

# Finance Report to Chilwell APCM 27 March 2017

## Statutory Reports and Accounts for 2016

I have provided paper and electronic copies of the Parish Accounts for 2016. This is the statutory report required by the Charity Commission; you can see the past five years' accounts on their website (our Registration is 1134214).

I will start with whole parish accounts, but as St Barnabas has its own AGM next month, I will then concentrate on Christ Church figures 2016 and 2017.

Headlines? **TREASURER SLATED AS CHURCH LOSES THOUSANDS** 😞

Income	295k	81k	deficit
Spend	376k		

Yes we spent more than we received this year; the broader context is that we are making best use of nearly £400k cash received 2014 from sale of houses. There is still £200k left at 31 December 2016. *See Info Sheet 1*

### Christ Church detail

Our budget estimates for 2016 anticipated a deficit of £47k - actual was £73k. £5k less income; £7k higher spend; £14k additional works *See Info Sheet 2*

## Approving Document and appointing Independent Examiner

Any questions? Ask me now, or send email or letter to Church Office.

The PCC approved the Reports & Accounts; are they accepted by APCM?

### Independent Examiner for 2017

The APCM appoints the Independent Examiner for the 2017 Accounts.

We changed Examiner last year; I propose CA Plus again this year. Agreed?

## Finance Forecast for 2017

### Giving for Ministry ("GfM" - aka Parish Share)

As Deanery Treasurer for Nottingham South I have helped Nottingham South Deanery review the apportionment of GfM across our 20 parish groups.

Chilwell apportionment has reduced for the last 2 years *See Info Sheet 3*  
It is still the biggest expenditure area for Christ Church: 41% of the total.

### Staff costs

Directly employed staff are our second highest expenditure: 27% of the total. We are tremendously blessed by being able to afford this resource and we want to act now so we can continue paid lay ministry *See Info Sheet 4*

### Full finance estimate

Forecast spend 318k; anticipated income £247k so far (both less than 2016)  
Forecast deficit £71k at this stage. *See Info Sheet 5*

## Responding to the Vision

### Using the remaining money from house sales

We are following Charity Commission approved advice in making sensible plans to use available resources, so we will continue to use funds in 2017.

We expect to use £80k and carry forward £21k at 31 December 2017.

We have reserved a separate £30k to fund initiatives of the new incumbent.

### Long-term target

The PCC and DCC will be looking at long-term strategy for paid lay ministers throughout the parish (workers at both Christ Church and St Barnabas).

We want to achieve new income of £6.5k per month by July 2018, aiming at a sustained programme over 15 months, rather than a single *Giving Campaign*.

We plan to continue and expand applications to grant-makers whose aim is to help people in poverty and social need (target £2.5k/month = £30k pa)

We will also encourage **new** (or additional) giving from all our congregations.

*Examples adding up to £4k per month:*

65 people giving £50 per month and gift-aiding\*

160 people giving £20 per month and gift aiding\*

(this is to give an idea of scope; reality will be more complicated than that!)

### \* How does gift aid work?

Charities can claim tax back from HMRC on their charitable donations.

You just have to sign a declaration, which can be cancelled at any time.

Whilst the basic tax rate is 20% we can claim tax worth 25% of your giving.

Yes, really! eg if you give £80 we can claim £20 increasing your gift to £100 - it's as if you had given £100 and not been taxed on that gift.

*Have I paid enough tax?*

- add up all your gift-aided donations to all charities in the tax year
- divide the total by 4 and that's how much tax you need to have paid
- timing within the tax year isn't important (eg if you start/stop paying tax)
- if you find you haven't paid enough tax, talk to your treasurer 😊
- you can wait till the end of the tax year and gift-aid for past donations

*What if I don't pay any tax?*

- we can still claim tax back under the "small donations" scheme!!
- We got over £600 from HMRC on £2,450 given this way last year
- you can give up to £20 in **cash** at any one time (eg Sunday; WoW)
- we can claim up to £2k on all such donations received in any tax year

