



DIOCESE of
WINCHESTER

Management Report

30 June 2024

Winchester Diocese Board of Finance
Authored by: Mark Teahan

Table of Contents

Executive Summary.....	3
Common Mission Fund (CMF)	7
Ministry Support Costs.....	8
Appendix 1 – Designated, Restricted & Endowment Funds	10
Appendix 2 – Income & Expenditure (General Fund)	11
Appendix 3 – Income & Expenditure (All Funds)	12
Appendix 4 – Balance Sheet.....	13
Appendix 5 – Analysis of Reserves.....	14
Appendix 6 – Analysis of Debtors & Creditors.....	15

EXECUTIVE SUMMARY

Result – General and All Funds:

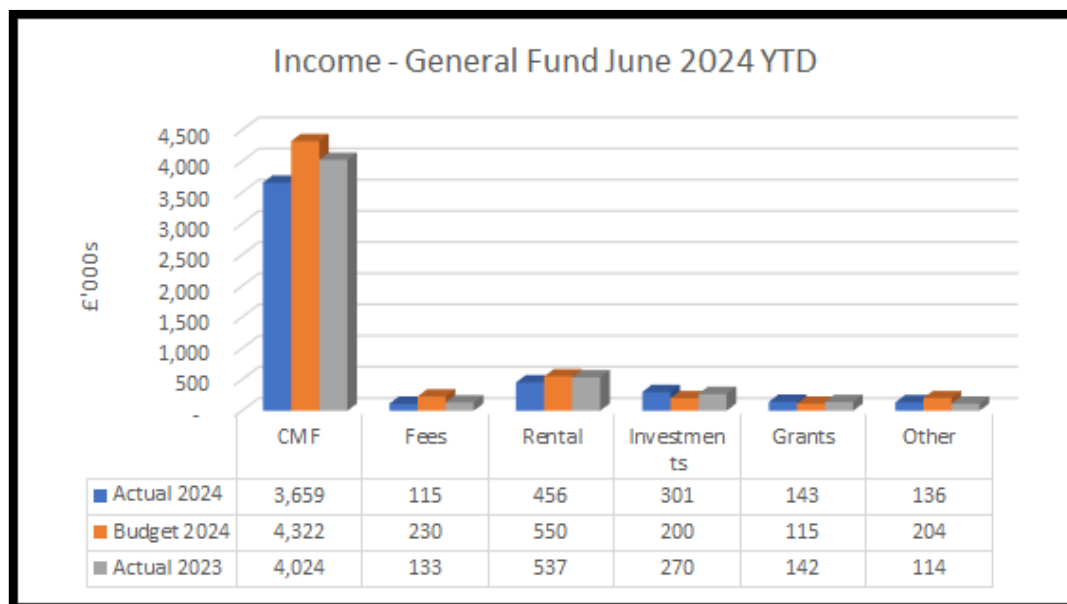
The result for the first half of 2024 on the General Fund is a deficit of £774k, after investment gains. The budget for the period expected a deficit of £452k and the same period in 2023 an actual deficit of £551k.

General Fund			
£'000s	Actual 2024	Budget 2024	Actual 2023
Income	4,809	5,620	5,220
Expenditure	(6,076)	(6,072)	(5,668)
Operating (Deficit)/Surplus	(1,267)	(452)	(448)
Gains / Transfers	493	0	(103)
(Deficit)/Surplus	(774)	(452)	(551)

Overall, the result for all funds (General fund, plus restricted, designated and endowment funds) is a deficit of £369k, which is an improvement on the previous year, which showed a deficit of £443k.

All Funds		
£'000s	Actual 2024	Actual 2023
Income	6,117	6,101
Expenditure	(7,111)	(6,460)
Operating (Deficit)/Surplus	(993)	(359)
Gains / Transfers	625	(84)
(Deficit)/Surplus	(369)	(443)

Income – General Fund:



CMF YTD at £3,659k is lower than budget and the same period in 2023 and is discussed in the section following.

