

Finance Report to Church Council

October 2017

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Jon Sharp

12/10/17 (version 3)

The Finance Team:

Jon Sharp – Treasurer (retiring)
John Mellish
Brenda Sturgeon

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1 Accounts for Year ending 31st Aug 2017

1.1 Balance Sheet - All Funds

The overall value of church funds has increased this year by just over £16,000. Surplus General Funds have been transferred into various designated funds, as agreed at Church Council meetings. Further analysis of the General Fund situation can be found in the next section of this report.

Funds	Type	Banked?	Balance	Expenditure	Income	Transfer Out	Transfer In	Opening Bal
General	U	Y	46,056.89	55,952.60	81,365.78	24,252.51	-	44,896.23
Designated Funds								
Fund For Need	D	Y	1,459.65	5,200.90	-	-	4,924.62	1,735.93
Building (Designated)	D	Y	41,147.24	1,576.26	-	-	10,000.00	32,723.50
Outreach Worker	D	Y	3,905.00	-	-	-	2,605.00	1,300.00
Youth work (Designated)	D	Y	5,000.00	-	-	-	5,000.00	-
Sizewell Weekend	D	Y	-	3,646.66	3,441.00	-	102.89	102.77
Total Designated			51,511.89	10,423.82	3,441.00	-	22,632.51	35,862.20
Total Reserves (Gen+Des):			97,568.78	66,376.42	84,806.78	24,252.51	22,632.51	80,758.42
Restricted Funds								
Youth work (Restricted)	R	Y	2,129.66	702.45	-	-	-	2,832.11
Men's Breakfast	R	Y	336.90	-	-	-	-	336.90
Luncheon Club (Held by church)	R	Y	226.87	-	-	-	-	226.87
Messy church (Banked)	R	Y	155.12	110.40	-	-	-	265.52
Building (Restricted)	R	Y	-	-	-	-	-	-
Sub Total restricted (non org)			2,848.55	812.85	-	-	-	3,661.40
Sub Total without organisations			100,417.33	67,189.27	84,806.78	24,252.51	22,632.51	84,419.82
Internal organisations								
Luncheon Club (Held by club)	R	N	457.57	692.50	786.19	-	-	363.88
Busy Bees	R	N	578.50	200.00	181.92	-	-	596.58
Messy church (UnBanked)	R	N	138.30	286.86	260.35	-	-	164.81
Trekkers	R	N	338.78	129.80	175.00	-	-	293.58
Junction	R	N	177.50	407.85	446.41	-	-	138.94
Sub Total internal org			1,690.65	1,717.01	1,849.87	-	-	1,557.79
Total Restricted			4,539.20	2,529.86	1,849.87	-	-	5,219.19
Total Cash Funds (Excluding ext orgs)			102,107.98	68,906.28	86,656.65	24,252.51	-	85,977.61

How this is held:

	Balance	Statement	UnRec	Opening Bal	Increase
Barclays:	29,153.25	29,153.25	-	22,705.97	6,447.28
CAF:	28,879.19	28,980.53	(101.34)	13,775.32	15,103.87
CFB:	42,369.49	42,369.49	-	47,943.13	(5,573.64)
Cash:	20.00			-	20.00
Monies held by Treasurer	100,421.93			84,424.42	15,997.51
less monies held for ext orgs	100,417.33			84,419.82	
Monies held by internal orgs	1,690.65			1,557.79	132.86
Assets:	-			-	-
Grand total assets:	102,107.98			85,977.61	16,130.37

Money received and passed on to external organisations:

External organisations (giving passed on)

Funds	Type	Banked?	Balance	Expenditure	Income	Transfer Out	Transfer In	Opening Bal
Special Offerings	R	Y	-	1,839.50	1,719.50	-	120.00	-
Parish Nursing	R	Y	-	3,750.00	2,250.00	-	1,500.00	-
Directed Giving	R	Y	4.60	575.00	575.00	-	-	4.60
Sub Total External Orgs			4.60	6,164.50	4,544.50	-	1,620.00	4.60

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1.2 General Fund

1.2.1 Income and Expenditure vs Budget

Due in large part to the proposed building maintenance and renovation proposals, combined with transferring substantial sums into designated funds, we set a deficit budget for this year. However, decisions about spending money on the current building were deferred to later in the year and subsequently it was decided not to go ahead with significant sections of the work. This has meant a substantial underspend in "Property – Repairs and Maintenance" and helped secure an in-year surplus, despite the significant sums put aside for future work.

Income was very close to budgeted levels and has been fairly consistent throughout the year.

Budgeted expenditure was less accurate in a number of areas (further details later in the report), the most significant of which was the aforementioned property maintenance figure.

