

**The Parochial Church Council
of the Ecclesiastical Parish of
Holy Trinity, Cheltenham**

**Annual Report and Financial
Statements**

for the year ended 31 December 2021

Registered Charity No. 1130299

**The Parochial Church Council of the Ecclesiastical Parish of Holy Trinity, Cheltenham
Annual report and financial statements for the year ended 31 December 2021**

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The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham

Annual report and financial statements for the year ended 31 December 2021

Trustees Report

Administrative information

Holy Trinity Church (Trinity) is situated in Cheltenham. It is part of the Diocese of Gloucester within the Church of England. The correspondence address is Holy Trinity Church, Trinity House, 100-102 Winchcombe Street, Cheltenham, GL52 2NW.

The Parochial Church Council of the Ecclesiastical Parish of Holy Trinity, Cheltenham is a charity registered in the UK with the Charity Commission, charity number 1130299. The PCC are also governed by the Parochial Church Council (Powers) Measure 1956 (as amended) and the Church Representation Rules 1969 (as amended).

Officers and Trustees who have served from 1 January 2021 until the date this report was approved are:

Name	Post	Dates (if part year)
<u>Officers</u>		
Rev Andrew Blyth	Chair	
Christine Robertson	Treasurer	
Jenny Harris	Secretary	Until 4 th October 2021
Helen Moss	Secretary	From 4 th October 2021
Julia Thomson	Electoral Roll Officer	
<u>Trustees</u>		
David Baker	Deanery Synod Member	Until 31 st August 2021
Clare Benton	Elected	
Rev Andrew Blyth	Ex-Officio	
Nick Eden	Elected	
Mike Fuller	Deanery Synod Member	
Mark Giles	Elected	Until 24 th May 2021
Rachael Gill	Elected	From 24 th May 2021
Rev Timothy Grew	Ex-Officio	
Iona Hay	Deanery Synod Member	
Jenny Harris	Elected	
Tom Johnson	Elected	
Elizabeth Lang	Churchwarden	
Barry Lambert	Churchwarden	
David Lee	Elected	Until 24 th May 2021
Alex Metcalfe	Elected	
Helen Moss	Elected	
David Rowe	Elected	
Edmund Smith	Elected	
Henry Steven	Elected	From 24 th May 2021
Peter Strachan	Co-opted	Until 31 st July 2021
Milcah Troughton	Deanery Synod Member	
Sophie Whisker	Elected	
Andrew Whittaker	Elected	

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The charities' Bankers, Solicitors and Auditors are:

Solicitors

BPE Solicitors LLP
St James' House
St James' Square
Cheltenham
GL50 3PR

Bankers

NatWest Bank PLC
31 Promenade
Cheltenham
GL50 1LE

Auditors

Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
GL51 0UX

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and Induction of Trustees (PCC)

The method of appointment of the Trustees (members of the Parochial Church Council) is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and then may stand for election to the PCC to serve alongside licensed Parish Ministers and elected Church Wardens as the board of Trustees. During the process of election, potential Trustees are made fully aware of their responsibilities in relation to Charities Commission guidance and the charitable objectives of Trinity. During the first meeting of the PCC following each APCM, the Chair and Officers give a general induction briefing highlighting key areas of responsibility in particular relating to conflicts of interest, finance, safeguarding and public benefit.

Responsibilities of the Trustees (PCC)

The PCC (Trustees) are responsible for preparing the Trustees Report and financial statements in accordance with applicable charity law and United Kingdom accounting standards. In giving a true and fair view of the state of affairs of the charity the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent on a 'going concern' basis
- Disclose and explain any material departures from accounting standards

The PCC (Trustees) are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention of fraud and other irregularities.

Structure and Operating management

The PCC (Trustees) met six times during 2021 including the APCM. During these meetings, the agendas enabled them to pray, discuss and review all aspects of Trinity's vision, governance, policies, assets, staffing and financial performance. Reports were received from those leading different activities and ministry areas to enable members to exercise oversight, offer encouragement and prayer. In the context of the Coronavirus pandemic, particular attention was given to necessary adjustments to our practical activities, pastoral care, financial matters, staffing arrangements, the timing of the church roof project and safeguarding needs. The PCC delegates some actions relating to Fabric, Finance and HR to working groups which meet between business meetings and report back.

