

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

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS
2021**

ST LAWRENCE WITH ST SWITHUN-UPON-KINGSGATE WINCHESTER

ANNUAL REPORT 2021

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) *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;*
 - (f) *appointing sidesmen (who are also known as assistants to the churchwardens).*
- (3) *In the exercise of its functions the parochial church council shall take into consideration any expression of opinion by any parochial church meeting.*¹

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, as amended, section 2.

Objectives and Activities

When planning our activities, the Rector 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 encounter the transformational love of God through:

- Worship and prayer: learning about living 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.
- Offering space for peace and prayer in the busy city centre, by 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).
- Facilitating social, educational and support activities in the community throughout the week, by making the Parish Room available for hire.
- Contributing to the cultural life of the city by hosting concerts and other events.

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

Our benefice Vision, formulated in 2019, focuses our work around three objectives:

- Reaching out in the communities we serve;
- Sharing our benefice life and news;
- Making the most of our buildings.

Achievements and Performance

The commitment and contributions, both voluntary and financial, of the many members of our congregations of St Lawrence and St Swithun continue to underpin all we do. This includes supporting mission across the Diocese through the Common Mission Fund, maintaining our buildings, funding our own mission and ministry (including Messy Church), and providing administrative support for benefice activity.

We have continued to support the Ministry Team in their work across the benefice's parishes and community, its nursing homes and church school (St Bede's), and other social and voluntary groups.

The Revd Eluned Phipps, having joined us as full-time curate in 2020, was ordained Priest on 3rd July 2021 and continues her curacy with the benefice. We were very pleased that Nicholas Goulding and Christine Pilgrim completed the Bishop's Commission for Mission course for leading worship, were formally commissioned at a service in the Cathedral on 11th September, and regularly lead services. Our ordinand, Helen May, has now entered the final year of her placement and we look forward to her ordination as deacon in July 2022. Thanks to our team of Pastoral Visitors and their telephone network we have maintained the pastoral care of our parishioners as effectively as we can, even though personal visits were no longer permitted.

We responded to the Covid-19 pandemic by holding services, coffee mornings and other events online. These were very successful, maintaining contact with most of our parishioners and also with some people who had moved away but were able to join remotely. We were able to run hybrid services both online and at St Bartholomew's, our benefice's largest church: even though numbers had to be

limited due to social distancing, these were particularly appreciated by those without access to wifi. In view of the success of our online services, we continued live-streaming some services when they resumed in church when Covid restrictions were lifted.

During the times of Covid 'lockdown' we were obliged to close St Lawrence and St Swithun's churches, but when restrictions were eased we could open at first for private prayer with precautions, and then for normal visiting as before the pandemic. In normal times we keep both of our historic church buildings open daily. This is a significant witness and service to the thousands of visitors and residents in the city, and the visitors' books reveal just how much it is appreciated.

Deanery Synod

Three parishioners were elected by the 2020 annual parochial church 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:

After a very challenging year in 2020 which resulted in a significant operating deficit of some £30,000, the outturn in 2021 has been very much improved with a modest deficit of £2,000 arising, which is itself impressive given the 2021 budget envisaged an operating deficit of around £10,000. Continuing improvements in financial markets during 2021 have also produced an increase of around 13% to the valuation of parish investments by the year end (although some of this increase has been eroded by current world events).

Unrestricted (General) Fund:

As indicated, the deficit for the year on the General Fund of £1,952 is a significant improvement on the 2020 deficit of £30,260 which was itself exceptional due to the combination of the substantial loss of income from Parish Room and church lettings and from the closure of the churches during most of 2020 as well as the cost of renewing the Parish Room kitchen carried out just before the pandemic commenced.

The total income received in 2021 of £114,489 represented a modest 1.9% increase over the 2020 level of £112,379; the increase coincidentally being represented by a legacy received at the end of the year. Giving and donation levels were largely maintained due in part to generous supplementary giving from members of the Parish. Income from collections and church boxes continued to be lower than normal levels due to closure of the churches for much of the year. Income from investments was close to previous year levels helped by the charity investment funds we hold maintaining distribution levels despite many reductions made in UK company dividend levels. The most welcome increase in 2021 income of some £7,000 arose from the near 200% increase in Parish Room letting income due to the resumption of its availability part way through the year.

