

12 9 pages

# **Operational Accounts and Commentary**

for

2023

**The Chaplaincy of the Holy Spirit**

**Costa Blanca**

**Prepared, audited and submitted for approval**

**by**

**Chaplaincy Council Meeting**

**Tuesday February 20 2024**

**(revised after Synod 2023)**

## The Overview

In order to prepare the accounts in a timely fashion, and have them audited in time for our council meeting on the 20<sup>th</sup> of February, I closed the accounts on January 2nd and as a result of this, December income from worship centres is not included for 2023, and this income therefore has been taken forward into 2024 accounts

£ sterling to euro conversion rate used for Diocesan Account		1.15
<b>121210.78</b>	<b>TOTAL GROSS INCOME 2023</b>	<b>116252.82</b>
<b>(109047.29)</b>	<b>TOTAL EXPENDITURE 2023</b>	<b>(117494.55)</b>
<b>12163.49</b>	<b>SURPLUS OR DEFICIT 2023</b>	<b>(1241.73)</b>

The extract above represents the summary for our total income and total expenditure for the financial year 2023 - the detail of how this is derived is set out in general here

### Income from all sources

2022			2023
53468.98	OFFERINGS	From schedule 1a	<b>60511.46</b>
6281.33	DONATIONS	From schedule 1b	<b>3838.00</b>
17280.46	FUND RAISING	From schedule 1c	<b>17981.58</b>
20258.54	FINANCIAL	From schedule 1d	<b>15368.00</b>
	WORLD VISION	From Journals	<b>1852.18</b>
23921.47	DIOCESE	From schedule 1e	<b>16701.60</b>
<b>121210.78</b>	<b>TOTAL GROSS INCOME 2023</b>		<b>116252.82</b>

Comparing overall income data for the period 2019 through to 2023, it should be evident that our income has fallen significantly over this period, and 2023 income is approximately 68% of 2019 income (the comparison figures shown below are relative to 2019 as 100%)

<b>2019</b>	<b>171487 = 100%</b>
<b>2020</b>	<b>122628 = 71.5%</b>
<b>2021</b>	<b>147119 = 85.7%</b>
<b>2022</b>	<b>121210 = 70.6%</b>
<b>2023</b>	<b>116252 = 67.8%</b>

*'Normal' worship returned during the early part of the year, though what 'normal' has become, for this Chaplaincy at least, has been largely reflected in the fact that many of our congregants are not able to be in Spain for their usual long periods of stay (the Schengen effect which came into effect at the end of 2021) and a good number of former residents have returned to the UK permanently (following the full impact of Brexit) with no certainty that they will even return for short holidays - in many cases their regular contributions in the past have either been cancelled or reduced - I do not see this improving any time soon*

I have retained this statement from last year's report because during this accounting period regular giving has fallen by some 4000 euros over the year 2023, and already I am aware that it will fall by a further 4000 euros from January 2024 - this is entirely due to congregants returning to the UK and cancelling their contributions

### Expenditure

2022			2023
	CLERGY, READER AND PTO COSTS	From schedule 2a	<b>(48396.47)</b>
	CHAPLAINCY OPERATING EXPENSES AND CHARGES	From schedule 2b	<b>(39304.19)</b>
	MOTOR COSTS	From schedule 2c	<b>(3316.32)</b>
	OUTWARD GIVING	From schedule 2d	<b>(2560.00)</b>
	CHARGES TO DIOCESAN ACCOUNT (sterling converted @ 1.15 euros equivalent)	From schedule 2e	<b>(23917.57)</b>
<b>(109047.29)</b>	<b>TOTAL</b>		<b>(117494.55)</b>

**Overall, underlying spending** was broadly in line with that of 2022, (which value reflects the current base spend for the chaplaincy, but will be subject to increase in 2024), but the difference between 2022 and 2023 numbers also reflects an increase in Diocesan share for 2023, and expenditure on outreach for the chaplaincy (advertising and support for our chaplaincy magazine) and expenses incurred from our two properties

We had received notice of a significant increase (25%) in charges for electricity in 2023, but this has been offset by Calpe House being vacant, and we have a refund from our standing payment

We were told at Synod 2023 that the Diocese will use a new formula to calculate Diocesan share (this has not happened to date), and that some chaplaincies will pay less than 2022, some will see no change but some will see an increase - as assumed in last year's report, an increase was made to some £18,500 from £14,500, but a 'capped' amount of approximately £16000 was proposed and duly met by the chaplaincy (largely due to a carry-over of £10000 in the Diocesan account from 2022 carry over, for this year £4,500)- I confidently expect a ridiculous increase for 2024 to take account of this shortfall and a predicted increase of a further 15%