Senior Leadership Team (Standing Committee of the PCC)

Due to the size of the Church, to facilitate and manage effectively the operations of the Trust, the Trustees delegate certain authorities and responsibilities for day-to-day matters to a Senior Leadership Team (SLT) led by the Team Rector. Serving as the Standing Committee, the SLT develops and agrees with the PCC vision priorities, strategic plans and financial forecasts for all our activities. On behalf of the PCC, the SLT implements plans and makes day-to-day operational decisions including for safeguarding, managing staff and volunteers, financial control, facilities and maintenance. The SLT and other senior staff members, meet weekly and also call upon specialist advice in areas such as Health and Safety, Employment Relations and Premises management. Through the Team Rector, PCC working groups and written submissions, the SLT reports regularly to the PCC on actions taken, progress with priorities, financial performance and outcomes, for review and adjustment as required.

In 2021 the SLT consisted of:

Rev Andrew Blyth – Team Rector
Rev Timothy Grew – Team Vicar
Elizabeth Lang – Churchwarden
Barry Lambert – Churchwarden
David Baker – Lay Pastor (until August)
Hilary Grew – Lay Pastor
Rev Nick Stott - Self-Supporting Minister

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Strategic Partnerships

Trinity also maintains key partnerships to manage and pursue mutual objectives. As part of the Diocese of Gloucester in the Church of England, the PCC has extensive contact and practical support through the local deanery and the diocese especially in relation to ministry resources, safeguarding and maintenance of fabric. During the year, key partnerships also existed with Trinity Cheltenham Trust Limited, the New Wine Trust, the Kingdom Power Trust and the Love Cheltenham group of churches.

Pay policy for key management personnel

The Trustees consider the Board of Trustees and the SLT as comprising the key management personnel of the Church in charge of directing and controlling the Church and running and operating activities on a day to day basis.

The licensed Incumbent (Team Rector) and the licensed Team Vicar are not employees of the PCC. All directly elected PCC members and elected Churchwardens give of their time freely. One of the elected Deanery Synod representatives is an employee of the PCC.

The Trustees are fully aware of, and manage carefully, the potential for any conflict of interests. Any Declaration of Interests is required at all meetings and any person concerned is required to withdraw from any section of the meeting relating to these matters. All pay and remuneration is reviewed and agreed by the directly elected Trustees, mindful of the Church's charitable objectives and responsibilities.

Risk Management and Safeguarding

On a regular basis, the SLT and Trustees discuss and assess the major risks to which the Church is exposed and consider the safeguards that can be implemented to mitigate those risks. The Trustees consider the major risks to include Health and Safety, Safeguarding and matters relating to finance and property. In accordance with the Statement of Recommended Practice for charities, the Trustees annually review and update the formal risk assessment which was initially approved by the Trustees in 2006.

All areas of church life and ministry rely on the dedication and skill of the staff and volunteers serving on ministry, operations and administrative teams. The Trustees recognise that support, training and appropriate supervision for them is a key area for continuous attention and improvement. All areas and church activities are covered by risk assessments and written procedures.

The PCC are fully aware of the responsibilities, and attention being given in all arenas, for the safeguarding of children and vulnerable adults. Through the SLT, working groups and regular reports, the PCC ensures full compliance with the safeguarding policies of the Diocese of Gloucester and Church of England. The PCC have nominated members who meet regularly with our appointed Safeguarding Lead Officer, who in turn meets regularly with all those directly involved in overseeing ministry activities and with diocesan representatives to conduct detailed checking of procedures and 'case reviews' where appropriate. All leaders, staff and volunteers involved in direct activities with children and vulnerable adults are required to undertake safeguarding training and formal checks as appropriate to their roles. Awareness of the basic requirements for safeguarding is also being given to others in roles which might potentially give some form of direct contact with children and vulnerable adults or which the supervision of those that do.

Trinity finances are reliant on voluntary giving by the members of the church. The PCC is conscious of the need to ensure full and transparent accounting procedures and for good communication back to the church family on finance matters to maintain trust and levels of support. Through this year, the PCC has been particularly mindful of risks as a result of the Coronavirus pandemic and regular reports to them have been given careful attention. As set out in the accompanying financial statements, we are extremely thankful to have maintained a good position through the continuing giving of church members and the management actions we have taken. We recognise the need for this careful monitoring and management to be maintained.

All buildings used by the PCC are all fully insured and inspected regularly. The Church building is monitored and maintained in line with the Church of England's 'quinquennial' inspection and 'faculty' regulations. A report on the Church fabric is included in all meetings of the trustees, within the Annual report and given at the Annual Meeting.

Objectives and Public benefit

The Mission statement for Trinity Cheltenham is to: "Make committed followers of Jesus, who change communities and nations for Him". In simple terms, this means that we are aiming to share the Christian faith and help people in their journey of discipleship, serve the needs of our local community and impact for the good of all across Cheltenham, throughout our wider region, and the UK and beyond.