Budget Analysis

<u>Actual</u> <u>2015-16</u>		<u>Budget</u> <u>2016-17</u>	<u>Actual</u> <u>2016-17</u>	<u>Difference</u>	<u>% of budget</u>
<u>INCOME</u>					
	Offerings				
48,454	Regular Giving	59,312	58,905	(407)	99.31%
9,737	Occasional	4,000	3,197	(803)	79.93%
<u>10,555</u>	Gift Aid / GASDS	<u>13,296</u>	13,661	365	102.75%
68,746		76,608	75,763	(844)	98.90%
5,617	Income from Lettings	5,300	5,430	130	102.45%
-	Other income	-	-	-	
<u>275</u>	Bank Interest	<u>275</u>	172	(103)	62.68%
74,638	Total:	82,183	81,366	(817)	99.01%
<u>EXPENDITURE</u>					
31,067	Circuit Assessment	32,846	33,746	900	102.74%
3,166	Worship & Pastoral	3,450	2,979	(471)	86.35%
2,050	Donations	2,250	2,250	-	100.00%
10,778	Property – R&M	12,570	5,257	(7,313)	41.83%
2,266	Property – I&U	4,650	5,110	460	109.89%
864	Administration	980	1,385	405	141.33%
-	Parish Nursing	1,500	1,500	-	100.00%
-	Youth Worker	-	-	-	
5,210	Outreach & Evangelism	5,400	5,225	(175)	96.76%
-	Depreciation	-	-	-	
55,401	Total:	63,646	57,453	(6,193)	90.27%
<u>TRANSFERS TO OTHER FUNDS</u>					
<u>IN</u>					
-	Fund closures	-	-	-	
<u>OUT</u>					
-	Sizewell w/e shortfall	250	103	(147)	41.16%
4,469	Xfer to Fund for Need	4,979	4,925	(55)	98.90%
105	Top-up of special offerings	120	120	-	100.00%
(4,574)	Total:	5,349	5,148	(202)	96.22%
<u>EXCEPTIONAL ITEMS</u>					
	Xfer to Building Fund	10,000	10,000	-	100.00%
	Xfer to Youth work	5,000	5,000	-	100.00%
1,300	Xfer to Outreach Worker	2,605	2,605	-	100.00%
		17,605	17,605		
<hr/>					
14,663	SURPLUS (Deficit) FOR YEAR	(excl exceptional)	13,187	18,766	5,579
14,663	SURPLUS (Deficit) FOR YEAR	(inc exceptional)	(4,418)	1,161	5,579

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Income Analysis

As can be seen above, regular giving to the General Fund was very close to budget. This means regular giving was at its highest level on record and meant an increase in Gift Aid claimed as well.

During the year the envelope scheme has had no joiners and has seen two people cease using the facility, meaning effective membership now stands at 17. By August 2017 the number of donors giving regularly via standing order stood at 37 – a net increase of one on the previous year, although we have lost donors as well as gained.

Gift Aid income was consequently just under budget – note this figure includes the income from the Gift Aid Small Donations Scheme too, which amounted to £775. Occasional giving was low this year (it varies substantially from year to year and by its nature is hard to predict). The overall effect of this was that offerings and donations to General Fund were almost £850 below the budgeted figure.

Income from use of the premises was down slightly on last year but above budget. Note we have not increased our lettings prices for many years now and it is worth considering a modest increase in these rates. The bulk of the income continues to come from Jill's fitness classes, the art group and Slimming World. The Countryside Club and WI continue to use our building and Kim Youpa makes regular donations for use of the upper room for the provision of her counselling services. There were fewer one-off hires this year.

Interest on our Methodist CFB account was below budget as rates fell this year.

Overall this means income to the General Fund was up around £7K on last year but about £800 below the budgeted figure. I note each year that we rely heavily on a relatively small number of generous donors, with over 50% of General Fund donations coming from just 8 households.

Income Analysis

		2016-17	2015-16	Increase
Giving:	S/O	40,460	34,489	17.31%
	Offering Env	18,446	13,965	32.09%
	Sub tot (Regular)	58,905	48,454	21.57%
	Occasional	3,197	9,737	-67.17%
	Tax Reclaim	13,661	10,555	29.42%
	Total GF Giving:	75,763	68,747	10.21%

