

St Mary Magdalene Parish, Bexhill-on-Sea

Table of Income & Expenditure: 2018 v 2019

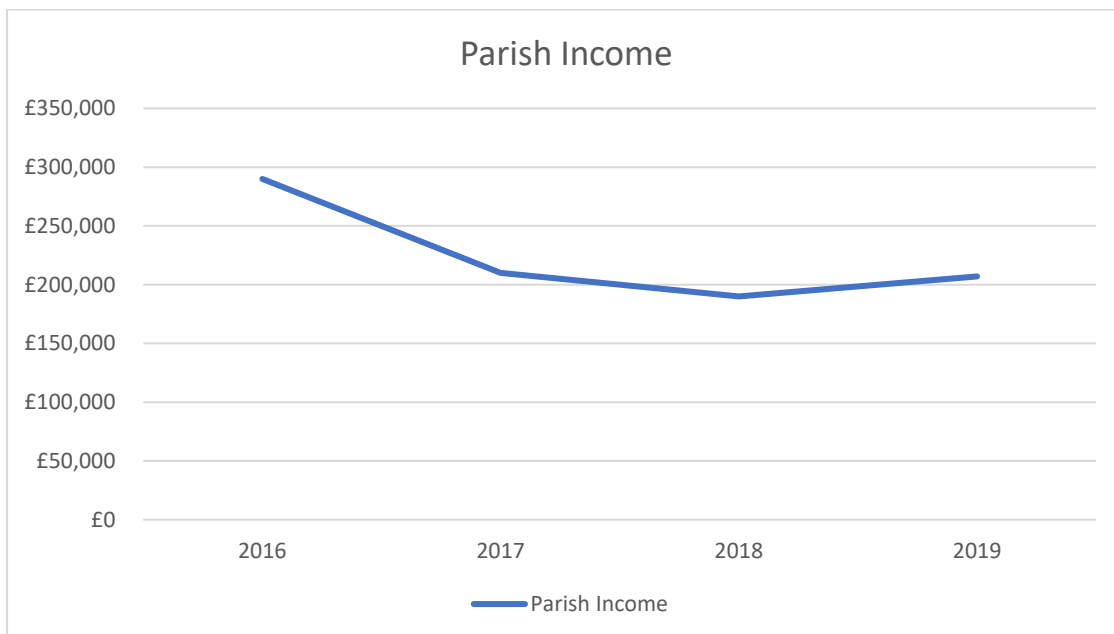
Incomes	2018	2019
Offertory & Collections	£131,708	£141,352
Donations	£6,185	£7,098
Legacies	£0	£0
Tax Rebates	£21,530	£26,166
Fundraising	£5,041	£5,707
Bank Interest	£46	£40
Repository	£2,588	£2,062
Rents	£18,892	£22,463
Insurance	£1,410	£0
Nursery	£2,733	£0
Sundry	£3	£1,946
Total	£190,136	£206,834

Expenditures	2018	2019
Personnel	£62,997	£78,747
Travel	£664	£1,929
Office	£29,942	£10,095
Establishment	£35,296	£48,111
Domestic	£4,531	£6,558
Bank Charges	£0	£0
Repository Costs	£1,163	£464
Property	£37,096	£12,407
Fundraising Costs	£976	£1,815
Projects and Equipment	£2,607	£39
Liturgy & Pastoral	£23,792	£23,604
Nursery	£9,245	£0
Transfers to Diocese	£42,751	£37,638
Sundry	£4	£0
Totals	£251,064	£221,407

Parish Priest's Statement: Last year I presented accounts to you that I had no hand in setting or implementing. This year I present the accounts from my first year as Parish Priest for the St Mary Magdalene Parish, Bexhill-on-Sea (*which became the Parish of Our Lady of the Rosary, Bexhill-on-Sea on 7th October 2019*).

