

**THE PARISH OF
ST MATTHEW WITH ST PAUL, WINCHESTER**
Charity Registration number : 1133040

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

ST MATTHEW WITH ST PAUL, WINCHESTER

REGISTERED CHARITY in England and Wales no. 1133040

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2020

Administrative information

The Ecclesiastical Parish of St Matthew, Winchester, is part of the Diocese of Winchester within the Church of England. It comprises the churches of St Matthew, Stockbridge Road, and St Paul, St Paul's Hill, Winchester. The working name of the parish is St Matthew with St Paul, Winchester.

The correspondence address is: Parish Office, St Paul's Church, St Paul's Hill, Winchester SO22 5AB. The website is: www.stmatthewstpaul.org.

The Parochial Church Council (PCC) was registered as a charity in England and Wales on 1 December 2009 under registration number 1133040.

PCC members who have served at any time from 1 January 2020 until the date this report was approved are:

<i>Incumbent (and PCC Chair):</i>	Canon Peter Seal
<i>Assistant Priest:</i>	Revd Mary Copping
<i>Curate</i>	Revd Liz Stuart
<i>Licensed Lay Minister:</i>	Stephen Adam (until 3 March 2021)
<i>Churchwardens, St Matthew's:</i>	Mike Russell-Smith Dick Wilkinson
<i>Churchwardens, St Paul's:</i>	Bill Lucas (from 3 February 2021) Christopher Seaman Chris Sharp (until 21 October 2020)

Representatives on the Deanery Synod:

Mark Byford (until 21 October 2020)
Keith Jones (until 21 October 2020)
Chris Sharp (until 21 October 2020)

Elected members of the PCC during 2020:

Amanda Berridge (PCC Treasurer until 21 October 2020)
Helen Chambers
Kathleen Freeman
Alexa Heady
Talia Hedstrom
Jonathan Jesty
Keith Jones (from 21 October 2020)
Sandra Lewis (from 21 October 2020)
Anne Odling (until 21 October 2020)
Linda Russell-Smith

Nathalie Schulz (PCC Secretary)
Vicky Scott

Co-opted members of the PCC: Sandra Lewis (until 21 October 2020)
Bill Lucas (until 3 February 2021)

Attends meetings: Tim Stannard (Chair of Finance Committee and PCC
Treasurer from 30 November 2020)

Auditors: Knight Goodhead Limited, 7 Bournemouth Road,
Chandler's Ford, Hampshire SO53 3DA

Structure, governance and management

The governing documents are the Parochial Church Councils (Powers) Measure 1956 as amended and the Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969 as amended).

Members of the PCC are elected by the Annual Parochial Church Meetings (APCMs) in accordance with the Church Representation Rules or are co-opted by the PCC. Members of the congregations and those who attend our services are encouraged to register on the electoral roll and stand for election to the PCC. In 2020 the electoral roll was revised and listed 249 people, of whom 110 were resident in the parish and 139 non-resident.

The APCMs for 2020 were delayed by the coronavirus pandemic, which meant it was not possible to hold the meetings as originally scheduled in April 2020. The Bishop of Winchester issued a direction allowing parishes to delay their APCMs until 30 October, and in August he issued a new direction allowing the meetings to be held online (which had not previously been permitted). The APCMs were held by videoconference on 21 October 2020.

The membership of the PCC consists of the incumbent, the curate, the churchwardens, the Licenced Lay Minister, the representatives to the Deanery Synod, and the elected and co-opted members. The incumbent is remunerated by the Diocese, to whom the church contributes its agreed share of the Common Mission Fund. The Curate and the Assistant Priest are Self-Supporting Ministers. The Assistant Priest is also employed by the parish as the Children's and Youth Work Co-ordinator and attends PCC meetings as a non-voting member. The Chair of the Finance Committee and now Treasurer (Tim Stannard) also attends meetings as a non-voting member. The PCC met eight times during 2020 (twice in person and six times by videoconference).

