

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

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
2018**

ST LAWRENCE WITH ST SWITHUN-UPON-KINGSGATE WINCHESTER

ANNUAL REPORT 2018

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.

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;*
 - (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.

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.

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.

In our benefice's Mission Action Plan 2015–2018, we identified three strategic priorities:

- Growing disciples by teaching and training;
- Reimagining the Church: connecting and engaging with our local communities;
- We belong together in Christ, pruning, planting and investing in building the Kingdom.

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 was duly licensed in January 2018. We are supporting Malcolm Bruce in his training as a Licensed Lay Minister over three years (from September 2018). 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 deficit for the year of £10,038 compared with a surplus of £62,940 in 2017. However, these amounts include operating results together with investment revaluation movements. The significant reduction in investment market values at the end of the year accounted for the deficit arising in the year. The operating result is represented by the net income/expenditure before adjusting for the investment revaluation and the surplus on the unrestricted general fund of £7,912 reflects a very satisfactory result for the year and better than had been anticipated when the 2018 budget was approved in late 2017.

Unrestricted (General) Fund:

The surplus for 2018 amounted to £7,912 which although less than the 2017 surplus of £12,415, was a very satisfactory outcome as it reflected an enhanced level of charitable giving expenditure in 2018 and additional voluntary contributions to the Common Mission Fund.

The total income received of £140,465 represented a 5% increase over the 2017 level of £132,735 whilst regular donations and Giving levels increased, income from collections in each Church was static or showed a small decline. There were helpful increases in income from investments and from church activities including Parish Room hire fees, the latter due to increased usage. Expenditure of £132,553 was somewhat higher than in 2017 (£120,320) but apart from general inflationary increases in running and administrative costs, was principally due to additional charitable giving of £5,000 and common mission fund contributions of £2,000 to support Winchester Deanery targets. Maintenance cost borne by the General Fund were lower but most other operating costs were at similar levels to 2017 expenditure.

Designated Funds:

The inclusion of the investment funds (excluding endowment fund) within general operating funds had caused some confusion and it was therefore appropriate to transfer the investment funds from the general fund into a separate designated unrestricted fund for future major costs and to provide a greater degree of clarity around the remaining general fund which comprises mainly the net current assets of the PCC. The prior year comparative figures have also been adjusted accordingly. The annual movement in Investment values are therefore included within designated funds leaving operating results within the general fund.

Restricted Funds:

These comprise funds for both Special Appeals and Special Projects with the amounts raised being available solely for the specific appeal or project for which they were given. Total amounts raised were £8,479 (including a £2,793 transfer from the General Fund to cover the deficit brought forward on the Organ Project Fund) in support of the appeals and projects listed in Note 8. Total expenditure amounted to £7,057 leaving a closing balance of £11,558 for which all but £71 is restricted to upkeep of the St Swithun Fabric and is expected to be utilised in the foreseeable future. The significantly larger amounts raised and expended in 2017 of £37,339 and £37,661 respectively related mainly to the major roof renewal and organ restoration projects completed early that year.

Changes in Capital values:

A decrease of 4.14% (2017 – increase 9.4%) in capital values arose from the annual revaluation to year end market value of the investments in the designated investment fund which are held in listed CBF Church of England and COIF funds managed by CCLA and in CAF investments. Although the deficit is significant, it highlights the manner in which investment values vary in the short term and is a partial clawback of the impressive surpluses enjoyed in recent years. However, short term volatility is considered acceptable as the funds are held for the long term to produce income which is utilised in meeting current ongoing expenditure including charitable giving. During the year, the PCC took up the opportunity offered by CCLA to transfer at minimal cost from units in their COIF Investment Fund into units in their COIF Ethical Investment Fund.

Parish Funds:

The net assets at 31 December 2018 declined over the year by 1.5% (2017 – increase 10.3%) due to net effect of the decrease in market value of investments and the operating surplus 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 also includes endowment fund investments held in trust by the Diocese which are not realisable by the PCC although the related income is fully available.

Charitable Giving:

The 2018 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. In view of the favourable result for the year, it was agreed to increase the original amount by £5,000 so that an aggregate of £15,133 (2017 – £8,925) was paid to a number of local, national and overseas charities. In addition, £3,050 was paid by way of annual contribution to the City Centre Chaplaincy and to the Winchester Street Pastors. The total charitable and grant payments from the Unrestricted Fund therefore amounted to £18,203 (2017 – £11,975). In addition, collections made for specific charities and appeals included in Restricted Funds amounted to £4,708 (2017 – £2,020).

