

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

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS
2022**

ST LAWRENCE WITH ST SWITHUN-UPON-KINGSGATE WINCHESTER

ANNUAL REPORT 2022

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 in 2021 and continued her curacy with the benefice through 2022. We were very pleased that Nicholas Goulding and Christine Pilgrim, having completed the Bishop's Commission for Mission course for leading worship in 2021, were able to continue leading services. Our ordinand, Helen May, was ordained Deacon in July 2022 and has moved to a post in another parish. Thanks to our team of Pastoral Visitors and their telephone network we maintained the pastoral care of our parishioners as effectively as we can during Covid restrictions, even though personal visits were no longer permitted. With the lifting of Covid restrictions, the team has been able to resume personal visits.

In view of the success of our online services during Covid-19 'lockdown', we continue to live-stream some services. This enables us to maintain contact with

parishioners who are unable to attend church and also with some people who have moved away but are able to join remotely.

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 to 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 challenging year in 2020 which resulted in a significant operating deficit, the slow recovery in 2021 with a modest deficit of £2,000 has been turned round into a welcome surplus in 2022 of some £23,000 which is impressive given the operating budget envisaged a break even position. Although the significant improvement in stock market valuations during 2021 produced an increase of around 13% to the valuation of parish investments, that increase had been largely eliminated by the end of 2022 due to uncertainties in financial markets. The 2022 unrealised investment deficit of £87,000 in these financial statements demonstrates how valuations can move over a 12 month period.

Unrestricted (General) Fund:

The General Fund surplus for 2022 year of £23,212 is a significant improvement on the 2021 deficit of £1,952 due largely to both the substantial increase of some £10,000 in parish room hire income as bookings returned following the pandemic recovery and from legacy income of £8,000 received in the year. A Parish Energy grant of £1,825 was also received at the end of the year.

The total income received in 2022 of £143,656 therefore represented a 25% increase over the 2021 level of £114,489. Although the 2022 increase in income is largely due to the items mentioned above, it was noteworthy that Giving and donation levels increased due in part to generous supplementary giving from members of the Parish and also Income from collections and church boxes increased to more normal levels following the resumption of services in the churches. Income from investments was consistent with previous year levels as our charity investment funds maintained distribution levels despite reductions in corporate dividend levels.

Expenditure of £120,444 was only 3.4% higher than in 2021 (£116,441) with the modest increase in large part assisted by a reduction of 11% in CMF payments in 2022 following Diocesan revision of contributions. This reduction of over £7,500 was absorbed by increases in church running and overhead costs partly the result of increased parish activity and partly inflationary increases. Charitable giving levels also increased by some £4,000.

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 £2,045 (2021 - £15,539). Total expenditure amounted to £2,735 (2021 - £ 12,825) leaving a closing balance of £17,544 (2021 - £18,234) 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 transfer of the investment funds into a designated unrestricted fund within the parish accounts enabled the General fund results to represent the local activities of the PCC and use of its net current assets. The movement of £60,333 shown in the Designated fund therefore reflects the annual reduction in Investment values due to market volatility. Investment values had fallen sharply in the early stages of the pandemic but recovered giving rise to an unrealised annual revaluation surplus both in 2020 and 2021. However, market movements in 2022 significantly reduced that surplus and have resulted in the unrealised deficit arising in the designated fund. It is accepted that short term volatility occurs and that moderate market risk arises on the investment funds which are held for the long term to produce regular and increasing annual income required to meet current expenditure including running costs and charitable giving. Where necessary a proportion of the investments will be realised to meet significant maintenance costs and other exceptional expenditure.

Parish Funds:

The net assets at 31 December 2022 reflect a decrease of around 7.5% (2021 - 13% increase) due largely to the reduction in market value of investments. Although the total asset position continues to be very satisfactory, it is substantially represented by investments which include unrealised gains dependent upon the continuing strength of financial markets. 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 made available. The assets in the General Fund of the Parish (represented mainly by cash balances and deposits) increased from £42,857 at December 2021 to £66,019 at December 2022 as a result of the surplus on the General Fund.