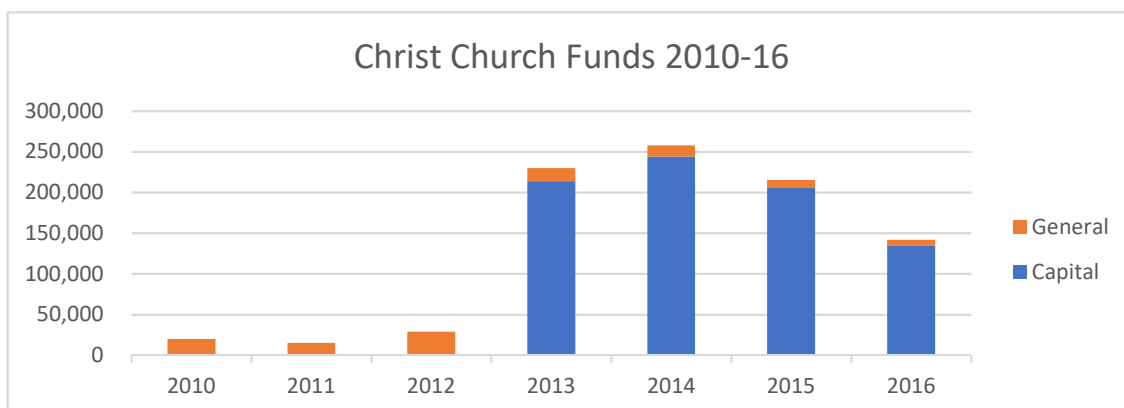
## Information sheet 1 - Accounts and Sales Summary 2011-16

	House Sales <sup>a</sup>		General Funds		Special Funds		Total
	CCC	St B	CCC	St B	CCC	St B	
<b>Dec-10 Funds</b>			<b>16,650</b>	<b>12,467</b>	<b>3,346</b>	<b>772</b>	<b>33,235</b>
<b>2011</b> Income			253,097	22,404	23,714	3,846	303,061
Expend			-257,643	-17,990	-23,942	-2,502	-302,077
<b>Dec-11 Funds</b>			<b>12,104</b>	<b>16,881</b>	<b>3,118</b>	<b>2,116</b>	<b>34,219</b>
<b>2012</b> Income			287,323	19,038	13,071	1,573	321,005
Expend			-271,818	-23,974	-14,862	-1,614	-312,268
<b>Dec-12 Funds</b>			<b>27,609</b>	<b>11,945</b>	<b>1,327</b>	<b>2,075</b>	<b>42,956</b>
<b>2013</b> Income			279,768	18,609	14,830	1,001	314,208
Sale 1	220,500	<sup>b</sup>					220,500
Expend	-6,500		-291,497	-19,000	-15,955	-2,191	-335,143
<b>Dec-13 Funds</b>	<b>214,000</b>		<b>15,880</b>	<b>11,554</b>	<b>202</b>	<b>885</b>	<b>242,521</b>
<b>2014</b> Income			244,966	26,493	25,949	5,426	302,834
Sale 2	85,000	<sup>c</sup> 85,000					170,000
Expend	-55,000	-6,937	-250,573	-30,335	-22,537	-530	-365,912
<b>Dec-14 Funds</b>	<b>244,000</b>	<b>78,063</b>	<b>10,273</b>	<b>7,712</b>	<b>3,614</b>	<b>5,781</b>	<b>349,443</b>
<b>2015</b> Income		51	249,265	24,696	26,778	285	301,075
Expend	-38,227	-2,723	-250,767	-24,851	-29,609	-3,128	-349,305
<b>Dec-15 Funds</b>	<b>205,773</b>	<b>75,391</b>	<b>8,771</b>	<b>7,557</b>	<b>783</b>	<b>2,938</b>	<b>301,213</b>
<b>2016</b> Income		62	240,423	26,605	25,974	2,118	295,182
Expend	-71,210	-11,360	-243,698	-23,441	-24,793	-1,617	-376,119
<b>Dec-16 Funds</b>	<b>134,563</b>	<b>64,093</b>	<b>5,496</b>	<b>10,721</b>	<b>1,964</b>	<b>3,439</b>	<b>220,276</b>

