



The Parish of St. Peter and the Winchester Martyrs

PARISH FINANCIAL REPORT

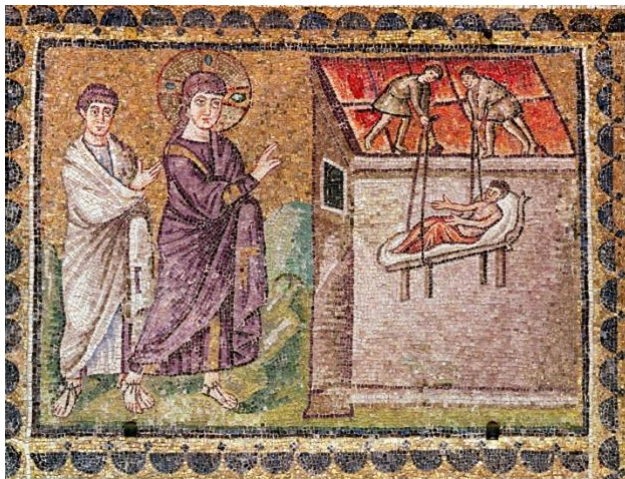
for the financial year ended 31st August 2021

Letter from the Parish Priest

Dear Parishioners,

Bringing people closer to Jesus Christ in HOPE and JOY

Once again, I am delighted to be able to offer for your information the Parish Financial Report for the financial year. I am, as always, indebted to the Parish Finance and Property Advisory Committee, who have prepared this on my behalf.



Firstly, this report for the year ending 31st August 2021 offers me another opportunity to express my sincere and heartfelt thanks to all of you who have been so generous in your love and support and prayers towards the parish and towards me personally over this period. It has been another year with many twists and turns and plenty of challenges, alongside countless blessings. This parish would not exist without you, each playing your own part in the story, in

various different ways helping us to be a parish where every day we are “bringing people closer to Jesus Christ in hope and joy”. Thank you so much to all of you, clergy, staff, volunteers, parishioners and guests, especially those who have made great sacrifices and shown incredible patience and understanding of the constraints under which we’ve been working.

The background to the year has continued to be the global pandemic and the impact which this has had on all of us. The vaccination programme commenced during this period and has brought great resilience to the virus. We continue to pray to the Lord for healing of souls and bodies and with gratitude to all those who have done so much to ease suffering and offer hope and joy.

Perhaps the previous financial year was the one in which the pandemic-induced roller-coaster leapt into action and began its first disorientating loops and spirals. We too, as a parish, braced ourselves for this unsolicited and undesired adventure. If so, then maybe we can say of this recent year that we have settled into some sort of hybrid rhythm, online and in person, marked by periods of seeming stability and calm before unpredictability once more took the reins. Christmas 2020, for example, stands out as a time when we needed to hold on tight and adapt to the sudden shifts and U-turns with which we were presented, and keep our eyes on the greater goal of a grace-filled 'Christmas to remember'. For the most part we collectively achieved this, encouraged by our faith in God and the reassurance that, in Him alone, will everything, ultimately, be alright.

*"The parish
would not exist
without you"*

This report primarily gives an opportunity to thank God for some of the blessings of the last financial year, which include the following:



✘ We welcomed Fr Anthony as our assistant priest. Fr Anthony is from our twin diocese of Bamenda, Cameroon and his presence and ministry here have enriched our community greatly.

✘ We developed our links with the Upper Itchen Benefice. In particular, I was invited to preach at a Sunday Communion Service in St. Andrew's, Tichborne, and we celebrated an innovative "Stations of the Resurrection" in the same church.

- ✘ We joyfully received various new members into the Church in autumn following the delays from the previous Easter.



- ✘ We were able to celebrate First Holy Communion Masses after the delays from the previous spring, with many children receiving Jesus for the very first time in the Eucharist over the course of the year, having been prepared in person and online by our wonderful team of catechists.

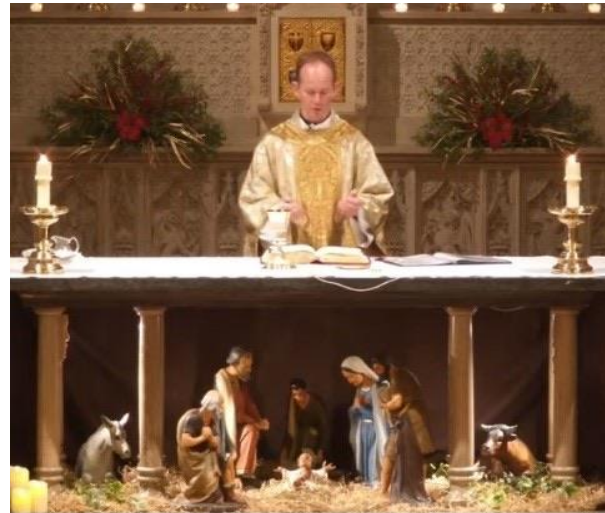
- ✘ I had the privilege of celebrating the Sacrament of Confirmation with many of our young people, again delayed because of COVID and again following some wonderful preparation by our team of catechists. This was a real joy for me as usually the Bishop celebrates this sacrament with our young people.