Charitable Giving:

The 2022 budget included a modestly increased level of expenditure on Parish charitable giving to reflect the anticipated break even financial position expected as a result of the recovery from the pandemic. In view of the emerging anticipated surplus for the year, an increased allocation could be made and an aggregate £9,110 (2021 - £8,070) was ultimately paid to a number of local, national and overseas charities. In addition, £2,440 (2021 - £2,235) was paid as annual contributions to the Winchester City Centre Chaplaincy and the Winchester Street Pastors together with a contribution of £5,000 made within the United Benefice to St Bartholomew Hyde PCC's fund raising initiative to replace their old heating system. The total charitable and grant payments from the Unrestricted Fund therefore amounted to £14,704 (2021 - £10,305). Collections made in 2022 for specific charities and appeals regarded as Restricted Funds and the charitable payments made from those Restricted Funds amounted to £356 (2021 - £2,882). These figures do not include amounts raised on behalf of charities and paid over

directly to those charities and which are not therefore included in these financial statements. The respective amounts in 2022 and 2021 were £5,529 and £3,909.

The 2023 unrestricted fund budget includes a planned level of charitable giving and grants slightly higher than the 2022 level; in view of the present financial uncertainties, the PCC will decide in late 2023 whether it can increase the budget amount. The Restricted fund charitable balances including the Covid support fund continue to remain fully available to meet restricted charitable expenditure.

2023 Outlook:

The 2023 budget, like the 2022 budget, anticipates a break-even position on the Unrestricted General Fund but with increased levels of income and expenditure of some £140,000 (2022 - £115,000). Operating costs are expected to increase from the 2022 level due to the increasingly inflationary environment, with known and planned increases in a number of areas including utility and salary costs. The major increase in energy costs (approx 200%+ for gas and 100%+ for electricity) will raise costs in the year by at least £5,000. The budget includes some provision for expenditure on various 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 but action is currently being taken to progress them and other urgent works. This will give rise to substantially increased maintenance expenditure in 2023. Projects already being progressed in coming months will cost over £10,000 and a similar sum expended later in the year. In addition, professional advice is being obtained to ascertain estimates for the work needed to reduce the risk of further leakage from the roofs in both churches. It is currently estimated these works could cost some £25,000. Other projects include repair work on the Tower at St Lawrence Church part of which will ideally be carried out in 2023 and may incur costs of around £20,000. It is recognised that additional repairs may therefore become necessary before and as a result of the next quinquennial inspection due in late 2024. As other longer term works at the Parish Room location estimated at £20,000 will be needed in the next five years, it is expected all this expenditure will need to be met from reserves.

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 reducing 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. Whilst growing parishioner numbers remains a primary objective, it is recognised that this can lead to additional Common Mission Fund expenditure until matched by increased giving. Income from investments and hire fees was therefore expected to become an ever increasing proportion of total income and in time 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 primarily 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 annually, most recently in March 2023 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 2022, the Total Funds amounted to £805,130 (2020 - £869,372). These comprise the General (Unrestricted) Fund of £66,019 (2021 - £42,857), the Designated (Unrestricted) Investment Fund of £514,429 (2021 - £574,762), the Restricted Funds of £17,544 (2021 - £18,234) and the Endowment Fund of £207,138, (2021 - £233,510). The Unrestricted Funds are available for the general purposes of the PCC whilst the Restricted Fund 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 made 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 which is fully utilised for recurring expenditure, maintenance 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 £30,000 (comprising the unrestricted reserves of £66,019 as reduced by working capital requirements and functional assets) have reduced to levels significantly below the target amount of £75,000 but will be maintained at an appropriate level by 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 uncertainty over parishioner numbers and giving levels in the longer term together with the expected additional rising costs of maintenance and in implementing Vision and development plans, will necessitate a proportion of current reserves being utilised in the short to 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, who left the post in mid-2022, to her equally invaluable replacement Sara Gangai, and to our organists Christopher Tolley and 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 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 2022 with average attendance of 13.

