

FINANCIAL REPORT FOR 2009

Care must be taken about making a direct comparison with previous years, because this year's accounts are dominated by the huge effort to raise funds for the rewiring project. Income actually raised in 2009 for the project was almost £48,000. This was supplemented by a contribution of £1,478 from a share of profits from the Fete, and by some £3,300 which had already been donated in the previous year, so that a final contribution of £52,000 was made to the Hospital Trustees. This is shown in Note 3a, and is the reason for the substantial increase in Grants made, which is shown in the main statement of resources used.

Leaving aside income and outgoings connected with the rewiring project, other incoming resources were £116,325, whilst our comparable expenditure was £116,315. Consequently, it is pleasing to report that our underlying main activities virtually broke even for 2009, a huge improvement on recent years. This is even after spending £1,179 on the completion of major works at the Parish Hall, which has been going on for some years.

The net contributions to the rewiring project, the Hall major works, and the underlying net expenditure combined to give us a net outflow of resources of £4,381. This was partially offset by an increase of £3,514 in the value of our investments, although this was of only limited use in offsetting the loss of £16,000 on the value of these investments in 2008. As stressed last year, these investment values are unrealised because we have not had to sell any of the investments at present. The PCC feels that at present it should not be seeking to sell the shares and that it is best to hold onto them in the hope that market conditions further improve. In the longer term it still seems likely that it will be advantageous to have a significant proportion of our funds in stocks and shares. At 31 December they had a total value of £42,250, compared with an original cost price of £13,091. The shares are held as part of pooled portfolios with the M&G Equities Investment Fund for Charities and with CCLA Investment Management Ltd's Church of England Fund.

Income from Planned Giving, including tax recovered, was similar to 2008. There was another significant increase in income from the Fete, which was again blessed with lovely weather. In line with previous years, 40% of the Fete profit was donated to good causes, half going to the Emmaus Project in Winchester, and half to the St Cross Trustees as part of the rewiring donation.

A significant problem for the PCC, which is not often experienced by other churches, is that much of the expenditure on the church, including maintenance, is not directly within our control, as it is managed by the Trustees of the Hospital, and the PCC pays agreed proportions. We are also unable to control our major item of expenditure, which is the parish share paid to the diocese. Thus, the ability of the PCC to hold down costs is limited, which reinforces the need to try to seek additional sources of income.

The Balance Sheet shows that our net assets have fallen from £78,567 to £77,700, reflecting the net outflow of funds during the year (£4,381) partially offset by the unrealised profits on our investments. Since our net assets were around £100,000 as

recently as 2007, and in the context of our financial commitments and aspirations for the future, this is clearly not a sustainable long-term situation and the PCC is very concerned that the level of our assets is now much lower than it would like to see. £10,000 was switched during the year from short-term deposits to cash in the bank. This was done for cash flow purposes and has the effect of reducing the Church Fund and increasing the General Fund. It has no other practical impact. When the PCC has completed its current deliberations about its commitments, it may decide to reinvest this money.

Formal Parish Accounts will be posted at the back of the church and there will be some hard copies left there. Alternatively, parishioners who would like a copy should contact me, or see the parish website, www.parishofstfaith.org.uk.

Colin Showell
Hon Treasurer

17 March 2010