Expenditure of £116,441 was some 19% lower than in 2020 (£142,639) with the sizeable decrease largely the result of a 10% reduction of Common Mission Fund payments in 2021 following the Diocesan revision of contributions, together with the absence of the exceptional costs that arose in 2020 on the Parish Room kitchen refurbishment. There were also some smaller reductions in church running costs and in charitable giving levels.

Restricted Funds:

These comprise funds raised for Special Appeals/Projects available solely to meet expenditure on the specific appeals/projects for which they were donated. The total amount received was £15,539 (2020 – £22,805). Total expenditure amounted to £12,825 (2020 – £ 17,763) leaving a closing balance of £18,234 (2020 – £15,520) available for future restricted expenditure. The individual appeals, projects and remaining year end balances are listed in the Financial statements (Note 8).

Designated Funds:

The previous practice of including within the General Fund the amount of unrealised gains/losses arising on the year end investment revaluation had caused difficulty in assessing and making annual comparisons of parish operating performance. Following the transfer of the investment funds into a designated unrestricted fund within the parish accounts, much greater clarity is provided on the General Fund results which now mainly represents the activities of the PCC and its net current assets. Annual market movements in investment values are segregated by being shown within the designated fund. Investment values had fallen sharply in the early stages of the pandemic but recovered during the remainder of 2020 giving rise to an unrealised annual revaluation surplus of £31,957 in 2020 and increased further during 2021 to deliver a substantial revaluation surplus of £100,057. Market movements in early 2022 have reduced that surplus. Short term volatility in values and moderate market risk is accepted as the investment funds are held for the long term to produce regular and increasing annual income which is fully required to meet current expenditure, running costs and charitable giving.

Parish Funds:

The net assets at 31 December 2021 reflect an increase over the year of around 13% (0.9%, 2020) due almost entirely to the increase in market value of investments. Although the total asset position continues to be very satisfactory, it is largely represented by investments which include substantial unrealised gains dependent upon the continuing strength of financial markets which are themselves influenced by global events. The Parish funds also include endowment fund investments held in trust by the Diocese which are not realisable by the PCC although the related income is available. The assets in the General Fund of the Parish (represented mainly by cash balances and deposits) reduced slightly from £44,859 at December 2020 to £42,857 at December 2021.

Charitable Giving:

The 2021 budget included a slightly reduced level of expenditure on Parish charitable giving to reflect the anticipated deficit in the continuing pandemic. An aggregate of £8,070 (2020 – £8,600) was ultimately paid to a number of local, national and overseas charities. In addition, £2,235 (2020 – £2,475) was paid as 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 £10,305 (2020 – £11,075). Collections made for specific charities and appeals are regarded as Restricted Funds and the charitable payments made in 2021 from those Restricted Funds amounted to £4,399 (2020 – £14,226 which included payments from a major donation received by the Parish, restricted for Covid-19 relief locally).

The 2022 unrestricted fund budget includes a planned level of charitable giving and grants slightly higher than the 2021 level; in view of the considerable current financial uncertainties, the PCC will decide in late 2022 whether it can increase the budget

amount. The Restricted Fund charitable balances continue to remain fully available for restricted charitable use.

2022 Outlook:

The 2022 Budget anticipates a break even position on the Unrestricted General Fund with similar levels of income and expenditure of some £115,000. Operating costs are expected to be only slightly lower than the 2021 level despite a reduction of almost £8,000 in the Common Mission Fund contributions. This is because in an increasingly inflationary environment, the budget reflects a number of expected and planned increases including utility and salary costs. Some provision has also been made in the budget for sharp increases expected in energy costs. Some protection is available whilst the fixed price energy contract runs but the autumn will see both increased usage and very substantially increased prices under a new contract. The budget does not include expenditure on remaining repair works to the churches required as a result of the quinquennial inspections carried out in late 2019. In view of the pandemic, these works were deferred and the costs have yet to be fully quantified. It is recognised that the remaining works will need to be carried out before the next quinquennial inspection in late 2024.

