2019	<u>52,501</u>	<u>484,173</u>	<u>536,674</u>
<i>At 31 December 2018</i>	<i>363,573</i>	<i>594,782</i>	<i>958,355</i>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements
for the year ended 31 December 2019

13. TANGIBLE FIXED ASSETS (continued) - PCC Only

	Freehold property £	Fixtures & fittings £	Total £
PCC			
Cost			
At 1 January 2019	363,573	734,235	1,097,808
Additions	-	(304)	(304)
Transfer	(311,072)	-	(311,072)
At 31 December 2019	<u>52,501</u>	<u>733,931</u>	<u>786,432</u>
Depreciation			
At 1 January 2019	-	141,985	141,985
Charge for the year	-	116,851	116,851
At 31 December 2019	<u>-</u>	<u>258,836</u>	<u>258,836</u>
Net book value			
At 31 December 2019	<u>52,501</u>	<u>475,095</u>	<u>527,596</u>
<i>At 31 December 2018</i>	<i>363,573</i>	<i>592,250</i>	<i>955,823</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 13 years ago.

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements
for the year ended 31 December 2019

14. HERITAGE ASSETS

Group	Henry Perlee Parker Painting	Land and Buildings £	Total £
Market value			
At 1 January 2019	15,000	1,601,575	1,616,575
Additions	-	(2,565)	(2,565)
At 31 December 2019	<u>15,000</u>	<u>1,599,010</u>	<u>1,614,010</u>

PCC	Henry Perlee Parker Painting	Land and Buildings £	Total £
Market value			
At 1 January 2019	15,000	1,601,575	1,616,575
Additions	-	(2,565)	(2,565)
At 31 December 2019	<u>15,000</u>	<u>1,599,010</u>	<u>1,614,010</u>

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

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

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

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

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

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

PCC	Holding in subsidiary undertaking £
Market value	
At 1 January 2019	<u>1</u>
At 31 December 2019	<u>1</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 2019

16. INVESTMENT PROPERTY

	<u>Unrestricted</u>
VALUATION	
At 1 January 2019	-
Transfer	311,072
Disposals	-
Revaluation	(36,072)
At 31 December 2019	<u>275,000</u>

All investment properties are freehold. Investment properties were last valued during the year ended 31 December 2019 based on the trustees estimate of fair value.

17. DEBTORS

	<u>Group</u>		<u>PCC</u>	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	17,101	6,908	2,936	-
Amounts owed by group undertakings	-	-	117,598	116,883
Other debtors	8,158	13,470	6,940	12,365
Prepayments and accrued income	11,399	1,399	11,399	1,399
Grants receivable	-	-	-	-
	<u>36,658</u>	<u>21,777</u>	<u>138,873</u>	<u>130,647</u>

18. CREDITORS

Amounts falling due within one year

	<u>Group</u>		<u>PCC</u>	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	32,200	16,674	13,360	-
Amounts owed to group undertakings	-	-	28,716	15,130
Other taxation and social security	21,763	16,323	59	-
Other creditors	1,883	23,834	-	9,920
Accruals and deferred income	22,016	17,208	12,793	17,208
	<u>77,862</u>	<u>74,039</u>	<u>54,928</u>	<u>42,258</u>

19. CREDITORS

Amounts falling due after more than one year

	<u>Group</u>		<u>PCC</u>	
	2019 £	2018 £	2019 £	2018 £
Hire purchase	1,257	-	-	-
	<u>1,257</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements
for the year ended 31 December 2019