The Trustees are committed to enabling as many people as possible to engage in public worship at Trinity and become part of the community if they wish to, for Christian teaching and support. We maintain a policy of offering everything we do to all sections of the community in an open way, with a portfolio of ministries and practical support to meet the diverse needs of the people of Cheltenham and the wider communities regardless of faith.

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The PCC (Trustees) are mindful of having due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. The PCC (Trustees) share with the Incumbent, in promoting the whole mission of the Church - pastoral, evangelistic, social and ecumenical – and examples of the public benefit this brings can be found in the review of achievements and performance later in this report.

KEY ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

By national standards, Trinity Cheltenham is a large church which serves people from across the town of Cheltenham and surrounding region. We welcome anyone who wishes to attend our regular Sunday services and other activities during the week as appropriate.

We maintain a formal Electoral Roll of those entitled to vote in our formal meetings and this is reported on at each Annual General Meeting and filed with the Minutes. A total of 324 names were on the register at 24 May 2021 (320 at 28 October 2020). However, the Roll does not reflect the extent of our 'membership' nor the scope of our impact and influence within the local community. Given continuing Coronavirus restrictions on public worship and other gatherings at various points during the year, it is again difficult to accurately assess how many people we have served over the last 12 months. Our best estimate remains that there are approximately 1,000 people (700 adults and 300 children/young people) with whom we engage in some way on a regular basis. As the Covid-19 pandemic has continued we have continued to see people from a wide range of locations engage with us online.

As with last year, Covid 19 has brought special challenges and a need to for much flexibility around plans. The PCC have though remained committed to the strategic vision for the church under the themes: All in with God, All in with each other and All in for the World and serving people of all ages, races, social, personal backgrounds and circumstances.

All in with God

Sunday celebrations have remained the key expression of our corporate worship and prayer life:

- With the blessing of resources and expertise, our staff and volunteer teams have been able to maintain a hybrid of physical and online worship. We have gathered people for worship, prayer, teaching, reflection and fellowship and in a way that seeks to be culturally relevant and open to all. With the positive benefits and opportunities this presents we will continue with this hybrid mix.
- Despite further periods of restriction Children's, Youth, Students, Young Adults and Life Group teams have engaged with, gathered and provided resources to people across the church. Our work with younger generations continues to be an area of strength. Through a hybrid of physical and online gatherings we are in contact with approximately 70 young people, 150 children and 150+ 18-30s.

We have built on the sense of need for resources to encourage and resource personal discipleship under the banner of 'Walking with God':

- This priority was again reflected in our main teaching series through the year and in further development of website resources.
- We continued to encourage and resource individual spiritual practices through the practice of a Rule of Life.

As a Christian community, prayer is at the heart of everything we do:

- We continued through the year with monthly 'Kingdom Come' prayer gatherings in a hybrid of physical and online spaces
- Special initiatives included dedicated teaching series and encouragement to the whole church to share in a 'Big Read' of the book 'How to Pray'

All in with each Other

The heart-beat of Trinity community life remained a network of weekly 'Life' groups and other small groups focused around particular common interests including: students, men, women, children, young adults and older generations.

- Lockdowns and other Coronavirus restrictions were massively challenging for groups to maintain community connection, especially, when only possible using online platforms such as Zoom. The PCC are indebted to the leaders of our groups who have served so faithfully and effectively despite this to maintain the continuity and unity of church family life.
- We recognise the need for a period of restoration and developing new means of support for leaders and groups into 2022.

A high priority was given to pastoral care, directly by staff team and volunteers as well as Life Groups and ministry teams in response to the impact of the pandemic:

- The PCC are very grateful to the 'Transform' team who maintained support for the members of our church and community who face social deprivation, exclusion and housing issues throughout the pandemic. Trinity was the only organisation in Cheltenham able to consistently provide food and practical support face-to-face throughout the entire year. One benefit of this has been deepening of relationships with the local authority and voluntary sector for the future.

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- Members of the church not in Life Groups were telephoned and offered help at various points through the year. The PCC remains committed to recruit a pastoral care coordinator as soon as financial resource allow.
- Several online courses were organised through the year to support church members with Christian learning, marriage and parenting.
- We recognise the growing need for training and help relating to mental health. We continue to partner with the Armoury community gym project and our Youth team ran Kintsugi Hope mental health support groups for our young people.

