

**THE PARISH OF
ST LAWRENCE
WITH
ST SWITHUN-UPON-KINGSGATE
WINCHESTER**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
2019**

ST LAWRENCE WITH ST SWITHUN-UPON-KINGSGATE WINCHESTER

ANNUAL REPORT 2019

Introduction

This is the annual report of the charity whose full name is “The Parochial Church Council of the Ecclesiastical Parish of St Lawrence with St Swithun-upon-Kingsgate, Winchester”, registered with the Charity Commission, number 1130543. The parish calls itself “St Lawrence with St Swithun” for short, and the charity’s working name is “St Lawrence with St Swithun PCC”. The word “with” in our name signifies that we are one parish comprising two churches.

The parish of St Lawrence with St Swithun-upon-Kingsgate is joined in a united benefice with the parish of St Bartholomew, Hyde, Winchester; however, the two parishes’ PCCs are distinct charities.

The attention of users of this Annual Report and Financial Statements is specifically drawn to the following statement and to the post balance sheet event note (note 15) included in the notes to the Financial Statements:

Although this Trustees Report relates to the year ended 31 December 2019, it is presented in May 2020 when the impact of the Coronavirus (Covid-19) pandemic, which commenced in early 2020 and has led to the required closure in March 2020 of St Lawrence and St Swithun Churches and of the Parish Room, is continuing. As these closures remain in force and the possible dates of re-opening are uncertain, the operational and financial impact on the Parish cannot yet be quantified. Investment values and dividend income have reduced as have income levels from church activities including collections and hire fees which have ceased due to the closures. However, most costs including Common Mission Fund contributions have largely continued at or close to existing levels although discretionary expenditure may be rescheduled. The full impact on the Parish’s long-term financial position is not expected to be clear for some time although it is expected that a significant deficit will occur in 2020 and potentially beyond.

Aim and Purposes

The general functions of every Church of England parochial church council (PCC) are prescribed by law:¹

- (1) It shall be the duty of the minister and the parochial church council to consult together on matters of general concern and importance to the parish.*
- (2) The functions of parochial church councils shall include –*
 - (a) co-operation with the minister in promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical;*
 - (b) the consideration and discussions of matters concerning the Church of England or any other matters of religious or public interest, but not the declaration of the doctrine of the Church on any question;*

¹ Parochial Church Councils (Powers) Measure 1956 section 2, as amended by Synodical Government Measure 1969 section 6 and Church of England (Miscellaneous Provisions) Measure 1983 section 5.

- (c) *making known and putting into effect any provision made by the diocesan synod or the deanery synod, but without prejudice to the powers of the council on any particular matter;*
 - (d) *giving advice to the diocesan synod and the deanery synod on any matter referred to the council;*
 - (e) *raising such matters as the council consider appropriate with the diocesan synod or deanery synod.*
- (3) *In the exercise of its functions the parochial church council shall take into consideration any expression of opinion by any parochial church meeting.*

St Lawrence with St Swithun PCC is also specifically responsible for the maintenance of St Lawrence Church (a Grade II listed building), St Swithun-upon-Kingsgate Church (Grade I listed) and St Lawrence Parish Room and Parish Office, which are on a different site from the churches.

Objectives and Activities

When planning our activities for the year, the incumbent and the PCC have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. Our parish's services and worship put faith into practice through prayer and scripture, music and sacrament. We try to enable ordinary people to live out their faith as part of our parish community through:

- Worship and prayer: learning about the Gospel; and developing our knowledge and trust in Jesus.
- Provision of pastoral care for people living in the parish and for our gathered members living elsewhere.
- Missionary and outreach work.
- Opening both our historic churches to all who wish to enter, free of charge, every day of the year (except for special events and unavoidable closures for maintenance).

To facilitate this work it is important that we maintain the fabric of our two churches and the Parish Room.

Our benefice Vision for 2019–2022 shapes all our work under three main objectives:

- reach out more effectively into the communities we serve;
- be better at sharing our faith life and news;
- make the most of our buildings, maintaining the fabric of St Lawrence and St Swithun churches and the Parish Room.

Achievements and Performance

The commitment and contributions, both voluntary and financial, of the many members of our two congregations of St Lawrence and St Swithun continue to underpin all we do. This supports the growing work of the Parish Office and part-time staff and the Ministry Team in helping to serve the needs of the benefice parishes and community, its nursing homes and church school (St Bede's); Guides, Brownies and Rainbows; other social and voluntary groups.

We have continued to support the training needs of the clergy. We were very pleased to have welcomed to the Ministry Team the Rev'd Karen Kousseff (also currently Area Dean of Winchester) who, having been licensed as house-for-duty priest in January 2018, was appointed as priest-in-charge from September 2019. We are supporting Helen May as ordinand for three years (from September 2019). Thanks to our team of Pastoral Visitors we have maintained the pastoral care of the parishioners as effectively as we can.

We have continued to keep both of our historic church buildings well maintained and open daily. This is a significant witness and service to the thousands of visitors and residents in the city. The visitors' books' reveal just how much this is appreciated. We also served the community by hosting many music concerts, Space in the City talks, coffee mornings and other events in St Lawrence every year.