At present, I cannot see how this can be met - we are told that the figure for 2024 will be available at Synod, but I am not sanguine about this - it arrived during the middle of March

### **See later commentary**

There will be no stipend increase in 2024, unless the situation allows for it later in the year

The next pages headed **Income Overview** and **Expenditure Overview** detail our income for 2023, compared to 2022, and our operational costs

This shows that 'normal' offerings decreased, donations decreased, fundraising increased and UK tax reclaim is significantly decreased, largely due to the fall in 'yellow envelope' income

Diocesan regular contributions were reduced overall, and as a result, less tax was available for reclaim

Earnings from clergy activity (funerals and wedding blessings) showed a decrease over 2022

Our historical surplus in respect of World Vision has now been disbursed, and the income generated during 2023 will fund our dues for 2024, with a small amount over which will be donated to them to use at their discretion

**Cash flow** has now stabilised, to the extent that we are maintaining a steady reserve of 75000 euros, and the monthly variable excess above this value guarantees that normal operating expenses can be met

2022				2023
53468.98	OFFERINGS		From schedule 1a	60511.46
6281.33	DONATIONS		From schedule 1b	3838.00
17280.46	FUND RAISING		From schedule 1c	17981.58
20258.54	FINANCIAL		From schedule 1d	15368.00
	WORLD VISION		From Journals	1852.18
23921.47	DIOCESE		From schedule 1e	16701.60
<b>121210.78</b>	<b>TOTAL GROSS INCOME 2023</b>			<b>116252.82</b>

## SCHEDULE 1a - OFFERINGS ANALYSIS FROM CHURCHES

2022	CHURCH	OFFERTORIES ENVELOPES	GIFT AID Yellow Envelopes	CHRISTIAN STEWARDSHIP (euro account)	2023
	GANDIA	3400.00	150.00		
	DENIA	3144.66	275.00		
	JAVEA	8361.50	0.00		
	LA FUSTERA	8927.70	815.00		
	CALPE*	8,927.70	1453.00		
	ALBIR	6945.00	50.00		
	CAMPELLO	3078.40	290.00		
	Not Specified		258.00		
53468.98	<b>TOTALS</b>	<b>42784.96</b>	<b>3291.00</b>	<b>14435.50</b>	<b>60511.46</b>

## SCHEDULE 1b - DONATIONS (Spain) - all values are in euros

	ALL DONATIONS (Spain)
<b>TOTAL</b>	<b>3838.00</b>

## SCHEDULE 1c - SOCIAL AND FUND RAISING ANALYSIS

2022	CHURCH	2023
	GANDIA	170.00
	DENIA	520.80
	JAVEA	4059.00
	LA FUSTERA	8551.97
	CALPE*	2178.31
	ALBIR	2486.50
	CAMPELLO	15.00
	Not Specified	
<b>17280.46</b>	<b>TOTAL</b>	<b>17981.58</b>

## SCHEDULE 1d - OTHER INCOME

2022	OTHER INCOME (Spain)	2023
	INCOME FUNERALS	15368.00
	MISCELLANEOUS EARNINGS	
<b>23921.4679</b>	<b>TOTAL</b>	<b>15368.00</b>

## SCHEDULE 1e - OTHER INCOME (UK)

2022	OTHER INCOME (UK, £ Sterling converted to euros @ 1.15 euros = £1 stg)	2023
<b>23921.47</b>	<b>TOTAL</b>	<b>16701.60</b>

## Expenditure Overview

2022			2023
	CLERGY, READER AND PTO COSTS	From schedule 2a	(48396.47)
	CHAPLAINCY OPERATING EXPENSES AND CHARGES	From schedule 2b	(39304.19)
	MOTOR COSTS	From schedule 2c	(3316.32)
	OUTWARD GIVING	From schedule 2d	(2560.00)
	CHARGES TO DIOCESAN ACCOUNT (sterling converted @ 1.15 euros equivalent)	From schedule 2e	(23917.57)

(109047.29)	<b>TOTAL</b>		<b>(117494.55)</b>
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## 2a. CLERGY, READER AND PTO COSTS

2022			2023
	CLERGY STIPEND		(22320.00)
	CLERGY ALLOWANCES AND EXPENSES		(14076.47)
	CLERGY ACCOMODATION ALLOWANCE - Fr Rodney		(12000.00)

(47645.56)	<b>TOTAL CLERGY COSTS 2020</b>		<b>(48396.47)</b>
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## 2b. CHAPLAINCY OPERATING EXPENSES AND CHARGES