As noted above, we rely on voluntary financial giving and volunteers for all our activities:

- Although several ministry areas and teams have been restricted as result of the Coronavirus pandemic, we have seen encouraging growth and development in others, including Worship, Production and Transform.
- In this context, the PCC are also extremely grateful for the large sums of money that have been given throughout the year. Through careful management of costs and monitoring and through the generous giving of time we were able to remain financially and finish with a positive balance sheet.
- As we seek to carefully steward resources, the PCC is conscious of the need to find new ways to share the stories of how resources are used and who we serve. Additional resource has been put into increasing our social media presence and we plan to make further investment in our media and communications team as funds allow.

All in for the World

Throughout the year and pandemic, we have sought to help people in sharing the Christian faith and meeting needs with spiritual and practical support.

- Our 'Growing Greener' strategy seeks to encourage every member of the church family in making links within their own networks of contacts and in daily life. We have also adopted an alternating pattern of Sunday services to reflect and encourage thinking around being 'gathered' and 'scattered' as a faith community.
- We ran two Alpha courses on-line.
- The Transform ministry, through 'Kings Takeaway' and 'Street Teams', served the practical needs of many beyond the church family.

The Trustees have remained committed to Trinity's calling to be a 'Resource church':

- We made our worship resources and experience available to a number of other churches.
- We continued to contribute to the work of the 'New Wine' network of churches.
- In partnership with the Diocese of Gloucester, plans were made for a proposed church plant in Coopers Edge and we launched a new youth mission network called 'Fabric'.

We continued our active support for mission partners around the world through both prayer and financial giving. These are: Abi Read, Great Lakes Outreach, Wycliffe Bible Translations, Mission Macedonia, New Wine Trust, Roshan & Liz Wickremasingh, Ross & Christine Paterson, Pierre & Adelaide Roynel and Jimmy & Katia Rocks.

- We gave a total of £19,280 in regular gifts to these partners during the year.
- As a 'mission tithe' on the money donated for our own roof project, we gave a further £20,000 to fund capital projects in Brazil and Sri Lanka

We also continued with support of a number of other charities including Hope for Justice, Compassion UK, Open Doors and International Justice Mission.

Thank you

The Leadership and members of the Parochial Church Council of Trinity would like to convey their sincere thanks to everyone within the wider Trinity family, who helped in any capacity through 2021 as we seek to fulfil the mission of 'making committed followers of Jesus who change communities and nations for Him'.

BUILDINGS AND FABRIC

Our activities take place in our main worship space, Holy Trinity Church on Portland Street, and also through the use of 'Trinity Fusion', 'Trinity House' and office premises located nearer the town centre, at 5 Winchcombe Street. These properties are owned or rented by Trinity Cheltenham Trust Limited. The PCC pay for a non-exclusive license to use these facilities and the cost of maintenance is covered through this license.

We reported last year that funds had been raised to enable work to completely re-roof the church, undertake urgent masonry works and install A/V infrastructure at an estimated cost of £600,000. The PCC are delighted to report that the appointed contractor, Splitlath Ltd, completed this work between March and September – both on time and under budget. The PCC is extremely thankful that giving to this major capital project has not been impacted by the pandemic.

The PCC are now considering plans and work schedules for further works identified and approved by faculty including. Recarpeting, refurbishment of the kitchen and further AV installations.

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham

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FINANCE

This year has continued to have challenges as a result of the impact of the Covid-19 pandemic. The PCC is pleased to be able to report that key actions taken to monitor and control costs, along with the continuing generosity of church members, have enabled a balanced budget and positive reserves position.

Total income in 2021 was £1,100,592 (2020 restated - £1,260,857) representing a decrease in overall income received during 2021. Of this, £263,621 (2020 - £474,686) was received for specific activity and as such was restricted within our accounts. During the year, a total of £126,242 was recovered through Gift Aid, compared to £121,941 recovered in 2020.

Total expenditure in the year was £1,439,149 compared to £914,601 in 2020. Of this amount £629,600 (2020 - £182,342) was expended against restricted funds.

As a result, the deficit for the year was £338,557 (2020 - £346,256 surplus), and there was an operating unrestricted surplus of £27,422 in the year compared to a surplus of £53,912 in 2020.

Of the £263,621 of restricted income received during the year, and the £482,715 restricted funds brought forward, £629,600 was disbursed. The restricted funds have been ring-fenced in our accounts and will be utilised for their intended purpose during the coming years.

Trinity will continue to use internal controls, reporting and general financial management to ensure all available resources are directed in line with our objectives.

- We expect that Income from regular monthly standing orders will remain sufficient to pay staff
- Gift Aid reclaims will continue to be made monthly to improve cash flow.
- Trinity is designated by the Diocese of Gloucester as a 'Resource Planting Church' and is not included in the standard Parish Share system for contributions to the costs of our licensed ministers and wider ministry of the diocese. As a voluntary contribution, share is only paid when sufficient cash is available.