Deanery Synod

Three parishioners were elected by the 2017 annual parish meeting to be lay members of the Winchester Deanery Synod for a three-year term. As members of the Deanery Synod they are *ex-officio* members of the PCC, providing an important link between the parish and the wider structures of the Church of England.

Financial review

Overview:

The Statement of Financial Activities indicates a net income/expenditure surplus for the year of £97,014 compared with a deficit of £10,038 in 2018. However, these amounts combine unrealised investment revaluations with operating results and therefore present a wholly unrepresentative indication of the annual result. The significant increase in investment market values at the end of 2019 over the large reduction in values at the end of 2018 accounts for the whole of the surplus arising in the year. The Parish operating result is represented by the net income/expenditure on the General Fund where the deficit of £1,963 reflects the outcome for the year and can be compared with the surplus in 2018 of £7,912.

Unrestricted (General) Fund:

The deficit of £1,963, although a deterioration against the 2018 surplus of £7,912, is a reasonable outcome as it reflected the effect of increasing costs coupled with static or reducing income and was close to the break-even budget set for the year.

The total income received of £138,220 represented a 1.6% decrease over the 2018 level of £140,465. Regular donations and Giving levels declined by 2%, income from collections rose but income from church boxes reduced. There was an expected increase in income from investments but decreases from church activities due mainly to a reduction in Parish Room letting income. Expenditure of £140,183 was some 5.8% higher than in 2018 (£132,553) but apart from general inflationary increases, running costs, increased salaries and administrative costs, the increase was principally due to repair work and replacement of the boiler in the Parish Room.

Designated Funds:

The inclusion of the unrealised gains or losses in the value of investments within general funds had caused difficulty in enabling comparisons to be made of operating performance. The investment funds were therefore transferred in 2018 from the general fund to a designated unrestricted fund. There is now much greater clarity about the general fund which comprises mainly the net current assets of the PCC. The annual movement in Investment values is included within designated funds and the operating results remain within the general fund.

Restricted Funds:

These comprise funds for Special Appeals/Projects with the amounts raised being available solely for the specific appeal/project for which they were given. The total amount raised was £2,905 (2018 – £8,479) in support of the appeals and projects listed in Note 8. Total expenditure amounted to £3,985 (2018 – £ 6,992) leaving a closing balance of £10,478 for which all but £213 is restricted to upkeep of the St Swithun Fabric.

Changes in Capital values:

An increase of 16.6% (2018 – decrease 4.14%) in capital values arose from the annual revaluation to year end market value of the investments in the designated fund held in listed CBF Church of England and COIF funds managed by CCLA and in CAF investments. Although the increase is significant, it highlights the manner in which investment values can vary in the short term and is in part a recovery of the deficit caused by the sharp reduction in investment values in late 2018. The risk of short term volatility in values is accepted as the funds are held for the long term to produce regular and increasing annual income which is fully utilised towards current ongoing expenditure including charitable giving.

Parish Funds:

The net assets at 31 December 2019 increased over the year by 14.6% (2018 – decrease 1.5%) due to the increase in market value of investments as reduced by the operating deficit for the year. The total asset position, whilst very satisfactory, largely comprises investments reflecting substantial unrealised gains which are dependent upon the continuing strength of financial markets. The balance sheet is also required under Charity accounting practice to include endowment fund investments held in trust by the Diocese which are not realisable by the PCC although the related income is available.

Charitable Giving:

The 2019 budget included a slightly increased level of expenditure on Parish charitable giving over the previous year in line with the PCC policy to continue its long standing practice of annual parish charitable giving. This was enhanced by a smaller additional amount at the year-end than in 2018 so that in aggregate £13,412 (2018 – £15,133) was paid to a number of local, national and overseas charities. In addition, £3,070 was paid both in 2019 and in 2018 by way of annual contributions to the Winchester City Centre Chaplaincy and the Winchester Street Pastors. The total charitable and grant payments from the Unrestricted Fund therefore amounted to £16,482 (2018 – £18,203). In addition, collections made for specific charities and appeals included in Restricted Funds amounted to £2,381 (2018 – £4,708).

The 2020 budget includes a planned level of charitable giving amount equivalent to the original 2019 budget level; the PCC will decide in late 2020 whether it can increase this by an amount similar to the additional payment made in 2019.

2020 Outlook:

The 2020 Budget anticipates an increased annual deficit on the Unrestricted General Fund of some £6,000 due principally to largely static levels of income and increased operating costs approaching £145,000. This includes additional contributions of £1,200 to the Common Mission Fund (£78,000 in 2020). Many operating costs will increase at rates in excess of inflation while others including salaries and some utility costs are rising at or around general inflation levels. An additional category of expenditure for 2020 and subsequent years will be the costs to be incurred on the “Vision” representing the mission related activities necessary as part of the drive to increase church membership and witness locally. Expenditure will also arise on repair works required following the quinquennial inspections carried out in late 2019 in the two churches. These costs have not yet been quantified but the works will be phased over the next five years in line with the degree of urgency. The larger operating deficit in 2020 arises because these increases in costs are not expected to be matched by equivalent increases in income. Whilst the Parish benefits from increases in voluntary giving by parishioners who have agreed to make inflation adjusted contributions under The Parish Giving Scheme, it is recognised that some parishioners can only commit or prefer to make fixed contributions. It is always

hoped that planned voluntary giving and other income can be increased annually, but this is substantially dependent upon the ability to maintain parishioner numbers which have unfortunately been declining slowly due to a combination of factors including people moving away and an increasing and high age profile. It is hoped that the Vision initiatives will reverse this trend. More positively, the investment income can reasonably be expected to increase annually as well as Church and Parish room hire fees although this is dependent upon occupancy levels being maintained. The complete refurbishment of the Parish room kitchen in early 2020 should enhance its attractiveness and improve income levels from this source. There remains scope for additional voluntary income through the receipt of legacies, lifetime donations and from major fundraising.