- ✘ Between June 2020 and March 2021, last June, our Parish was entrusted with arranging the distribution of £20,000 for funding food related activities that are being carried out by groups in the Winchester parish. The funding was available to us through our Diocese in Portsmouth and has been provided by The Albert Gubay Foundation. This funding was able to support the work of Live at Home (MHA), Nightshelter, The Salvation Army, St Peters Primary School, Trinity Centre, Southampton & Winchester Visitors Group, Unit 12, Winnall Primary School, First Bite & St Vincent de Paul

- ✘ We were able to mark the Solemnity of the Winchester Martyrs with an online Mass and gathering.
- ✘ The Mayor of Winchester, a Catholic himself, joined us for a Sunday Mass in the autumn and then returned to read the Scriptures at one of our “livestream only” Masses in the spring.
- ✘ We navigated our way through various forms of lockdown (churches able to open for private prayers but not public worship in autumn 2020 and then able to remain open for prayers and liturgy in early 2021)
- ✘ We introduced a temporary “Family Mass” on Saturday afternoons to try and support our children and parents.

✘ We celebrated a “Christmas to Remember”, with beautiful Masses in person and online, as well as travelling Nativities; a Zoom Carol party; Advent Calendars offered to the sick and housebound and various other outreach initiatives and a successful Covenant with the Poor Advent appeal for Winchester Women’s Refuge; and beautifully decorated church buildings and environments.

✘ In Lent, we invited you to participate in our “Spiritual Campaign to get yourself connected” – to “re-boot” (with Alpha), “re-discover” (with over 60 people attending an online series on the Gospel of Mark and a considerable number participating in our “Discovering More about Lent” course) or “re-charge” (with daily or weekly messages or with a weekly guided prayer).



✘ Our Lenten messages via Flocknote were a huge success, with 133 notes sent to 173 people, 97% members reached, 8082 emails sent; 81% of which were read.

✘ We celebrated a beautiful Holy Week, with events and liturgies online and in person (a heart-warming contrast to the previous year when Fr. Stephen and I had found ourselves alone in the church for the various liturgies).

✘ We formed a parish *Laudato Si* group, and an environmental covenant was signed by Fr Mark and a representative of the Parish at the Mass on Climate Sunday.

✘ The Covenant embraces the work of all groups and individuals in the parish who express their faith in Our Lord by their actions towards goals of peace, justice and the preservation of the environment.

✘ We installed and blessed a beautiful tabernacle in St. Stephen’s Church.

✘ James Lewis was ordained deacon (we’re looking forward to him being ordained priest, God willing, this coming July 16th)

- ✘ We celebrated with a party for our health workers up in St. Peter's School grounds, to say 'Welcome' and 'Thank You' to the members of our parish who provide healthcare in and around Winchester.



- ✘ We launched our Acorn Groups – as we aim to build a community of small groups connected together through faith in Jesus and friendship, an environment that fosters spiritual growth and faith-based friendships in a safe and comfortable space where we are nurtured, encouraged, and equipped to use the gifts God has given us.
- ✘ We have taken the first steps in beginning a “Ministry after Loss” which aims to support and walk alongside the bereaved and those suffering significant loss in other ways.

All of this, without mentioning the rhythm of daily and weekly masses, prayers and sacraments, and countless activities supported by our ministry groups.

We:

- ✘ Continued with live streaming for daily Morning Prayer, Mass and Night Prayer. This has been an amazing success with about 400 views on average per weekend;
- ✘ Continued to have a team to welcome and fulfil our “track and trace obligations”, steward and “fog” the church, to keep those able to attend mass in person as safe as possible;
- ✘ Offered an online Children's Liturgy before the Sunday morning Mass;
- ✘ Continued an Outreach exercise called '*PeterCares*', supporting more than 70 elderly and vulnerable parishioners through a regular friendly call;

- ✘ Continued to support and liaise with the many parish based and ecumenical groups who serve the needy in our local Winchester community. Besides PeterCares, these include SVP, Churches Together in Winchester, Street Pastors, Basics Bank, Night Shelter and Trinity Centre. About 40 parishioners answer Jesus's 'Call to Serve' in this way.