Parochial fees YTD are £115k which is slightly below 2023 levels and well below the 2024 budget. There are still some parishes that have not completed their fees returns for 2023, with an element of reduction in activity also within the parishes.

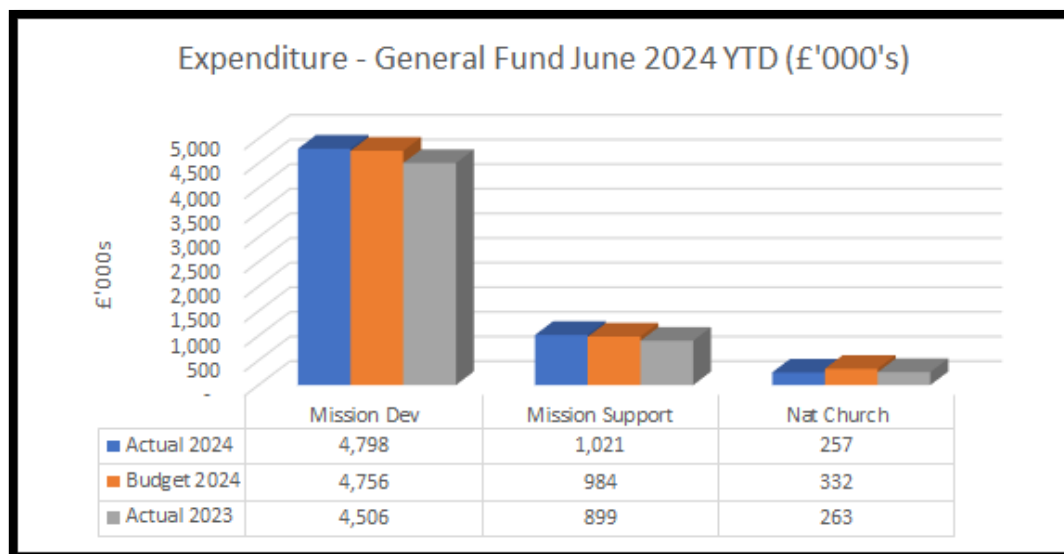
Rental income YTD is £456k and below both the budget and the same period in 2023. The fall in income from last year is due to some properties being sold in 2023 and/or are currently vacant in preparation for sale. We also have several houses occupied by our clergy now, when these were previously rented out. As a comparison, in June 2024 we received rental income from 42 individual properties compared to 51 individual properties in June 2023.

Investment income (including bank interest) YTD is £301k and higher than both the budget and the same period in 2023. The investment income element is consistent at £55k per quarter, with our bank interest payments still high at £77k but falling as our cash levels decrease following the refurbishment work completed at Old Alresford Place. They are planned to reduce further as a number of loans are repaid in Q4.

Income from grants YTD is £143k which is higher than budget and 2023. This represents the funding from Archbishops Council for 2021, 2022 & 2023 SMF cohorts.

Other income of £136k is 19% ahead of that received in 2023 but behind the budget due to timing of receipts.

Expenditure – General Fund:



Mission Development costs are in line with budget and up on the same period in 2023. This is largely due to higher building portfolio repair costs. Clergy numbers covered by our stipendiary costs (including new appointees and leavers where relevant) per month are as follows:

Role	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Archdeacon	1.50	1.50	1.50	1.83	1.83	1.83
Incumbent	100.35	98.32	100.48	101.68	101.98	104.62
Curate	28.50	28.50	28.50	28.50	28.50	27.53
Third party funded	0.30	0.30	0.30	0.30	0.30	0.30
	130.65	128.62	130.78	132.32	132.62	134.29

Mission Support costs are ahead of budget and last year, due to inflation and timing of the 2024 clergy conference. Cost covered in this area include support functions of Central Office, Finance, HR, IT, and Registrar.

National Church contributions for the quarter are in line with the equivalent cost for 2023.