Reserves Policy

It was agreed at the APCM in April 2019 that the reserves policy would be fully reconsidered and rewritten for inclusion in this Annual Report. For many years the policy had been the retention of adequate funds in cash and deposits to meet costs as they arose together with an investment portfolio to generate sufficient income to meet ongoing costs and when necessary to finance the cost of major repairs to the two churches, thereby ensuring their continuing good state of repair over the longer term. The new review was carried out in Autumn 2019 by a sub-committee of the Standing Committee and a report prepared for approval by the PCC. Given the slowly reducing number of parishioners, it was considered important to extrapolate potential income and cost levels forward over the medium term of 10-15 years and assess the consequences. It became clear that an annual and growing deficit was expected to arise each year due primarily to declining parishioner income and ongoing cost increases. Although growing parishioner numbers is a primary objective, it is recognised that it also leads to additional cost until matched by increased giving. A further result emerging from the analysis was that income from investments and hire fees would become an ever increasing proportion of total income and together might in time exceed parishioner income. As Common Mission Fund payments have been broadly equal in amount to the parishioner income, it was clear that the running costs of the parish continue to be financed from investment income and church/parish room hire fees. From this, it could be concluded that retention of the investments was essential to provide adequate income to run the parish. The sub-committee also considered what level of free reserves should be held by the Parish having regard to levels of cash balances and timing of cash flow, ongoing financial risks, future plans and commitments. This was set out in a reserves policy adopted by the PCC as at 31 December 2019 as follows:

The Reserves Policy of the PCC is to maintain adequate funds on deposit to cover at least three months average running costs and to enable unanticipated major maintenance at either or both of the historic listed churches to be carried out expeditiously so as to ensure regular parish services can be maintained without extended periods of closure. Currently three months expenditure is some £35,000 and allowing for major maintenance and other unspecified costs of £40,000 would require reserves of £75,000. Currently the free reserves amount to £57,000 which is a little under the target amount of £75,000 but within an acceptable band. It is intended that the reserves policy will be reviewed annually and the adequacy of existing reserves recalculated whenever circumstances dictate. It is anticipated that in due course investment capital will need to be liquidated to help fund our mission activities.

At 31 December 2019, the Total Funds amounted to £760,877 (2018 – £663,863). These comprise the General Unrestricted Fund of £75,169 (2018 – £77,182), the Designated Unrestricted Investment Fund of £486,110 (2018 – £416,739), the Restricted Fund of £10,478 (2018 – £11,558) and the Endowment Fund of £189,120 (2018 – £158,384). The

Unrestricted Funds are available for the general purposes of the PCC whilst the Restricted Fund is limited to the purposes for which the individual funds were given. The Endowment Fund is required to be held in perpetuity although the income is available to the PCC. The Designated Unrestricted Investment Fund is represented by listed pooled investment funds which are not regarded as distributable unless absolutely necessary to finance major repairs with the investments providing significant levels of income fully utilised in financing recurring expenditure and charitable giving. The continuing suitability of the individual investment funds, their risk profile and adequacy of income distributions is closely monitored during the year.

The free reserves of £57,000 (comprising the unrestricted reserves of £75,169 as reduced by working capital requirements and functional assets) are rather less than the target amount of £75,000 but could be supported by proceeds being generated from investment realisations if absolutely necessary.

Adequate funds must be maintained to ensure that the Parish can meet its contractual liabilities for salaries and rents together with pledges for Common Mission Fund and other recurring payments which exceed £100,000 annually. The current trend of costs increasing at a faster rate than income, coupled with the expected one off and additional costs of the developing Vision plans, will result in a proportion of current reserves being utilised in the short to medium term. It is also recognised that any long term reduction in voluntary income would necessitate reductions in discretionary expenditure but it is expected that additional specific fundraising can be carried out to limit that eventuality.

Volunteers

We would like to thank all the many volunteers who work so hard for our parish. In particular we want to thank our churchwardens Beauman Chong and Christine Pilgrim who have worked so tirelessly on our behalf; our treasurer Nick Goulding who has kept our finances in order, assisted by Bethany Milward, assistant treasurer, and Tom Nell, Gift Aid Officer; and our parish administrator Caroline St Leger Davey, supported by Lis Wicks who is also secretary to the PCC.