- ✘ Continued with online evangelisation through Alpha. We welcomed another 45 guests who completed our Alpha courses, more and more of whom (over half) were not regular worshippers at church before participating;

✘ Continued our collaborative music ministry, with contributions coming from across the parish and worshipping communities. Over the whole period of the pandemic thus far, we have produced close to 100 separate word sheets, with over 850 hymns or psalms, covering liturgies for every week of the church year, plus Holy Week and Christmas and our livestream and "live" cantors at Masses have involved the efforts of close to 40 different contributors (aged 6 to "80-something") ;

- ✘ Continued to light candles for anyone who asks, every evening (later every week) throughout this period;



- ✘ Continued to communicate with people via our website (about 2,000 views per week), the parish newsletter (Peterpost now has over 600 inboxes currently receiving this by email each week), our YouTube channel (with nearly 1,000 subscriptions) and our Facebook page (we typically have 2000 views a month, a high rate of engagement and a quick response time), as

well as our new parish Instagram;



- ✘ Continued to support hospital staff and patients, offer comfort to the bereaved and provide funeral services;

- ✘ Continued to offer pastoral support to our school staff and students.

This list is far from exhaustive but gives some insight into many of the ways in which we've been able together to bring hope and joy into the lives of our own community members and those around us, bringing each other and others closer to Christ in the process.

- ✘ We said farewell to two of our much-loved staff members, Sandra Drower and Adam Biernat, and have been delighted to welcome Michaela Waterfield to the team.
- ✘ We also said farewell to Fr. Stephen, who has moved to the Isle of Wight and will soon, we hope, be able to return here to pay a visit and celebrate Mass with us.
- ✘ We also said farewell to Canon Peter Wilkie, who had been living in the parish for a few years and has now gone to live in Ringwood. Please keep Canon Peter in your prayers as his illness develops.

Those of us entrusted with leadership in the parish need your forgiveness and continued patience for the times when we have fallen short of the high standards which we have set ourselves and by which we wish to serve you and the wider community. As I write, we've just marked Advent and celebrated Christmas with over 1,500 people joining us in person, despite the rapid rise in the Omicron variant, and many more via livestream. We've also made excellent progress towards reaching our goal as part

of the *Closer to Christ* Campaign and are now looking forward to participating in the Church's Synodal process and embarking upon our Lenten Spiritual Campaign.

**"Thank you,
thank you,
thank you"**

Thank you, thank you, thank you for the contribution you are making to our parish mission through the generous offering of your time, talents and treasure. Let's continue to support each other, and allow the Lord to hold all of us, as we strive **to bring people closer to Jesus Christ in hope and joy so that he can heal our souls and bodies and restore our broken lives by the power of the Holy Spirit.**

With every blessing,

A handwritten signature in black ink, appearing to read 'Fr. Mark Hogan'. The signature is stylized and somewhat abstract, with a large loop at the bottom and a smaller loop at the top.

Fr. Mark Hogan

25th Jan 2022 (The Feast of the Conversion of St. Paul)

This financial report has been prepared as an information document for parishioners of The Parish of St. Peter and the Winchester Martyrs. The Parish does not publish individual statutory accounts as for legal and accounting purposes it is part of the Roman Catholic Diocese of Portsmouth and its detailed financial transactions are included within the annual consolidated accounts of the Diocese.

The Parish of St. Peter and the Winchester Martyrs

STATEMENT OF FINANCIAL ACTIVITIES

financial year ending 31st August	2021	2020	2019
	£	£	£
Ordinary parish income			
Offertory and donations	245,391	254,182	267,590
Gift Aid tax refunds	54,388	53,314	65,018
Divine Renovation hypothecated income	58,476	38,266	11,859
Hall and room hire	5,432	18,339	24,834
Grants	68,748	-	-
Other ordinary income	4,041	4,216	6,736
Sub-total	<u>436,476</u>	<u>368,317</u>	<u>376,037</u>
Rental property income			
Rents received	209,326	175,565	186,488
Professional fees and insurance	-23,019	-26,545	-26,955
Repairs and maintenance	-39,492	-22,468	-35,964
Other operating costs	-15,438	-3,086	-3,015
Sub-total	<u>131,377</u>	<u>123,466</u>	<u>120,554</u>
Ordinary parish expenditure			
Diocesan levy	-113,201	-103,635	-103,927
Staff costs	-111,589	-107,525	-135,241
Clergy costs	-24,727	-29,366	-36,783
Liturgy and worship costs	-9,675	-9,463	-15,727
Divine Renovation costs	-58,475	-38,321	-11,851
Faith, ministries, outreach costs	-4,713	-11,082	-25,383
Repairs and maintenance	-66,865	-37,970	-61,707
Equipment, furniture and fixtures	-13,536	-7,169	-1,717
Utility charges	-30,292	-35,820	-23,153
General administration, IT and insurance	-32,299	-34,364	-48,967
Other operating costs	-14,860	-11,796	-9,626
Sub-total	<u>-480,232</u>	<u>-426,511</u>	<u>-474,082</u>
Ordinary plus rental income less expenditure	87,621	65,272	22,509