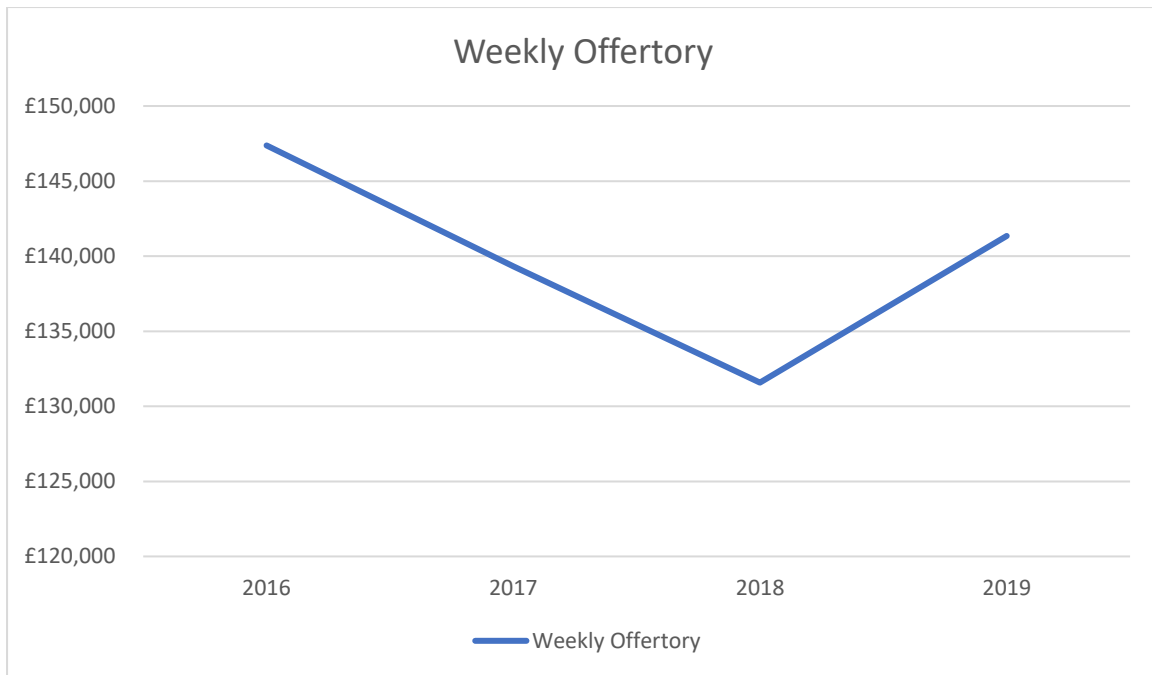
Income: In the previous three years we saw a significant drop in parish income. In 2019, we saw an increase in parish income, a marked improvement but still some way to go to return to 2016 levels:

- £290,000 in 2016
- £210,000 in 2017
- £190,000 in 2018
- £207,000 in 2019



Weekly Offertory: Parish Offertory remains the largest income stream for the parish, that being the weekly plate and standing orders. Again, in the last three years there was a steady drop in weekly offertory. In 2019, we saw a marked increase in the weekly offertory, and I would like to thank you for your response.

- £147,374 in 2016
- £139,311 in 2017
- £131,578 in 2018
- £141,352 in 2019



Based on our parish Mass attendance of 771 (up by 50 from 2018), this equates to £3.52 per person, so this increase per person is negligible when compared to 2018. To maintain two Churches going forward **we need to set ourselves a goal of an average of £5.00 per person to get our weekly offertory up to £200,000.**

In 2021, we will invite Mia Stace, the diocesan fundraising officer for the diocese to come and help us increase our offertory and fundraising. To be blunt, there is simply too much coin in the offertory to maintain a parish of this size; we should be aiming for a silent collection with notes, or even better, a gift-aided offertory given on-line by standing order. For those who do give by standing order, I invite you to a yearly review of your giving.

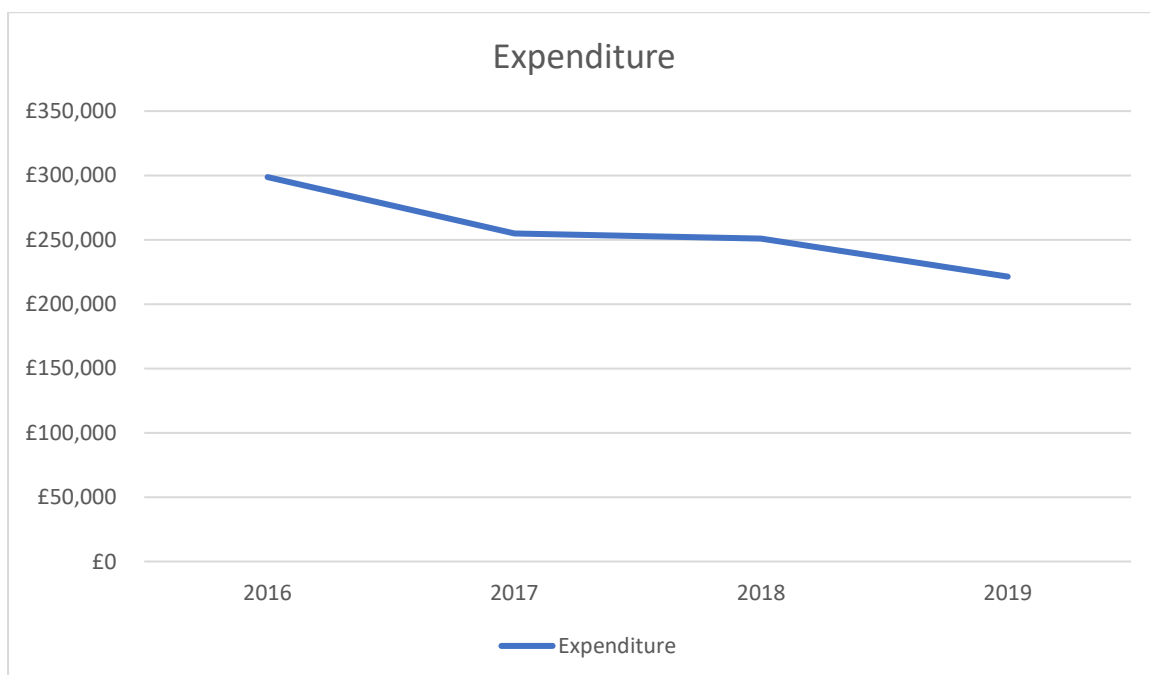
Legacies and Donations: As we saw in the previous accounts, there has been an over-reliance on legacies and donations to balance our budget and these have been significantly reduced in recent years.