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 2022 until the date this report was approved were:

<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

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

Elected members: Miss Elizabeth Baron
Mrs Anna Bennetts
Mr John Beveridge (*to April 2022*)
Mr Chris Higgins
Mrs Louise Kerr
Mrs Clare Kilroy
Mrs Rosalind Nell
Mrs Christine Pilgrim (*to April 2022*)
Miss Elisabeth Wicks (*to November 2022*)

Co-opted member: Mr Richard Stead (*from November 2022*)

Honorary Treasurer: Mr Nicholas Goulding

Hon. Secretary to the PCC: Miss Elisabeth Wicks

Statistics

At 31 December 2022, 109 people were on the parish's electoral roll, of whom 31 were resident within the geographical parish and 78 were resident in other parishes.

The average Sunday attendance at our churches, counted in October, was 59 in the churches plus 26 online. 128 people attended our services on Christmas Eve and Christmas Day. The Ministry Team conducted 5 baptisms, 1 marriage, 1 service of blessing following a civil marriage, 2 funerals in church, 1 funeral conducted on behalf of the parish at a crematorium, and 0 burials of ashes.

Approved by the PCC on 14th March 2023 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 2022 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.

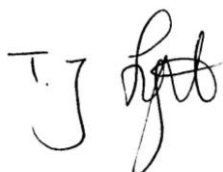
An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the management committee concerning any such matters. 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
Licence Number 8057
Lightatouch
7 Hodder Close
Chandlers Ford
Hants
SO53 4QD



PAROCHIAL CHURCH COUNCIL OF WINCHESTER ST LAWRENCE WITH ST SWITHUN-UPON-KINGSGATE (registered charity number 1130543)
STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31st December 2022

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	2022	2021
INCOME AND ENDOWMENTS							
Donations and legacies	2(a)	95,531	-	1,689	-	97,220	87,052
Activities for generating funds	2(b)	3,196	-	-	-	3,196	10,081
Investments	2(c)	18,196	-	-	-	18,196	18,211
Church activities	2(d)	24,908	-	-	-	24,908	14,368
Other Income	2(e)	1,825	-	-	-	1,825	316
TOTAL INCOMING RESOURCES		143,656	-	1,689	-	145,345	114,489
EXPENDITURE							
Church activities	3(a)	120,317	-	2,379	-	122,696	116,310
Raising Funds	3(b)	127	-	-	-	127	131
TOTAL RESOURCES EXPENDED		120,444	-	2,379	-	122,823	116,441
NET INCOME/EXPENDITURE							
- before investment gains		23,212	-	-690	-	22,522	-1,952
NET GAINS/(LOSS) ON INVESTMENTS							
- realised gains at 31st December 2022	5.2	-	-	-	-	-	-
- unrealised at 31st December 2022	5.2	-	-60,333	-	-26,431	-86,764	-
NET INCOME/EXPENDITURE		23,212	-60,333	-690	-26,431	-64,242	-1,952
Transfer between Funds	12	-50	-	-	50	-	-50
NET MOVEMENT IN FUNDS		23,162	-60,333	-690	-26,381	-64,242	-2,002
Total Funds brought forward		42,857	574,762	18,234	233,519	869,372	44,859
TOTAL FUNDS carried forward		66,019	514,429	17,544	207,138	805,130	42,857
							574,762
							18,234
							233,519
							30,194
							30,194
							101,756
							101,756
							767,616
							869,372

The notes on pages 12 to 19 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 2022

1. Accounting Policies

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, the Charities (Accounts and Reports) Regulations 2008 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 2022 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. (2022 and 2021 £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 £1,500 or on the repair or replacement 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 £1,500 or more are capitalised and depreciated in the financial statements over their useful economic life on a straight line basis. Items costing less than £1,500 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 2022 amounting to £805,130 are represented by the combined balances on the Unrestricted Fund of £66,019, the Designated Fund of £514,429, the Restricted Fund of £17,544 and the Endowment Fund of £207,138 as shown in the balance sheet.