financial year ending 31st August	2021	2020	2019
	£	£	£
Other movements on income account			
Net transfer (to)/from major property works reserve	-11,782	-35,158	-
DOPIFS investments valuation increase	7,707	-	-
Unused prior year provisions and adjustments	17,009	-625	-12,750
Sub-total	<u>12,934</u>	<u>-35,783</u>	<u>-12,750</u>
Net surplus before exceptional items	100,555	29,489	9,759
Exceptional movements on income account			
Exceptional property costs	-10,179	-	-
Other exceptional income/(costs) net	-	-	-6,417
Sub-total	<u>-10,179</u>	<u>0</u>	<u>-6,417</u>
Net surplus on income account	90,376	29,489	3,342
Other movements in funds			
Deferred income	98,597	35,006	-2,783
Parishioner fundraising funds	2,345	5,183	4,372
Major property works reserve	11,782	35,158	-
Legacy funds	6,000	1,602	29,037
Other funds	202	1,355	-
Sub-total	<u>118,926</u>	<u>78,304</u>	<u>30,626</u>
Net increase in Parish funds	209,302	107,793	33,968
DOPIFS investments brought into income reserve	-	55,622	-
Total funds brought forward	224,941	61,526	27,558
Total Parish funds carried forward	<u>434,243</u>	<u>224,941</u>	<u>61,526</u>

BALANCE SHEET

as at 31st August	2021	2020	2019
	£	£	£
Current assets			
DOPIFS investments	63,329	55,622	-
Cash at bank and in hand	525,713	345,169	218,771
Accounts receivable	17,691	26,636	28,635
Total current assets	<u>606,733</u>	<u>427,427</u>	<u>247,406</u>
Current liabilities			
Accounts payable	-47,209	-77,205	-60,599
Net current assets	<u>559,524</u>	<u>350,222</u>	<u>186,807</u>
Other liabilities			
Diocesan loan repayable	-125,281	-125,281	-125,281
Net assets	<u>434,243</u>	<u>224,941</u>	<u>61,526</u>
Parish funds			
Income account reserve	159,036	68,660	-16,451
Deferred income	135,334	36,737	1,731
Parishioner fundraising funds	23,679	21,334	16,151
Major property works reserve	46,940	35,158	-
Legacy funds	42,639	36,639	35,037
Diocesan Living Our Faith (LOF) grant funds	25,058	25,058	25,058
Other funds	1,557	1,355	-
Total Parish funds	<u>434,243</u>	<u>224,941</u>	<u>61,526</u>

Financial overview

The outcome for the financial year ending 31st August 2021 was largely positive despite the continuing coronavirus pandemic.

Income from offerings, donations and related Gift Aid tax refunds again held up quite well, despite a reduction in offertory collections, thanks to parishioners maintaining their planned giving and some switching from plate collections to online donations. Net rental properties income was slightly up on the previous year but hall and room hire income was substantially down due to the impact of the pandemic. In May 2021 we were fortunate to secure a substantial grant award from the National Lottery Recovery Fund for funding some specific building repairs and equipment and to provide general funding to help our recovery on through 2021/22. Repairs and maintenance expenditure was significantly higher than last year as there was some catching up of the backlog. There was an increase in Divine Renovation costs which was fully funded from hypothecated income. Other ordinary expenditure, in total, was broadly in line with the previous year.

Ordinary income plus rental income exceeded ordinary expenditure by £87,621 (2020: £65,272; 2019: £22,509). After other movements and exceptional costs there was a net surplus for the financial year of £90,376 on the income account (2020: £29,489; 2019: £3,342).

In addition, there were other movements in funds of £118,926 (2020: £78,304; 2019: £30,626) including £98,597 of deferred income (income attributable to future periods received in advance), legacy receipts of £6,000 and a net transfer to the major property works reserve of £11,782.

This resulted in a net increase in total Parish funds of £209,302 in the financial year (2020: £107,793; 2019: £33,968 re-stated basis) to a closing balance of £434,243 at 31st August 2021 (2020: £224,941; 2019 £61,526 re-stated basis).