Covid-19

In common with all churches and charitable organisations, Trinity's activities were again impacted by the Coronavirus pandemic in 2021. There is therefore some inevitable uncertainty involved in forecasting voluntary income for 2022. However, the financial outcome for the year was that income met expenditure.

The Senior Leadership Team ("SLT"), in regular consultation with the full PCC, will continue to manage our financial and other resources to prioritise key areas of work including the pastoral care of staff and church members and serving the wider community needs through our Transform outreach services. All activities being risk assessed to ensure compliance with government regulations as these are updated.

The Trustees clearly recognise that Trinity must continue to meet all its obligations as a 'going concern' under charity law. Given results in 2020 and 2021, we have confidence in the church family's ability and willingness to support our needs. We have already seen some significant pledges. Forecasts and spending plans will be monitored and updated through the weekly meetings of the Standing Committee and monthly management reports to the full PCC. The PCC will also keep its level of reserve and policy under continuous review.

Reserves policy

After reviewing the nature of possible risks to the charity's activities, the Trustees do not intend to build up large scale operational reserves. To minimise the risk of being unable to meet all its financial obligations as they fall due in relation to staff salaries and expenses, the Trustees seek to manage cash flow so that at any point there would be a sufficient cash reserve of £50,000 available to cover at least one month's wages.

Restricted Funds

The restricted funds have increased during the year through fund-raising for roof repairs. Over and above the funds for the roof repairs, there are other restricted funds that the Church operates including some mission projects and specific pastoral matters. These funds recognise that individuals sometimes want to give to a specific ministry and allow this to happen.

Fundraising Activities

The PCC encourages members to support the church by regular giving, preferably by monthly standing order. The PCC has supported the practice of holding special gift weekends. There are times when teaching is focused on the role of financial giving within Christian discipleship; new members are encouraged to commit to regular giving and existing members are encouraged to make additional, one-off gifts to support the work of the church. A key principle of biblical teaching is that giving should be in proportion to means. This is emphasised in the teaching and donations are handled with confidentiality. Together, these measures help to ensure that no-one feels under pressure to give nor to give more than they can afford. An offertory is taken in all services for the work of Trinity and its mission partners. There are occasional special collections for special events e.g. natural disasters.

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We facilitate a small number of fund-raising activities to enable groups undertaking mission trips to raise funds.

The PCC does not use professional fundraisers or involve commercial participators and no complaints were received about fundraising this year.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each trustee has taken the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Auditors

A resolution proposing that Hazlewood LLP be reappointed as auditors of the Parochial Church Council of the Ecclesiastical Parish of Holy Trinity, Cheltenham was passed at the AGM held on the 24th May 2021

This report was approved by the Trustees on 2022 and signed on their behalf by

Rev Andrew Blyth
Chairman

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham

Independent auditors' report to the members of The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham

Opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of Holy Trinity, Cheltenham for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 Charity's affairs as at 31 December 2021 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- 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 Financial Reporting Council's Ethical Standard, 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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not qualified, we draw your attention to note 1.2 to the financial statements and the disclosures made in the going concern accounting policy which describes an uncertainty relating to the going concern of the Charity. The Charity is dependent on donations and other income which are inherently uncertain and difficult to predict as the UK eases lockdown and enters the inevitable post lockdown recession. The financial statements do not include any adjustments that would result if the financial statements were not prepared on a going concern basis.

Otherwise, based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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 and proper accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or

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Independent auditors' report to the members of The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, 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 the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity financial statements or that had a fundamental effect on the operations of the charity. We determined that the most significant laws and regulations included UK GAAP and taxation laws;
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included challenging assumptions and judgements made by management in its significant accounting estimates and identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Trustee's Annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Use of this report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HAZLEWOODS LLP
Chartered Accountants and Statutory Auditor
Cheltenham

..... 2022

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Statement of financial activities for the year ended 31 December 2021
Including income and expenditure account

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income and endowments from:					
Donations and legacies	2	807,353	238,886	1,046,239	1,219,437
Other trading activities	3	29,618	16,697	46,315	30,991
Other income	4	8,038	-	8,038	10,429
Total income and endowments		845,009	255,583	1,100,592	1,260,857
Expenditure on:					
Raising funds	5	(158)	-	(158)	(184)
Charitable activities	6	(817,429)	(621,562)	(1,438,991)	(914,417)
Total expenditure		(817,587)	(621,562)	(1,439,149)	(914,601)
Net (expenditure)/income		27,422	(365,979)	(338,557)	346,256
Reconciliation of funds					
Total funds brought forward		106,575	482,715	589,290	243,034
Total funds carried forward	14-16	133,997	116,736	250,733	589,290