Structure, governance and management

The method of appointment of PCC members is set out in the Church Representation Rules,² which provide that the PCC consists of *ex-officio* members – the ordained clergy and lay workers licensed to the parish, the churchwardens, and parishioners who are members of the Deanery Synod, Diocesan Synod or General Synod – and members elected by those members of the congregation who are on the electoral roll of the parish. All those who attend our services are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC is responsible for making decisions on all matters of general concern and importance to the parish including deciding on how the funds of the PCC are to be spent.

The PCC met five times in 2019 with average attendance of 13.

² The Church Representation Rules are contained in Schedule 3 to the Synodical Government Measure 1969, as amended. In 2019, the year covered by this report, the Church Representation Rules 2006 applied. On 1 January 2020 the Church Representation and Ministers Measure 2019 took effect, further amending Schedule 3 to the Synodical Government Measure 1969 and creating the Church Representation Rules 2020.

The PCC has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have due regard to House of Bishops' guidance on safeguarding children and vulnerable adults).

Administrative information

The parish of St Lawrence with St Swithun-upon-Kingsgate is located in the centre of Winchester, Hampshire. It is part of the deanery of Winchester and the diocese of Winchester within the Church of England. The correspondence address is St Lawrence Parish Office, Colebrook Street, Winchester, SO23 9LH.

The PCC is a body corporate (PCC Powers Measure 1956, Church Representation Rules 2006) and a charity registered with the Charity Commission, number 1130543.

PCC members who have served from 1st January 2019 until the date this report was approved are:

<i>Priest-In-Charge</i>	The Reverend Karen Kousseff (<i>chair</i>) (<i>from 1 September 2019, previously Associate Priest</i>)
<i>Rector:</i>	The Reverend Canon Cliff Bannister (<i>chair</i>) (<i>to 31 May 2019</i>)
<i>Assistant Priest</i>	The Reverend Amanda Goulding
<i>Licensed Lay Minister:</i>	Mrs Meriel Walton Mrs Karen Bannister (<i>to 31 May 2019</i>)
<i>Churchwardens:</i>	Mr Beauman Chong Mr Tom Nell (<i>to 21 May 2019</i>) Mr John Stanning (<i>from 21 May 2019</i>)
<i>Deanery Synod Members:</i>	Mr Geoffrey Bennetts Mr Nicholas Goulding Mr Tom Nell
<i>Elected members:</i>	Miss Elizabeth Baron Mrs Anna Bennetts Mr John Beveridge (<i>from 7 April 2019</i>) Mr Chris Higgins Mrs Louise Kerr Mrs Clare Kilroy (<i>from 7 April 2019</i>) Dr Angus Paddison Mrs Christine Pilgrim (<i>from 7 April 2019</i>) Mr John Stanning

Statistics

At 31 December 2019, 114 people were on the parish's electoral roll, of whom 32 were resident within the geographical parish and 82 were resident in other parishes. In the year 2018, the average Sunday attendance at our churches was 67; 124 people attended services at Easter and 93 people attended services on Christmas Eve and Christmas Day. There were 3 baptisms, 1 marriage and 2 funerals in church (no funerals were conducted on behalf of the parish at a crematorium).

Approved by the PCC on 10th March 2020 and signed on their behalf by the Reverend Karen Kousseff (chairman)

Examination Statement

Independent Examiner's Report to the members of the Parochial Church Council of the Parish of St Lawrence with St Swithun-upon-Kingsgate, Winchester

I report on the accounts for the year ended 31 December 2019 which are set out on pages **8 to 16**.

Respective responsibilities of the Parochial Church Council and Independent Examiner

The Parochial Church Council considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the General Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the management committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner's Statement

In connection with my examination, no matters have come to my attention

1. which give me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with s.130 of the 2011 Act; or
 - to prepare accounts which accord with these accounting recordshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Tim Light FMAAT
Licence Number 8057
Lightatouch
7 Hodder Close
Chandlers Ford
Hants
SO53 4QD
10 March 2020



**PAROCHIAL CHURCH COUNCIL OF WINCHESTER ST. LAWRENCE WITH ST SWITHUN-UPON-KINGSGATE
BALANCE SHEET as at 31st DECEMBER 2019**

	Note	2019						2018					
		Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds			Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds		
		£	£	£	£			£	£	£	£	£	£
FIXED ASSETS													
Tangible assets:	5.1	3,417	-	-	-			5,100	-	-	-		5,100
Investments	5.2	-	486,110	-	189,120			-	416,739	-	158,384		575,123
		3,417	486,110	-	189,120			5,100	416,739	-	158,384		580,223
CURRENT ASSETS													
Debtors and prepayments	6	2,704	-	-	-			3,987	-	6	-		3,993
Short Term Deposits	6	64,479	-	10,946	-			76,201	-	11,552	-		87,753
Cash at bank and in hand	6	5,183	-	-	-			5,247	-	-	-		5,247
		72,366	-	10,946	-			85,435	-	11,558	-		96,993
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR													
Creditors and Accruals	7	-614	-	-468	-			-13,353	-	-	-		-13,353
NET CURRENT ASSETS													
		71,752	-	10,478	-			72,082	-	11,558	-		83,640
TOTAL ASSETS LESS LIABILITIES													
		75,169	486,110	10,478	189,120			77,182	416,739	11,558	158,384		663,863
FUNDS at 31ST DECEMBER 2019													
Unrestricted	8-11	75,169	-	-	-			77,182	-	-	-		77,182
Designated		-	486,110	-	-			-	416,739	-	-		416,739
Restricted		-	-	10,478	-			-	-	11,558	-		11,558
Endowment		-	-	-	189,120			-	-	-	158,384		158,384
TOTAL FUNDS													
		75,169	486,110	10,478	189,120			77,182	416,739	11,558	158,384		663,863