Following a review of accounting policy, deferred income and parishioner fundraising funds have been reclassified as Parish funds (previously treated as liabilities and deducted from net assets). The closing Parish funds balances at 31st August 2020 and 2019 have been re-stated in the Balance Sheet.

Statement of financial activities

The statement of financial activities (SoFA) provides details of all income, expenditure and other gains and losses recognised in the income account for the financial year. It also shows other movements in and transfers between funds, reconciling to the closing balance of Parish funds at the year end.

Ordinary parish income

Total ordinary parish income at £436,476 was £68,159 (19%) higher than the previous year (2020: £368,317):

Offertory and donations for Parish funds at £245,391 fell by £8,791 (4%) compared to the previous year (2020: £254,182). This comprises:

Offertory and donations category:	2020/21	2019/20	2018/19
	£	£	£
Planned-giving (standing orders and direct debits)	182,116	181,744	180,981
Offertory collections – Gift Aid envelopes	5,418	10,664	13,242
Offertory collections – other	20,031	36,438	54,977
Offertory – online payments	13,132	4,436	-
Donations – charitable trusts	15,000	15,000	12,500
Donations - other	9,694	5,900	5,890
Total offertory and donations	<u>245,391</u>	<u>254,182</u>	<u>267,590</u>

Planned giving has held up well but offertory collections continued to be adversely affected by the coronavirus situation, falling by £21,653 (46%) in total compared to the previous financial year. This fall was however partly offset by an increase of £8,696 in online payments. We again received a major £15,000 donation from a charitable trust and other, private donations of £9,694 were £3,794 higher than 2020.

The above figures do not include Christmas and Easter offerings for our priests, Mass intention offerings and special/second collections (regular retiring collections and other charity appeals) as these are not accounted for as Parish funds but are paid over directly to the respective beneficiaries. However, our parishioners give generously to these collections and appeals as summarised below:

	2020/21	2019/20	2018/19
	£	£	£
Special/second collections:			
Diocesan second (retiring) collections	5,636	10,437	12,642
CAFOD	1,207	3,607	7,450
Covenant With the Poor (CWP) appeals	15,022	20,556	18,664
SVP appeals	3,678	1,775	2,729
Other charity appeals	3,182	2,512	7,321
Sub-total	<u>28,725</u>	<u>38,887</u>	<u>48,806</u>
Christmas and Easter offerings to priests	17,949	23,444	18,656
Mass intention offerings	3,457	2,082	2,907
Total	<u>50,131</u>	<u>64,413</u>	<u>70,369</u>

Further details of the Diocesan second (retiring) collections are provided in an appendix to this report.

Gift Aid tax reclaimed from HMRC relating to offertory and donations amounted to £54,388 (2020: £53,314).

Divine Renovation hypothecated income of £58,476 (2020: £38,266) is specific funding from the Diocesan Living Our Faith fund and private donors for costs related to the Divine Renovation ministry. This funding is mainly received as lump sum payments which are held in Parish funds (deferred income) and released to the income account to cover the actual Divine Renovation costs as incurred.

Hall and room hire income - from St. Peter's Pastoral Centre, the Milner Hall and St. Gregory's Pastoral Centre – was hit very hard by the various coronavirus restrictions on public indoor gathering during the year. Net income was only £5,432, a reduction of £12,907 (70%) compared to the previous year (2020: £18,339) which itself was substantially down on pre-coronavirus levels.

Grants were a new and welcome source of funds for the Parish in 2020/21. During the year a successful grant application was made to the National Lottery Recovery Fund, and we received payments of £140,850. Under the terms of the grant award £64,270 was used in the year as income, of this £41,100 towards staff costs and £23,170 for various church building repairs and equipment/fixtures. The balance of £76,580 has been carried forward in Parish funds (as deferred income) to be released to income in 2021/22 as part of our budget funding of ordinary expenditure. Grant income also includes £4,478 received from Heritage England to fund urgent repairs to St. Peter's Church rainwater guttering and drainpipes.

Other ordinary income of £4,041 (2020: £4,216) mainly comprises votives box donations (net of votive candle costs) and interest on our DOPIFS investments. Votive box donations have been adversely impacted during the coronavirus pandemic.

Rental property income

Rental properties net income was up by £7,911 (6%) at £131,377 (2020: £123,466). This income represents the rents received from the Parish's portfolio - flats at 8 and 9 St. Peter Street, Cemetery Cottage (43 Romsey Road), flats and office premises at 29 Jewry Street (The Old Presbytery) and the former Alresford Presbytery - after deduction of related expenses, mainly repairs and maintenance and professional fees. Rents received increased by 19%, with the Alresford Presbytery being let for the full year and some recovery of prior year rent arrears, although this was partly offset by higher repair and maintenance costs, some end-of-tenancy refurbishment costs and extra professional fees. These increased costs partly related to essential repairs to Cemetery Cottage, 43 Romsey Road in preparation for putting it up for sale.