The PCC is responsible for making decisions on matters of general concern and importance to the parish, including the expenditure of funds. The PCC has a number of committees, the minutes of which are included with the PCC agendas and discussed as necessary: Finance Committee; Faith Development Group; St Matthew's Planning Group; Property Committee; *Beyond Ourselves* Committee; and Music Committee. The Friends of St Matthew with St Paul also reports to the PCC. The PCC has oversight of the *Building for Life* project for the improvement of the St Paul's site (further details below).

The PCC has complied with our duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 to have due regard to House of Bishops' guidance on safeguarding children and vulnerable adults. During the year we reviewed our safeguarding policies and procedures

in conjunction with the Parish Safeguarding Officer. The parish has over 100 DBS checks on file for staff and volunteers.

Aims and purposes

The PCC of St Matthew with St Paul, Winchester, is responsible for co-operating with the incumbent, Canon Peter Seal, in promoting in the ecclesiastical parish the whole mission of the Church: pastoral, evangelistic, social and ecumenical. It is responsible for the maintenance of the two churches, and also of the Parish Hall and Parish Rooms which stand adjacent to St Paul's Church.

St Matthew with St Paul is an inclusive, welcoming and vibrant Anglican parish for all ages, serving the wider community, as encapsulated by our strapline, 'Pilgrims on a journey'.

Objectives and activities

At a vision and strategy day in January 2019 the PCC identified the following objectives for 2019–2021:

Developing a culture of growing deeper in faith and service.

Nurturing the wholeness of young and old together, mutually giving and growing.

Meaningful engagement with the wider community on the questions and issues of today.

Building a diverse, collective leadership that inspires all to be a part of our churches.

Achievements and performance

2020 began in the parish as 2019 had ended, with the St Paul's weekly Eucharist at Western Church School while St Paul's was closed for renovation, and St Matthew's offering worship using the Book of Common Prayer. The impact of the coronavirus pandemic from March 2020 onwards meant finding new ways to serve our congregations and the local community.

During the first coronavirus lockdown in England all places of worship were required to remain closed. The parish moved to pre-recorded services mounted on YouTube: both a Parish Eucharist and a separate service aimed at families with young children. The Eucharist was initially recorded outdoors, moving to inside St Matthew's when this was permitted. Members of the parish contributed Bible readings and prayers recorded in their own homes to both services.

From the start of restrictions, the Rector or Assistant Priest sent weekly update emails to a mailing list of over 200 people in the parish and beyond. Weekly notice sheets and the parish magazine were also used for communication and made available online. A weekly email of prayer points for the community and the wider world was sent throughout the year (to those who elected to receive it).

The parish looked at how it could help the community during lockdown and collaborated with the local Mutual Aid Group. A Mutual Aid leaflet offering help (e.g. with shopping, prescription collection) and letter of support from the Rector were delivered to all homes in the parish. Members of the congregations were involved in this and other initiatives to provide support for the vulnerable. A drop-off point for the Winchester Basics Bank was established at the

Rectory. During 2020 the parish gave £10,000 to local and international charities as part of our *Beyond Ourselves* charitable giving.

From the middle of June 2020 St Matthew's was allowed to open each day for private prayer, and socially distanced services in the church began in July. St Paul's remained closed for building work and live-streaming equipment was purchased and incorporated into the final stages of the project. The first service in the renewed St Paul's was on 7 September, a live-streamed funeral for a family member of one of the contractors. The first Parish Eucharist was held on 20 September and services were live streamed from 27 September. After consultation with families of young children it was agreed to hold separate afternoon services for this group, the first in October 2020. The pre-recorded children's services continued, as did regular Zoom (videoconference) meetings with older children and teenagers. On 1 November there was a confirmation service at St Paul's at which the Bishop of Southampton confirmed five young people and one adult.

November 2020 saw a second lockdown in England, and during that time services were live-streamed from St Paul's with a small number of individuals leading the worship, and no congregation. No services were held at St Matthew's at that point, but the church was open every day for individual private prayer. After the lifting of lockdown, services recommenced in both churches for a short period until Winchester moved into Tier 4 restrictions. At that time, the decision was made to move to a pre-recorded 9.30 Sunday Eucharist from St Paul's each week, with only the priest and cameraman present. From March to December 2020 there were an average of 155 views of the Parish Eucharist on YouTube each week and an average of 56 views of the children's service.