Approved by the Parochial Church Council on 10th March 2020
and signed on its behalf by:

The Reverend Karen Kousseff
Chair of the PCC

Nicholas Goulding
Hon. Treasurer

The notes on pages 11 to 18 form part of these accounts

PAROCHIAL CHURCH COUNCIL OF WINCHESTER ST. LAWRENCE WITH ST. SWITHUN-UPON-KINGSGATE
STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31st December 2019

	Note
INCOME AND ENDOWMENTS	
Donations and legacies	2(a)
Activities for generating funds	2(b)
Investments	2(c)
Church activities	2(d)
Other Income	2(e)
TOTAL INCOMING RESOURCES	
EXPENDITURE	
Church activities	3(a)
Raising Funds	3(b)
TOTAL RESOURCES EXPENDED	
NET INCOME/EXPENDITURE	
- before investment gains	
NET GAINS/(LOSS) ON INVESTMENTS	
- realised gains at 31st December 2019	5.2
- unrealised at 31st December 2019	5.2
NET INCOME/EXPENDITURE	
Transfer between Funds	12
NET MOVEMENT IN FUNDS	
Total Funds brought forward	
TOTAL FUNDS carried forward	

Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	2019
£	£	£	£	£
88,976	-	2,521	-	91,497
5,309	-	384	-	5,693
19,428	-	-	-	19,428
24,507	-	-	-	24,507
-	-	-	-	-
138,220	-	2,905	-	141,125
140,111	-	3,985	-	144,096
72	-	-	-	72
140,183	-	3,985	-	144,168
-1,963	-	-1,080	-	-3,043
-	-	-	-	-
-	69,371	-	30,686	100,057
-1,963	69,371	-1,080	30,686	97,014
-50	-	-	50	-
-2,013	69,371	-1,080	30,736	97,014
77,182	416,739	11,558	158,384	663,863
75,169	486,110	10,478	189,120	760,877

Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	2018
£	£	£	£	£
90,806	-	6,442	-	97,248
3,858	-	2,037	-	5,895
18,258	-	-	-	18,258
27,543	-	-	-	27,543
-	-	-	-	-
140,465	-	8,479	-	148,944
131,614	-	6,316	-	137,930
939	-	741	-	1,680
132,553	-	7,057	-	139,610
7,912	-	1,422	-	9,334
-	633	-	1,102	1,735
-	-18,121	-	-2,986	-21,107
7,912	-17,488	1,422	-1,884	-10,038
-50	-	-	50	-
7,862	-17,488	1,422	-1,834	-10,038
69,320	434,227	10,136	160,218	673,901
77,182	416,739	11,558	158,384	663,863

The notes on pages 11 to 18 form part of these accounts

Parochial Church Council of Winchester St Lawrence with St Swithun-upon-Kingsgate

Notes to the Financial Statements for the year ended 31st December 2019

1. Accounting Policies

(a) Basis of preparation. The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s). The 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) issued on 16 July 2014 and in accordance with FRS 102, the Charities Act 2011 and the Church Accounting Regulations 2006 governing the individual accounts of PCCs.

The PCC constitutes a public benefit entity as defined by FRS 102.

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

1.1. Funds

Unrestricted (General) Funds represent the funds of the PCC that are not subject to any restrictions regarding their use, and are available for application on the general purposes of the PCC.

Designated Funds are unrestricted funds which the PCC have designated for particular purposes or objectives.

Restricted Funds represent donations received which were intended by the donor to be applied for a specific purpose, and may therefore be spent only on that purpose. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. Details of the funds held and restrictions provided are shown in note 8.

Endowment Funds are funds, the capital of which must be retained; only income arising from investment of the endowment may be used, either as restricted or unrestricted funds, depending on the purpose for which the endowment was established. At 31st December 2019 the endowment fund was the St Maurice Church Hall Fund (see note 9).

1.2. Income and Endowments

All incoming resources are accounted for gross.

Voluntary income and capital sources

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

Planned Giving under Gift Aid is recognised only when received. Income tax recoverable on Gift Aid donations is recognised when the income is recognised: tax refunds claimed are therefore recognised when the donations are received, outstanding refunds receivable being included in debtors.

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

Funds raised through special fund raising activities, and sales of Parish Magazines, postcards, etc. are accounted for gross, with costs arising charged under the appropriate expense heading and included under Expenditure.

Other income

Rental income from lettings of the Parish Room, and amounts charged for the use of the churches for rehearsals, concerts and similar events, are recognised when the rental and charges fall due.

Income from investments

Dividends, and interest on fixed interest securities are accounted for when declared payable.

Interest on short term deposits and bank accounts is accounted for as it accrues.

Gains and losses on investments

This includes any realised gains or losses on sale of investments and any unrealised gains or losses resulting from revaluing investments to fair value at the end of the year.