Reserves Policy

It was agreed at the 2019 APCM that the Reserves Policy should be fully reconsidered and rewritten. 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 to finance the cost of major repairs to the two churches, ensuring their continuing good state of repair over the longer term. Given the trend in parishioner numbers in recent years, potential income and cost levels were extrapolated forward over a 10-15 year term to assess the consequences. It was apparent that an annual and growing deficit was likely to arise each year due primarily to static or declining parishioner income coupled with ongoing cost increases. Growing parishioner numbers remains a primary objective although it is recognised that this can lead to additional cost until matched by increased giving. Income from investments and hire fees was expected to become an ever increasing proportion of total income and even exceed parishioner income. As that parishioner income broadly covered the Common Mission Fund payments, it was clear that the running costs of the parish must be financed from investment income and church/Parish Room hire fees. Accordingly, retention of the investments remains essential to provide the parish with adequate income to run itself. The level of free reserves required by the Parish is dependent upon cash balances and timing of cash flow, ongoing financial risks, future plans and commitments. The Reserves Policy adopted by the PCC as at 31 December 2019 has been reviewed and retained and is 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 2021 the Total Funds amounted to £869,372 (2020 – £767,616). These comprise the General (Unrestricted) Fund of £42,857 (2020 – £44,859), the Designated (Unrestricted) Investment Fund of £574,762 (2020 – £503,962), the Restricted Funds of £18,234 (2020 – £15,520) and the Endowment Fund of £233,519 (2020 – £203,275). The Unrestricted Funds are available for the general purposes of the PCC whilst the Restricted Funds are 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 Unrestricted Designated Investment Fund is represented by listed pooled investment funds which are not treated as distributable (unless necessary either to finance major repairs or to undertake major mission initiatives and fund their costs). These investments provide significant levels of income fully utilised for 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 and adjustments can be made if necessary to maximise income levels and liquidity or to reduce risk.

The free reserves of £36,000 (comprising the unrestricted reserves of £42,857 as reduced by working capital requirements and functional assets) have now reduced to levels significantly below the target amount of £75,000 but will be supported as necessary from investment realisations.

In setting the Reserves Policy, the PCC recognise that 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 contributions and other recurring payments of some £90,000 annually. It is recognised that the longer term outlook together with the expected additional and one-off costs of developing and implementing Vision plans, will necessitate a proportion of current reserves being utilised in the medium term.

Volunteers

We would like to thank all the many volunteers who readily resumed their roles when the buildings came back into use, and those who adapted to new needs, such as stewarding when the churches were open for private prayer. In particular we want to thank our churchwardens Beauman Chong and John Stanning who have continued to work 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 Lis Wicks who is Secretary to the PCC. Sincere thanks also to our invaluable Parish Administrator Caroline St Leger-Davey, and to our organists, Christopher Tolley, Tom Jesty (who moved to London in mid-2021) and his successor Luke Fowler.

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

² The Church Representation Rules are contained in Schedule 3 to the Synodical Government Measure 1969, as amended in 2020.

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 2021 with average attendance of 15.

The PCC has complied with its 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 2020) and a charity registered with the Charity Commission, number 1130543.

PCC members who have served from 1st January 2021 until the date this report was approved are:

<i>Rector:</i>	The Reverend Karen Kousseff (<i>chair</i>)
<i>Assistant Priest:</i>	The Reverend Amanda Goulding
<i>Curate:</i>	The Reverend Eluned Phipps
<i>Licensed Lay Minister:</i>	Mrs Meriel Walton
<i>Churchwardens:</i>	Mr Beauman Chong Mr John Stanning
<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 Mr Chris Higgins Mrs Louise Kerr Mrs Clare Kilroy Mrs Rosalind Nell Mrs Christine Pilgrim Miss Elisabeth Wicks (<i>from April 2021</i>)
<i>Honorary Treasurer:</i>	Mr Nicholas Goulding
<i>Hon. Secretary to the PCC:</i>	Miss Elisabeth Wicks

Statistics

At 31 December 2021, 109 people were on the parish's electoral roll, of whom 27 were resident within the geographical parish and 82 were resident in other parishes.