The 23 Parish Visitors were a vital part of the parish pastoral support network throughout the year and adapted to telephone calls only rather than face-to-face meetings. From May onwards there was a weekly Zoom coffee morning in the parish which provided an opportunity for friendship and support.

Coronavirus restrictions and the St Paul's temporary closure limited the number of baptisms (4) and funerals (3) that could be held in our churches. However, clergy conducted one wedding and 15 funerals elsewhere.

Building for Life

During 2020 the vast majority of the refurbishment work at St Paul's was completed as part of Phase 1 of the *Building for Life* project. From late March to mid-May 2020 work was suspended by the contractors in line with government guidelines. But it quickly resumed in June and practical completion of the project was at the start of September, only a week later than originally scheduled. St Paul's now has a safe, fully accessible, single-level floor with underfloor heating, a glazed gallery meeting room and gallery space served by a lift, a new Resurrection Chapel for private prayer, and kitchen, toilets and utility room within the church. In addition, we have ordered and received beautifully made oak chairs for the nave.

Building for Life was overseen by a Project Board which met monthly and reviewed updated project cost, funding and monthly cash flow status and projections, resolved important project and financial-management issues and recommended to the PCC ways forward on significant issues such as material additions to the project scope and their funding.

We are grateful to our excellent architect, Antony Feltham-King, principal contractor Amiri, our Project Board and the many other people in the parish who contributed their time and skills to a project well done.

One aim of the redevelopment of St Paul's was to provide a venue for community use. There was limited demand for this in 2020 due to the nationwide restrictions, but a small group has been looking at how to make best use of the site in the future, with an agreement to appoint a new site manager.

Financial review

Results

The coronavirus pandemic made 2020 a challenging year financially and resulted in a General Fund operating deficit for the year of £34,377 before investment revaluation gains and transfers from other funds. The main factors driving this outcome were: the significant reduction in cash collections and envelope-based giving, and associated Gift Aid, during the churches' closures in periods of Covid lockdowns; restrictions and significant reductions in facility-hire income from the pre-school and other regular hirers of the church hall and facilities; and higher maintenance costs due to the opportunity being taken to undertake certain key repair and refurbishment work while the builders were on site for the *Building for Life* project (see below). We mitigated some of the adverse effects by furloughing certain staff for the period when St Paul's was not in use and took other steps to reduce costs where possible, resulting in lower-than-budgeted expenditure. We re-budgeted in the spring based on our estimates of the potential effect of the pandemic on our finances, and the year's result was broadly in accordance with the re-budgeted expectation.

Legacies

We were blessed by the confirmation early in the year of a very substantial legacy of £715,000 from Les Scott, a wonderful and loyal ex-parishioner. The majority of this was received in the year, with the final tranche expected in 2021. £175,000 of the legacy was allocated by the PCC to the *Building for Life* project as referred to below, £15,000 to a limited refurbishment of the church hall and £60,000 to strengthen reserves in accordance with the parish's reserves policy (see below). The remainder of the legacy is retained for future prioritisation, potentially for a planned second stage of the *Building for Life* project to enhance the quality and community use of the church hall and adjacent meeting rooms; to support church community-related capital projects; and to support the operation of the expanded church facilities during the near term while our expenditure is budgeted to exceed our regular income.

Building for Life

The final costs of the project amounted to approximately £1.15 million. We are very pleased to report that the costs for the contracted specification were close to the original budget of approximately £950,000, including the relatively lean contingency fund that we had established for unforeseen costs. The PCC allocated £125,000 from the legacy received in the year to enable key strategic additions – including the Resurrection Chapel and glazed gallery meeting room, which had had to be excluded in the initial contract for budgetary reasons – to be included within the scope of the project, and an additional approximately £50,000 to fund new chairs and the streaming equipment which became vital in the

lockdown environment. A diocesan loan of £70,000 was obtained, and repaid, during the year to facilitate cash flow management. Together with the refunds of the substantial majority of the VAT incurred on the project, in accordance with the government's Listed Places of Worship Grant Scheme and certain further generous congregational donations during the year, the finances of the project approximately broke even overall, with some small provisions for final committed completion items and no outstanding debt.