- £81,121 in 2016
- £16,847 in 2017
- £6,185 in 2018
- £7,098 in 2019

Despite a small increase in 2019, these can longer be used as a basis for setting our budget. That does not mean that they are not a welcome additional income and can be used for special projects! I would ask you to consider when writing or updating your Will to consider leaving to your parish family either a small percentage donation of your estate or a fixed amount.

Expenditure: As I reported last year, the drop in income over the past years have meant we have struggled to balance our budget, and our cash reserves have been used. Year on year, however, the Finance Committee has worked hard to keep bringing down the parish expenditure, and again their scrutiny has seen a further decrease in expenditure:

- £298,718 in 2016
- £254,917 in 2017
- £251,061 in 2018
- £221,407 in 2019



Yes, there has been a further reduction in expenditure, but it does need to be read in conjunction with the income, so that the year-on-year deficits can be seen, as these lead to an overall decline in the bank balance:

- -£8,716 in 2016
- -£44,126 in 2017
- -£60,928 in 2018
- -£13,797 in 2019

Part of the lower deficit in 2019 may be attributed to the retirement of our parish accountant and his duties being assumed into the duties of the administrators, **who must be singled out for a special mention for their dedication to the parish.** We also closed the Nursery in 2019 and no further support payments were paid to it. *[There is more information on the Nursery at the end of these accounts, but the Nursery account is currently £11,500 over drawn and remains a debit to the Parish to be cleared.]*

The biggest outlay for Parish Expenditure remains personnel, buildings, administration, and diocesan levies (*which in 2019 is 35% of parish income from the previous year*). At the end of 2019, the parish bank account had £76,155 in it. Had we continued with a similar deficit as seen in 2018, by the end of 2020 we would have seen the bank account reduced to approximately £15,000, so an improvement on the deficit in 2019 has lessened the impact on the parish account, but we remain on a downward trajectory with a forecast of (*pre-COVID 19*) of around £60,000. That all changes with the advent of the global pandemic!

2020 Forecast

We will not be able to publish the 2020 accounts until 2021 as the year is still only half-way through. Having said that, we can give you a forecast, and I must issue a warning to you that the situation at the end of this year will be very difficult indeed. To that end, I invited Bishop Richard and Sarah Kilmartin, the Chief Operating Officer for the Diocese to visit me to talk about the current situation and to also be transparent about some of the historical issues that I, as parish priest since August 2018, have inherited and have been trying to deal with. Here is Sarah Kilmartin's response:

Diocese of Arundel & Brighton
Bishop's House, Hove



16th July

Dear Fr Simon,

Further to our meeting last week I am writing to provide some updates for your parish community regarding the finances of the parish.

The parish has experienced a number of financial challenges in recent years and important decisions have been taken with regard the closure of Our Lady of the Rosary, with ceasing to operate a parish Nursery, and with reducing the level of staffing within the parish. These decisions will all help to ease the expenditure in the parish and will reduce the financial deficits that have been occurring in recent years.

The parish is still operating a financial deficit, however, and this has only been exacerbated by the very difficult experience of Coronavirus this year. In order to address the current deficit I know that you will continue to consider opportunities to reduce expenditure, and I have also recommended that you and your Parish Finance Committee should meet with our Diocesan Fundraising Officer Mia Stace, who will be able to address the reduction in income during recent years through a Planned Giving Scheme.

The parish currently has a cash balance of around £20,000. However, a liability of £34,500 is owed to the Diocese for tax and national insurance contributions to be paid for a former member of parish staff. This liability has been agreed with HMRC after the auditors advised us that we had obligations of an employer in relation to a member of staff who had been treated as self-employed. This compliance error began many years ago and was brought to light in the 2017 audit. The Diocese will recover the £34,500 advanced to HMRC when the Sidley site is sold.