2. Income and Endowments

		Total Funds		
	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
2a	Donations and Legacies			
	Planned Giving:			
	Tax Efficient donations	75,600	1,393	76,993
	Income Tax recoverable	3,602	100	3,702
	Other	3,250	-	3,250
		82,452	1,493	83,945
	Collections at services	2,565	-	2,565
	Church boxes	1,862	-	1,862
	Other donations	652	196	848
	Legacies	8,000	-	8,000
		95,531	1,689	97,220
2b	Other trading activities			
	Magazine advertising revenue and subscriptions	2,159	-	2,159
	Sundry Sales	-	-	-
	Fund raising	1,037	-	1,037
		3,196	-	3,196
2c	Investments			
	Dividends	17,613	-	17,613
	Interest	583	-	583
		18,196	-	18,196
2d	Church activities			
	Parish room letting	19,808	-	19,808
	Use of churches for rehearsals/concerts	289	-	289
	St Thomas churchyard rent	3,619	-	3,619
	Parochial fees	1,192	-	1,192
		24,908	-	24,908
2e	Other			
	HMRC Coronavirus Job Retention Scheme Grants	-	-	-
	Parish Energy Grant	1,825	-	1,825
		1,825	-	1,825
	Total Income	143,656	1,689	145,345
				130,028

All 2021 Income was unrestricted except fundraising (£6,605), planned giving (£8,036) and donations (£82) together with related gift aid claims (£816).

3. Expenditure

				Total Funds	
	Note	Unrestricted Funds	Restricted Funds	2022	2021
		£	£	£	£
3a	Church activities				
	Missionary and charitable giving:				
	Overseas Missionary Societies	660	-	660	620
	Relief and development agencies	2,040	-	2,040	1,560
	Home mission and other	11,410	136	11,546	10,289
		14,110	136	14,246	12,469
	Winchester City Centre Chaplaincy (WCCP) and Street Pastors	2,440	-	2,440	2,235
	Total amounts given to charities	16,550	136	16,686	14,704

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

Ministry – Diocesan Common Mission Fund		62,127	-	62,127	69,771
– Other ministry costs		308	-	308	475
Church running expenses		14,578	562	15,140	11,340
Depreciation of fixed assets	5.1	410	-	410	2,042
Children's & Families Work		6,736	188	6,924	6,836
Parish room running expenses		4,780	-	4,780	2,500
Churches major repairs		-	1,493	1,493	7,895
Printing, photocopying, stationery, postage, telephone		3,055	-	3,055	1,793
Staff salaries	4	7,429	-	7,429	8,910
Other costs		2,862	-	2,862	2,069
Legal and professional		682	-	682	-
Independent Examiner's fee		800	-	800	800
Vision Expenses		-	-	-	-
Total resources expended on church activities		120,317	2,379	122,696	129,135
3b Fund raising trading costs		127	-	127	131
Total Expenditure		120,444	2,379	122,823	129,266

All 2021 expenditure was unrestricted except major repairs (£7,895), charitable giving (£4,399), restricted projects (£449) and messy church (£82).

4. Staff Costs etc.

During the year the PCC employed two parish administrators, two organists and a cleaner (all part time). The PCC also contributed towards a share of 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 £348 (2021 £330). The Organists' and Cleaners salaries (£2,505 and £2,013 respectively) are included in Church running expenses and the Children and Family worker is a Children's & Families work cost.

5. Fixed Assets

5.1. Tangible Fixed Assets

	Office Equipment	Parish Room Improvements and Equipment	Total Assets
	£	£	£
Cost			
At 1 st January 2022	5,100	10,616	15,716
Additions/(disposals)	-	-	-
At 31 st December 2022	5,100	10,616	15,716
Depreciation			
At 1 st January 2022	5,049	9,181	14,230
Charge for the year	51	358	409
At 31 st December 2022	5,100	9,539	14,639
Net Book Value			
At 31 st December 2022	-	1,077	1,077
At 31 st December 2021	51	1,435	1,486