Reserves policy and future resilience

As a result of the anticipated size of the income deficit for the year arising from impacts of the pandemic, we recognised in the spring that our General Fund reserves would fall significantly short of our policy of retaining reserves equivalent to six months' regular expenditure, and the PCC approved the £60,000 allocation of the legacy received to General Fund reserves, as referred to above. As a result, at the year-end our General Fund reserves stood at £144,000, equivalent to approximately seven months of the year's General Fund expenditure. We consider this appropriate and adequate currently but may need to bolster it further as we anticipate the outcome of 2021 and 2022 in the challenging environment ahead and work towards balancing the books through increasing our income. In addition to the General Fund, the parish's reserves at the year-end comprised designated funds of £539,000 (including the unallocated amount of £465,000 of the substantial legacy referred to above and the capital fund representing our tangible fixed assets of £59,000) and restricted funds of £14,000. Our General Fund reserve together with the legacy fund balance currently give us confidence and flexibility to face the financial challenges of the future.

Investment policy and objectives

The parish has established an investment policy under which to invest the balance of the significant legacy received during the year that has not already been allocated as referred to above. The investment objective is to protect the real value and optimise the total return of its investments commensurate with the time horizon over which it is anticipated that the investments may be realised to meet agreed expenditure, aligned with the mission of the Church. The parish holds a mixture of pooled investment funds and bank deposits with a view to meeting this objective. Its policy is to invest in accordance with appropriate ethical criteria and in doing so has regard to the guidance in the Church of England's Statement of Ethical Investment Policy issued by the Church of England Ethical Investment Advisory Group.

Risks

The parish continued to develop its framework for managing its financial, operational, regulatory and safeguarding risks as summarised in last year's annual report. There was particular focus in 2020 on worshippers' and visitors' safety during the coronavirus pandemic as set out above; and on the financial and operational risks of the significant *Building for Life* project. We believe all these risks were managed prudently and effectively, enabling the parish to look forward to the future with positivity, resilience and confidence.

Plans for future periods

The second half of 2021 will see the retirement of our Rector, Canon Peter Seal. The PCC will work with the Assistant Priest and Curate to support the parish through this change while navigating any continuing coronavirus-related restrictions. Another priority for the PCC will be to increase income and reduce the budget deficit, for example by maximising facilities hire.

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

**ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

Statement of responsibilities of the trustees

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice (UK GAAP).


The Charities Act requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- observe the methods and principles in the charities SORP
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by


PETER SEAL, RECTOR
Trustee

17th MAY 2021

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

Opinion

We have audited the financial statements of The Parish of St Matthew with St Paul (the "Charity"), for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet, Cash flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable to the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other matter

In the previous accounting period the trustees of the charity took advantage of audit exemption under s144 of the Charities Act 2011. Therefore, the prior period financial statements were not subject to audit.

Other information

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the Charity through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

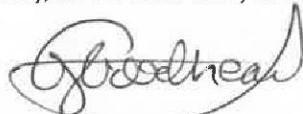
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Knight Goodhead Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



CJ GOODHEAD FCA

Senior Statutory Auditor

Knight Goodhead Limited

Chartered Accountants and Statutory Auditors

7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire, SO53 3DA

Dated: 18 May 2021

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME						
Donations, grants and legacies		168,564	715,000	210,299	1,093,863	621,594
Income from charitable activities		18,434	26	1,828	20,288	30,598
Income from other trading activities		19,443	-	-	19,443	29,454
Investment income		1,604	-	308	1,912	3,954
Total income	3	208,045	715,026	212,435	1,135,506	685,600
EXPENDITURE						
Raising funds		-	-	1,082	1,082	5,860
Expenditure on charitable activities		242,422	295,413	821,190	1,359,025	442,086
Total expenditure	4	242,422	295,413	822,272	1,360,107	447,946
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(34,377)	419,613	(609,837)	(224,601)	237,654
TRANSFERS BETWEEN FUNDS	11	74,502	(74,971)	469	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS		40,125	344,642	(609,368)	(224,601)	237,654
GAINS ON INVESTMENT ASSETS		3,449	-	-	3,449	7,555
NET MOVEMENT IN FUNDS		43,574	344,642	(609,368)	(221,152)	245,209
FUND BALANCES AT 1 JANUARY 2020		100,398	195,004	623,040	918,442	673,233
FUND BALANCES AT 31 DECEMBER 2020	11	143,972	539,646	13,672	697,290	918,442