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Balance sheet as at 31 December 2021

Registered Charity No: 1130299

	Note	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Tangible assets	10		38,117		42,301
Current Assets					
Stocks		6,000		7,000	
Debtors	11	55,026		24,074	
Cash at bank and in hand		192,336		554,146	
		<u>253,362</u>		<u>585,220</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(40,746)		(38,231)	
Net Current Assets			<u>212,616</u>		<u>546,989</u>
Net Assets			<u><u>250,733</u></u>		<u><u>589,290</u></u>
The Funds of the Charity					
Restricted income funds	14		116,736		482,715
Unrestricted income funds	15		133,997		106,575
Total Charity Funds	16		<u><u>250,733</u></u>		<u><u>589,290</u></u>

The financial statements were approved by the Parochial Church Council on 2022 and signed on its behalf by

.....
Christine Robertson
Treasurer

.....
Elizabeth Lang
Church Warden

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Cash flow statement for the year ended 31 December 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net income over expenditure for the financial year	(338,557)	346,256
<i>Adjustments for</i>		
Depreciation of property plant and equipment	6,944	6,721
(Increase)/Decrease in trade and other receivables	(30,952)	(3,527)
Decrease in inventories	1,000	-
(Decrease)/Increase in trade payables	2,515	(28,005)
Net cash (expended)/generated from operating activities	(20,493)	(24,811)
Cash flows from investing activities		
Purchase of fixed assets	(2,760)	(37,725)
Net cash (expended)/generated from investing activities	(2,760)	(37,725)
Net (decrease)/increase in cash and cash equivalents	(361,810)	283,720
Cash and cash equivalents at the beginning of the year	554,146	270,426
Cash and cash equivalents at the end of the year	192,336	554,146

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity have no debt at 31 December 2021 and no debt at the 31 December 2020

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 1997 as amended by the Church Accounting (amendment) Regulations 2006 together with applicable accounting standards and the Charities Statement of Recommended Practice 20195 for FRS 102. The financial statements have been prepared under the historical cost convention. The Trust constitutes a public benefit entity as defined by FRS 102. The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.2 Going concern

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

In making the current year's assessment the Trustees have taken into account cash reserves and available unrestricted funds at the point of approving the financial statements, reviewed detailed forecasts that takes account known larger one off gifts expected.

There are inherent uncertainties regarding the forecasts, such as the extent of the impact of the rising UK inflation on the levels of future incoming resources. The forecast assumes a level of income to match costs, the costs can be reduced if the income levels are not realised at the forecast levels. The Charity continues to be supported by its supporters and the Trustees have a reasonable expectation that the Charity will have adequate resources to continue in operation for at least 12 months from approval of these financial statements.

Consequently, the Trustees have concluded that it is appropriate to adopt the going concern basis in preparing the annual statements.

1.3 Funds

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

Restricted funds represent the funds of the charity that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

The financial statements include all transactions, assets and liabilities for which the Trustees are responsible in law. They do not include the financial statements of church groups that owe their main affiliation to another body nor those that are informal gatherings of church members.

1.4 Income and endowments

Collections are recognised when received by or on behalf of the charity. Planned giving receivable and other donations under Gift Aid are recognised only when received. Income Tax recoverable on Gift Aid donations is recognised when the income is recognised. Grants and legacies to the charity are accounted for as soon as the charity is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the charity is reasonably certain. The charity is not registered for VAT.

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham

Notes to the financial statements for the year ended 31 December 2021

1.5 Expenditure

Expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Costs are attributed to one of the financial categories of expenditure in the statement of financial activities. The support costs are apportioned directly to the charitable activity where possible, the remainder are split equally between Ministry support and Pastoral and Evangelistic expenses support.

1.6 Fixed assets

Consecrated and beneficed property of any kind is excluded from the financial statements by s96(2)(a) of the Charities Act 1993.

Fixtures, fittings and office equipment - depreciation is provided using the straight line method at rates calculated to write off the assets over their useful economic lives. The rate used is 25% per annum apart from for specific assets whose useful life is considered to be longer, whereby the appropriate rate is used, subject to a minimum of 10%. Amounts are capitalised where they exceed £1,250 and where the life of the assets is not less than three years.

1.7 Operating Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

1.9 Stock

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

1.10 Ethical standards

In common with many other organisations of our size and nature, we use our auditors to assist with the preparation of the financial statements.

1.11 Judgements and estimation uncertainty

The Trustees make estimates and assumptions concerning the future. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.13 Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the debtors.