Balance Sheet:

The Balance Sheet total at the end of the month is £182.6m (March £182.2m).

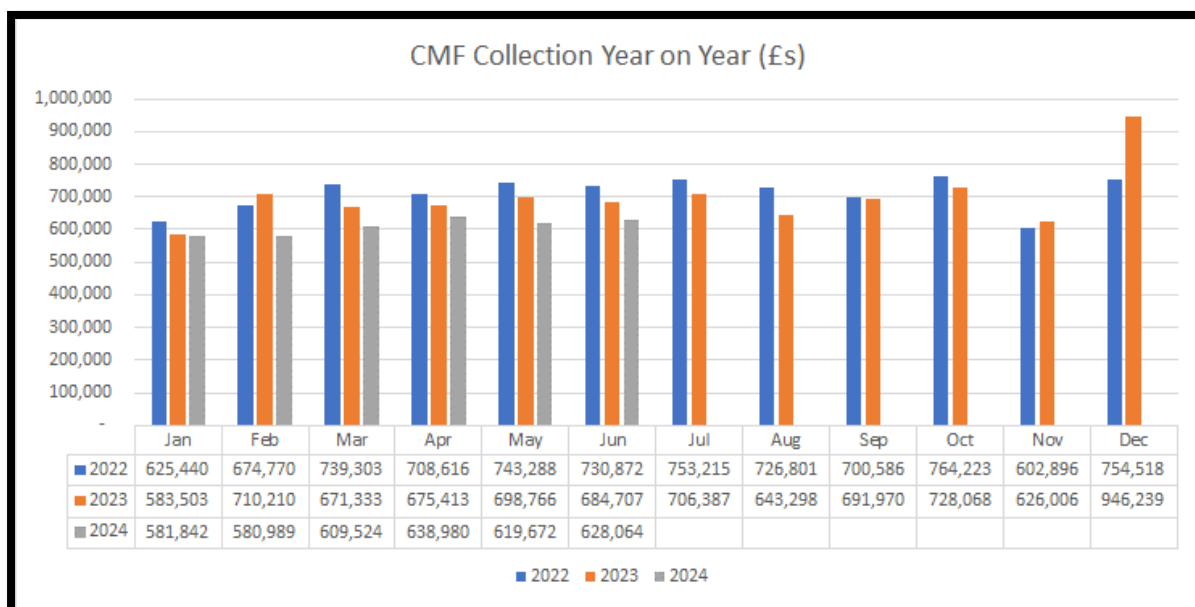
Cash at month end was £10.1m, with most of this being held at CCLA and is split across various restricted, designated and endowment funds. Creditors at £2.9m include a reducing purchase ledger balance of £0.3m, following payment of costs relating to the OAP refurbishment project in the month. Debtors are £2.7m, much reduced on last month following the receipt of the SDF/DIP funding from Archbishops Council.

The balance sheet attached includes the movement in our investment portfolio. On receipt of the Q2 CCLA reports, we are recognising £0.6m of unrealised revaluation gain YTD. Our investments of £26.1m within this balance sheet, comprise of our Glebe portfolio of £2.1m and CCLA investments of £24.0m. The value of the investment in the CCLA Property Fund has fallen slightly in H1, whilst the CCLA Investment Fund has increased in value.

Our CCLA Deposit Funds (included within Cash), fell back slightly in H1 2024, due to a combination of cash withdrawn from the general fund (to pay for the property refurbishment), together with new deposits for the SDF/DIP funds received from Archbishops Council. Offsetting the withdrawal, we earned interest of £0.3m on our Deposit Funds, as well as the £0.6m unrealised investment value gain.

COMMON MISSION FUND (CMF)

The CMF income for the 6 months YTD 2024 is £3,659k against a request of £4,224k, with the same period in 2023 having CMF income of £4,024k.



The collection rate by Deanery for the year is as follows. Note, the request amount does vary slightly from the budget figure as it changes during the year in response to any special measures or other amendments. However the budget remains fixed for the year.