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

**COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £
INCOME				
Donations, grants and legacies	163,923	29,466	428,205	621,594
Income from charitable activities	18,281	-	12,317	30,598
Income from other trading activities	29,454	-	-	29,454
Investment income	3,298	-	656	3,954
Total income	214,956	29,466	441,178	685,600
EXPENDITURE				
Raising funds	-	-	5,860	5,860
Expenditure on charitable activities	229,182	77,074	135,830	442,086
Total expenditure	229,182	77,074	141,690	447,946
NET (EXPENDITURE) / INCOME BEFORE TRANSFERS	(14,226)	(47,608)	299,488	237,654
TRANSFERS BETWEEN FUNDS	(6,930)	(51)	6,981	-
NET (EXPENDITURE) / INCOME BEFORE OTHER GAINS/(LOSSES)	(21,156)	(47,659)	306,469	237,654
GAINS ON INVESTMENT ASSETS	7,555	-	-	7,555
NET MOVEMENT IN FUNDS	(13,601)	(47,659)	306,469	245,209
FUND BALANCES AT 1 JANUARY 2019	113,999	242,663	316,571	673,233
FUND BALANCES AT 31 DECEMBER 2019	100,398	195,004	623,040	918,442

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	7		59,045		11,992
CURRENT ASSETS					
Debtors	8	219,947		204,532	
Investments	9	53,860		48,930	
Cash at bank and in hand		445,343		663,725	
		<u>719,150</u>		<u>917,187</u>	
CREDITORS: amounts falling due within one year	10	<u>(80,905)</u>		<u>(10,737)</u>	
NET CURRENT ASSETS			638,245		906,450
NET ASSETS			<u>697,290</u>		<u>918,442</u>
FUNDS	11-13				
Unrestricted:					
Designated		539,646		195,004	
Other unrestricted		<u>143,972</u>		<u>100,398</u>	
			683,618		295,402
Restricted			13,672		623,040
TOTAL FUNDS			<u>697,290</u>		<u>918,442</u>

Signed on behalf of the PCC by:

Peter Seal Rector

 PETER SEAL

Trustee

Date: *17th May 2021*

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1	(168,199)	113,866
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		431	2,558
Purchase of fixed assets		(50,051)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Diocesan loan received		70,000	-
Repayment of diocesan loan		(70,000)	-
Interest paid		(563)	-
NET CASH FLOW	2	<u>(218,382)</u>	<u>116,424</u>

The charity had £nil debt at the beginning and end of the year.

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net movement in funds for the year	(221,152)	245,209
Investment income	(1,912)	(3,954)
Depreciation	2,998	2,998
Increase in debtors	(15,415)	(51,230)
Increase/(decrease) in creditors	70,168	(71,602)
Increase in investment assets	(3,449)	(7,555)
Interest paid	563	-
Net cash flow from operating activities	<u>(168,199)</u>	<u>113,866</u>

2 NET CASH AND CASH EQUIVALENTS MOVEMENT

	2020 £	2019 £
Cash at the end of the year	445,343	663,725
Cash at start of the year	663,725	547,301
(Decrease)/increase in cash in the year	<u>(218,382)</u>	<u>116,424</u>

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (effective January 2019).

The accounts have been prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue. The charity is a public benefit organisation.

(b) Fund accounting

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

Restricted funds are those funds that must be spent on restricted purposes and the details of the funds held and restrictions are provided in notes 11-12.

(c) Income

The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law.

Donations and legacies

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

Planned giving receivable under pledge is recognised only when received.

Income tax recoverable on gift aid donations is recognised when the income is recognised.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement and the amount due.

Where grants are conditional on future events they are recognised as deferred liabilities until the condition can be fulfilled.

Income from charitable activities

Income is accounted for when receivable.