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Notes to the financial statements for the year ended 31 December 2021

1.14 Trade creditors

Trade creditors are obligations for pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right at the end of the reporting period to defer settlement for at least twelve months after the reporting date, otherwise they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

1.15 Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

2. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Gift Aid, legacies and other donations	502,490	41,260	543,750	503,381
Gift Aid recoverable	126,242	-	126,242	121,941
Offerings at services/other no tax giving	177,921	-	177,921	178,708
New Development	-	196,720	196,720	402,063
Missionary appeals including gift aid recoverable	700	906	1,606	13,344
Total 2021	807,353	238,886	1,046,239	1,219,437
Total 2020	767,003	452,434		1,219,437

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Notes to the financial statements for the year ended 31 December 2021

3. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2021 Total £	Restated 2020 Total £
Church activities:				
Income from specific activities	14,963	-	14,963	7,092
Pastoral and evangelistic	14,232	16,697	30,929	21,976
Worship media activity income	219	-	219	256
Investment Income	204	-	204	1,667
Total 2021	<u>29,618</u>	<u>16,697</u>	<u>46,315</u>	<u>30,991</u>
Restated Total 2020	<u>19,168</u>	<u>11,823</u>		<u>30,991</u>

4. Other Income

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Coronavirus job retention scheme	<u>8,038</u>	<u>-</u>	<u>8,038</u>	<u>10,249</u>

5. Raising funds

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Cost of Worship media activity income	<u>158</u>	<u>-</u>	<u>158</u>	<u>184</u>
Total 2020	<u>184</u>	<u>-</u>		<u>184</u>

The cost of raising funds in 2020 were all unrestricted.

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Notes to the financial statements for the year ended 31 December 2021

6. Charitable activities

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Activities undertaken:					
Missionary appeals					
Trinity Supported Mission Partners					
Missionary and charitable giving		34,036	61,767	95,803	144,982
Administrative expenses		118	-	118	-
Support costs	7	12,879	-	12,879	10,767
		47,033	61,767	108,800	155,749
Ministry					
Parish Share		156,811	-	156,811	144,811
Welcome and discipleship		1,390	-	1,390	717
Staff costs	8	139,125	-	139,125	113,934
Worship, prayer and teaching		12,115	-	12,115	8,742
Printing, postage and stationery		36	-	36	31
Depreciation	10	732	2,740	3,472	3,360
Support costs	7	152,404	275,550	427,954	163,042
		462,613	278,290	740,903	434,637
Pastoral & evangelistic expenses					
Sunday School and Youth					
Activities		5,966	-	5,966	3,828
Gifts and pastoral care		5,257	5,954	11,211	12,706
Alpha, training & evangelistic expenses		11,998	-	11,998	12,234
Staff costs	8	111,458	-	111,458	113,143
Administrative expenses		9,637	-	9,637	9,402
Support costs	7	156,152	275,551	431,703	168,171
Other expenses		7,315	-	7,315	4,547
		307,783	281,505	589,288	324,031
Total cost of activities undertaken		817,429	621,562	1,438,991	914,417
Total cost of activities undertaken 2020		732,075	182,342		914,417

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Notes to the financial statements for the year ended 31 December 2021

7. Support costs

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Church running expenses					
Insurance		3,813	-	3,813	3,767
Utilities and telephone		6,979	-	6,979	7,405
Cleaning		2,569	-	2,569	3,188
Repairs and maintenance		1,302	-	1,302	941
New Development		-	548,361	548,361	49,298
General running costs		79,211	-	79,211	78,554
Other expenses		15,894	-	15,894	8,774
Events expenses		5,745	-	5,745	1,285
Administrative expenses		8,250	-	8,249	7,098
Depreciation	10	732	2,740	3,472	3,361
Staff costs	8	191,660	-	191,660	173,317
Audit and accountancy fees		5,280	-	5,280	4,992
Total support costs		321,435	551,101	872,536	341,980

The above support costs are allocated between activities based on time spent on those activities or if they are property related costs, equally between ministry and pastoral and evangelistic expenses as detailed below:

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Missionary appeals	12,879	-	12,879	10,767
Ministry	152,404	275,550	427,954	163,042
Pastoral & evangelistic expenses	156,152	275,551	431,703	168,171
Total support costs	321,435	551,101	872,536	341,980
Total support costs 2020	286,663	55,317		341,980

The charity does not provide any grant funding or similar support.

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Notes to the financial statements for the year ended 31 December 2021

8. Staff costs

	2021	2020
	Number	Number
Number of employees		
The average monthly numbers of full time equivalent employees were:	16	14
No employee earned more than £60,000 in the year (2020 - nil).		