Ordinary parish expenditure

Total ordinary parish expenditure at £480,232 was £53,721 (13%) higher than the previous year (2020: £426,511):

Diocesan levy at £113,201 was £9,566 more than the previous year (2020: £103,635). All parishes in the Diocese are subject to the levy - essentially a contribution to central costs - of 25% of their income (less levy-free allowances for certain categories of income).

Staff costs at £111,589 were £4,064 (4%) higher than the previous year (2020: £107,525). This cost covers the Parish staff team – pastoral workers, sacristy, housekeeping, facilities management, finance and general administration. Actual staff costs decreased by almost £26,000 (17%) but the reduction in furlough and government Job Retention Scheme rebate more than offset this.

Clergy costs – comprising our two priests' stipends, supply priest fees, travel, living costs and training - at £24,727 were £4,639 less than the previous year (2020: £29,366) mainly due to further reductions in payments for supply priests and lower travel expenses.

Liturgy and worship costs - comprising altar supplies (communion wafers, wine, candles, incense etc.), flowers, and liturgy and music expenses - were almost unchanged at £9,675 (2020: £9,463).

Divine Renovation expenditure for the year increased by £20,154 to £58,475 (2020: £38,321) in line with the budget resource plan. These costs relate specifically to implementation of Divine Renovation principles and are fully covered by hypothecated income, as noted above.

Faith, ministries and outreach expenditure amounted to £4,713 (2020: £11,082) the main items this year being contributions to the City Centre Chaplaincy and Churches Together in Winchester and Alresford. The reduction compared to the previous year was mainly related to Alpha (online versus physical meetings) and no Parish events being held due to coronavirus restrictions.

Repairs and maintenance costs at £66,865 were £28,895 more than the previous year (2020: £37,970). These costs cover planned and regulatory maintenance (including cleaning and gardening), routine repairs and non-routine repairs for all Parish facilities and grounds (the four churches, St. Peter's Pastoral Centre, Peterhouse, St. Gregory's Pastoral Centre, Milner Hall, Convent (White House) and St. James Cemetery). The increase in expenditure includes approximately £20,000 for specific items at St. Peter's Church and grounds, funded from the National Lottery and Heritage England grants. Another £8,218 of the increase is accounted for by projects carried over from the previous year now completed (and funded by a drawdown to income from the major property repairs reserve).

Equipment, furniture and fixtures expenditure of £13,536 in the year (2020: £7,169) includes £9,700 for specific items at St. Peter's Church, funded from the National Lottery grant (audio visual equipment and various other items).

Utility charges of £30,292 (2020: £35,820) are for heating, lighting and water supply to the Parish churches and other facilities. The reduction of £5,528 mainly relates to lower electricity charges.

General administration, IT and insurance expenditure of £32,299 (2020: £34,364) covers telephone, IT costs, printing, postage, stationery, travel expenses and insurance premiums (Diocese all-risks cover). The reduction of £2,065 is mainly accounted for by lower insurance premiums.

Other operating costs of £14,860 (2020: £11,796) include council tax charges on Parish facilities, structural survey fees relating to the White House (Convent) and general consumables. The increase compared to prior year mainly relates to the survey fees.

Other movements on income account

The net transfers to the major property works reserve comprise:

	2020/21	2019/20	2018/19
	£	£	£
Reserve made for Covid-delayed projects in 2019/20	-	-35,158	-
Drawdown to cover actual Covid-delayed projects expenditure	8,218	-	-
Sinking fund transfer re: Parish buildings and rental properties	<u>-20,000</u>	<u>-</u>	<u>-</u>
Net transfer to major property works reserve	<u>-11,782</u>	<u>-35,158</u>	<u>-</u>

The DOPIFS investment valuation increase of £7,707 is the unrealised gain from the increase in market price of the investment units since the Parish's DOPIFS investments were first brought onto the balance sheet at 31st August 2020.

Unused prior year provisions and adjustments amounting to a £17,009 net credit in the year relates mainly to the reversal of provisions for potential expenditures made over the three preceding financial years 2019/20, 2018/19 and 2017/18 which in the event were not required.

Exceptional movements on income account

The exceptional property costs of £10,179 are architect's fees in relation to the project to repair the front external elevation of our rental properties at 8 and 9 St. Peter Street, Winchester. These works are now well in hand and the main costs will be booked in the 2021/22 financial year.