Volunteer Help

The value of any volunteer help received is not included in the Financial Statements but is described in the Trustees' Annual Report.

1.3. Expenditure

Expenditure on church activities:

Missionary and Charitable Giving

Grants and donations made to charitable organisations are accounted for when approved by the PCC or as subsequently agreed to be accrued.

Ministry – Common Mission Fund

Contributions made to the Diocesan Common Mission Fund are accounted for when due. Any amount unpaid at the end of the accounting period is accrued and included in the balance sheet in creditors. (2019 and 2018 £nil).

Other Expenditure

All other expenditure is generally recognised when it is incurred and is accounted for gross.

1.4. Fixed assets

Consecrated property and moveable church furniture

Consecrated and benefice property of any kind is excluded from the financial statements in accordance with s 10(2)(a) and (c) of the Charities Act 2011.

Moveable church furnishings are capitalised at cost and depreciated over their useful economic life on a straight-line basis other than where insufficient cost information is available. In this case the item is not capitalised, but all items are included in the Churches' inventories.

Expenditure on individual items costing under £1,000 or on the repair of movable church furnishings is written off as incurred.

Tangible fixed assets for use by charity

Individual items of equipment used within the churches and the Parish Room at a cost of £1,000 or more are capitalised and depreciated in the financial statements over their useful economic life on a straight line basis. Items costing less than £1,000 are written off when the expenditure is incurred. No depreciation is provided until an asset is brought into use.

Depreciation rates applied

Improvements to Parish Room buildings	10% p.a.
Computer equipment	33% p.a.
Inalienable property in the churches	10% p.a.
Other fixtures, fittings and office equipment	20% p.a.

1.5. Investments

Investments quoted on a recognised stock exchange or whose value derives from them (Common Investments Funds, Unitised Funds etc) are valued at bid market value at the year end.

1.6. Current assets and liabilities

Amounts owing to the PCC at 31st December in respect of fees, rent or other income and Gift Aid claims are included in debtors (net of provision for amounts that may prove uncollectable).

Short term deposits include deposits held with the CCLA CBF Church of England Deposit Fund and CAF Bank.

Prepayments include amounts paid in advance (including St Lawrence basement rental).

Creditors include accrued expenses which relate to the financial year.

1.7. Fund balances

The net assets of the PCC at 31st December 2019 amounting to **£760,877** are represented by the combined balances on the Unrestricted Fund of **£75,169**, the Designated Fund of **£486,110**, the Restricted Fund of **£10,478** and the Endowment Fund of **£189,120** as shown in the balance sheet.

2. Income and Endowments

		Total Funds		
	Unrestricted Funds	Restricted Funds	2019	2018
	£	£	£	£
2a	Donations and Legacies			
	Planned Giving:			
	Tax Efficient donations	74,838	1,474	76,312
	Income Tax recoverable	3,007	114	3,121
	Other	2,700	410	3,110
		80,545	1,998	82,543
	Collections at services	4,430	-	4,430
	Church boxes	3,493	-	3,493
	Other donations	508	523	1,031
	Legacies	-	-	-
		88,976	2,521	91,497
2b	Other trading activities			
	Magazine advertising revenue and subscriptions	2,775	-	2,775
	Sundry Sales	255	-	255
	Fund raising	2,279	384	2,663
		5,309	384	5,693
2c	Investments			
	Dividends	18,954	-	18,954
	Interest	474	-	474
		19,428	-	19,428
2d	Church activities			
	Parish room letting	15,397	-	15,397
	Use of churches for rehearsals/concerts	5,112	-	5,112
	St Thomas churchyard rent	3,619	-	3,619
	Parochial fees	379	-	379
		24,507	-	24,507
2e	Other			
	Grants	-	-	-
		-	-	-
	Total Income	138,220	2,905	141,125
				148,944

All 2018 Income was unrestricted except fundraising (£2,037) and donations (£6,043) together with related gift aid claims (£399).

3. Expenditure

		Total Funds			
	Note	Unrestricted Funds	Restricted Funds	2019	2018
		£	£	£	£
3a	Church activities				
	Missionary and charitable giving:				
	Overseas Missionary Societies	1,190	-	1,190	1,420
	Relief and development agencies	1,785	-	1,785	1,718
	Home mission and other	10,437	2,381	12,818	16,703
		13,412	2,381	15,793	19,841
	Winchester City Centre Chaplaincy (WCCP) and Street Pastors	3,070	-	3,070	3,070
	Total amounts given to charities	16,482	2,381	18,863	22,911
	Ministry – Diocesan Common Mission Fund	77,624	-	77,624	77,030
	– Other ministry costs	720	-	720	991
	Church running expenses	15,624	755	16,379	13,916
	Depreciation of fixed assets	5.1	1,683	1,683	221

Messy Church		866	381	1,247	186
Parish room running expenses		9,444	-	9,444	4,311
Churches major repairs		313	468	781	5,334
Printing, photocopying, stationery, postage, telephone		2,960	-	2,960	2,389
Staff salaries	4	10,770	-	10,770	8,507
Other costs		2,519	-	2,519	1,384
Legal and professional		331	-	331	-
Independent Examiner's fee		775		775	750
Total resources expended on church activities		140,111	3,985	144,096	137,930

3b Fund raising trading costs		72	-	72	1,680
Total Expenditure		140,183	3,985	144,168	139,610

All 2018 expenditure was unrestricted except major repairs (£928), fund raising costs (£741), charitable giving (£4,708), messy church (£186) and other sundry and running costs (£494).