Other Income to GF

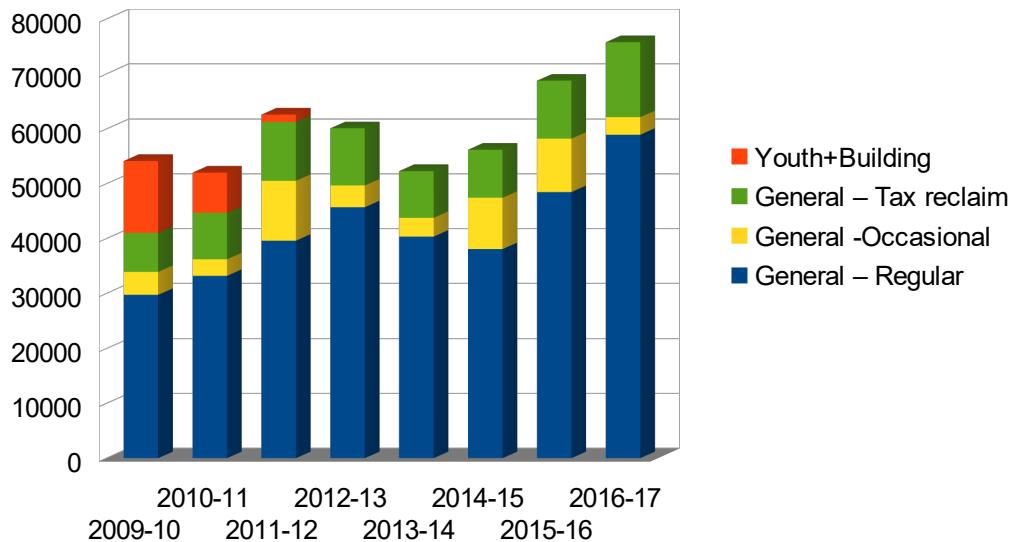
		2016-17	2015-16	Increase
	Use of Prem			
	Pilates	2250	2340	
	Art Group	915	895	
	Country Club	135	135	
	WI	25	130.1	
	Youpa Counselling	300	200	
	Slimming World	1610	1685	
	Neighbourhood Watc	0	0	
	Other User	195	232	
		5,430	5,617	-3.33%
	Interest	172	275	-37.32%
	Total Other income:	5,602	5,892	-4.92%

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The graph below shows trends in giving to the church by members over recent years (includes donations for use of building, interest and reclaimed tax, but excludes giving that was to other organisations but directed through the church, e.g. special offerings and directed giving).

Total giving to Capel Methodist Church

(excludes special offerings and directed giving)



Expenditure Analysis

Overall expenditure from the General Fund was under budget by £6.3K. This is a very substantial sum to be out by, but there were a number of reasons for it which are explained below.

Circuit assessment was over budget as the first payment for year 2017/18 comes in August of this year and the assessment has changed significantly (rolling in the cost of the circuit workers) so the increase was higher than budgeted. See later in the report for more on the assessment.

Worship & Pastoral expenses were under budget, thanks to reduced spending on “stock”, which includes, tea, coffee, biscuits etc and no spend in the areas of Junior Church, Baptisms or Lunches.

Donations from General Fund were exactly as budgeted.

Property expenses were more normal this year, with very few of the budgeted renovation and improvements work being carried out by agreement of Church Council and with the possible building replacement project in mind. The PA desk was replaced following failure of the old unit during the year, so this aspect of the work had to be carried out and was within budget. Spend on utilities and insurance was largely on budget although the cost of Broadband has risen significantly this year leading to some overspend.

Administration was over budget, due the church taking on the full cost of the first aid training session help during the year for both internal use and parish nursing. Other administration aspects were broadly on, or under budget.

Outreach and Evangelism was significantly under budget, as we budgeted for an increase in the costs of employing the circuit workers in anticipation of reduced support from District. In the end

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the circuit budget was such that no additional money was needed from the IRMA churches and our cost remained as per last year. (As noted in future this cost will be rolled up into our assessment).

The church Sizewell weekend made a very small loss this year but this was covered from the positive balance in the fund left over from last year. However some money had to be transferred to cover the deposit for 2018, which also needing paying in this financial year.

Further breakdown of Property, Administration, Outreach & Evangelism and Worship & Pastoral (W&P) expenditure is shown below. Additional information on donations made from General Funds and all other charitable giving can be found later on in this report.

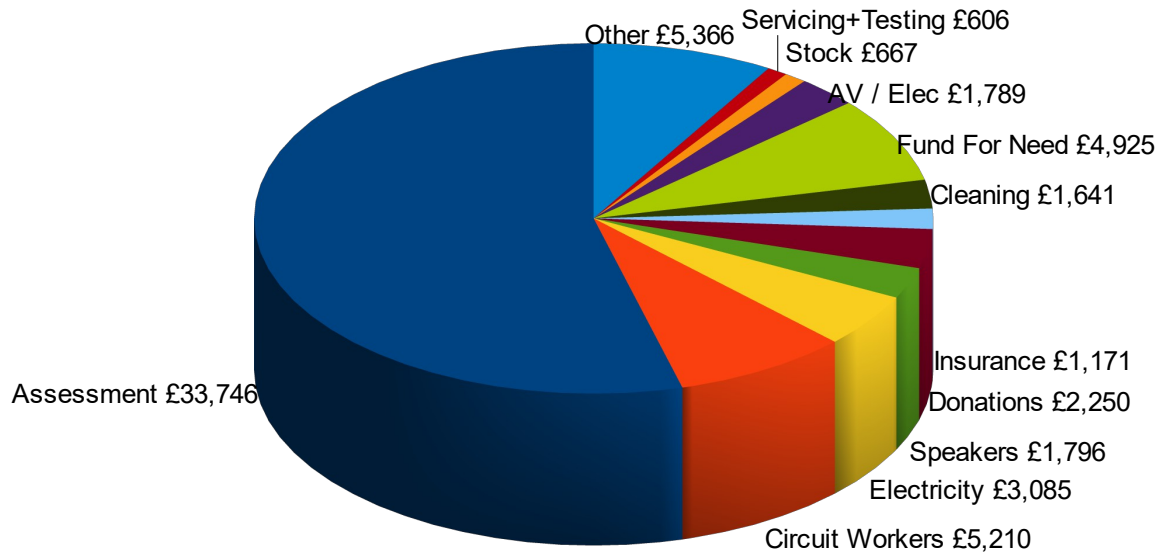
Expenditure Analysis – Property, Admin, W&P, Outreach