The parish bank balance includes the overdraft of the Nursery account: this is £11,500. The decision to cease operating the Nursery in 2019 was painful but necessary, since it was running at a financial deficit which the parish was not able to continue to subsidise. As the Nursery is within the site of your parish primary school, the building has been made available for the use of the school. For safeguarding and operational reasons, it was not feasible for a third party to use the building. The school recognizes that parish funds were used to create the Nursery building, and wishes to contribute financially to the parish to recompense it. Since public money cannot be used, the school will contribute funds raised through its after school club. This will amount to a payment of £32,500, spread over six years. This income will resolve the Nursery overdraft and will return to the parish some of the capital expenditure laid out when the Nursery was built.

The Sidley site is being marketed for sale subject to planning permission. It will not be straightforward to achieve planning permission but potential buyers are engaging and a sale in the region of £600,000 (before costs) is envisaged. A windfall levy of 35% will be retained by the Diocese (unless this is waived following an application to the Diocesan Finance Committee). We have discussed that the parish will use its share of the proceeds of this sale to attend to clergy accommodation issues. The Chair of the Diocesan Finance Committee has indicated that the committee would welcome a request for an advance from the Diocese so that these issues can be addressed without awaiting the outcome of the Sidley sale.

I hope that this letter is helpful for your parishioners. I am happy to take any questions by email or telephone, and my direct line is included below.

Yours sincerely,

Sarah Kilmartin

Chief Operating Officer

COO@abdiocese.org.uk

01273 859 706

COVID-19

On the 20th March 2020, all liturgical, sacramental, and pastoral activity was suspended in the parish by order of the Bishop's Conference and by Bishop Richard in Arundel & Brighton. This has a significant financial impact on the parish.

At the start of the year, the bank balance was £76, 567. Up to the start of lockdown, we were about £5,000 overspent on income for the 1st Quarter of the year (January to March), with our bank balance at £69,000. We were then closed for sixteen weeks. As much of our income is cash in the plate (as well as hall hire and Mass offerings) we lost a significant amount of income – an average of £2,000 cash per week. To protect the parish finances and with the advice of the diocese, I immediately placed the administrator and housekeepers on Furlough to save 80% of their wages.

With a return to liturgical activities in the Church and a gradual opening up of other pastoral and sacramental activity, I have agreed with the diocese that the administrators should now return to work. The Housekeepers currently remain on furlough. With no administrative staff, I asked people to give online, either by BACs or via the Diocesan Just Giving website, and we are also grateful to those who already give by standing order who have carried the parish.

I also stopped the contractor from cleaning the Church, Office, and Hall. Since re-opening for private prayer and then subsequently for the resumption of Holy Mass, the Church has been cleaned by the volunteer stewards. It is unlikely that we can resume the contractor and so, **it will now be the responsibility of parishioners (with COVID precautions in place) to keep their Church clean and to provide the cleaning products.** Once the administrators have returned from furlough, we will review what needs to happen to safely open the halls, but we will not rush, as the requirements to make the hall COVID-secure are robust. This will have a further financial impact.

On 12th July, we began a limited resumption of parish Masses, and have seen a slow but steady increase in the plate income but with social distancing we currently only have capacity for 25% of our pre-COVID Mass attendance, and so far, have only seen a 15% return of parishioners. If you are still giving by cash, it needs to be notes, not coin and most certainly not copper!

As of the end of July, we have £35,500 in the parish account (and when the Nursery overdraft is factored in, we only have £20,000 as mentioned by Sarah Kilmartin in her letter above). We must also still pay our diocese levy obligations for Qtr 3 and Qtr 4, estimated at £10,000 per quarter.

Restricted Funds

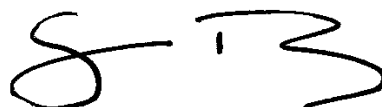
There is in the accounts, money marked for the specific purposes, which must be used in line with what the money was given for:

Parish Clergy Fund:	£12,951
Parish Flower Fund:	£294
Parish Lourdes Fund:	£9,302
Parish Pastoral Fund:	£4,246
Parish Properties:	£5,908
Parish School Fund:	£3,322

There are also funds which can only be used to support the poor, and, under charity rules, it cannot be used for the day to day running of the parish. In the coming year, we anticipate that there will be many people in our wider community in need, and so, where possible we will not shy away of our responsibilities to support those in Bexhill who help the poorest in our society, such as the Homeless Unity Group (H.U.G.) and the Foodbank.

Parish Charity Fund:	£3,167
Parish Poor Fund:	£5,783

With my prayers and best wishes



Fr Simon Dray
August 2020

