

**CHURCH OF ST. JOHN THE EVANGELIST
ANNUAL GENERAL MEETING
15TH NOVEMBER 2021 AT 7.00pm for 7.30PM
IN CHURCH & ON ZOOM**

AGENDA

1. Prayers and Roll of the Dead
2. Apologies for Absence
3. Minutes of the Annual General Meeting held on 9th November 2020
4. Matters Arising
5. Presentation and Adoption of the Accounts for the year ended 31st July 2021
6. Annual Report and Matters Arising (See separate document)
7. Safeguarding (See Annual Report)
8. Wardens
9. Canon 35 – North Aisle
10. Elections
 - Vestry – 3 vacancies
 - Lay Representative
 - Alternate Lay Representative
11. Any other business
12. The Grace

**Church of St John the Evangelist
Annual General Meeting
Held remotely on Zoom, Monday 9 November 2020**

NOT OFFICIAL UNTIL APPROVED BY THE NEXT AGM

1. Prayers and Roll of the Dead

- 1.1 The meeting started with prayer.
- 1.2 Clephane Hume read out the Roll of the Dead.

2. Apologies for Absence

- 2.1 No apologies had been received.
- 2.2 57 members of the congregation were in attendance online.

3. Minutes of AGM held on 18 November 2019 and reconvened on 8 March 2020

- 3.1 The minutes of the 2019 AGM, including the reconvened meeting on 8 March, were **agreed**.

4. Matters arising

- 4.1 There were no matters arising.

5. Presentation and Adoption of Accounts for the year ended 31 July 2020

- 5.1 Wren Hoskyns-Abrahall noted that Nicky Benn had taken over from him as Treasurer at the start of the current financial year. He expressed thanks to her as, together with the Operations Manager and the external accounts team, she had brought new insights and energy to the church's financial affairs. Wren was presenting the accounts as they related to the previous financial year. He would take the meeting through the church's own accounts before discussing the CDEL figures.

- 5.2 Before moving to the accounts, Wren noted that 2019-20 had been a very unusual and difficult year. For the first six months there had been no Business Manager, and the ship had been stabilised mainly by the Associate Rector, Nicky Benn and the remaining staff. Then Iain Herbert had arrived as Operations Manager and had taken just two months to appreciate the situation and produce an ambitious but realistic Business Plan. Almost immediately after Vestry had approved the plan the church went into four months of lockdown – a third of the year with the sudden removal of virtually any chance to generate income and the immediate need to reduce expenditure.

St John's Accounts

- 5.3 Turning to the church's accounts, Wren reported first on Expenditure. Total outgoings were £385,000, broken down into 19% on Clergy, 4% on Music and Worship, 19% on Staff, 10% on Administration, 8% on Quota, 29% on Fabric, 2% on Outreach, 1% on Governance and 7% on Bank Loan and other charges. Wren noted that the last figure was being reported separately for the first time. He expressed his appreciation of the support given by the CAF Bank, which had given the church a six month capital repayment holiday, which was then extended by a further three months. Wren noted that the bank would not have done that if they had not been confident about the financial controls which the church had put in place.
- 5.4 Wren then compared the year's expenditure breakdown with that of the six previous years. The main point he noted was that staff costs were much lower than in previous years. That was due in part to the tragic but unavoidable redundancies of several staff but also to some re-charging of staff costs to CDEL. This and other factors made direct comparisons with previous years difficult.
- 5.5 Turning to Income, Wren reported that, particularly now that most letting and lease income was channelled through CDEL, most of the church's income – 56% of total income - came from regular giving by the congregation, topped up by donations from visitors. 16% came from Gift Aid, meaning that nearly three quarters of the church's income came directly or indirectly from giving. 13% came from grants, largely from other charitable bodies and the Government's furlough scheme, and 12%

came from those rents which still went through the church's accounts. Legacies of £12,600 were received during the year, representing 4% of total income. That is treated separately from other income which the church can control or forecast, as the church cannot plan for it.

5.6 At nearly £319,000 the church's income excluding legacies was above the previous two years and just above the average for the previous seven. Wren expressed his thanks to several members of the congregation who had made significant donations since March over and above their regular giving.

5.7 Comparing Income and Expenditure over the last seven years, Wren reported that the church's deficit had reduced significantly since the completion of the development. Nonetheless the church was left with a deficit of £53,000, after adding in the legacies. Wren had hoped to leave his role as Treasurer with St John's showing a surplus. Things had been on track to achieve that until Covid intervened. That meant that CDEL had not yet been able to move from being a cost centre to become a source of income for the church. Hence the church had continued to rely on its loyal members to support its Mission and Ministry.

CDEL Accounts

5.8 Wren reported that the café had reduced its trading loss from £28,000 in the previous year to just £5,000. The lettings side, however, had not had a good year. Not only did CDEL lose a significant tenant, but it took many months to find a new one, and at a lower rent and with an initial rent-free period. Hall bookings had dried up from March to the end of the financial year, and that situation was continuing. As a result, lettings showed a trading surplus of just £21,000 as compared to £68,000 in the previous year.