2022			2023
	CHURCH PREMISES (Rent - Paid at bank)		(3580.00)
	CHURCH PREMISES (Rent - Paid from offerings)		(2090.00)
	MISCELLANEOUS SERVICE COSTS (Paid from offerings)		(2208.95)
	CHAPLAINCY OUTREACH (Advertising and Magazine)		(4456.43)
	MISCELLANEOUS CHAPLAINCY COSTS AND EXPENSES (Paid at Bank) - includes property repairs, insurances, safeguarding)		(1393.03)
	ADMINISTRATION (Secretary and Treasurer)		(840.00)
	ADMINISTRATION (Social Security, Taxes and Hacienda)		(8683.40)
	ADMINISTRATION (Professional Fees - Asesores de Moraira, Notary, Abogado)		(2322.89)
	CHAPLAINCY EXPENDITURE (MAINTENANCE) - Chaplaincy Properties		(7852.55)
	CHAPLAINCY EXPENDITURE (Electricity) - Chaplaincy Properties		(4807.61)
	CHAPLAINCY EXPENDITURE (Internet/Landline) - Chaplaincy Properties		(1069.33)
	TRANSFER TO DIOCESAN FUND (yellow envelope for tax refund)		(3291.00)

(37104.47)	<b>TOTAL</b>		<b>(39304.19)</b>
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## 2c. MOTOR COSTS

2022			2023
15039.75	MOTOR COSTS (Santander)		(3316.32)

## 2d. OUTWARD GIVING

2022			2023
	WORLD VISION		(2000.00)
	OTHER CHARITABLE DONATIONS		(560.00)
(3600.00)	<b>TOTAL</b>		<b>(2560.00)</b>

## 2e. CHARGES TO DIOCESAN ACCOUNT - Charges are paid in sterling (shown here in euros converted £1= 1.15 euros )

2022			2023
	2023 Diocesan Share		(17741.05)
	Archdeaconry Synod		(2070.00)
	Archdeaconry dues (including FEREDUE dues)		(3531.52)
	Synod Charitable giving		(575.00)
(12594.02)	<b>TOTAL</b>		<b>(23917.57)</b>

Heads 3,4 and 5 are effectively the same as in last year's report, but note the inclusion of charitable donations due, and the usual secretary and treasurer expenses which are normally paid during the year following, and repaid to the chaplaincy as donations by the present secretary and treasurer during that year

3. FIXED ASSETS NET OF DEPRECIATION		
2022		2023
	SENIJA HOUSE	68407.00
	CALPE HOUSE	263555.00
<b>0.00</b>	<b>TOTAL</b>	<b>331962.00</b>
4. CREDITORS		
2022		2023
	CREDITORS - World Vision - brought forward	0.00
	CREDITORS - Secretary and Treasurer	0.00
<b>0</b>	<b>TOTAL</b>	<b>0.00</b>
5. DEBTORS		
2022		2023
	None	0.00
<b>0</b>	<b>TOTAL</b>	<b>0.00</b>

Head 6 reflects our bank situation as at January 1 2024, and shows the overall effect of the situation which we faced in 2023 and I expect that it will broadly be similar during 2024 - overall, the generosity and hard work of a good number of people, both within and outwith the Chaplaincy, has resulted in a better than expected end of 2023, but issues will occur depending on the amount of Diocesan charge that we might occur for 2024

6. CASH AT BANK (as at 1st Jan 2023)		
2022	Euro Accounts	2023
6977.67	CASH AT BANK Santander No. 1	3388.72
70460.25	CASH AT BANK Santander No. 2	77643.42
12399.74	DIOCESAN ACCOUNT	5183.00
1161.9	LLOYDS TSB (£1161.90 converted to euros)	1161.92
<b>90999.557</b>	<b>TOTAL CASH AT BANK</b>	<b>87377.06</b>

7. INCOME AND EXPENDITURE ACCOUNT		
2022	INCOME	2023
	INCOME SUMMARY	<b>116252.82</b>
	EXPENDITURE	
	CLERGY COSTS (Schedule 2a)	(48396.47)
	CHURCH - Premises, Administration and Service costs (Aggregated in Schedule 2b)	(39304.19)
	MOTOR COSTS (Schedule 2c)	(3316.32)
	OUTWARD GIVING (Schedule 2d)	(2560.00)
	DIOCESAN AND ARCHDEACONRY COSTS (Schedule 2e)	(23917.57)
	TOTAL EXPENDITURE	<b>(117494.55)</b>
	PRIOR YEAR ADJUSTMENT	0.00
<b>(21906.50)</b>	<b>SURPLUS/DEFICIT to capital fund</b>	<b>(1241.73)</b>