4. Staff Costs etc.

During the year the PCC employed two parish administrators, two organists and a cleaner (all part time). The PCC also contributes towards the cost of a children and family worker employed by another church in the Deanery.

Expenses incurred by the Rector, the Priest in Charge, the Associate Priest, the Ordinand and the Licenced Lay Ministers, reimbursed or paid on their behalf during the year, are included in Other ministry costs (see 3a). No members of the PCC received any payments from the Parish in the year other than in respect of the reimbursement of minor expenses incurred by them wholly or exclusively in connection with the work of the churches and no disclosable transactions were made in respect of PCC members, persons connected with them or other related parties.

A small immaterial portion of the expenses paid to the Rector or Priest in Charge may have related to their services as chair of the PCC.

Staff costs are stated after deduction of NIC Employment allowance and contribution from within the United Benefice and include pension scheme contributions of £337 (2018 £59). The Organist's and Cleaner's salaries (£2,161 and £1,933 respectively) are included in Church running expenses and the Children and Family worker is a Messy Church cost.

5. Fixed Assets

5.1. Tangible Fixed Assets

	Office Equipment £	Parish Room Improvements £	Total Assets £
Cost			
At 1 st January 2019	5,100	8,822	13,922
Additions/(disposals)	-	-	-
At 31 st December 2019	5,100	8,822	13,922
Depreciation			
At 1 st January 2019	-	8,822	8,822
Charge for the year	1,683	-	1,683
At 31 st December 2019	1,683	8,822	10,505
Net Book Value			
At 31 st December 2019	3,417	-	3,417
At 31 st December 2018	5,100	-	5,100

5.2. Investment Assets

Investment Assets				Total Funds	
	Units Held (number)	Designated	Endowment	2019	2018
		£	£	£	£
Investments at market value at 31st December 2019:					
Designated:					
CBF Investment Fund	16,515.34	315,872	-	315,872	266,056
COIF Ethical Investment Fund	10,035.20	25,982	-	25,982	21,960
FP CAF UK Equity B Fund	63,672.12	101,264	-	101,264	89,121
CBF Investment Fund (St Thomas)	652.00	12,470	-	12,470	10,503
COIF Ethical Investment	4,769.36	12,349	-	12,349	10,437
CBF Property Fund	13,555.07	18,173	-	18,173	18,662
Endowment – St Maurice Church Hall:					
CBF Investment Fund	8,001.25	-	153,032	153,032	128,897
COIF Ethical Investment Fund	9,331.89		36,088	36,088	29,487
		486,110	189,120	675,230	575,123

Movements in investments during the year:

Market value as at 1 st January 2019	416,739	158,384	575,123	594,445
Purchases at cost	-	50	50	64,628
Disposals Proceeds	-	-	-	-64,578
Realised gain on disposals	-	-	-	1,735
Unrealised gain/(loss) on revaluation at 31 st December 2019	69,371	30,686	100,057	-21,107
Market value as at 31st December 2019	486,110	189,120	675,230	575,123

6. Current Assets

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
				2019	2018
	£	£	£	£	
Debtors and prepayments					
Debtors – tax recoverable on Gift Aid donations	397	-	-	397	389
– users of Parish Room & St Lawrence	1,330	-	-	1,330	2,590
– sundry debtors	652	-	-	652	507
Prepayments	325	-	-	325	507
	2,704	-	-	2,704	3,993
Short Term Deposits					
CBF deposit account	60,801	-	-	60,801	60,347
CAF Cash deposit account	3,678	10,946	-	14,624	27,406
	64,479	10,946	-	75,425	87,753
Cash at bank and in hand					
CAF Current account	4,100	-	-	4,100	4,100
Current account	1,083	-	-	1,083	1,147
	5,183	-	-	5,183	5,247
Total Current Assets	72,366	10,946	-	83,312	96,993

7. Liabilities – amounts falling due within one year

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	£	£	£	2019	2018
	£	£	£	£	£
Creditors and Accruals					
Creditors and accruals	614	468	-	1,082	13,353
Total Liabilities	614	468	-	1,082	13,353

8. Restricted Funds

	1 st January 2019	Incoming Resources	Resources Expended	Transfers	31 st December 2019
	£	£	£	£	£
2019					
<i>Special Appeals Funds:</i>					
Winchester Churches Christmas Project	-	1,998	1,998		-
	-	1,998	1,998	-	-
<i>Special Projects Funds:</i>					
Upkeep of St Swithun Fabric	11,487	-	1,222		10,265
Messy Church	71	523	381		213
Benefice Recipe Book	-	384	384		-
	11,558	907	1,987	-	10,478
	11,558	2,905	3,985	-	10,478
	1 st January 2018	Incoming Resources	Resources Expended	Transfers	31 st December 2018
	£	£	£	£	£
2018					
<i>Special Appeals Funds:</i>					
Winchester Churches Christmas Project	-	2,543	2,543		-
DEC Indonesia Emergency Appeal	-	98	98		-
Ikona School Children – Kisiizi Orphans	-	30	30		-
	-	2,671	2,671	-	-
<i>Special Projects Funds:</i>					
Upkeep of St Lawrence Fabric	300	-	300		-
Upkeep of St Swithun Fabric	12,543	-	1,056		11,487
Messy Church	21	237	187		71
St Lawrence Organ Fund	-2,728	2,793	-	65	-
Benefice Recipe Book	-	2,778	2,778		-
	10,136	5,808	4,321	65	11,558
	10,136	8,479	6,992	65	11,558