The average Sunday attendance at our churches, counted in October, was 51 in the churches plus 25 online. 78 people attended our services on Christmas Eve and Christmas Day. The Ministry Team conducted 1 baptism, no marriages, 2 funerals in church, 2 funerals conducted on behalf of the parish at crematoria, and 1 burial of ashes.

Approved by the PCC on 22nd March 2022 and signed on their behalf by the Reverend Karen Kousseff (chair)

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 2021 which are set out on pages **10 to 19**.

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
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PAROCHIAL CHURCH COUNCIL OF WINCHESTER ST LAWRENCE WITH ST SWITHUN-UPON-KINGSGATE (registered charity number 1130543)

BALANCE SHEET as at 31st DECEMBER 2021

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	2021 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	2020 £
FIXED ASSETS											
Tangible assets:	5.1	1,486	-	-	-	1,486	3,528	-	-	-	3,528
Investments	5.2	-	574,762	-	233,519	808,281	-	503,962	-	203,275	707,237
		1,486	574,762	-	233,519	809,767	3,528	503,962	-	203,275	710,765
CURRENT ASSETS											
Debtors and prepayments	6	1,230	-	-	-	1,230	677	-	-	-	677
Short Term Deposits	6	42,034	-	19,120	-	61,154	41,714	-	15,520	-	57,234
Cash at bank and in hand	6	1,138	-	-	-	1,138	751	-	-	-	751
		44,402	-	19,120	-	63,522	43,142	-	15,520	-	58,662
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR											
Creditors and Accruals	7	-3,031	-	-886	-	-3,917	-1,811	-	-	-	-1,811
NET CURRENT ASSETS											
		41,371	-	18,234	-	59,605	41,331	-	15,520	-	56,851
TOTAL ASSETS LESS LIABILITIES											
		42,857	574,762	18,234	233,519	869,372	44,859	503,962	15,520	203,275	767,616
FUNDS at 31ST DECEMBER 2021	8-11										
Unrestricted		42,857	-	-	-	42,857	44,859	-	-	-	44,859
Designated		-	574,762	-	-	574,762	-	503,962	-	-	503,962
Restricted		-	-	18,234	-	18,234	-	-	15,520	-	15,520
Endowment		-	-	-	233,519	233,519	-	-	-	203,275	203,275
TOTAL FUNDS											
		42,857	574,762	18,234	233,519	869,372	44,859	503,962	15,520	203,275	767,616

Approved by the Parochial Church Council on 22nd March 2022
and signed on its behalf by:

The Reverend Karen Kousseff
Chair of the PCC

Nicholas Goulding
Hon. Treasurer

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

Notes to the Financial Statements for the year ended 31st December 2021

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 2021 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. (2021 and 2020 £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 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. Creditors include accrued expenses which relate to the financial year.

1.7. Fund balances

The net assets of the PCC at 31st December 2021 amounting to **£869,372** are represented by the combined balances on the Unrestricted Fund of **£42,857**, the Designated Fund of **£574,762**, the Restricted Fund of **£18,234** and the Endowment Fund of **£233,519** as shown in the balance sheet.

2. Income and Endowments

		Total Funds		
	Unrestricted Funds	Restricted Funds	2021	2020
	£	£	£	£
2a	Donations and Legacies			
	Planned Giving:			
	Tax Efficient donations	66,858	7,690	74,548
	Income Tax recoverable	2,338	816	3,154
	Other	3,822	145	3,967
		73,018	8,651	81,669
	Collections at services	1,214	201	1,415
	Church boxes	1,096	-	1,096
	Other donations	790	82	872
	Legacies	2,000	-	2,000
		78,118	8,934	87,052
2b	Other trading activities			
	Magazine advertising revenue and subscriptions	1,996	-	1,996
	Sundry Sales	-	-	-
	Fund raising	1,480	6,605	8,085
		3,476	6,605	10,081
2c	Investments			
	Dividends	18,188	-	18,188
	Interest	23	-	23
		18,211	-	18,211
2d	Church activities			
	Parish room letting	10,469	-	10,469
	Use of churches for rehearsals/concerts	-	-	-
	St Thomas churchyard rent	3,619	-	3,619
	Parochial fees	280	-	280
		14,368	-	14,368
2e	Other			
	HMRC Coronavirus Job Retention Scheme Grants	316	-	316
		316	-	316
	Total Income	114,489	15,539	130,028
				135,184

All 2020 Income was unrestricted except planned giving (£18,230) and donations (£99) together with related gift aid claims (£4,476).