Deanery	2024 YTD Request £	2024 YTD Received £	2023 FY Received £
Alresford	207,876	139,513	374,233
Alton	224,542	224,549	398,628
Andover	250,283	210,021	501,545
Basingstoke	359,354	324,981	700,081
Odiham	339,889	317,195	759,449
Whitchurch	237,961	165,858	469,851
Winchester	495,509	504,754	1,060,550
Bournemouth	321,048	211,222	539,449
Christchurch	339,499	256,118	628,147
Eastleigh	304,546	310,243	650,081
Lyndhurst	522,393	416,646	987,616
Romsey	294,413	274,337	637,745
Southampton	326,251	303,634	658,524
	4,223,564	3,659,069	8,365,900

MINISTRY SUPPORT COSTS

Expenditure on ministry support costs amounted to £4,013k, compared to budget of £3,951k and a 2023 cost of £3,774k, analysed as follows:

Ministry Support Costs	2024 Actual £'000s	2024 Budget £'000s	2023 Actual £'000s
Clergy Remuneration	2,705	2,724	2,546
Clergy Housing	1,058	1,021	977
Clergy Appointments & Support	251	206	251
Ministry Training	304	340	239
	4,013	3,951	3,774

Clergy Remuneration costs are further analysed below:

	Actual 2024	Budget 2024	Actual 2023
Stipends - Clergy & Archdeacons	1,623,054	1,613,961	1,505,683
Stipends - Curates	446,203	433,718	378,465
Pension Contributions	452,745	505,272	488,629
NI & Apprenticeship Levy	175,205	171,042	156,910
Church Army employment costs	7,387	-	16,076
	2,704,594	2,723,992	2,545,764

Stipends increased by 7% in Apr 2024, with the contributions to the clergy pension scheme falling from 28% to 25% of the previous year's National Minimum Stipend (NMS) in Jan 2024.

Clergy Housing costs at £1,058k are over budget and the spend in the previous year. This is largely driven by works needed to house our new clergy appointments. However, we also continue to see the impact of high costs of materials and labour in the works carried out on our properties.

Clergy Appointments & Support costs are further analysed below:

	Actual 2024	Budget 2024	Actual 2023
Resettlement Grants - Grants paid	107,806	88,705	120,422
First Appointment Grants	65,377	41,572	66,975
Salary & related costs (seconded to Hants Constabulary)	32,240	27,897	23,463
Other Costs	45,650	47,589	40,321
	251,073	205,761	251,181

The above figures do not include the costs incurred on the refurbishment of Old Alresford Place ahead of our move of the staff team from Wolvesey in June 2024, as these costs are being capitalised.

Ministry Training costs at £304k are under budget and ahead of the spend in the previous year. These costs represent the staff team within the WDBF charged with delivering training within the Diocese.

APPENDIX 1 – DESIGNATED, RESTRICTED & ENDOWMENT FUNDS

Result – All Funds:

The result to June 2024 for all funds (Unrestricted, Restricted, Designated and Endowment) is a deficit of £369k against a cumulative deficit of £443k in June 2023.

Income – All Funds:

Total income across all funds for the 6 months to June 2024 was £6,117k. Income excluding grants is £355k, up on the £312k received this time last year, mainly driven by stronger investment income from higher rates/returns. The overall deficit on income received versus 2023 is the 9.1% lower CMF received, as highlighted below.

	General	Restricted	Designated	Endowment	Total 2024	Total 2023
Common Mission Fund	3,659,069	-	-	-	3,659,069	4,023,932
Fees	114,973	-	-	-	114,973	132,910
Rental Income	455,666	15,109	-	-	470,775	551,298
Investment Income	300,687	308,839	16,142	14,056	639,724	543,565
Grants Received	143,186	953,691	-	-	1,096,877	710,873
Other Income	135,504	-	505	-	136,009	138,206
	4,809,085	1,277,639	16,647	14,056	6,117,427	6,100,783

The income of £1,278k on the restricted fund includes; £824k of SDF recognised against costs expended for June YTD; £309k in investment and bank interest income; and £127k from Archbishops' Council for RMF/Ordinands Funding for term 2 and 3 2023/24.