<sup>d</sup>

### Notes

- <sup>a</sup> Separate columns for "House Sales" are **only** for understanding the use of proceeds these moneys were actually available for any purpose decided by the PCC and DCC
- <sup>b</sup> Sale of 29 Farm Road in December 2013 - proceeds designated for "Kingdom Growth" used in subsequent years for: gift; lay workers' payroll costs; Lounge improvements
- <sup>c</sup> Sale of Church House in August 2014 - proceeds split 50/50 Christ Church & St Barnabas  
Christ Church share used in full to cover general expenditure in 2014-16  
St Barnabas share used for lay worker payroll costs and premises improvements
- <sup>d</sup> Christ Church - remainder of Farm Road proceeds planned for use Jan 2017 - Jul 2018  
56% of the share of proceeds of the two sales has been spent in 2014-16  
St Barnabas - remainder of Church House proceeds planned for use over next 3-5 years  
25% of the share of proceeds plus interest earned, has been spent in 2015-16



## Information Sheet 2 - Christ Church 2016: Forecast cf Actual

	Forecast	Actual	Diff	Comment
<b>Income</b>				
Congregational giving	232 k	233 k	1 k	<u>Thank you</u> for your faithful giving to support the Vision and Mission of Christ Church
Grants	16	13 k	-3 k	We aimed for grants to cover CAP work; received a good response; short of full provision needed
Other income	23 k	20 k	-3 k	Lettings, interest, wedding/funeral fees all lower than forecasts (which were based on 2015 receipts)
<b>People costs</b>				
Giving for Ministry	-138 k	-138 k	0 k	We paid our net appropriation in full together with St Barnabas
Outward Giving	-26 k	-28 k	-2 k	We reviewed our mission support last year, and also raised some extra money from specific events
Staff Payroll	-96 k	-105 k	-9 k	We increased Sky's role to a full-time post; we also gave the staff team a "Christmas Gift"
<b>Church activities and maintenance</b>				
Local mission	-22 k	-24 k	-2 k	The forecast was an estimate (not a budget) and we actually spent more on 2016 events
Utilites (fuel/water)	-11 k	-9 k	2 k	Good management, good weather and a contract review all helped achieve this saving
Running costs	-25 k	-21 k	4 k	The forecast was an estimate (not a budget) and we spent less due to good management of costs
<b>Planned deficit *</b>	<b>-47 k</b>	<b>-59 k</b>	<b>-12 k</b>	£5k of the difference was due to lower income, and £7k was due to higher expenditure
<b>Additional works in 2016</b>		<b>-14 k</b>		The PCC agreed to improvement works on the Church Lounge and Upper Room (not in forecast)
<b>Total deficit</b>		<b>-73 k</b>		Funds BF at 1 Jan = £215k Funds CF at 31 Dec = £142k

\* Note that the "Planned Deficit" included the use of designated funds from the house sales in 2014

### Information sheet 3 - Giving for Ministry (Parish Share)

Parish Share is the largest income for the Diocese (66.7% in 2016) and the biggest cost for Chilwell parish (40.3% in 2016 – combined Christ Church & St Barnabas accounts). The Diocese links parish share to ordained clergy costs - “paying for your ministers” - so I suggested a better name is “Giving for Ministry” (GfM), which we now use in our Deanery.