			Rank	2016-17	Budget	2015-16	Increase(%)
Property	R&M	Repairs	9	559	5,100	2,926	-80.90%
		Cleaning	5	1,641	1,500	895	83.35%
		Equipment	12	409	500	838	-51.17%
		Servicing+Testing	8	606	950	1,166	-48.01%
		Gardening	16	253	500	329	-22.98%
		A/V & Electrical	4	1,789	2,800	4,623	-61.31%
		Total:	5,257			11350	
Property	I&U	Insurance	6	1,171	1,100	1,020	14.82%
		Water	14	348	350	381	-8.66%
		Electricity	2	3,085	2,900	408	656.52%
		Broadband	10	506	350	458	10.59%
Total:	5,110			4700			
Worship & Pastoral	Speakers	3	1,796	1,800	1,723	4.20%	
	W&P Gen	17	250	280	397	-37.08%	
	Posters	18	159	170	204	-21.94%	
	Stock	7	667	450	762	-12.44%	
	Junior Church	25	-	100	-0	-100.00%	
	Communion	23	42	100	46	-9.52%	
	Gifts+Pres	21	65	100	-	n/a	
	Baptisms	25	-	100	-	n/a	
	Lunches	25	-	100	-	n/a	
Total:	2,979			3200			
Administration	Licences and Subs	11	476	500	468	1.78%	
	Photocopier	15	287	250	266	7.89%	
	Printing, Stationery &	19	135	150	76	78.03%	
	Bank Charges	22	50	-	-24	-312.77%	
	CTIC	25	-	150	-	n/a	
	Training	13	360	-	-	n/a	
	Circuit Plans	20	76	50	78	-1.55%	
Total:	1,385			1100			
Outreach & Evangelism	Circuit Workers	1	5,210	6,510	5,210	0.00%	
	Messy Church	25	-	-	-	n/a	
	Other Outreach	24	15	190	-	n/a	
Total:	5,225			6700			

Apart from the assessment, our largest expenses continue to be our support to the circuit to help pay for our outreach workers (Sue and Alicia) and the money we set aside for Fund For Need. Our next biggest expense is our electricity cost, where issues reported on at previous Council meetings have led to increases this year. After our agreed charitable donations, our next highest spend is on the cost of paying for external speakers for Sunday services. A/V+electrical includes the cost of the new digital PA desk. The amount spent on repairs was unusually low this year, so much so that it does not even feature as key item on the following graph.

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Key expenditure from General Fund



1.2.2 Donations and Charitable Giving

A substantial proportion of our income as a church is given away to individuals and organisations in need or involved in the worldwide mission of God. They fall under the following categories:

- Donations from General Funds - as agreed by Church Council, usually with a focus on outreach and mission
- Fund for Need – a proportion of General Fund income set aside for poverty relief, locally and around the world. Grants are made by Church Council, who also authorises the church Stewards to make grants of up to £500 per year to any one recipient.
- Directed gifts from donors for specific individuals/organisations (the Directed Giving fund).
- Special collections - one-off special collections for specific causes - these often include harvest or Easter collections and also collections at special events such as funerals or fund raisers.
- Cleaning Team - payments made for the church cleaning are donated to YWAM Bolivia.

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Donations (from General Funds)		2016-17	2015-16	Increase
	Other			n/a
CC	Vauxhall Farm Trust	-	250	-100.00%
Stewards	Ben Horrex	450	-	n/a
CC	Town Pastors	250	250	0.00%
CC	CYM	400	400	0.00%
CC	Methodist Church Fund for Property	250	250	0.00%
CC	Mission in Britain	250	250	0.00%
CC	Fund for Presbyters & Deacons	150	150	0.00%
CC	World Mission Fund	350	350	0.00%
CC	Leaders of Worship & Preachers Trust	150	150	0.00%
		2,250	2,050	9.76%

Donations from Fund for Need				
CC	Action for Children	250	250	0.00%
CC	Hands at Work	600	600	n/a
CC	Leprosy Mission	500	500	0.00%
CC	NewDawn India	700	700	0.00%
CC	Talitha Koum	200	200	0.00%
CC	YWAM Bolivia	250	250	0.00%
CC	East Anglian Dist Benevolent Fund	25	25	0.00%
CC	IJM	500	500	0.00%
CC	Methodist London district (Grenfell)	500	-	n/a
Stewards	FIND	-	250	-100.00%
Stewards	Essex Counties Evangelism	250	-	n/a
Stewards	Grants to individuals	1,426	1,500	n/a
		5,201	4,775	8.92%