Expenditure – All Funds:

Total expenditure across all funds for the 6 months to date was £7,111k, which is 10% above the June 2023 YTD figure of £6,460k and though ahead of the significant inflation over the same period, it also reflects the investment in people and place over that time. Fund expenditure for the YTD is summarised as follows:

	General	Restricted	Designated	Endowment	Total 2024	Total 2023
Mission Development	4,797,952	924,868	-	-	5,722,820	5,159,957
Mission Support	1,021,072	2,426	30,964	-	1,054,462	962,142
National Church Votes 1-5	257,078	76,272	-	-	333,351	338,158
	6,076,102	1,003,566	30,964	-	7,110,632	6,460,258

APPENDIX 2 – INCOME & EXPENDITURE (GENERAL FUND)

WDBF	General Fund to June 2024							Full Year Budget
	Actual	Budget	Actual	Variance		Variance		
	2024	2024	2023	Act vs Budget		2024 vs 2023		
	£'000	£'000	£'000	£'000	%	£'000	%	
INCOMING RESOURCES								
Common Mission Fund	3,659	4,322	4,024	(663)	-15%	(365)	-9%	8,645
Fees	115	230	133	(115)	-50%	(18)	-13%	459
Income from Parishes	3,774	4,552	4,157	(778)	-17%	(383)	-9%	9,104
Rental Income	456	550	537	(94)	-17%	(81)	-15%	1,100
Investment Income	301	200	270	101	50%	31	11%	400
Asset Income	756	750	807	6	1%	(51)	-6%	1,500
RME Income	127	60	118	67	111%	9	8%	120
Grants & Recharges for Diocesan Team	152	259	139	(107)	-41%	13	10%	517
Budgeted Use of Restricted Funds	-	-	-	-	0%	-	-	475
Grants, Reserves & Restricted Funds	279	319	256	(40)	-12%	23	9%	1,112
Total Income	4,809	5,620	5,220	(811)		(411)		11,716
RESOURCES EXPENDED								
Clergy Remuneration	2,705	2,724	2,546	19	1%	159	6%	5,448
Clergy Housing	1,058	1,021	977	(37)	-4%	80	8%	2,042
Clergy Appointments & Support	251	206	251	(45)	-22%	(0)	0%	412
Ministry Training (WSM)	304	340	239	35	10%	65	27%	679
Ministry Support Total	4,318	4,290	4,013	(27)		304		8,581
Education	171	183	153	12	6%	18	12%	365
Parish Support	231	177	172	(53)	-30%	58	34%	355
Safeguarding	143	136	140	(6)	-5%	3	2%	273
Communications	71	88	88	18	20%	(17)	-19%	177
Parish & Schools Support Total	615	585	552	(30)		62		1,169
Diocesan Operations	267	216	239	(52)	-24%	28	12%	431
Finance	118	255	173	137	54%	(55)	-32%	509
HR	158	155	135	(3)	-2%	23	17%	311
Dio Sec, Chancellor, Registrar & Legal	212	141	148	(71)	-50%	64	43%	283
Diocesan Support Total	755	767	695	11		60		1,534
Training for Ministry	181	199	183	18	9%	(2)	-1%	398
National Church Responsibilities	127	108	125	(19)	-17%	1	1%	216
Mission Agency Support	-	-	5	0	0%	(5)	-100%	-
Clergy Retirement Housing	-	75	1	75	100%	(1)	-100%	151
Ordinand Maintenance Grants	131	98	144	(33)	-34%	(12)	-9%	196
Ordinand Maintenance Grant Pooling	(50)	(50)	(52)	(0)	0%	1	-2%	(101)
National Support Total	388	430	407	42		(18)		860
TOTAL EXPENDITURE	6,076	6,072	5,668	4		408		12,144
Operating Surplus/(Deficit) before transfers	(1,267)	(452)	(448)	(815)		(819)		(428)
Realised Gains	-	-	(103)	-		103		-
Unrealised Gains - Investments	493	-	-	493		493		-
Unrealised Gains - Property	-	-	-	-		-		-
Revaluation of lay staff pension scheme	-	-	-	-		-		-
Operating Surplus/(Deficit) after transfers	(774)	(452)	(551)	(322)		(223)		(428)