20. STATEMENT OF FUNDS

Restricted funds

	Brought forward 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019	Carried forward 2019 £
Choir fund	2,466	15,461	(14,184)	-	3,743
Hexham Abbey Guild of Bellringers	4,177	878	(1,358)	-	3,697
Tyrrell Bequest	83,406	-	-	-	83,406
Friends of Hexham Abbey Music	-	2,500	(2,500)	-	-
The Mercers' Charitable Foundation	-	15,000	(15,000)	-	-
Chorister Prizes	1,035	-	(90)	-	945
Abbey roof	34,231	7,492	(520)	-	41,203
Medieval panel paintings	2,006	-	-	-	2,006
Prior Leschman Garden	5,224	1,735	(3,137)	-	3,822
Heritage and learning outreach	(58)	-	-	58	-
Hexham Abbey Restoration Trust (HART)	-	192,421	(192,421)	-	-
Friends of Cathedral Music grants	-	8,000	(3,303)	-	4,697
Sequestration fund	-	1,468	-	-	1,468
Festival of Flame	-	9,950	(9,950)	-	-
The Mercers Company FR grant	-	30,000	(7,472)	-	22,528
	132,487	284,905	(249,935)	58	167,515

Comparative restricted funds

	Brought forward 2018 £	Income 2018 £	Expenditure 2018 £	Transfers 2018	Carried forward 2018 £
Education work	635	-	(635)	-	-
Choir fund	3,393	14,669	(15,596)	-	2,466
Hexham Abbey Guild of Bellringers	3,075	1,458	(356)	-	4,177
Tyrrell Bequest	158,978	4,119	(79,691)	-	83,406
Maurice Reed Bequest	22,860	15,726	(38,586)	-	-
Friends of Hexham Abbey Music	-	2,500	(2,500)	-	-
The Mercers' Charitable Foundation	-	15,000	(15,000)	-	-
Chorister Prizes	1,115	-	(80)	-	1,035
Abbey roof	23,563	20,653	(9,985)	-	34,231
Joyce Christie Legacy - Education work	3,391	-	(3,391)	-	-
Medieval panel paintings	5,490	6,662	(10,146)	-	2,006
Prior Leschman Garden	22,390	-	(6,976)	(10,190)	5,224
Heritage and learning outreach	800	2,071	(2,929)	-	(58)
Hexham Abbey Restoration Trust (HART)	-	28,500	(28,500)	-	-
Hexham Remembers - WWI commemoration	-	4,300	(4,300)	-	-
	245,690	115,658	(218,671)	(10,190)	132,487

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Notes to the financial statements
for the year ended 31 December 2019

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

Comparative funds

	Brought forward 2018 £	Income 2018 £	Expenditure 2018 £	Transfers in/out 2018 £	Gains /losses 2018 £	Carried forward 2018 £
Designated funds						
Property Maintenance and Conservation:						
Watson, Edwards & Emerson bequests	33,378	724	(13,107)	-	-	20,995
Other	136,014	-	-	-	-	136,014
Mission and Ministry fund	12,591	-	-	-	-	12,591
Outreach work	10,372	-	-	-	-	10,372
Music in the Abbey	1,000	5,986	(2,432)	(3,554)	-	1,000
Norman Hill Bequest (Vestments)	3,031	-	-	-	-	3,031
Fixed Assets (Freehold land and buildings)	1,028,411	-	(119,143)	35,388	-	944,656
Fixed Assets (Heritage Assets)	1,604,140	-	-	12,435	-	1,616,575
Fixed Assets (Information Screens)	12,762	-	(1,595)	-	-	11,167
Alan Rowell bequest (choir robes)	4,087	-	(734)	-	-	3,353
The Mercers' Company	-	7,000	(7,000)	-	-	-
Henry Bell grant (Education work)	1,355	650	-	-	-	2,005
Abbey roof - Margaret Watson bequest	250,000	-	-	-	-	250,000
Abbey roof - Ann Edwards legacy	14,917	-	-	-	-	14,917
Prior Leschman Garden (Disposal of Lowgate)	10,818	-	-	-	-	10,818
Nora Horne Legacy (Abbey Roof replacement)	50,000	-	-	-	-	50,000
	3,172,876	14,360	(144,011)	44,269	-	3,087,494
General fund						
General funds - all funds	113,496	948,576	(862,980)	(34,079)	-	165,013
Total Unrestricted funds	3,286,372	962,936	(1,006,991)	10,190	-	3,252,507

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

Notes to the financial statements for the year ended 31 December 2019

DESIGNATED FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

Nora 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.