Donations from Cleaning Team				
	YWAM Bolivia	1344.00	528	154.55%
Grand Total Donations		8,795	7,353	19.61%

Special Offerings	Amount in	Gift Aid	Amount out	Bal
Sudan	224.75	50.25	275.00	0.00
Red Cross	150.00	0.00	150.00	0.00
Ben Horrex	493.75	81.25	575.00	0.00
MHA	92.50	7.50	100.00	0.00
Grenfell	90.00	10.00	100.00	0.00
Easter Offering – MFWM	215.00	35.00	250.00	0.00
Total	1266.00	184.00	1450.00	0.00

* Items marked CC indicate a grant approved by Church Council

Overall donations total £8,7795 which is up almost 20% on last year. The most significant areas of increase were the Grenfell tower disaster appeal, support for Ben Horrex and a full year's worth of YWAM Bolivia cleaning money (for technical accounting reasons only half the usual amount came out from last year's accounts).

Grants from General Funds were as agreed at Church Council in February plus the sum for Ben which supplemented individual gifts to him and was agreed by the Stewards.

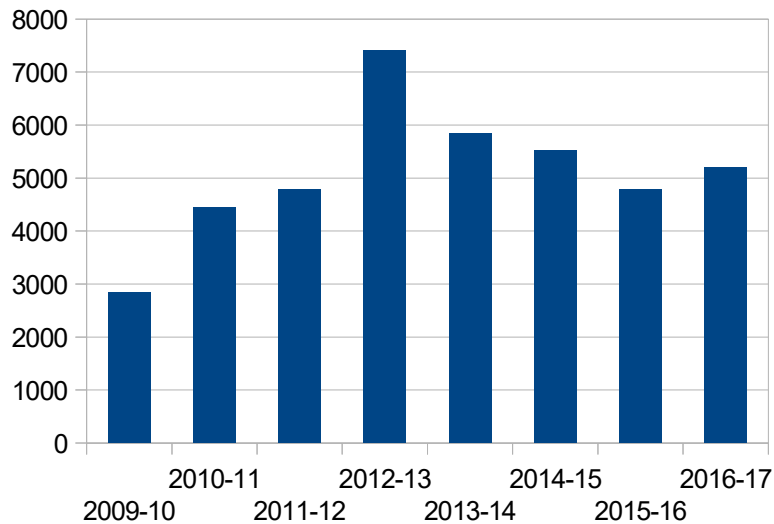
In addition, some sums were given away through the church via "special offerings". These included the Sudan appeal, The Grenfell Tower disaster, the Easter offering in aid of world mission, MHA

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and support for Ben Horrex as he begin his youth work ministry in Nottingham. There was also a collection held in aid of Red Cross as part of the first aid training services they provided to us.

Grants made from FFN were a little higher than last year's and exceeded income to the Fund (note seed rate is currently 6.5% of giving), which results in the fund balance having decreased in value by around £275 over the year, but still showing a healthy balance.

FFN - total donations made



Opening balance	1,735.93
Tithes received	4,924.62
Grants made	
Church Council approved: Local	725.00
International:	2,800.00
Stewards approved: Local	1,420.00
International:	255.90
Total:	5,200.90
Current balance:	1,459.65

As is typically the case, donations from the fund were skewed more towards international issues than local ones but less so than in previous years, with grants approved by the Stewards being mostly aimed at more local concerns.

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1.3 Youth Work Fund

With Caitlan working for free (to us) last year, the main draws on the fund were her expenses (which we cover) in relation to the running of the Wednesday night Life group and other similar activities. Caitlan also has a mobile phone for work use, the cost of which is shown. Unusually there was also draw on the fund from Junction youth club, which is mostly self-sufficient, but claims were made from the central fund too, as local funds are running low. This needs looking at for next year, as Junction appears to have made a significant loss this year.

Youthwork Spend

Restricted:

Junction	168.54
Other	72.00
Training	-
Caitlan/Mobile	45.30
Caitlan/Life	416.61
Open the book	-
Choc Run	-
Total:	702.45

The remaining balance in the fund now stands at **£2,130**.

An additional **£5,000** was set aside for future youth work expenses as Caitlan embarks upon a three year degree course in September 2017, supported by us as her placement church. This sits in the Designated Youth Work Fund, making the total for future youth work provision **£7,130**.

1.4 Building Funds

1.4.1 Restricted Fund

No activity. Balance is £0.00.

1.4.2 Designated Fund

We transferred £10,000 into this fund as provision for future building work. This was made from surplus General Funds left over from the previous year.

Expenses from the fund totalled £1,576 which was the Architect fees from the initial work on the proposed rebuild. Note: Further architect costs totalling £36,720 will be incurred in the next financial year to take the designs on to the planning stage – as agreed at Church Council in June 2017.

The fund balance at year end was **£41,147**.