The 2019 budget includes a planned level of charitable giving amount suitably in excess of the original 2018 budget level; the PCC will decide in late 2019 whether it can also increase this by a similar amount to the additional £5,000 payment in 2018.

2019 Outlook:

The 2019 Budget approved by the PCC in late 2018 anticipates a break-even position on the Unrestricted General Fund due principally to largely static levels of income and increasing levels of expenditure on operating costs to aggregate some £140,000. The largest cost remains contributions to the Common Mission Fund where the amount payable has increased by some £2,000. Many operating costs are known to or expected to increase at rates well in excess of inflation while others including salaries and some utility costs are rising at or around general inflation levels. A further factor affecting expenditure levels is due to the two churches being scheduled to have quinquennial inspections during the year. It is anticipated that these inspections will result in some requirement for works to be conducted later in 2019 and in 2020. As regards income, whilst Voluntary giving will benefit from increases from those parishioners who agreed to make inflation adjusted contributions under The Parish Giving Scheme, this is insufficient to cover inflationary increased costs as many parishioners can only commit to or prefer to make fixed

contributions. Whilst it is hoped that planned giving and other income can be increased annually, it is recognised that this is substantially dependent upon the ability to maintain parishioner numbers which are unfortunately at risk of decline due to a combination of factors including people moving away, an increasing and high age profile and a range of other factors. Investment income can reasonably be expected to increase annually as can Church and Parish room hire fees provided occupancy levels can be maintained. There is less scope to reduce costs as many are largely fixed at least in the short term. Whilst there is scope for voluntary income to be enhanced from time to time through the receipt of legacies, lifetime donations and major fundraising, the Budget does not assume any such receipts although they would of course be most welcome.

Reserves Policy

The reserves policy of the PCC remains the retention of adequate funds in cash and deposits to meet ongoing costs as they arise together with an investment portfolio to maintain sufficient current income to meet ongoing costs and where necessary to finance the future cost of major repairs to the two ancient churches, thereby ensuring their continuing good state of repair over the longer term.

At 31 December 2018, the Total Funds amounted to £663,863 (2017 – £673,901). These comprise the General Unrestricted Fund of £77,182 (2017 – £69,320), the Designated Unrestricted Investment Fund of £416,739 (2017 – £434,227), the Restricted Funds of £11,558 (2017 – £10,136) and the Endowment Fund of £158,384 (2017 – £160,218). 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 investment Unrestricted 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 Parish has contractual liabilities for salaries and rents together with pledges for Common Mission Fund and other recurring payments which aggregate to over £100,000 annually. The Unrestricted reserves of £77,182 therefore provide the necessary assurance that these liabilities can be met over the longer term if voluntary and other income levels reduce significantly or major unplanned maintenance expenditure arises. Professional advice was obtained in 2010 which highlighted the significant sums that might be needed to cover expenditure in both churches during the next 50 years on major repairs and maintenance. The levels of expenditure required for re-roofing and organ refurbishment in the recent past have illustrated the scale of these costs and thus reinforced the need to retain significant reserves for the foreseeable future especially if voluntary income levels reduce in the future. The current trend of costs increasing at a faster rate than income coupled with the expected one off and regular costs arising as part of the developing proposals under the Benefice Action Plan imply that a proportion of current reserves will need to be utilised in the short to medium term. It is therefore considered that the present level of General Fund reserves is not excessive and is needed to fund future expenditure plans. It is recognised that any long term reduction in voluntary income will necessitate reductions in expenditure but it is hoped that this situation can be avoided.

In March 2019 the PCC agreed to support a review of the Reserves Policy by members of the Standing Committee.

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 2018 with average attendance of 12.

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 2018 until the date this report was approved are:

<i>Rector:</i>	The Reverend Canon Cliff Bannister (<i>chair</i>)
<i>Assistant Priest</i>	The Reverend Amanda Goulding
<i>Associate Priest</i>	The Reverend Karen Kousseff (<i>from 11 January 2018</i>)
<i>Licensed Lay Minister:</i>	Mrs Meriel Walton Mrs Karen Bannister

² The Church Representation Rules are contained in Schedule 3 to the Synodical Government Measure 1969, as amended.