8.CAPITAL FUND			
			2023
	CAPITAL FUND as at 1st January 2023		420580.79
	SURPLUS/DEFICIT for year to 31st December 2023		(1241.73)
	CAPITAL FUND as at January 2022		419339.06
<b>BALANCE SHEET</b>			
<b>ASSETS</b>			2023
	FIXED ASSETS	Schedule 3	331962.00
	DEBTORS	Schedule 5	0.00
	BANK AND CASH	Schedule 6	87377.06
	<b>TOTALS</b>		<b>419339.06</b>
<b>LIABILITIES</b>			
	CREDITORS		0.00
	<b>TOTALS</b>		
	CAPITAL FUND as at January 2023		419339.06
			<b>419339.06</b>

Our accounts are in balance as shown, and have been audited by our auditor, Peter Varley FCA

I am most grateful to him for his time and advice

As a footnote to these accounts, once again can I thank all the local treasurers and Mike Harvey for their on-going support, those stalwarts who regularly toil (and I do not use this word lightly) with fund-raising, and not least, the clergy who have carried out funerals and wedding blessings helping our income

I commend these accounts to you

Dennis Johnson

Treasurer  
The Chaplaincy of the Holy Spirit in the Costa Blanca

20<sup>th</sup> February 2024

We are now into the second year of our three-year planning cycle, and as I expected, we now see how our finances for the current year have stabilised following the change in clergy structure, though we benefited from a substantial carry-over in our Diocesan account into 2023 (but not the case for 2024) - the income into the sterling account has fallen year-on-year and will no longer meet all our sterling requirements going forward

**Calpe House**

We have the process of selling Calpe House well in hand (contracts have now been exchanged), and our future financial situation is likely be more secure going forward, BUT WE MUST NOT RELY ON OUR INCREASE IN CAPITAL LIQUIDITY TO TAKE US AWAY FROM THE NEED TO MAINTAIN MONTHLY GIVING AND FUND RAISING

How these additional funds are to be managed has yet to be formulated in detail, but our agreement with the purchasers is that the sale will be completed in late August or early September, when we will begin to disburse these funds (approx. 350,000 euros after sales expenses), and in broad terms, my recommendations are as follows

1. We deposit some 300,000 euros, via the Diocese, using their investments portfolio managers - currently this has an expectation of 5% yield, which would raise about £12,500 per annum which would go a good way to ensuring that we can meet Diocesan share in future years (be assured, the request for this will keep increasing year on year) - the Diocesan share for 2024 will, in large part have to come from reserve
2. It is my recommendation that we hold a smaller cash reserve should we agree the proposal in 1 above - during the Covid pandemic we used some 35,000 euros of reserve to help us manage the time of restriction, and that would seem to be a reasonable level for a cash reserve going forward
3. We currently hold a reserve of 75,000 euros, to which the residue of the sale amount (allowing for that invested as in 1 above) would be added - this would (on current figures) equate to approx 125,000 euros less a cash reserve of 35,000 euros, that is 90,000 euros, a portion of which should be allocated to improvements at Senija House, and the use of the residue can then be utilised in a way to be determined by Council

**2024 Diocesan Share**

Appended here is the request for diocesan share, *verbatim*, as received from Andrew Caspari in March (notionally the total Diocesan request is between £900,000 and £1 million)

**2024 Amount requested from Costa Blanca**

Electoral Roll - average over 3 years 2020-22	229
Electoral Roll - average as % of Total Diocese Roll	2.60%
*Income - average over 3 years 2020-22	£109,814
*Income - average as % of Total Diocese Income	1.08%
Common Fund - share due from Electoral Roll	£10,406
Common Fund – share due from Income	£8,669
Total Common Fund request 2024	£19,075
<b>Reduction in request to the chaplaincy resulting from the cap</b>	<b>£400</b>
<b>Total Common Fund request after 15% cap on increase</b>	<b>£18,674</b>
<b>Total Common Fund 2024 – early payment discount 5% by June 30th</b>	<b>£17,741</b>

\*Income is stated after deduction of charitable giving, capped at 10% of total income, within any Chaplaincy

Your chaplaincy has had its contribution reduced by virtue of the cap. Please consider whether any of that reduction can be returned to the DBF. Such amounts will be added to the Hardship Fund.



## **FUTURE REFORMS TO THE SYSTEM**

9<sup>th</sup> of 9

There has always been a degree of controversy about the membership portion of the request. This has centred on the notion that the Electoral Roll is not an accurate reflection of the size of the chaplaincy. In some cases, the chaplaincy has many in attendance but few on the roll. In others there are many people on the roll who do not attend very often if at all.

Therefore, the Diocesan Synod and Bishop's Council have agreed that in future the membership portion will be shared with equal weight between the Usual Sunday Attendance as recorded in the Statistics for Mission and the Electoral Roll. This will take effect from next year 2025.

The Finance Committee will review the operation of the capping of increases as part of its work in 2025