1.5 Sizewell

A successful church weekend away at Sizewell Hall was run again this year. The event is designed to be mostly self-financing through the payment of the people who attend (and other donations from church members). The church usually pays for the accommodation fees for the speaker (and family if applicable) and the chefs as well as covering any shortfall in income. However, the numbers were high and the weekend was close to break even. A balance of a little over £100 was already in the fund from the surplus of the 2016 weekend, which was sufficient to cover this year's shortfall of £56, but some money had to be transferred from the General Fund to cover the deposit for 2018.

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Sizewell Weekend

Income:

Donations	0.00
Charges To Guests	3441.00
Expenses in lieu of charges	231.15
Total:	3672.15

Expenditure

Deposit	150.00
Sizewell Hall	2607.00
Food	654.28
Other	78.05
Youth	118.48
Speakers	120.00
Total:	3727.81

Shortfall: **55.66**

The fund balance is now £0.00

1.6 Messy Church

Some Messy Church transactions come through church books whilst other monies are held directly by the organiser of the events (Maggie Boswell).

Messy Church

	Opening balance:	Donations received:	Expenses paid:	Closing balance:
Held by church	265.52	-	110.40	155.12
Held by org	150.81	260.35	286.86	124.30
Total:	416.33	260.35	397.26	279.42

Donations were lower this year and overall Messy Church made a loss, but retains a fairly healthy balance. It may be necessary in future to subsidise the work from General Church Funds, depending on how things go over the next 12 months.

1.7 Other Funds

We continue to hold **£337** on behalf of the former Men's Breakfast work. As this is no longer happening a decision should be made on what to do with the funds, bearing in mind their restricted nature.

We continue to hold **£227** on behalf of Luncheon club. This was untouched over the year.

The designated outreach worker fund contains **£3,905**. As the overall combined cost of Assessment plus Outreach Workers has not increased, I have not proposed transferring this sum back to General Funds in this or next financial year, but suggest doing so in future years if there is a significant increase in our assessment share.

2 The Year Ahead (Year Ending 31st Aug 2018)

2.1 Resolutions and Discussion items

2.1.1 Large Items Requiring Pre-approval

N/A

2.2 Administrative Issues

Treasurer

As you will all know, after seven years or so as Treasurer both Methodist Church practice and discipline and my own personal circumstances (I am back to working full-time) are leading me to stand down as treasurer. I have enjoyed the challenge of learning new skills and trying to keep you all informed and engaged with the financial state of the church – which I know can be complex and confusing at times and perhaps a little dull. I would ideally have liked to spend the last six months doing a controlled hand-over to a replacement treasurer, but sadly no one has felt able to take this on. There is a proposal to the meeting for use of the District Bureau accounts service to take care of the formal accounting side of the role and this is covered separately outside of this report. You should note that this is a very minimal service though and a remote one, by its nature lacking local knowledge of our church. In addition the formal accounting side of the Treasurer role, whilst significant, is perhaps less than half the job and a local Treasurer will be still be needed to handle all the administration, decision making and being that day to day local presence and contact person in the church. Whilst I have not yet done it, it is my intention to try to produce a job spec, or task list to assist with this and to offer what support I can to effect a handover. I'm sure you all realise that this is very much less than ideal and I confess I am not fully clear about how all aspects of the proposed regime will function, but we must have something in place. The search for a more permanent solution must continue though as this is very much a temporary interim solution and with proposals for major building projects still on the table the need for financial control and oversight will be higher than ever in the next few years.

In terms of the new financial year, I have worked on the draft budget and proposals for this Church Council meeting (the original intention was that this would be a task for the new treasurer). I have not started a finance spreadsheet for this new year and the paperwork backlog is starting to pile up. I have been ensuring that payments continue to be made and the day to day finance work continues, ably assisted by John and Brenda. At present I remain a signatory on all accounts, the only person with online banking access, the only person with HMRC online login credentials and authorised to deal with them, the person with whom all utility contracts are made and related online access. In addition I am still the contact person for all commercial lettings of the premises – although no invoices have been issued so far this financial year. Records of hires are contained in the church calendar, but I have not maintained a separate spreadsheet of these to calculate monies owed. That's a flavour of the work that needs to be addressed and clearly extracting myself from the role will take some number of months yet. I'm thankful for your support over these years and kind words and encouragement I have received from Church Council members regarding the accounts and these reports.

2.3 Bank accounts

The three church bank accounts remain unchanged from last year. I admit defeat in trying to make changes in this area and will have to leave it to a future replacement to review the situation and see if they feel changes are warranted. At present we still do not have a bank debit card, which we

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have previously agreed would be a good thing, so I will have to leave this as another area to revisit by a new treasurer.

2.4 Financial Situation and Budget Options

This has been a good financial year for the church, with an increase in assets through donations in excess of expenditure. This has enabled money to be set aside for planned future expenditure.,
i.e.:

- IRMA Outreach workers – increased assessment
- Youth worker – three year commitment in support of Caitlan's degree
- Future building project – committed architect fees, plus any follow on building project if agreed

The proposed budget includes an additional £5,000 to be set aside for the future building project from the projected surplus in financial year 2017-18, subject to approval in the meeting. It also includes a proposal to support Parish Nurses for £5,000 – to be agreed in the meeting.