Employment costs

	2021	2020
	£	£
Wages and salaries	390,584	353,174
Social security costs	25,557	22,980
Other pension costs	22,140	19,722
Recruitment costs	110	110
Redundancy payments	-	-
Other staff costs	3,852	4,409
	<u>442,243</u>	<u>400,395</u>

9. Pension costs

The charity operates a defined contribution scheme for the benefit of all employees. The assets of the scheme are administered by Trustees in a fund independent from the charity. The charity has enrolled into the government auto enrolment scheme. The pension costs charged in the financial statements represent the contributions payable in the year by the charity, and amounted to £22,140 (Restated 2020 - £19,722).

Contributions totalling £3,369 (2020 - £3,253) were payable to the scheme at the end of the year and are included in creditors.

10. Tangible fixed assets

	Fixtures, fittings and equipment
Cost	£
At 1 January 2021	188,256
Additions in the year	2,760
At 31 December 2021	<u>191,016</u>
Depreciation	
At 1 January 2021	145,955
Charge for the year	6,944
At 31 December 2021	<u>152,899</u>
Net book values	
At 31 December 2021	<u>38,117</u>
At 31 December 2020	<u>42,301</u>

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Notes to the financial statements for the year ended 31 December 2021

11. Debtors

	2021	2020
	£	£
General debtors	243	465
Gift Aid recoverable	31,605	14,419
Prepayments and accrued income	<u>23,178</u>	<u>9,190</u>
	<u><u>55,026</u></u>	<u><u>24,074</u></u>

12. Creditors: amounts falling due within one year

	2021	2020
	£	£
Expense creditors	4,930	4,189
Other creditors	17,697	12,102
Accruals	13,861	12,589
Deferred income	13 <u>4,258</u>	<u>9,351</u>
	<u><u>40,746</u></u>	<u><u>38,231</u></u>

13. Deferred income

	2021	2020
	£	£
Grants and donations		
Balance as at 1 January 2021	9,351	7,013
Received in the year	21,393	22,384
Amount released to income and endowments	<u>(26,486)</u>	<u>(20,046)</u>
Balance as at 31 December 2021	<u><u>4,258</u></u>	<u><u>9,351</u></u>

Balance at the beginning of 2020 included £8,000 fees levied for the 2020/21 Discipleship Year. All deferred income brought forward were released in full during the year.

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Notes to the financial statements for the year ended 31 December 2021

14. Restricted funds

	1 January 2021 £	Income and endowments £	Expenditure £	31 December 2021 £
Special collections	2,191	906	(2,496)	601
Specific purposes	471,427	236,840	(607,612)	100,655
Pastoral and evangelistic	9,097	17,837	(5,974)	20,960
Depreciation	-	-	(5,480)	(5,480)
	<u>482,715</u>	<u>255,583</u>	<u>(621,562)</u>	<u>116,736</u>

Purposes of restricted funds

Special collections

Gifts were received mainly for projects in Macedonia.

Specific purposes

Anonymous gifts from congregation members for specific purposes received and paid on their behalf in the year, including donations and expenditure for the roof repairs project.

Pastoral and evangelistic

Several donations were received specifically to support some of the outreach activities of the church, namely Kings Table, the Women's ministry, SOZO and Romania.

Other income

Government grants received as part of the Coronavirus Job Retention Scheme.

15. Unrestricted funds

	1 January 2021 £	Income and endowments £	Expenditure £	31 December 2021 £
General	<u>106,575</u>	<u>845,009</u>	<u>(817,587)</u>	<u>133,997</u>

16. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2021 as represented by:			
Tangible fixed assets	7,872	30,245	38,117
Current Assets	166,871	86,491	253,362
Current Liabilities	(40,746)	-	(40,746)
	<u>133,997</u>	<u>116,736</u>	<u>250,733</u>

The Parochial Church Council for the Ecclesiastical Parish of Holy Trinity, Cheltenham
Notes to the financial statements for the year ended 31 December 2021

17. Transactions with Council Members

Key Management personnel received £35,541 (2020 - £49,915).

There is one member of staff who is also a Trustee, this members of staff only receive remuneration in respect of services they provide undertaking their staff roles and not in respect to their services as trustees. Other trustees did not receive any payments from the PCC in respect of their role as trustees. The value of remuneration received, including employer pension contributions, was as follow:

David Baker

- Remuneration £28,351 (2020 - £42,056)
- Employer's pension contributions paid £1,790 (2020 - £2,639)

No trustees were reimbursed for personal expenses by the charity during the year (2020 - £nil).
There were no other related parties during the year (2020 - £nil).