5.9 Between both sides of the business there was a trading surplus of £17,000. From that it was necessary to deduct company expenses of £177,000 and then add back £35,000 of other income (chiefly Government grants). The resulting operating deficit was £125,000, compared to £141,000 in the previous year.

Consolidated Accounts

5.10 Bringing all that together, St John's deficit was £53,000 and CDEL's £125,000, giving a consolidated deficit of £178,000. However, within that figure there was depreciation of £165,000, an accounting allowance for the writing down of the church's and CDEL's assets over their planned life. It was not a cash amount, and so the impact on cash was very much less than the headline number.

5.11 Looking at the overall position, the year began with £200,000 in cash plus the South Trinity Road flat. It ended with £127,000 in cash and a valuation of £150,000 on the flat. With some other accounting adjustments, the tangible assets were shown as the target figure of £300,000. Vestry, the auditors and the bankers had agreed that St John's and CDEL remained a going concern, with some caveats. But that did not mean all was well: there was a big deficit for the year (£178,000), albeit that the cash impact was very much smaller (£73,000), since much of the deficit was due to accounting adjustments, in particular depreciation.

Summary

5.12 In summary Wren said that:-

- Although the church had again breached the covenant attached to the loan from the CAF Bank, they had waived that as well as having had sufficient confidence in the church's financial controls to give the church, to date, a nine months capital repayment holiday.
- CDEL were only able to continue trading because the church was guaranteeing their debts.
- There might be almost £300,000 of tangible assets, but half of that remained tied up in a flat that was proving difficult to sell.
- In addition, the church had around £1m of long-term debt. That was not an immediate problem, but the longer it took for CDEL to trade profitably the more of a worry it would become.

5.13 To balance that:-

- The church had made a start, albeit a small one, in repaying the bank loan.
- The cost base had been significantly lowered.
- A first class finance and management team was in place.

- A Business Plan was ready to be activated as soon as it became possible to restart trading and people regained confidence to use the excellent hospitality and events facilities in the church's prime city centre location.
- 5.14 The longer it was before significant moves could be made towards full functionality the bigger would be the long-term challenges. The church could see out the current financial year, but a bigger crisis could arise if that full functionality were too much delayed. Plans were in place for various eventualities, and it was hoped that it would not become necessary to move to the worst case plan.
- 5.15 Wren invited the meeting to remember that the church was not in business just for profit. The business was intended to help finance the church's primary mission. That goal had not yet been achieved, but Wren believed it remained realistic and achievable. For the time being the church remained significantly dependent on the support of its members – financially, practically and spiritually. To paraphrase Deuteronomy:-

Place the first-fruits of your harvest in a basket,
Place it before the altar of the Lord and
Worship there.

Questions

- 5.16 The Rector thanked Wren for his presentation. Three questions had been notified by members of the congregation:-
- How many hours were being worked by the three accountants engaged by the church?
 - What ideas were there for further economies, eg selling the Rectory and buying a smaller property?
 - What further steps were being taken to reduce expenditure so as to match the available resources?
- 5.17 Responding to these questions, Nicky Benn said that since the end of the financial year things had been heading in the right direction. On the first question, she said that the church was using three accountants from two different firms. They were paid monthly for their services and the hours worked varied from month to month. They helped with all the book-keeping, payroll and preparation for the audit (which had previously been done by the auditors, at a cost). There were ebbs and flows throughout the year, but overall it evened out at a reasonable cost. The Operations Manager added that the accountants had been a great support to him, and that their input had been going down recently.
- 5.18 Before addressing the second question, about the Rectory, Nicky said that the church had been in discussion with the CAF Bank and had set out three scenarios:-
- Plan A – everything is sorted out soon, particularly in relation to Covid
 - Plan B – things are heading in the right direction
 - Plan C – a more pessimistic scenario
- 5.19 Turning to the Rectory, Nicky said that it was necessary to consider the needs of the Clergy. It was important to avoid taking precipitate decisions that might affect the church's ability to get up and running again. The Rectory was within the scope of the scenarios she had outlined, but very much further down the line than other possibilities.
- 5.20 On the third question, the Operations Manager said that income from the Craft Fair had disappeared overnight. Drastic action had been taken, and expenditure was down by £70,000 compared with the previous year. He was keeping a daily eye on expenditure.
- 5.21 Things were starting to look up on the income front. There was a twice-weekly booking of the hall by the NHS up until the end of the year. Several weddings had been moved to 2021; one wedding that did go ahead had involved a small reception in the hall.
- 5.22 Iain noted that Covid had allowed/required St John's to press Pause and review its offering, including pricing, bearing in mind its excellent location. Prices had been increased and so far there had been no resistance from users. A few regular meetings had recommenced.

5.23 Iain concluded by saying that, despite having lost 75% of its lettings income, the church was doing better than in the previous year because of the sharp reduction in expenditure. That had unfortunately had to include several redundancies.