5.2. Investment Assets

	Units Held (number)	Designated £	Endowment £	Total Funds 2022 £	2021 £
Investments at market value at 31st December 2022:					
Designated:					
CCLA CBF Investment Fund	16,515.34	340,974	-	340,974	386,239
CCLA COIF Ethical Investment Fund	10,035.20	27,464	-	27,464	31,357
IFSL CAF UK Equity B Fund	63,672.12	102,060	-	102,060	107,281
CCLA CBF Investment Fund (St Thomas) *	652.00	13,461	-	13,461	15,248
CCLA COIF Ethical Investment	4,769.36	13,052	-	13,052	14,903
CCLA CBF Property Fund	13,555.07	17,418	-	17,418	19,734
Endowment – St Maurice Church Hall:					
CCLA CBF Investment Fund *	8,001.25	-	165,193	165,193	187,122
CCLA COIF Ethical Investment Fund	9,365.65	-	41,945	41,945	46,397
		514,429	207,138	721,567	808,281
Movements in investments during the year:					
Market value as at 1 st January 2022		574,762	233,519	808,281	707,237
Purchases at cost		-	50	50	50
Disposals Proceeds		-	-	-	-
Realised gain on disposals		-	-	-	-
Unrealised (loss)/gain on revaluation at 31 st December 2022		-60,333	-26,431	-86,764	100,994
Market value as at 31st December 2022		514,429	207,138	721,567	808,281

* 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 2022 £	2021 £
Debtors and prepayments					
Debtors – tax recoverable on Gift Aid donations	349	-	-	349	318
– users of Parish Room & St Lawrence	627	-	-	627	587
– magazine adverts	644	-	-	644	-
Prepayments	-	-	-	-	325
	1,620	-	-	1,620	1,230
Short Term Deposits					
CBF deposit account	36,921	-	-	36,921	36,441
CAF Cash deposit account	24,224	17,544	-	41,768	24,713
	61,145	17,544	-	78,689	61,154
Cash at bank and in hand					
CAF Current account	100	-	-	100	100
Current account	4,829	-	-	4,829	1,038
	4,929	-	-	4,929	1,138
Total Current Assets	67,694	17,544	-	85,238	63,522

7. Liabilities – amounts falling due within one year

Total Funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 £	2021
Creditors and Accruals					
Creditors and accruals	2,752	-	-	2,752	3,917
Total Liabilities	2,752	-	-	2,752	3,917

8. Restricted Funds

	1 st January 2022 £	Incoming Resources £	Resources Expended £	Transfers £	31 st December 2022 £
2022	£	£	£	£	£
<i>Special Appeals Funds:</i>					
Christian Aid	-	81	81	-	-
DEC - Ukraine	-	275	275	-	-
	-	356	356	-	-
<i>Special Projects Funds:</i>					
Upkeep of St Swithun Fabric	9,316	-	1,715	-	7,601
Messy Church	-	196	189	-	7
St Lawrence Fabric	3,751	1,493	270	-	4,974
St Lawrence Organ	1,655	-	70	-	1,585
Covid-19 Support Projects	3,512	-	135	-	3,377
	18,234	1,689	2,379	-	17,544
	18,234	2,045	2,735	-	17,544
	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

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	
						2022	2021
2022	£	£	£	£	£	£	
Fixed assets	1,077	-	1,077	-	-	1,077	1,486
Investments	-	514,429	514,429	-	207,138	721,567	808,281
Current assets	67,694	-	67,694	17,544	-	85,238	63,522
Current liabilities	-2,752	-	-2,752	-	-	-2,752	-3,917
	66,019	514,429	580,448	17,544	207,138	805,130	869,372

	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

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 construction of 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 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:

	2022	2021
	£	£
Kisiizi Orphans - Ikona Hillside School	1,960	1,810
DEC Ukraine Humanitarian Appeal	1,170	-
Christian Aid Week Collections *	972	2,099
Harvest – Basics Bank	920	-
DEC Pakistan Flood Appeal	275	-
Basics Bank – Recycle Sunday	232	-
	5,529	3,909

*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 2022 amounted to £nil (2021 £nil) although a number of matters have been agreed subject to satisfactory quotations.

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 cash flow and reserves.