Churchwardens: Mr Beauman Chong
Mrs Christine Pilgrim *(to 25 November 2018)*
Mr Tom Nell *(from 16 December 2018)*

Deanery Synod Members: Mr Geoffrey Bennetts
Mr Nicholas Goulding
Mr Tom Nell

Elected members: Miss Elizabeth Baron
Mrs Anna Bennetts
Mr John Beveridge *(to 24 April 2018)*
Mr Chris Higgins
Mrs Louise Kerr
Mrs Brenda de la Mouette *(to 24 April 2018)*
Dr Angus Paddison
Miss Lesley Smith *(to 24 April 2018)*
Mr John Stanning

Statistics

At 31 December 2018, 144 people were on the parish's electoral roll, of whom 38 were resident within the geographical parish and 106 were resident in other parishes. In the year 2018, the average Sunday attendance at our churches was 83; 116 people attended services at Easter and 95 people attended services on Christmas Eve and Christmas Day. There were 1 baptism, no marriages, 9 funerals in church and 1 funeral conducted on behalf of the parish at a crematorium.

Approved by the PCC on 12th March 2019 and signed on their behalf by the Reverend Canon Cliff Bannister (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 2018 which are set out on pages **9 to 18**.

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



PAROCHIAL CHURCH COUNCIL OF WINCHESTER ST LAWRENCE WITH ST SWITHUN-UPON-KINGSGATE

BALANCE SHEET as at 31st DECEMBER 2018

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	2018 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	2017 £
FIXED ASSETS											
Tangible assets:	5.1	5,100	-	-	-	5,100	221	-	-	-	221
Investments	5.2	-	416,739	-	158,384	575,123	-	434,227	-	160,218	594,445
		5,100	416,739	-	158,384	580,223	221	434,227	-	160,218	594,666
CURRENT ASSETS											
Debtors and prepayments	6	3,987	-	6	-	3,993	3,157	8,001	-	-	11,158
Short Term Deposits	6	76,201	-	11,552	-	87,753	61,814	2,153	-	-	63,967
Cash at bank and in hand	6	5,247	-	-	-	5,247	5,072	-	-	-	5,072
		85,435	-	11,558	-	96,993	70,043	10,154	-	-	80,197
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR											
Creditors and Accruals	7	-13,353	-	-	-	-13,353	-944	-18	-	-	-962
		72,082	-	11,558	-	83,640	69,099	10,136	-	-	79,235
NET CURRENT ASSETS											
		77,182	416,739	11,558	158,384	663,863	69,320	434,227	10,136	160,218	673,901
TOTAL ASSETS LESS LIABILITIES											
		77,182	416,739	11,558	158,384	663,863	69,320	434,227	10,136	160,218	673,901
FUNDS at 31ST DECEMBER 2018	8-11										
Unrestricted		77,182	-	-	-	77,182	69,320	-	-	-	69,320
Designated		-	416,739	-	-	416,739	-	434,227	-	-	434,227
Restricted		-	-	11,558	-	11,558	-	-	10,136	-	10,136
Endowment		-	-	-	158,384	158,384	-	-	-	160,218	160,218
TOTAL FUNDS		77,182	416,739	11,558	158,384	663,863	69,320	434,227	10,136	160,218	673,901

Approved by the Parochial Church Council on 12th March 2019
and signed on its behalf by:

The Reverend Canon Cliff Bannister
Chairman 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 2018

	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 2018	5.2
- unrealised at 31st December 2018	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 £	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

Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	2017 £
88,160		3,701	-	91,861
3,653		12,729	-	16,382
17,596		-	-	17,596
23,326		-	-	23,326
-	-	20,909	-	20,909
132,735	-	37,339	-	170,074
120,310		37,661	-	157,971
10		-	-	10
120,320	-	37,661	-	157,981
12,415	-	-322	-	12,093
-	-	-	-	-
-	36,323	-	14,524	50,847
12,415	36,323	-322	14,524	62,940
-50		-	50	-
12,365	36,323	-322	14,574	62,940
56,955	397,904	10,458	145,644	610,961
69,320	434,227	10,136	160,218	673,901

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 2018

1. Accounting Policies

Basis of preparation: The PCC is a public benefit entity within the meaning of FRS102. The Financial Statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' "true and fair view" provisions, together with FRS102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS102)).

The financial statements have been prepared under the historical cost convention, except for the valuation of investment assets, which are shown at fair value.

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 2018 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. (2018 and 2017 £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 2018 amounting to **£663,863**, are represented by the combined balances on the Unrestricted Fund of **£77,182**, the Designated Fund of **£416,739**, the Restricted Fund of **£11,558** and the Endowment Fund of **£158,384** as shown in the balance sheet.