APPENDIX 3 – INCOME & EXPENDITURE (ALL FUNDS)

WDBF	General Fund to June 2024						All Funds to June 2024	
	Actual	Budget	Actual	Variance		Actual	Actual	
	2024	2024	2023	Act vs Budget		2024	2023	
	£'000	£'000	£'000	£'000	%	£'000	£'000	
INCOMING RESOURCES								
Common Mission Fund	3,659	4,322	4,024	(663)	-15%	3,659	4,024	
Fees	115	230	133	(115)	-50%	115	133	
Income from Parishes	3,774	4,552	4,157	(778)	-17%	3,774	4,157	
Rental Income	456	550	537	(94)	-17%	471	551	
Investment Income	301	200	270	101	50%	640	544	
Asset Income	756	750	807	6	1%	1,110	1,095	
RME Income	127	60	118	67	111%	254	371	
Grants & Recharges for Diocesan Team	152	259	139	(107)	-41%	979	478	
Budgeted Use of Restricted Funds	-	-	-	-	0%	-	-	
Grants, Reserves & Restricted Funds	279	319	256	(40)	-12%	1,233	849	
Total Income	4,809	5,620	5,220	(811)		6,117	6,101	
RESOURCES EXPENDED								
Clergy Remuneration	2,705	2,724	2,546	19	1%	2,705	2,546	
Clergy Housing	1,058	1,021	977	(37)	-4%	1,067	977	
Clergy Appointments & Support	251	206	251	(45)	-22%	276	269	
Ministry Training (WSM)	304	340	239	35	10%	1,195	847	
Ministry Support Total	4,318	4,290	4,013	(27)		5,242	4,638	
Education	171	183	153	12	6%	171	153	
Parish Support	231	177	172	(53)	-30%	256	229	
Safeguarding	143	136	140	(6)	-5%	143	140	
Communications	71	88	88	18	20%	71	88	
Parish & Schools Support Total	615	585	552	(30)		640	609	
Diocesan Operations	267	216	239	(52)	-24%	274	240	
Finance	118	255	173	137	54%	119	178	
HR	158	155	135	(3)	-2%	158	136	
Dio Sec, Chancellor, Registrar & Legal	212	141	148	(71)	-50%	212	148	
Diocesan Support Total	755	767	695	11		764	702	
Training for Ministry	181	199	183	18	9%	181	183	
National Church Responsibilities	127	108	125	(19)	-17%	127	125	
Mission Agency Support	-	-	5	0	0%	0	5	
Clergy Retirement Housing	-	75	1	75	100%	76	76	
Ordinand Maintenance Grants	131	98	144	(33)	-34%	131	173	
Ordinand Maintenance Grant Pooling	(50)	(50)	(52)	(0)	0%	(50)	(52)	
National Support Total	388	430	407	42		465	511	
TOTAL EXPENDITURE	6,076	6,072	5,668	(4)		7,111	6,460	
Operating Surplus/(Deficit) before transfers	(1,267)	(452)	(448)	(815)		(993)	(359)	
Realised Gains	-	-	(103)	-		-	(84)	
Unrealised Gains - Investments	493	-	-	493		625	0	
Unrealised Gains - Property	-	-	-	-		-	0	
Revaluation of lay staff pension scheme	-	-	-	-		-	0	
Operating Surplus/(Deficit) after transfers	(774)	(452)	(551)	(322)		(369)	(443)	