3. Expenditure

			Total Funds		
	Note	Unrestricted Funds	Restricted Funds	2021	2020
		£	£	£	£
3a	Church activities				
	Missionary and charitable giving:				
	Overseas Missionary Societies	620	-	620	620
	Relief and development agencies	1,560	-	1,560	1,860
	Home mission and other	5,890	4,399	10,289	20,346
		8,070	4,399	12,469	22,826
	Winchester City Centre Chaplaincy (WCCP) and Street Pastors	2,235	-	2,235	2,475
	Total amounts given to charities	10,305	4,399	14,704	25,301
	Ministry – Diocesan Common Mission Fund	69,771	-	69,771	77,838
	– Other ministry costs	475	-	475	223

Church running expenses		10,891	449	11,340	10,885
Depreciation of fixed assets	5.1	2,042	-	2,042	1,683
Messy Church		6,754	82	6,836	7,179
Parish room running expenses		2,500	-	2,500	15,699
Churches major repairs		-	7,895	7,895	6,480
Printing, photocopying, stationery, postage, telephone		1,793	-	1,793	1,693
Staff salaries	4	8,910	-	8,910	10,549
Other costs		2,069	-	2,069	1,537
Legal and professional		-	-	-	49
Independent Examiner's fee		800	-	800	800
Vision Expenses		-	-	-	262
Total resources expended on church activities		116,310	12,825	129,135	160,178
3b Fund raising trading costs		131	-	131	224
Total Expenditure		116,441	12,825	129,266	160,402

All 2020 expenditure was unrestricted except major repairs (£3,194), charitable giving (£14,226) and Messy Church (£343)

4. Staff Costs etc.

During the year the PCC employed a parish administrator, three 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 Associate Priest, the Curate, 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 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 £330 (2020 £306). The Organist's and Cleaner's salaries (£1,833 and £1,836 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 and Equipment £	Total Assets £
Cost			
At 1 st January 2021	5,100	10,616	15,716
Additions/(disposals)	-	-	-
At 31 st December 2021	5,100	10,616	15,716
Depreciation			
At 1 st January 2021	3,366	8,822	12,188
Charge for the year	1,683	359	2,042
At 31 st December 2021	5,049	9,181	14,230
Net Book Value			
At 31 st December 2021	51	1,435	1,486
At 31 st December 2020	1,734	1,794	3,528

5.2. Investment Assets

	Units Held (number)	Designated	Endowment	Total Funds	
		£	£	2021	2020
				£	£
Investments at market value at 31st December 2021:					
Designated:					
CCLA CBF Investment Fund	16,515.34	386,239	-	386,239	337,684
CCLA COIF Ethical Investment Fund	10,035.20	31,357	-	31,357	27,625
IFSL CAF UK Equity B Fund	63,672.12	107,281	-	107,281	94,922
CCLA CBF Investment Fund (St Thomas) *	652.00	15,248	-	15,248	13,331
CCLA COIF Ethical Investment	4,769.36	14,903	-	14,903	13,129
CCLA CBF Property Fund	13,555.07	19,734	-	19,734	17,271
Endowment – St Maurice Church Hall:					
CCLA CBF Investment Fund *	8,001.25	-	187,122	187,122	163,599
CCLA COIF Ethical Investment Fund	9,344.05	-	46,397	46,397	39,676
		574,762	233,519	808,281	707,237

Movements in investments during the year:

Market value as at 1 st January 2021	503,962	203,275	707,237	675,230
Purchases at cost	-	50	50	50
Disposals Proceeds	-	-	-	-
Realised gain on disposals	-	-	-	-
Unrealised gain/(loss) on revaluation at 31 st December 2021	70,800	30,194	100,994	31,957
Market value as at 31st December 2021	574,762	233,519	808,281	707,237

* Investments in the name of Winchester Diocesan Board of Finance and income mandated to the Parish