Income from other trading activities

Funds raised from church events are accounted for when receivable.

Investment income

Dividends and interest are accounted for when receivable.

Realised gains and losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluations of investments at 31 December.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable Activities

The Diocesan Parish Share is accounted for when payable.

Grants and donations are accounted for when decided on.

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (continued)

(e) Fixed assets

Both the consecrated Church buildings at St Matthew's and St Paul's are excluded from accountability by the PCC. Consecrated property is excluded from the financial statements by s.10 (2)(a) and (c) of the Charities Act 2011. All expenditure incurred during the year on consecrated buildings is written off as expenditure in the SOFA and separately disclosed.

Movable church furnishings held by the Church Wardens on special trust for the PCC and which require a faculty for disposal are regarded as inalienable property.

Expenditure on movable church furnishings and other functional equipment is capitalised where the cost exceeds £2,000.

Depreciation is on a straight line basis over the following periods:

- Church organ - 5 years
- Fixtures and fittings - 3 years
- IT equipment - 3 years

(f) Pensions

The PCC participates in the Pension Builder Scheme section of CWPF for two lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

ACCOUNTING POLICIES (continued)

(f) Pensions (continued)

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged in the SoFA in the year are the contributions payable of £2,072 (2019: £2,007).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2019, and was completed in March 2021.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.7m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, The Parish of St Matthew with St Paul, Winchester could become responsible for paying a share of that employer's pension liabilities.

2 ADMINISTRATIVE INFORMATION

The charity is a statutory corporation under PCC (powers) measure 1956 and was registered on 1 December 2009 with the Charity Commission in England and Wales. The registered number is 1133040.

The registered office of the charity is The Parish Office, St Paul's Church, St Paul's Hill, Winchester, SO22 5AB.

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

3 INCOME

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations, grants and legacies				
Regular giving	121,448	5,845	127,293	135,155
Collections	1,298	-	1,298	7,290
Envelopes	1,171	-	1,171	6,212
Donations	12,787	24,647	37,434	109,614
Legacies	715,000	-	715,000	27,793
Gift aid	28,125	6,420	34,545	57,636
Grant income	3,735	173,387	177,122	277,894
	883,564	210,299	1,093,863	621,594
Income from charitable activities				
Parochial fees	5,102	-	5,102	6,777
Parish & Family Activities income	309	-	309	3,069
Community & Fundraising Event income	-	523	523	8,440
Miscellaneous Sales income	4,740	-	4,740	2,350
Magazine subs	848	-	848	1,094
Hire St Pauls Preschool	7,369	-	7,369	5,008
Youth and Children's work income	92	-	92	169
St Pauls Flowers income	-	-	-	372
Friends Subscription income	-	1,305	1,305	1,410
Friends Event income	-	-	-	1,909
	18,460	1,828	20,288	30,598
Income from other trading activities				
Magazine adverts	836	-	836	868
Facilities Hire	5,923	-	5,923	9,105
Hire Florian Dance School	3,103	-	3,103	8,387
Parking	9,581	-	9,581	11,094
	19,443	-	19,443	29,454
Investment income				
Interest	123	308	431	2,558
Dividends	1,481	-	1,481	1,396
	1,604	308	1,912	3,954
TOTAL INCOME	923,071	212,435	1,135,506	685,600

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

4 EXPENDITURE

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
CHARITABLE ACTIVITIES				
Raising funds				
Fundraising costs	-	1,082	1,082	5,860
	-	1,082	1,082	5,860
Expenditure on charitable activities				
Parish Share	120,000	-	120,000	116,332
Parochial Fees - Diocesan Share	3,911	-	3,911	3,556
Parish & Family Activities expenditure	453	-	453	5,382
Printing, postage and stationery	3,767	-	3,767	5,498
Computer running expenses	1,250	-	1,250	887
Insurance	5,051	-	5,051	5,394
Admin salaries	35,396	-	35,396	33,846
Working costs	5,980	-	5,980	6,354
Maintenance	22,930	-	22,930	9,025
Cleaning and gardening	6,028	-	6,028	5,778
Utilities	5,011	-	5,011	6,909
Music	1,874	-	1,874	3,837
Professional fees	3,000	3,000	6,000	1,800
Youth & Children's work expenditure	17,285	-	17,285	17,099
Mission giving	9,704	-	9,704	10,100
Other giving	600	-	600	100
St Pauls Flowers expenditure	89	-	89	584
Music as mission expenditure	-	4,956	4,956	4,381
Building for Life expenditure	292,453	812,616	1,105,069	202,226
Bank charges	55	55	110	-
Diocesan loan interest	-	563	563	-
Depreciation	2,998	-	2,998	2,998
	537,835	821,190	1,359,025	442,086
Total expenditure	537,835	822,272	1,360,107	447,946