2. Income and Endowments

		Total Funds		
	Unrestricted Funds	Restricted Funds	2018	2017
	£	£	£	£
2a	Donations and Legacies			
	Planned Giving:			
	Tax Efficient donations	76,465	1,695	78,160
	Income Tax recoverable	3,297	399	3,696
	Other	2,895	680	3,575
		82,657	2,774	85,431
	Collections at services	3,239	-	3,239
	Church boxes	3,907	-	3,907
	Other donations	1,003	3,668	4,671
	Legacies	-	-	-
		90,806	6,442	97,248
2b	Other trading activities			
	Magazine advertising revenue and subscriptions	2,580	-	2,580
	Sundry Sales	114	-	114
	Fund raising	1,164	2,037	3,201
		3,858	2,037	5,895
2c	Investments			
	Dividends	17,962	-	17,962
	Interest	296	-	296
		18,258	-	18,258
2d	Church activities			
	Parish room letting	18,626	-	18,626
	Use of churches for rehearsals/concerts	4,328	-	4,328
	St Thomas churchyard rent	3,619	-	3,619
	Parochial fees	970	-	970
		27,543	-	27,543
2e	Other			
	Grants	-	-	-
		-	-	-
	Total Income	140,465	8,479	148,944
				170,074

All 2017 Income was unrestricted except grants (£20,909), fundraising (£12,729) and donations (£3,204) together with related gift aid claims (£497).

3. Expenditure

				Total Funds	
	Note	Unrestricted Funds	Restricted Funds	2018	2017
		£	£	£	£
3a	Church activities				
	Missionary and charitable giving:				
	Overseas Missionary Societies	1,420	-	1,420	1,050
	Relief and development agencies	1,620	98	1,718	1,050
	Home mission and other	12,093	4,610	16,703	8,845
		15,133	4,708	19,841	10,945
	Winchester City Chaplaincy and Street Pastors	3,070	-	3,070	3,050
	Total amounts given to charities	18,203	4,708	22,911	13,995
	Ministry – Diocesan Common Mission Fund	77,030	-	77,030	76,930
	– Other ministry costs	991	-	991	887
	Church running expenses	13,422	494	13,916	12,943
	Depreciation of fixed assets	5.1	221	221	882
	Messy Church	-	186	186	179
	Parish room running expenses	4,311	-	4,311	4,148

Churches major repairs		4,406	928	5,334	33,619
Printing, photocopying, stationery, postage, telephone		2,389	-	2,389	2,635
Staff salaries	4	8,507	-	8,507	8,044
Other costs		1,384	-	1,384	1,426
Legal and professional		-	-	-	1,548
Independent Examiner's fee		750		750	735
Total resources expended on church activities		131,614	6,316	137,930	157,971
3b Fund raising trading costs		939	741	1,680	10
Total Expenditure		132,553	7,057	139,610	157,981

All 2017 expenditure was unrestricted except major repairs (£33,619), charitable giving (£2,020), legal and professional fees (£1,548), messy church (£79) and other sundry and running costs (£395).

4. Staff Costs etc.

During the year the PCC employed two parish administrators, two organists and a cleaner (all part time). Expenses incurred by the Rector, the Assistant Priest, the Associate Priest 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 may have related to his services as chairman 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 £59 (2017 £34). The Organist's salaries are included in Church running expenses.

5. Fixed Assets

5.1. Tangible Fixed Assets

	Office Equipment £	Parish Room Improvements £	Total Assets £
Cost			
At 1 st January 2018	-	8,822	8,822
Additions/(disposals)	5,100	-	5,100
At 31 st December 2018	5,100	8,822	13,922
Depreciation			
At 1 st January 2018	-	8,601	8,601
Charge for the year	-	221	221
At 31 st December 2018	-	8,822	8,822
Net Book Value			
At 31 st December 2018	5,100	-	5,100
At 31 st December 2017	-	221	221

5.2. Investment Assets

	Units Held (number)	Designated £	Endowment £	Total Funds 2018 £	2017 £
Investments at market value at 31st December 2018:					
Designated:					
CBF Investment Fund	16,515.34	266,056	-	266,056	270,086
COIF Ethical Investment Fund	10,035.20	21,960	-	21,960	-
COIF Investment Fund		-	-	-	22,691
FP CAF UK Equity B Fund	63,672.12	89,121	-	89,121	101,857
CBF Investment Fund (St Thomas)	652.00	10,503	-	10,503	10,663
COIF Ethical Investment	4,769.36	10,437	-	10,437	-
COIF Investment Fund		-	-	-	10,784
CBF Property Fund	13,555.07	18,662	-	18,662	18,146
Endowment – St Maurice Church Hall:					
CBF Investment Fund	8,001.25	-	128,897	128,897	130,850
COIF Ethical Investment Fund	9,303.44		29,487	29,487	-
COIF Investment Fund		-	-	-	29,368
		416,739	158,384	575,123	594,445