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Notes to the financial statements
for the year ended 31 December 2019

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains /losses	Carried forward £
Designated funds	3,087,494	13,540	(148,255)	5,408	(36,072)	2,922,115
General funds	165,013	842,014	(921,064)	(5,466)	-	80,497
	<u>3,252,507</u>	<u>855,554</u>	<u>(1,069,319)</u>	<u>(58)</u>	<u>(36,072)</u>	<u>3,002,612</u>
Restricted funds	132,487	284,905	(249,935)	58	-	167,515
	<u>3,384,994</u>	<u>1,140,459</u>	<u>(1,319,254)</u>	<u>-</u>	<u>(36,072)</u>	<u>3,170,127</u>

Transfers

The transfers between funds represent designated funds being transferred to unrestricted as projects come to an end.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	<i>Restricted funds</i> <i>2019</i> £	<i>Unrestricted funds</i> <i>2019</i> £	<i>Total funds</i> <i>2018</i> £
Tangible fixed assets	-	536,674	536,674	-	958,355	958,355
Fixed asset investments	-	-	-	-	-	-
Heritage assets	-	1,614,010	1,614,010	-	1,616,575	1,616,575
Investment properties	-	275,000	275,000	-	-	-
Current assets	167,515	656,047	823,562	132,487	751,616	884,103
Creditors due within one year	-	(77,862)	(77,862)	-	(74,039)	(74,039)
Creditors due in more than one year	-	(1,257)	(1,257)	-	-	-
	<u>167,515</u>	<u>3,002,612</u>	<u>3,170,127</u>	<u>132,487</u>	<u>3,252,507</u>	<u>3,384,994</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2019**

22. SUBSIDIARY UNDERTAKINGS

Company name	Country	Control	Description
Hexham Abbey Trading Ltd	England & Wales	100%	Company limited by shares, of which the PCC of Hexham Abbey is the sole shareholder, with a £1 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 2019 it made a qualifying charitable donation to Hexham Abbey PCC of £37,519, 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	
	2019	2018
	£	£
Total income for the year	528,777	544,887
Total expenditure in the year	(522,232)	(542,355)
Total	<u>6,545</u>	<u>2,532</u>

The Parochial Church Council of the Ecclesiastical Parish of Hexham Abbey

**Notes to the financial statements
for the year ended 31 December 2019**

Balance sheet summary

Hexham Abbey Trading Limited

	2019	2018
	£	£
Fixed assets	9,078	2,532
Current assets	170,504	163,795
Current liabilities	(128,556)	(123,102)
Long term liabilities	(41,949)	(40,692)
Total	<u>9,077</u>	<u>2,533</u>

23. RELATED PARTY TRANSACTIONS

There are no related party transactions during the year.

24. COMMITMENTS UNDER OPERATING LEASES

<u>Future minimum lease payments</u>	2019	2018
<u>Other</u>		
Not later than one year	2,128	4,689
Later than one year and not later than five years	2,805	1,380
Total	<u>4,933</u>	<u>6,069</u>

Operating lease payments of £2,487 were recognised as an expense during the year.

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

	2019	2018
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(214,867)	(147,068)
Depreciation charges	122,023	123,270
(Gains)/Losses on investments	36,072	-
Dividends, interest and rents from investments	(11,487)	(4,560)
(Increase)/decrease in stocks	6,270	8,480
(Increase)/decrease in debtors	(14,881)	58,542
Increase/(decrease) in creditors	5,080	(381)
Net cash provided by (used in) operating activities	<u><u>(71,790)</u></u>	<u><u>38,283</u></u>

26. Analysis of cash and cash equivalents

	2019	2018
Cash at bank and in hand	<u><u>748,774</u></u>	<u><u>817,926</u></u>