Professional fees include audit fees of £6,000 (2019: Independent examination fees of £1,800).

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

5 GRANTS

Grants and donations of over £1,000 made to institutions and other charities during the year were as follows:

	2020 £	2019 £
USPG	1,500	1,000
CMS	1,500	1,000
Other regular giving from own funds	7,304	8,200
	<u>10,304</u>	<u>10,200</u>

Amounts collected on behalf of other charities this year were as follows:

Christian Aid	-	5,216
Partners for change Ethiopia	-	374
St Martins in the Fields Appeal	-	220
Childrens Society	-	114
Hampshire and Islands Historic Churches Trust	695	-
Winchester Hospice	695	-
	<u>1,390</u>	<u>5,924</u>

6 EMPLOYED STAFF COSTS AND NUMBERS

	2020 £	2019 £
Salaries and wages	62,096	63,214
Employer's pension costs	2,072	2,007
	<u>64,168</u>	<u>65,221</u>

The average number of full time and part time employees during the year was 9 (2019: 12)

No trustees received remuneration during the year (2019: £nil)

£3,067 (2019: £2,982) expenses were reimbursed to three trustees (2019: one) during the year.

No employee received remuneration of more than £60,000 during the current or prior year.

During the year pension contributions of £2,072 (2019: £2,007) were payable, and at the year end the amount outstanding was £166 (2019: £259).

During the year no remuneration was paid by this charity to key management personnel (2019: £nil). The key management team is taken as being the Parish Church Council. The Canon chairs the Parish Church Council but he receives a stipend from the Diocese not from the charity.

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

7 TANGIBLE ASSETS

	Church organ	Fixtures and Fittings	IT Equipment	Total
	£	£	£	£
COST				
At beginning of year	14,990	-	-	14,990
Additions	-	43,071	6,980	50,051
At end of year	14,990	43,071	6,980	65,041
DEPRECIATION				
At beginning of year	2,998	-	-	2,998
Charge	2,998	-	-	2,998
At end of year	5,996	-	-	5,996
NET BOOK VALUE				
At end of year	8,994	43,071	6,980	59,045
At beginning of year	11,992	-	-	11,992

8 DEBTORS

	2020 £	2019 £
Other debtors	14,881	39,514
Prepayments and accrued income	205,066	165,018
	<u>219,947</u>	<u>204,532</u>

9 INVESTMENTS

	2020 £	2019 £
Investments	53,860	48,930
	<u>53,860</u>	<u>48,930</u>

10 CREDITORS: amounts falling due within one year

	2020 £	2019 £
Trade creditors	656	1,072
Taxation and social security	346	-
Agency collections	-	1,297
Accruals	79,377	5,576
Deferred income	526	2,792
	<u>80,905</u>	<u>10,737</u>

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

11 MOVEMENT IN FUNDS

Fund movements for the year ended 31 December 2020

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 December 2020 £
Restricted funds					
Building for Life	606,831	210,486	(817,317)	-	-
Children's Work	11,099	-	-	-	11,099
Music as Mission	4,486	-	(4,955)	469	-
Friends of St Matthew with St Paul	624	1,549	-	-	2,173
St Matthew's	-	400	-	-	400
	623,040	212,435	(822,272)	469	13,672
Designated funds					
Wilkins Bequest	91,910	26	(91,965)	29	-
Capital Fund	11,992	-	(2,998)	50,051	59,045
Building for Life	91,102	-	(200,450)	125,000	15,652
Scott Bequest	-	715,000	-	(250,051)	464,949
	195,004	715,026	(295,413)	(74,971)	539,646
Unrestricted funds	100,398	211,494	(242,422)	74,502	143,972
Total funds	918,442	1,138,955	(1,360,107)	-	697,290