Movements in investments during the year:

Market value as at 1 st January 2018	434,227	160,218	594,445	543,548
Purchases at cost	34,108	30,520	64,628	50
Disposals Proceeds	-34,108	-30,470	-64,578	-
Realised gain on disposals	633	1,102	1,735	-
Unrealised gain/(loss) on revaluation at 31 st December 2018	-18,121	-2,986	-21,107	50,847
Market value as at 31st December 2018	416,739	158,384	575,123	594,445

6. Current Assets

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £	2017 £
Debtors and prepayments					
Debtors – tax recoverable on Gift Aid donations	383	6	-	389	456
– users of Parish Room & St Lawrence	2,590	-	-	2,590	1,517
– sundry debtors	507	-	-	507	8,825
Prepayments	507	-	-	507	360
	3,987	6	-	3,993	11,158
Short Term Deposits					
CBF deposit account	60,347	-	-	60,347	40,058
CAF Cash deposit account	15,854	11,552	-	27,406	23,909
	76,201	11,552	-	87,753	63,967
Cash at bank and in hand					
CAF Current account	4,100	-	-	4,100	4,100
Current account	1,147	-	-	1,147	972
	5,247	-	-	5,247	5,072
Total Current Assets	85,435	11,558	-	96,993	80,197

7. Liabilities – amounts falling due within one year

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	£	£	£	2018	2017
	£	£	£	£	£
Creditors and Accruals					
Creditors and accruals	13,353	-	-	13,353	962
Total Liabilities	13,353	-	-	13,353	962

8. Restricted Funds

	1 st January 2018	Incoming Resources	Resources Expended	Transfers	31 st December 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	4,386	-	11,558
	10,136	8,479	7,057	-	11,558
	1 st January 2017	Incoming Resources	Resources Expended	Transfers	31 st December 2017
	£	£	£	£	£
<i>Special Appeals Funds:</i>					
Winchester Churches Christmas Project	-	1,995	1,995		-
Late adjustment re S Goodson leaving gift	-	145	145		-
Ikona School Children – Kisiizi Orphans	-	25	25		-
	-	2,165	2,165	-	-
<i>Special Projects Funds:</i>					
Upkeep of St Lawrence Fabric	300	150	150		300
Upkeep of St Swithun Fabric	-	1,000	-	11,543	12,543
Messy Church	-	100	79		21
St Lawrence Organ Fund	5,487	13,005	28,999	7,779	-2,728
St Swithun Roof Appeal	4,671	20,919	6,268	-19,322	-
	10,458	35,174	35,496	-	10,136
	10,458	37,339	37,661	-	10,136

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.

The St Lawrence Organ Fund was set up and raised funds for the first complete major refurbishment of the organ on which the restoration work was completed in 2017. The small shortfall between funds raised and expenditure on this project has been met from Unrestricted Parish funds.

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 held for many years by the PCC have been transferred from the unrestricted general fund to a 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. The comparatives for 2017 have been restated appropriately.

11. Analysis of Net Assets by Fund

	General	Designated	Total Unrestricted	Restricted	Endowment	Total Funds	
						2018	2017
	£	£	£	£	£	£	£
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

	General	Designated	Total Unrestricted	Restricted	Endowment	Total Funds	
						2017	2016
	£	£	£	£	£	£	£
Fixed assets	221	-	221	-	-	221	1,103
Investments	-	434,227	434,227	-	160,218	594,445	543,548
Current assets	70,043	-	70,043	10,154	-	80,197	69,638
Current liabilities	-944	-	-944	-18	-	-962	-3,328
	69,320	434,227	503,547	10,136	160,218	673,901	610,961

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:

	2018	2017
	£	£
Basics Bank – Recycle Sunday	399	-
DEC – East Africa Appeal	-	318
Christian Aid Week Collections	1,263	1,471
USPG Church of the Province of Myanmar – Palm Sunday	327	315
DEC – Indonesia Emergency Appeal	118	-
Tearfund – Toilet Twinning – Harvest Collection	60	-
Tearfund – Famine Relief – Harvest Collection	126	-
Kisiizi Partners Flood Appeal	-	726
Ikona Hillside School	1,635	1,824
	<u>3,928</u>	<u>4,654</u>

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 2018 amounted to £nil (2017 £nil).