5.24 One question was made from the virtual floor. Outreach expenditure had gone down a lot. Should a church be reducing that?

5.25 Wren said that there was not an issue of lack of activity. The reduction was partly a result of allocating costs in the appropriate places. In addition, the church had stopped printing Orders of Service, which could not be used during the pandemic. Grace Durham said that a lot of outreach was going on which was not costed. There was much more activity on Zoom because of Covid. The Rector said that many people were taking ownership of new outreach activities.

Conclusion

5.26 Wren Hoskyns-Abrahall, seconded by Tony Falconer, proposed that St John's Accounts and the Consolidated Accounts for the year ended 31 July 2020 be adopted. This was **agreed** unanimously.

5.27 The Rector thanked Wren for all his work as Treasurer and as the long-term Convener of the Finance Committee, particularly in the current difficult circumstances.

6. Annual Report and Matters Arising

6.1 The Rector introduced the Annual Report and took the meeting through several specific sections, inviting questions or comments on each.

Lay Representative's Report

6.2 There was not much to report as there had only been one, rather truncated, meeting of Synod before lockdown. There were no questions or comments. The Rector thanked Isobel Watson for her work as Lay Representative.

Vestry Report

6.3 There were no questions or comments. The Rector noted that Vestry dealt with a range of matters affecting St John's. He thanked all who had served on Vestry in the past year, particularly for their work at the start of the pandemic, when Vestry had met very frequently for a couple of months.

Fabric

6.4 There were no questions or comments. The Quinquennial Report was available for anyone who wished to see it. The Rector said that Grace Durham was stepping down as Fabric Convener. Alan Martin would take up the role. The Rector thanked Grace for all her work as Fabric Convener.

Safeguarding

6.5 Austin said that there was nothing to report. The only outstanding issue was whether some Pastoral Visitors needed to have PVG clearance. The Diocese had recently said that that was not necessary but that some visitors might need some training.

Rest of Vestry Report

6.6 Austin noted that no report had been available on Music and the Choir when the Annual Report was printed. (The Director of Music subsequently circulated a note.) There were no questions or comments.

6.7 The Rector thanked everyone who had contributed to the report and for the way they had responded to the challenges of the previous few months. The announcement that day of a successful vaccine trial provided some light at the end of the tunnel, but obviously there was much still to do. The Rector said that the church had attracted some newcomers during the pandemic, which had raised spiritual questions for many.

Conclusion

6.8 The 2020 Annual Report was **noted**, with thanks to all who had contributed and to Austin Reilly for pulling it together.

7. Proposed new Constitution

- 7.1 Austin Reilly explained that various changes to the Constitution had been approved at the previous AGM. Under the Constitution it was necessary to hold a second General Meeting at least three months after the AGM in order to confirm the proposed new Constitution. If approved, the new Constitution would be submitted to the Bishop for his final approval.
- 7.2 The proposed new Constitution was formally proposed by Austin Reilly and seconded by Anne Martin. It was **agreed** unanimously by the meeting.
- 7.3 The Rector thanked Austin for all his careful and thorough work on the draft.

8. Lay Representative's Report

- 8.1 The Rector thanked Isobel for her report and for the work she had done at the Synod on St John's behalf. The report had been taken under Item 6 above.

9. Safeguarding

- 9.1 The report had been taken under Item 6 above.

10. Elections

- 10.1 Austin Reilly noted that there were no vacancies arising on Vestry. There was however a Diocesan requirement for the Lay Representative and Alternate Lay Representative to be elected annually.
Lay Representative
- 10.2 Isobel Watson had decided not to stand again. On behalf of the congregation Austin thanked Isobel warmly for her services.
- 10.3 Anne Martin, who had been the Alternate Lay Representative, had agreed to stand for the position. Anne was already a member of the General Synod.
- 10.4 Grace Durham proposed Anne Martin, seconded by Mo Grant. Anne was unanimously **elected** as Lay Representative.
Alternate Lay Representative
- 10.5 There were no nominations for the position.

11. Thanks

- 11.1 The Rector noted that music in the church had been hugely affected by the pandemic. The Director of Music had done a wonderful job with his recorded organ recitals during lockdown, and had then moved on to organ music and a soloist from the choir at the morning Eucharist on Sundays. All this was much appreciated by the congregation.
- 11.2 The Rector thanked the Ministry team, who had met for prayer every Tuesday on Zoom. He also thanked the Operations Manager; he had been on a steep learning curve and had proved a godsend at a very difficult time for the church.
- 11.3 Linton Horsfall expressed the congregation's thanks to the administrative staff; to Peter Brand, for nearly 60 years service to the church; and to the Rector, the Associate Rector, Eileen Thompson, Kenneth Boyd and Beki Cansdale, who had all worked tirelessly to keep the show on the road.

12. Conclusion

- 12.1 The Rector **closed** the meeting.

13. The Grace

- 13.1 The meeting concluded with The Grace.