APPENDIX 4 – BALANCE SHEET

WDBF Balance Sheet as at 30 June 2024		
	June 2024	Dec 2023
	£'000	£'000
FIXED ASSETS		
Tangible assets	146,672	146,564
Investments	26,119	25,494
	<u>172,791</u>	<u>172,058</u>
CURRENT ASSETS		
Debtors	2,657	2,993
Cash on deposit	8,809	8,855
Cash at bank and in hand	1,281	1,252
	<u>12,748</u>	<u>13,100</u>
CREDITORS: amounts falling due within one year	(2,023)	(1,259)
NET CURRENT ASSETS	<u>10,725</u>	<u>11,841</u>
Total assets less current liabilities	183,515	183,899
CREDITORS: Amounts falling due after more than one year	(875)	(890)
Pension scheme liabilities	-	-
NET ASSETS	<u><u>182,640</u></u>	<u><u>183,009</u></u>
FUNDS		
Unrestricted income funds:		
General funds	37,331	38,105
Designated funds	1,725	1,722
	<u>39,056</u>	<u>39,827</u>
Restricted funds	12,073	11,607
Endowment funds	<u>131,510</u>	<u>131,575</u>
TOTAL FUNDS	<u><u>182,640</u></u>	<u><u>183,009</u></u>

Notes on Balance Sheet:

Property is currently only revalued at year end and so these reflect the valuations at the end of December 2023, apart from any additions or disposals in the year to date.

APPENDIX 5 – ANALYSIS OF RESERVES

WDBF Funds Summary - June 2024							
	Dec-23	Income	Unrealised Gains	Expenditure	Net	Jun-24	
Unrestricted Funds							
UF01	General Fund	38,105,050	4,809,085	493,443	(6,076,102)	(773,574)	37,331,476
		38,105,050	4,809,085	493,443	(6,076,102)	(773,574)	37,331,476
		0					
Designated Funds							
DF01	General Designated Fund	0	505		0	505	505
DF02	Parish mission and development	1,000	0	0	0	0	1,000
DF03	Maclean	507,195	10,477	12,321	0	22,798	529,993
DF04	OAP Property	753,297	0	0	0	0	753,297
DF05	Building New Church	355,098	3,355	4,770	0	8,124	363,222
DF06	Planned maintenance sinking fund	0	0	0	0	0	0
DF07	Mission Growth Fund	106,100	0	0	(6,000)	(6,000)	100,100
DF08	Capital Equipment Sinking Fund	0	0	0	0	0	0
DF09	Projects Officer Designated Funds	0	0	0	0	0	0
DF10	Sustainability fund	0	0	0	0	0	0
DF11	Clerical Registry fund	0	2,310	0	(24,964)	(22,654)	(22,654)
DF12	Ministry Investment Designated Fund	0	0	0	0	0	0
		1,722,690	16,647	17,091	(30,964)	2,773	1,725,463
Restricted Funds							
RF02	Pastoral fund	101	60	0	0	60	161
RF03	Parsonages endowment income	1,000	0	0	0	0	1,000
RF04	Clergy houses fund	3,045,284	31,434	23,939	(77,508)	(22,134)	3,023,150
RF05	Major Ball settlement income	3,934	2,430	0	0	2,430	6,364
RF06	Penrose income fund	78,457	8,159	(360)	0	7,800	86,256
RF07	Clergy welfare income fund	872,102	108,540	14,023	(33,774)	88,789	960,891
RF08	Chalke Bequest income	14,680	1,282	0	0	1,282	15,962
RF10	Church schools fund	13,754	0	0	0	0	13,754
RF11	Queen Victoria clergy fund	2,300	0	(4,000)	0	(4,000)	(1,700)
RF12	Pember income fund	82,897	0	5,358	0	5,358	88,255
RF13	Widows and dependants fund	1,058,540	19,299	25,715	0	45,014	1,103,554
RF14	Thorold library fund	24,000	0	0	0	0	24,000
RF15	ICSF grant fund	469,496	5,981	14,170	0	20,151	489,646
RF16	Council for Social Responsibility	863,200	25,520	19,649	0	45,169	908,369
RF17	Fairbarn trust	380,062	6,612	4,996	(990)	10,618	390,680
RF18	Tale Tellers	2,046	71	0	0	71	2,117
RF19	Christopher library	4,000	0	0	0	0	4,000
RF20	RME Training for Mission	570,363	0	0	(65,903)	(65,903)	504,460
RF21	Winchester Mission Action	527,854	825,256	0	(824,147)	1,109	528,963
RF23	Northbrook	3,825	0	0	0	0	3,825
RF27	Schools Development Fund	3,499,520	116,251	89,019	0	205,270	3,704,790
RF29	Giving Advisor	36,000	0	0	0	0	36,000
RF31	Net Zero Carbon Funding	6,307	0	0	(200)	(200)	6,107
RF32	RMF Ordinands	47,206	126,744	0	(1,044)	125,700	172,905
		11,606,926	1,277,639	192,508	(1,003,566)	466,582	12,073,508
Endowment Funds							
EE01	Benefice houses	97,473,406	0	989	0	989	97,474,395
PE01	Stipends fund capital	24,268,349	9	70,100	0	70,109	24,338,458
PE02	Parsonages endowment capital	862,811	0	25,079	0	25,079	887,890
PE03	Major Ball settlement capital	171,748	0	4,953	0	4,953	176,700
PE04	Penrose capital	377,122	0	10,975	0	10,975	388,098
PE05	Clergy welfare capital	6,905,805	0	(240,029)	0	(240,029)	6,665,776
PE06	Chalke bequest capital	68,145	0	1,921	0	1,921	70,066
PE07	Widows and dependants capital	216,457	0	6,317	0	6,317	222,774
PE08	Thorold library capital	238,849	0	6,958	0	6,958	245,807
PE09	Pember capital	961,508	14,047	25,854	0	39,900	1,001,408
PE10	Christopher Library	5,211	0	228	0	228	5,439
PE11	Chute endowment	24,620	0	8,255	0	8,255	32,875
		131,574,030	14,056	(78,399)	0	64,343	131,509,687
TOTAL		183,008,696	6,117,427	624,643	(7,110,632)	(368,562)	182,640,134