Other movements in funds

The net other movements in funds of £118,926 in 2020/21 is further analysed in the table below and reconciled to the respective closing Parish fund balances at 31st August 2021 :

Fund category:	Funds received in 2020/21 £	Transfer (to) income £	Transfer from income £	Net fund increase / (decrease) £	Opening balance 1 Sept 20 £	Closing balance 31 Aug 21 £
Deferred income:						
National Lottery grant	140,850	-64,270	-	76,580	-	76,580
Divine Renovation hypothecated funding	71,493	-58,476	-	13,017	36,737	49,754
Other	9,000	-	-	9,000	-	9,000
Sub-total	221,343	-122,746	-	98,597	36,737	135,334
Parishioner fundraising funds	2,345	-	-	2,345	21,334	23,679
Major property works reserve	-	-8,218	20,000	11,782	35,158	46,940
Legacy funds	6,000	-	-	6,000	36,639	42,639
Diocesan Living Our Faith grant funds	-	-	-	-	25,058	25,058
Other funds	202	-	-	202	1,355	1,557
Other funds sub-total	229,890	-130,964	20,000	118,926	156,281	275,207
Income account reserve				90,376	68,660	159,036
Total Parish funds				209,302	224,941	434,243

Balance Sheet

Parish funds

There was a net increase in total Parish funds of £209,302 in the financial year resulting in a closing Parish funds balance of £434,243 at 31st August 2021 (2020 £224,941; 2019: £61,526 re-stated basis).

As noted in the financial overview, closing Parish funds balances at 31st August 2020 and 2019 have been re-stated to now include deferred income and parishioner fundraising funds.

The total closing Parish funds balance at 31st August 2021 comprises:

Total funds analysis 31 st August 2021:	Total	<u>Unrestricted funds</u>		Restricted
	£	General £	Designated £	£
Income account reserve	159,036	143,588	-	15,448
Deferred income	135,334	133,404	1,930	-
Parishioner fundraising funds	23,679	-	15,000	8,679
Major property works reserve	46,940	9,040	37,900	-
Legacy funds	42,639	34,639	-	8,000
Diocesan Living Our Faith grant funds	25,058	-	-	25,058
Other funds	1,557	-	-	1,557
Total	434,243	320,671	54,830	58,742

Unrestricted funds include £177,274 that is already earmarked for use in 2021/22 as part of budget income for the year, details as follows:

Funds earmarked for 2021/22 income:	Sub-total	<u>Unrestricted funds</u>	
		General	Designated
	£	£	£
Deferred income	135,334	133,404	1,930
Parishioner fundraising funds	15,000	-	15,000
Major property works reserve	26,940	9,040	17,900
Sub-total	<u>177,274</u>	<u>142,444</u>	<u>34,830</u>

The £135,334 of earmarked deferred income includes £76,580 National Lottery grant general funding and £49,754 hypothecated income for Divine Renovation expenditure.

The earmarked parishioner fundraising and property works reserve funds amounting to £41,940 relate to various projects including some delayed by the Covid situation.

The available Parish funds balance excluding the funds earmarked for 2021/22 income is £256,969, comprising:

Available funds 31 st August 2021:	Total	<u>Unrestricted funds</u>		Restricted
		General	Designated	
	£	£	£	£
Income account reserve	159,036	143,588	-	15,448
Parishioner fundraising funds	8,679	-	-	8,679
Major property works reserve	20,000	-	20,000	-
Legacy funds	42,639	34,639	-	8,000
Diocesan Living Our Faith grant funds	25,058	-	-	25,058
Other funds	1,557	-	-	1,557
Total	<u>256,969</u>	<u>178,227</u>	<u>20,000</u>	<u>58,742</u>

We have started to make transfers from the income account surplus to the major property works reserve to set aside funds for expenditure on our Parish buildings and rental properties in the future. A £20,000 sinking fund transfer was made in 2020/21 and further transfers may be made from the income account reserve as part of an ongoing assessment process.

The £58,742 of restricted funds comprises funds from various sources where specific conditions apply as to the use of those funds.

Assets and liabilities

Only current assets are recognised in the Parish balance sheet comprising DOPIFS investments, cash and bank balances and accounts receivable (mainly Gift Aid tax refunds awaited). Given the substantial cash and bank balances we are in discussion with the Diocesan finance team about alternative ways of investing this money.

Current liabilities comprise trade creditor invoices outstanding at the year-end together with special collections and other third-party funds awaiting payment to the beneficiaries.