The budget also includes some funding support for Caitlan towards her course fees (£2,025 or one third of the bills from Ridley Hall). This support has not yet been agreed, but is included in the budget in case.

2.5 Financial Policies

I proposed last year that I would attempt to document some financial policies on the way we operated the church funds. I confess this hasn't been completed, but I would be happy to work together with any new future treasurer to complete this task, so we have a clearer basis for decisions and actions.

2.6 Donations

The following table lays out a proposal for the donations Church Council makes each year. It shows both donations from General Funds and those made from Fund For Need. At present I have kept the proposed recipients and levels of donations in line last year with no inflationary increase. One exception is the increase to our support for Parish Nurses which was discussed but not agreed at the June 2017 Council meeting due to uncertainty about the financial independence of the Parish Nursing scheme. The proposal has been left in the budget, but is subject to discussion and agreement in this Church Council meeting.

I propose the Fund For Need seed rate from General Fund will remain at 6.5%. These are assumptions built into the current budget, but if any Church Council member feels increases are warranted, then please feel free to propose a motion to that effect to Andrew/Jill prior to the meeting.

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Donations

Organisation	Fund	Proposed sum	Last year	increase
General Fund				
CYM	General	400	400	0.00%
Parish Nurses	General	5,000	1,500	233.33%
Methodist Church Fund for Property	General	250	250	0.00%
Worship Leaders & Preachers Trust	General	150	150	0.00%
World Mission Fund	General	350	350	0.00%
Mission in Britain	General	250	250	0.00%
Town Pastors	General	250	250	0.00%
Fund for Presbyters & Deacons	General	150	150	0.00%
	Total:	6,800	3,300	106.06%
Budget provision for matters arising during the year				
One off approvals by CC	General	250	250	0.00%
One off approvals by Stewards	General	200	-	
		450	250	
Fund For Need				
Talitha Koum	FFN	200	200	0.00%
YWAM Bolivia	FFN	250	250	0.00%
East Anglian District benevolent Fund	FFN	25	25	0.00%
IJM	FFN	500	500	0.00%
Hands At Work	FFN	600	600	0.00%
Action for Children	FFN	250	250	0.00%
New Dawn India	FFN	700	700	0.00%
Leprosy Mission	FFN	500	500	0.00%
	Total:	3,025	3,025	0.00%
Grand Total		10,275	6,575	

Please see resolution FIN02 in section 2.9

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2.7 Budget

The proposed General Fund budget for this year is as follows:

Proposed Budget for year 2017-18

General Fund

<u>Actual</u> 2016-17		Budget 2016-17	Proposed Budget 2017/18	<u>Increase</u>
<u>INCOME</u>				
	Offerings			
58,905	Regular Giving	59,312	59,976	664
3,197	Occasional Giving	4,000	4,000	-
13,661	Gift Aid / GASDS	13,296	13,435	139
<u>75,763</u>		<u>76,608</u>	<u>77,411</u>	803
5,430	Hire of premises	5,300	5,500	200
-	Other income	-	-	-
172	Bank Interest	275	150	(125)
<u>81,366</u>		<u>82,183</u>	<u>83,061</u>	878
<u>EXPENDITURE</u>				
33,746	Circuit Assessment	32,846	38,123	5,277
2,979	Worship & Pastoral	3,450	3,200	(250)
3,750	Donations	3,750	7,250	3,500
5,257	Property – R&M	12,570	6,370	(6,200)
5,110	Property – I&U	4,650	5,550	900
1,385	Administration	980	1,480	500
-	Youthworker	-	8,446	8,446
5,225	Outreach & Evangelism	5,400	190	(5,210)
-	Depreciation	-	-	-
<u>57,453</u> Total:		<u>63,646</u>	<u>70,609</u>	6,963
<u>TRANSFERS TO/FROM OTHER FUNDS</u>				
<u>IN</u>				
-	From Youth Worker Fund (Des)	-	-	-
-	From Outreach worker provision	-	-	-
<u>OUT</u>				
103	Sizewell w/e shortfall	250	250	-
4,925	Tithe to Fund For Need	4,979	5,032	53
120	Top-up of special offerings	120	120	-
<u>Exceptional items</u>				
10,000	Mission Project provision	10,000	5,000	(5,000)
5,000	Youth Worker future provision	5,000	-	(5,000)
2,605	Outreach worker provision	2,605	-	(2,605)
<u>(22,753)</u> Total:		<u>(22,954)</u>	<u>(10,402)</u>	12,552
<u>1,161</u>	<u>SURPLUS (Deficit) FOR YEAR</u>	<u>(4,417)</u>	<u>2,050</u>	6,467
<u>18,766</u>	<u>SURPLUS (Deficit) FOR YEAR less excep</u>	<u>13,188</u>	<u>7,050</u>	(6,138)

Giving is assumed to be at similar levels to the latter part of last year.