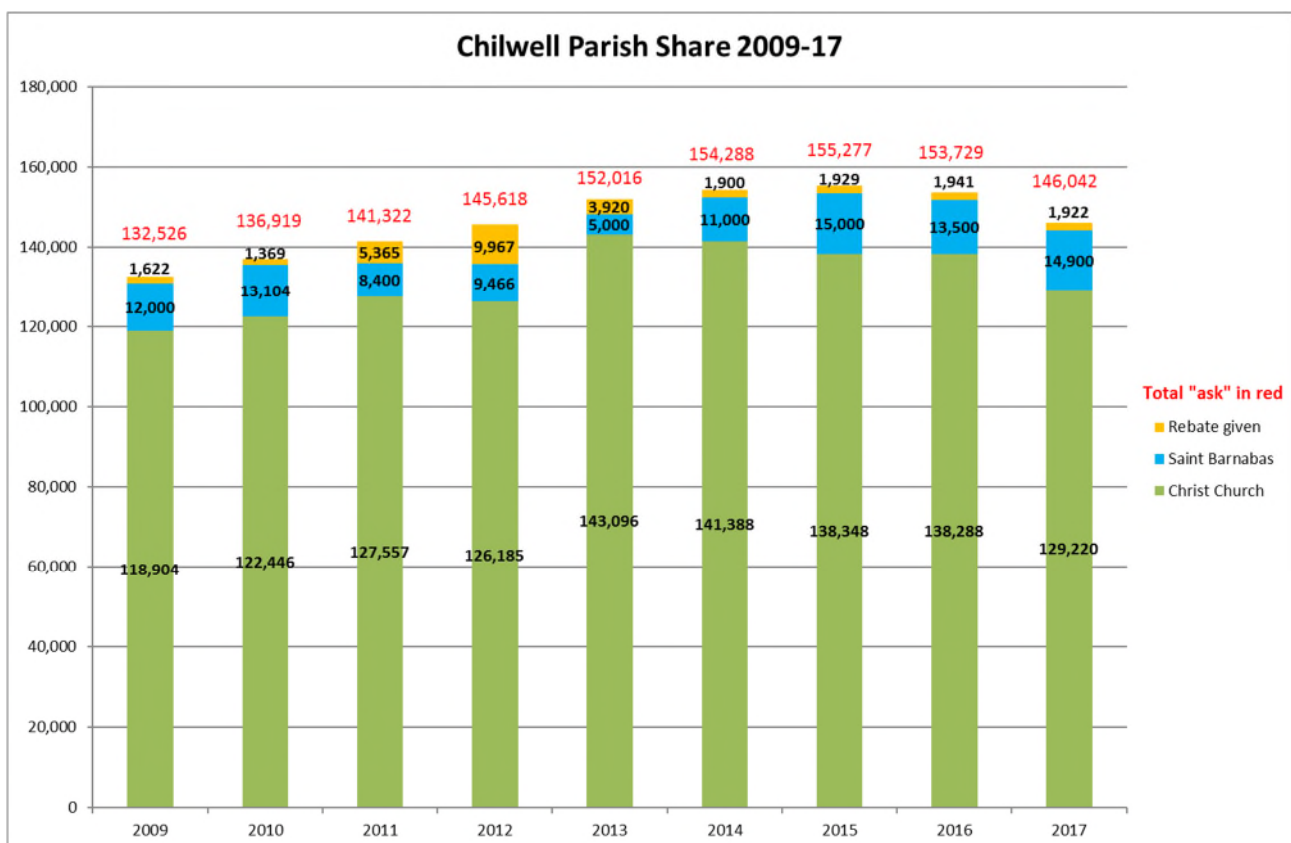
- Whether it’s called Parish Share or Giving for Ministry, the cost is not going away! The Diocese has its own staffing and budget planning processes to try to manage the cost.
- Once the budget is set, the Parish Share requested is allocated by the Diocese to the nine Deaneries using a calculation formula.
- Deaneries are charged with apportioning their allocation to the parishes in their Deanery - they don’t have to use the same formula, and currently they all use different methods.
- Chilwell is comparative well resourced (clergy/people/money) & pays a higher amount.
- We are now seeing a reduction as the Deanery tries to spread the allocation more fairly.
- We pay by monthly standing order and earn a rebate each year because of this; the resultant net and shared cost is shown in graph form (with figures) in the chart below

#### Diocesan & Deanery formulae (these are under review and may change for 2018)

This is my summary explanation of current calculations, and what the Diocese **may** review

	Diocese	Deanery	Review consideration?
Ministry provision (plan)	60% of cost	40% of cost	Just use Ministry (drop Attendance)
Average adult attendance	40% of cost	30% of cost	
Comparative wealth data*	modify share	-	use Deprivation data*
Net general income	-	30% of cost	-
Smoothing of changes	max/min %	5 yr plan	retain in some form
Discretionary adjustment	-	Yes (DLT)	-

\* current data is “average household income” from Experian; some have asked why we don’t use Church Urban Fund 2015 data “Index of Multiple Deprivation” which is widely available and better understood!