6. Current Assets

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	£	£	£	2021	2020
	£	£	£	£	
Debtors and prepayments					
Debtors – tax recoverable on Gift Aid donations	318	-	-	318	173
– users of Parish Room & St Lawrence	587	-	-	587	179
– sundry debtors	-	-	-	-	-
Prepayments	325	-	-	325	325
	1,230	-	-	1,230	677
Short Term Deposits					
CBF deposit account	36,441	-	-	36,441	44,020
CAF Cash deposit account	5,593	19,120	-	24,713	13,214
	42,034	19,120	-	61,154	57,234
Cash at bank and in hand					
CAF Current account	100	-	-	100	100
Current account	1,038	-	-	1,038	651
	1,138	-	-	1,138	751
Total Current Assets	44,402	19,120	-	63,522	58,662

7. Liabilities – amounts falling due within one year

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds	
				2021 £	2020
Creditors and Accruals					
Creditors and accruals	3,031	886	-	3,917	1,811
Total Liabilities	3,031	886	-	3,917	1,811

8. Restricted Funds

	1 st January 2021 £	Incoming Resources £	Resources Expended £	Transfers £	31 st December 2021 £
2021					
<i>Special Appeals Funds:</i>					
Basics Bank - Harvest	-	363	363	-	-
Winchester Churches Christmas Project	-	2,519	2,519	-	-
	-	2,882	2,882	-	-
<i>Special Projects Funds:</i>					
Upkeep of St Swithun Fabric	9,696	-	380	-	9,316
Messy Church	-	82	82	-	-
St Lawrence Fabric	750	4,170	1,169	-	3,751
St Lawrence Organ	-	8,405	6,750	-	1,655
Covid-19 Support Projects	5,074	-	1,562	-	3,512
	15,520	12,657	9,943	-	18,234
	15,520	15,539	12,825	-	18,234
	1 st January 2020 £	Incoming Resources £	Resources Expended £	Transfers £	31 st December 2020 £
2020					
<i>Special Appeals Funds:</i>					
Winchester Churches Christmas Project	-	3,675	3,675	-	-
	-	1,998	1,998	-	-
<i>Special Projects Funds:</i>					
Upkeep of St Swithun Fabric	10,265	-	569	-	9,696
Messy Church	213	130	343	-	-
St Lawrence Fabric	-	3,375	2,625	-	750
Covid-19 Support Projects	-	15,625	10,551	-	5,074
	10,478	19,130	14,088	-	15,520
	10,478	22,805	17,763	-	15,520

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 and payments to local charities and organisations re Covid-19 support.

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, maintenance and mission costs in future years.

11. Analysis of Net Assets by Fund

	General	Designated	Total Unrestricted	Restricted	Endowment	Total Funds	
						2021	2020
2021	£	£	£	£	£	£	
Fixed assets	1,486	-	1,486	-	-	1,486	3,528
Investments	-	574,762	574,762	-	233,519	808,281	707,237
Current assets	44,402	-	44,402	19,120	-	63,522	58,662
Current liabilities	-3,031	-	-3,031	-886	-	-3,917	-1,811
	42,857	574,762	617,619	18,234	233,519	869,372	767,616

	General	Designated	Total Unrestricted	Restricted	Endowment	Total Funds	
						2020	2019
2020	£	£	£	£	£	£	
Fixed assets	3,528	-	3,528	-	-	3,528	3,417
Investments	-	503,962	503,962	-	203,275	707,237	675,230
Current assets	43,142	-	43,142	15,520	-	58,662	83,312
Current liabilities	-1,811	-	-1,811	-	-	-1,811	-1,082
	44,859	503,962	548,821	15,520	203,275	767,616	760,877

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 over to those charities which 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:

	2021	2020
	£	£
Christian Aid Week Collections *	2,099	-
Kisiizi Orphans - Ikona Hillside School	1,810	2,711
Basics Bank – Recycle Sunday	-	800
	3,909	3,511

*Christian Aid Week Collections were from the Benefice of St Bartholomew and St Lawrence with St Swithun-upon-Kingsgate. The amount from the Parish is unquantifiable.

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 2021 amounted to £nil (2020 £nil).

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 fully evaluated but it is planned to carry out the works in stages in order to complete all repairs before the next quinquennial inspection in 2024. The expenditure will be funded from current and future cash flow.