The rise in assessment is factored in, which now includes the outreach workers, as is an assumed 5% rise for next year too (the first instalment of which will come in this financial year).

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Donations and transfers to FFN are kept at existing levels (6.5%).

Parish nursing – donation of £5,000 agreed in June to included in donations.

Property Repairs and Maintenance budget set to a more typical level given experiences last year and no clear plan for any big ticket items.

Money in the Youth work Restricted Fund should be used up in supporting Caitlan this year and the remaining cost (estimated) is included here. The provision we made last year (Designated Fund) should be left untouched this year and used in future 2 years to offset the costs of supporting Caitlan through her degree.

The proposed exceptional item is an additional £5,000 to be set aside for future building work. Note that the majority of the current designated Building Fund is already committed on architect and planning fees.

Increases in Admin costs includes an estimate of the cost of using the District bureau service for church accounts.

The table below provides further breakdown of proposed expenditure.

Outreach and Evangelism		Administration	
Circuit outreach workers	-	Licences and Subs	450
Other	190	Photocopier	300
Total:	190	Print, Stat, Post	450
		Accounting fees	150
		CTIC	50
		Circuit Plans	80
		Total:	1,480
Property		Worship & Pastoral	
Repairs & Maintenance		Speakers	1,800
Repairs	2,000	W&P Gen	300
Servicing and Testing	600	Posters	200
Cleaning	2,370	Stock	600
Audio / Visual / Electrical	500	Junior Church	50
Gardening	400	Communion	50
Equipment	500	Gifts+Pres	100
Sub tot R&M	6,370	Baptisms	50
		Lunches	50
		Total:	3,200
Insurance & Utilities			
Insurance	1,300		
Electricity	3,250		
Broadband	600		
Water	400		
Sub tot I&U	5,550		
Total Property:	11,920		
Offerings:		Assessment	
Barclays S/O	21,036	This year (3 quarters)	37,656
CAF S/O	19,740	Next year est (1 quarter)	39,538
Envelopes	19,200	Total:	77,194
Total regular giving	59,976		
		Youth Worker	
		Wages	6,152
		Agency Fee	1,600
		Course Fees	2,025
		Reserved funds to use	(2,130)
		Expenses	800
			8,447

Note: basic cleaning costs have remained static at £24/week for many years now. The cleaning team donate this amount to Operation Restoration (YWAM Bolivia). If at some point Church Council wishes me to increase this figure then please propose this to the new treasurer.

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2.7.1 Building Fund Budget

Building Fund Budget

Opening balance	41,147.24	
Planned expenditure	(36,720.00)	Architect fees committed at Jun CC
Planned income	5,000.00	Budgeted transfer from General Fund
Projected balance at year end:	<u>9,427.24</u>	

Note: This assumes no other expenses are incurred during the financial year.

2.8 Reserves Policy

The Church Council, having made an assessment of the future needs of the Church, have established a policy whereby unrestricted funds not committed, or invested in the tangible fixed assets, ('the free reserves') that the Church holds, should represent about six months of the resources expended (which is budgeted to equate to approximately £73K for 12 months), or sufficient to cover 12 months of Circuit assessment (£38.1K), whichever is the greater. At this level, the Church Council are confident that they would be able to carry on the Church's activities in the event of a significant drop in income. In such circumstances, it would be necessary to consider how the funding would be replaced, or the activities changed. At year end 2016-17 the balance of the General Fund stood at £46K and the total free reserves amounted to over £97.5K, including the designated Building Fund.

Per Balance Sheet

General Fund		46,057
Designated Funds		
Fund For Need	1,460	
Building (Designated)	41,147	
Outreach Worker	3,905	
Youth work (Designated)	5,000	
		<u>51,512</u>
Assets		<u>-</u>
"Free Reserves" (being surplus over Fixed Assets)		<u><u>97,569</u></u>
Reserves required under Reserve Policy		<u><u>38,123</u></u>

As can clearly be seen the financial reserves of the church are significantly above that required by the policy. Even if all designated funds were spent the General Fund holds sufficient funds required by the policy.

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2.9 Approvals

Resolution FIN01: Church Council approves the church accounts for year ending 31/08/17 (see separate standard form of accounts) and instructs the finance team to submit the supporting paperwork to the independent examiner.

Resolution FIN02: Church Council approves and authorises the donations to various charitable organisations as outlined in section 2.6 above, subject to any amendments made during the meeting.

Resolution FIN03: Church Council approves the budget for year ending 31/08/18 (see section 2.7 above) subject to any amendments made during the meeting (see options).

Resolution FIN04: Church Council approves the reserves policy for year ending 31/08/18 (see section 2.8 above).

Resolution FIN05: Church Council appoints Carole Cowgill as independent examiner of the church accounts for year ending 31/08/17.

Resolution FIN06: Church Council approves the figure of £5,000 to be moved from General Fund to the Building Fund (Designated).

End of report