

## St Mary's : Treasurer's Message APCM 2015

### First of all, THANK YOU!

- Thank you, Tim, the Wardens, the PCC and our Patrons. I feel you fully share the responsibilities of our finances and engage with the issues.
- And a big thank you to Isobel, for her substantial support.
- And thank you all, not just for the support and encouragement you have given me through the year, but in the material manifestation in the increase in giving.
- There have been some major pledges of financial support, some general, some for specific items, Future acts, the repairs to the church pathway. And there has also been a general increase in individual giving.
- This gives heart to our mission.

### You have the detail of the 2014 Accounts, so let me give you the headlines :

- The accounts are presented on an **accruals basis**, that is to say they take into account charges clearly relevant to the year, but not yet paid at the year end and similarly with income. 2013 has been restated on this basis and a balance sheet is also presented.
- We show a **surplus** of £11,4k, slightly up on 2013 which was £10.4k. The key elements in this are ;
  - As I have already mentioned, a 22% increase in giving, from £49.9k to £60.8k,
  - Fees from weddings and funerals up by £3.3k, net of the amount we have to hand over the Diocese,
  - Church Repairs down, from £14.1k to £9.3k,
  - Offset by a reduction on Fundraising (net of costs) of £17.9k.
- **The Balance Sheet** has risen from £103k to £119k, reflecting the profit for the year, together with an unrealised capital gain on investments of £4.8k. In summary :
  - Investments now stand at 94k
  - Cash is £20.7k
  - We made loan repayments of £8k during the year reducing the outstanding to £6k at the start of the year.

### Issues going forward.

- I have included the **budget for 2015** in the report, as approved by the PCC. The PCC has embraced the discipline of a budget. We know we can't control everything, and some of our figures are targets, ambitious targets. It focuses action. Key points in the budget for 2015 are

repairs, budgeted at £20k, an increase in the Diocesan Quota, to £42k, Future Acts, budgeted at £15k and to pay for it all, a further increase in giving from £60.8k to £75k.

- **Quota.** We have been paying under our due quota by around £15,000 for some years now, with the agreement of the deanery, an arrangement made whilst we were financing the church extension. But with this now behind us, we have felt that it would be wise for us to take the initiative in increasing our quota, rather than having to react to being asked. Diocesan finances are not enormously encouraging, but nationally, I believe the Church Commissioners have been doing a good job, I'd say over the last 15 years. Let me not be drawn into these matters here, but there is an interesting report that I'll make available on our website.
- **Church Repairs.** The Quinquennial inspection, that is to say the Diocesan Architect's five yearly inspection of our church takes place in a week or so's time. This is key to setting an appropriate budget for repair work for the coming years. At present we budget £20k annually, but the actual figure has been lower in recent years. I do though consider that such repairs as we undertake should be 50 year repairs.
- **Reserves Policy.** This is partly driven by the Quinquennial inspection, but our provisionally agreed policy is to hold reserves equal to one year's expenditure. Of this amount, 75% shall be held in the CCLA Church of England Investment Fund and 25% in cash (including interest earning deposits).

We slightly exceed these levels at present. When working capital items are excluded, cash and investments total £114k, approximately 17 months expenditure on a historical basis. However with our plans for Future Acts, our reserves will fall back to twelve months expenditure. Investment funds at present total £94k, 82% of reserves, somewhat higher than the 75% of our provisional policy.

- Let me conclude with a word on the role of finances and the Treasurer.

I say to Tim "come up with the good idea and then we'll find the finances you need". That is Future Acts. Finances is not what is going to make Future Acts work, but finances must not stop it from working. I do not ask you to increase giving to increase our reserves or raise our surplus. I ask that we increase giving to support our exciting and challenging Mission, Future Acts, to draw younger people to God.

Simon Smith,  
Treasurer,  
30<sup>th</sup> April, 2015