The Special Appeals Funds relate to individual appeals conducted during the year to raise funds for the charities or organisations specified. In general, income raised including related gift aid is remitted by the end of the year to each designated charity.

The Special Projects Funds comprise individual appeals or donations for specified purposes mainly connected with church maintenance projects.

9. Endowment Fund

The Endowment Investments are held in trust for the Parish by Winchester Diocesan Board of Finance. Originally the proceeds of the sale of St Maurice Church Hall, the monies are invested with the CCLA CBF Church of England Investment Funds and the CCLA COIF Ethical Investment Fund. Although the capital is not expendable, there are no restrictions on expenditure of income from these funds

10. Designated Fund

The carrying value of the Investments are held within the designated unrestricted investment fund. The fund is intended to be held for the long term as its investments provide both a regular income and, where necessary, can be used to finance significant major repair and maintenance costs in future years.

11. Analysis of Net Assets by Fund

	General	Designated	Total Unrestricted	Restricted	Endowment	Total Funds	
						2019	2018
2019	£	£	£	£	£	£	
Fixed assets	3,417	-	3,417	-	-	3,417	5,100
Investments	-	486,110	486,110	-	189,120	675,230	575,123
Current assets	72,366	-	72,366	10,946	-	83,312	96,993
Current liabilities	-614	-	-614	-468	-	-1,082	-13,353
	75,169	486,110	561,279	10,478	189,120	760,877	663,863

	General	Designated	Total Unrestricted	Restricted	Endowment	Total Funds	
						2018	2017
2018	£	£	£	£	£	£	
Fixed assets	5,100	-	5,100	-	-	5,100	221
Investments	-	416,739	416,739	-	158,384	575,123	594,445
Current assets	85,435	-	85,435	11,558	-	96,993	80,197
Current liabilities	-13,353	-	-13,353	-	-	-13,353	-962
	77,182	416,739	493,921	11,558	158,384	663,863	673,901

12. Transfer from Unrestricted Funds to Endowment Fund

The St Maurice Church Hall was sold in 1976. The Charity Commission sanctioned expenditure from the proceeds on the Parish Room at a maximum capital cost of £14,227 to be recouped from the unrestricted income of the PCC by means of a yearly sum of £49.80 to be invested in the Endowment Fund for a period of 60 years (to 2036). The Parish Room is held by the PCC on a 99 year lease expiring in June 2075.

13. Collections for Charities

Collection and donations made during the year on behalf of charities and paid directly over to those charities without deposit into the PCC bank account do not form part of the incoming resources of the PCC and are not included in these financial statements. The amounts and beneficiary charities, listed below for information purposes only, are as follows:

	2019	2018
	£	£
Christian Aid Week Collections	1,705	1,263
Kisiizi Orphans - Ikona Hillside School	1,725	1,635
Basics Bank – Recycle Sunday	500	399
USPG Church of the Province of Myanmar – Palm Sunday	605	327
DEC – Indonesia Emergency Appeal	-	118
Tearfund – Toilet Twinning – Harvest Collection	-	60
Tearfund – Famine Relief – Harvest Collection	-	126
Boaz Project – Harvest Collection	409	-
Children's Society – Messy Christingle	168	-
	5,112	3,928

The above amounts exclude any tax recoverable under Gift Aid by the charities concerned.

14. Capital Expenditure Commitments

Commitments for expenditure authorised by the PCC and entered into before 31st December 2019 amounted to £nil (2018 £nil). Expenditure of up to £15,000 on a replacement kitchen in the Parish Room was approved in principle by the PCC in Autumn 2019. No contract had been placed by 31 December 2019 and accordingly no provision has been made in these financial statements but will be included in the 2020 financial statements. The work was contracted and carried out in early 2020.

No provision has been made in these financial statements for the expenditure on repairs required to be carried out following the Quinquennial inspections made in each of the Churches in December 2019. The extent of expenditure required has not yet been evaluated but it is planned to carry out the works in stages over the next five years in order to complete all repairs before the next quinquennial inspection in 2024. The expenditure will be funded from current and future cash flow.

15. Post Balance Sheet Event

No adjustments have been made in these financial statements to reflect the impact of the Coronavirus (Covid-19) pandemic which has reduced investment values since 31 December 2019 and required the closure in March 2020 of both Churches and the Parish Room leading to a significant reduction in activities and related income. The financial impact which is expected to be significant is unquantifiable at present but will be reflected in the Trustees Report and Financial Statements for the year ended 31 December 2020.