APPENDIX 6 – ANALYSIS OF DEBTORS & CREDITORS

Debtor balances in June 2024 were £2,657k compared with £3,841k last month and £2,992k in December 2023.

Debtors	Total 2024	Total 2023
Loans to Parishes	908,426	1,065,139
Loans to Schools	0	65,000
Loans to Staff	10,336	11,811
Loans to LSE	576,000	650,500
Amounts owed from other Diocesan Entities	0	51,221
Loan to Gellander Estate	64,863	64,863
Loan to Revd Binder	49,220	49,220
Sales Ledger Debtor	250,261	305,019
Prepayments & Accrued Income	592,055	703,023
Other Debtors	206,265	26,725
	2,657,427	2,992,521

Creditor balances in June 2024 were £2,898k compared with £3,365k last month and £2,149k in Dec 2023.

Creditors - due within 1 year	Total 2024	Total 2023
Loans from Parishes	397,673	459,484
Church Commissioners Loan	12,250	12,250
NatWest Loan	17,933	17,933
Creditor relating to closed school	399,297	399,297
Purchase Ledger Creditor	287,946	148,828
Sundry Creditors & Accruals	907,738	221,329
	2,022,837	1,259,122
Creditors - due after 1 year	Total 2024	Total 2023
CCLA Loan (repayable by Oct 2026)	350,000	350,000
Church Commissioners Loan	178,031	184,156
NatWest Loan	119,363	128,330
Loan Revd Rose (old)	178,700	178,700
Loan Dean Goss CC (old)	49,220	49,220
	875,313	890,405
TOTAL CREDITORS	2,898,151	2,149,527