The only other liability is the Diocesan loan of £125,281, received in October 2018 and originally scheduled to be repaid in 48 monthly instalments from July 2021. However, as a condition of the sale of the Parish rental property at 43 Romsey Road, Winchester (Cemetery Cottage) this loan is to be fully repaid from the net cash proceeds from the property sale (see further comments below).

Looking ahead

Budget 2021/22

We anticipate the budget for 2021/22 reverting to a more predictable and typical situation as the various coronavirus impacts unwind. The Parish financial plan (budget) for the current financial year ending 31st August 2022 is to generate a modest ordinary net surplus on income account before exceptional items. Key assumptions and factors considered in the 2021/22 operating budget are:

- budget income from offertory and donations and related Gift Aid tax refunds is based on current run-rates.
- as noted under the Parish funds section above, the income budget is partly underwritten by £135.3k of funds already received, to be transferred from the deferred income fund, and £41.9k of other earmarked funds.
- net rental properties income has been conservatively assumed at slightly below the actual for 2020/21, including a rent voids allowance and allowing for circa £30k of expected expenditure on larger repairs to the rental properties.
- with some encouraging early signs of renewed interest and activity, hall and room hire income is assumed to recover gradually from its current low base to approximately 50% of pre-coronavirus levels for the year.

- the budget includes £75k expenditure on larger property works to be partly funded by the £41.9k of funds already held and earmarked for this purpose which partly relates to the backlog resulting from the coronavirus restrictions.
- Alpha course expenditure has been increased in the budget to cover reversion to in-person meetings.
- the Diocesan levy charge for 2021/22 has been confirmed as unchanged from 2020/21 (£113,200).
- the staff costs budget is based on current staff levels: some increase in cost is expected due to cost of living increases, the full-year effect of certain positions only occupied for part of 2020/21 and cessation of the Job Retention Scheme furlough and related rebate.
- the budget includes allowance for several events including the Parish garden-party.
- other ordinary operating expenditures (including clergy, worship, utility costs, routine repairs and maintenance, insurance, office/administration, faith, mission, outreach) are based on current run-rates or commitments and will continue to be carefully managed by the respective budget-holders.

Exceptional items - property disposal and repair works

Following approval by the Diocese, the Cemetery Cottage at 43 Romsey Road was put up for sale last year and the sale successfully completed on 14th January 2022. The net cash proceeds of approximately £313,500 after expenses will be booked in the 2021/22 accounts as an exceptional gain. Disposal of this relatively low-yielding rental property asset, with high and unpredictable maintenance costs (due to its age), has enabled funding of long-needed major repair works to the front exterior, window frames and roof of our eight rental flats at 8 and 9 St. Peter Street, Winchester (estimated project cost £135,000 included in the 2021/22 budget) thereby protecting the future income stream from these assets. Also, the Diocesan loan of £125,281 has been fully repaid from these proceeds. The remainder of the proceeds will be added to Parish funds and be available for future property works and other projects as appropriate.

Closer to Christ campaign

The Parish budget for 2021/22 as outlined above does not include any funding from the Closer to Christ campaign, launched by the Diocese towards the end of 2021. The allocation of funds raised and paid over to the Parish will be held in a ring-fenced fund account and used solely for eligible

expenditures, in particular the ongoing renovation of St. Peter’s Church in time for the centenary in 2026 and continued introduction of the principles of Divine Renovation.

White House (Convent) building

We have continued to explore options for what to do with the White House which formerly housed the convent and is now unoccupied. Following an initial appraisal by structural engineers, in November 2021 we finally received a surveyor's report (significantly delayed by the coronavirus pandemic) detailing the structural work required on the building and the indicative costs (circa £600k). In addition, indicative fit out costs to make it usable for commercial, residential, or similar uses are £700K - £1,000K. Work is now underway to explore whether and how this investment could be structured and funded to generate adequate returns, taking into account the constraints caused by the building’s location within the St. Peter’s site and its listed building status.

Prepared and issued by the Parish Finance and Property Advisory Committee – 8th February 2022

Appendix

Diocesan second collections

	2020/21	2019/20	2018/19
	£	£	£
Cathedral	317	1,061	1,063
Mission Sunday APF	503	1,806	1,402
Bamenda	886	2,126	2,321
Crib	89	264	336
Catholic Education Service	434	1,153	612
Clergy Assistance Fund	735	734	1,457
Holy Places	511	306	338
Clergy Training Fund	934	972	1,872
World Communications	388	285	840
Peter's Pence	373	313	992
Apostleship of the Sea	441	426	1,297
Day for Life	25	991	113
Sub-total	<u>5,636</u>	<u>10,437</u>	<u>12,642</u>