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

11 MOVEMENT IN FUNDS (continued)

Comparative fund movements for the year ended 31 December 2019

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 December 2019 £
Restricted funds	-	-	-	-	-
Building for Life	293,823	436,598	(136,071)	12,481	606,831
Children's Work	11,417	1,000	(1,318)	-	11,099
Music as Mission	8,787	-	(4,301)	-	4,486
Friends of St Matthew with St Paul	2,544	3,580	-	(5,500)	624
	316,571	441,178	(141,690)	6,981	623,040
Designated funds					
Wilkins Bequest	164,313	1,673	(74,076)	-	91,910
Capital Fund	14,990	-	(2,998)	-	11,992
Building for Life	63,360	27,793	-	(51)	91,102
	242,663	29,466	(77,074)	(51)	195,004
Unrestricted funds	113,999	222,511	(229,182)	(6,930)	100,398
Total funds	673,233	693,155	(447,946)	-	918,442

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

12 FUNDS

The restricted and designated funds are established for the following purposes:

Building for Life and Wilkins Bequest

This reserved fund consists of donations and grants given for the redevelopment of the St Pauls site under an ongoing appeal launched in 2017, with construction starting in 2019 and substantially completed in 2020. There are also some contributions to Building for Life made by the PCC which are treated as designated to this purpose. These include the **Wilkins Bequest**, the allocation from the **Scott Bequest**, and an amount set aside to cover the building contingency.

Children's Work

Established through a gift from a parishioner and grants from the Wheeler Jones Trust to support the Parish's work with children.

Music as Mission

Established through a gift from a parishioner to extend the outreach and mission of the parish through musical activities.

Friends of St Matthew with St Paul

The Friends exist to raise funds in support of the church buildings through fundraising events. The Friends' aims are to preserve and enhance buildings for future generations, to encourage the use of the buildings by the local community and to run interesting and diverse social events annually to raise funds.

St Matthew's

Consists of gifts specifically allocated to St Matthews church for activities.

Capital fund

This fund represents the net book value of fixed assets.

Scott Bequest

This fund relates to a parishioner's legacy of £715,000 recognised in the year. During the year, this was partly allocated to Building for Life expenditure (£125,000), partly to new church chairs and streaming equipment (£50,051) and partly to general fund reserves (£75,000) including funding of certain refurbishment of the Church Hall. The remainder is retained for future discretionary allocation.

THE PARISH OF ST MATTHEW WITH ST PAUL, WINCHESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

13 ANALYSIS OF FUNDS

	Restricted funds	Designated funds	Other unrestricted funds	Total 2020
	£	£	£	£
<i>Fund balances as at 31 December 2020 are represented by:</i>				
Tangible fixed assets	-	59,045	-	59,045
Investments	-	-	53,860	53,860
Other current assets	46,672	518,101	100,517	665,290
Current liabilities	(33,000)	(37,500)	(10,405)	(80,905)
	<u>13,672</u>	<u>539,646</u>	<u>143,972</u>	<u>697,290</u>

	Restricted funds	Designated funds	Other unrestricted funds	Total 2019
	£	£	£	£
<i>Fund balances as at 31 December 2019 are represented by:</i>				
Tangible fixed assets	-	11,992	-	11,992
Investments	-	-	48,930	48,930
Other current assets	623,040	183,012	62,205	868,257
Current liabilities	-	-	(10,737)	(10,737)
	<u>623,040</u>	<u>195,004</u>	<u>100,398</u>	<u>918,442</u>

14 IMPACT OF PANDEMIC

As set out in the Trustees' Report, the COVID pandemic had a significant impact on the churches' activities and financial results, principally as a result of the closure of the churches to normal services during a large part of the year and the adaptation of its activities to new ways of pursuing its mission. However the receipt of a large legacy, and the strengthening of reserves and having no debt, enables the trustees to be confident in the charity's financial viability and resilience.