## Information sheet 4 - Chilwell Staff Costs

	2017 year	Monthly
Christ Church		
<i>Support staff</i>		
Church Office	10,600	880
Caretaker	10,500	880
<i>Lay ministers</i>		
Youth minister	25,700	2,140
Children/Families	28,000	2,330
CAP project	12,100	1,010
	<u>86,900</u>	<u>7,240</u>
St Barnabas		
Children/Families	<u>11,900</u>	<u>990</u>
<u>Parish</u> lay ministers	<u>77,700</u>	<u>6,480</u>
financed by special funds	61,600	5,130
financed by general funds	16,100	1,340

### **Notes**

We pay at least Living Wage Foundation minimum hourly rates  
We introduced a Workplace Pension for all staff in April 2016  
Parish costs include estimates for training and expenses

The *lay ministers'* costs are financed largely from special funds  
Christ Church funds will cover to July 2018 (St Barnabas 2-3 years)  
Our challenge over the next 18 months is to sustain lay ministry  
The PCC and DCC will be discussing together throughout 2017

Costs do not include a Pastoral Minister (Fran Beedell's former role)  
The new incumbent may review staff team needs once settled in post  
- she/he may have other proposals to forward Christ Church mission  
- the PCC has therefore reserved some funds for whatever arises!

## Information sheet 5 - Christ Church Finance Forecast 2017

	<b>2017 Estimates &amp; Notes</b>		<b>cf 2016</b>
<b>People costs</b>			
Giving for Ministry	129 k	£146k less £2k rebate less £15k contribution from St Barnabas	138 k
Staff Costs	87 k	Payroll costs for directly employed staff, plus training/expenses for staff team	105 k
Outward Giving	26 k	Current commitment to three mission families and eight mission organisations	28 k
<b>Church costs</b>			
Local mission	14 k	Services and events (incorporating proposals from Greer and Sky)	24 k
Utilities & Insurance	13 k	Figures from new contracts agreed for 2017 and estimated gas/electricity usage	9 k
Running costs	23 k	Office, supplies, maintenance, minor repairs (incorporating estimates from Kerry & Simon)	21 k
<b>Proposed works/projects</b>	26 k	Technical surveys, Hall works & new store; refurbishing rooms in Church	14 k
<b><u>Forecast expenditure</u></b>	<b>318 k</b>		<b>339 k</b>
<b><u>Income</u></b>			
Current giving	206 k	This is based on actual receipts Jan-Feb 2017, <b>before</b> any new/changed giving	230 k
Event income	1 k	Subscriptions and donations for outreach events to be run in 2017 (safe estimate)	3 k
CAP income	17 k	We hope to generate income from giving and grants to cover <b>all</b> CAP costs for 2017	13 k
Other income	23 k	Estimate for room lettings, wedding & funeral fees, plus legacy received Feb 17	20 k
<b><u>Forecast total</u></b>	<b>247 k</b>	Estimate <b>before</b> any ad hoc receipts or unpredictable income (eg legacies)	<b>266 k</b>
<b><u>Potential deficit</u></b>	<b>71 k</b>	This continues the plan over the last few years to sensibly use money from the house sales	<b>73 k</b>
<b>Funds BF 1 Jan</b>	142 k		215 k
<b><u>Funds CF 31 Dec</u></b>	<b>71 k</b>	The majority of this potential balance is made up of <i>Ministry</i> and <i>Reserve</i> funds for future use	<b>142 k</b>