

**REPORT OF THE TREASURER AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
ST. MARK'S CHURCH WOODCOTE**

ST. MARK'S CHURCH WOODCOTE

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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ST. MARK'S CHURCH WOODCOTE
REPORT OF THE TREASURER
FOR THE YEAR ENDED 31 DECEMBER 2023

The 2023 financial results for the Parish show a considerable deficit, with resources expended exceeding incoming resources by £30,875. This compares with a surplus of £2,173 in 2022, both figures before gains and losses on investments. Income, including investments, fell by 7.9%, whilst expenditure grew by 12.8%, resulting in the deficit. More detail is shown at pages 12 to 13.

The income from planned giving, with associated Gift Aid, was almost the same as in 2022, despite losing a number of donors. Several donors generously increased their giving in response to the Harvest season theme of generosity. Bequests and one-off donations were over £7,000 lower than in 2022. Letting income from the halls, church and annex fell by 4.4% as regular and occasional hirers felt the impact of high inflation squeezing discretionary income. Our Hall Lettings Manager, Sue Carter, has been actively seeking new hirers with useful results in 2024 to date.

The major factors behind the increased expenditure were: hugely increased energy costs (up by £15,000 or 119% on 2022); the need to spend £10,770 on modern infra-red heaters for the halls, kitchen and foyer areas; the costs of £7,254 for remedial work following our quinquennial electrical inspection; and the costs of fitting out the Penny Norris Suite (£13,754) at the side of the hall stage, which exceeded the level of the £10,000 bequest. We also wrote off a debt of £3,152 in respect of a historic lodge hire, which proved irrecoverable despite obtaining a County Court judgment against the debtor.

In 2023 the church paid £62,300 to the Diocesan Parish Support Fund. The Diocese advised us that this funding was allocated to its budgets in these proportions: Ministers' pay, including National Insurance and pensions, £29,300; Ministers' housing £7,500; training and other ministry support £13,100; and wider support for parishes £12,400. The PCC has pledged £64,500 to the Parish Support Fund for 2024, once more exceeding the contribution suggested by the Diocese.

We withdrew £15,000 of fixed asset investments during the year to ensure we had a comfortable cash buffer whilst we paid for the significant electrical works and the far more expensive gas and electricity. In respect of the latter, the 2022 Diocesan grant of £1,400 towards heating costs was not repeated in 2023. Our total investment portfolio had a year-end valuation of £329,694, which was 4.4% higher – in spite of the withdrawal of £15,000 – than the comparable figure of £315,738 in 2022. The portfolio directly controlled by the PCC was valued at £252,050 at the year-end, up 2.4% on 2022 (£246,191). The balance of the overall portfolio is held by the Diocese on our behalf and increased in year-end value to £77,644, up by 11.6% from £69,546 in 2022. The restricted fund capital held by the Diocese can only be used on capital expenditure of an ecclesiastical nature, although the income arising from it is paid across to St. Mark's.

Note 14 provides more detail about the reserves policy and major risks. As regards risks, although our planned giving has held up remarkably well thanks to the continuing generosity of parishioners, the average age of our donors is rising and in real terms the giving is lower. A further challenge is that the church relies on letting income to avoid depleting our financial investments, therefore it is essential to keep the hall and lodge inviting and fit for purpose. The halls are nearly 60 years old and the evidence of the last two years is that significant, unpredictable expenditure claims are emerging, in spite of the best efforts of the Thursday Group of parishioners who carry out a significant number of minor maintenance tasks at cost. Finally, and not least, it is also becoming more difficult to find volunteers to assume positions of responsibility.

My thanks go to the Deputy Treasurer, Sarah Chartres, who undertakes the day-to-day accounting, as well as a considerable range of operational matters with financial implications. To perform these duties takes far more time and knowledge than outsiders suppose, so I am very grateful to Sarah for being able to carry out this work. Sue Carter, our Hall Lettings Manager, has faced a more difficult economic background in 2023 as hirers report that their customers are less likely to come to classes and the demand for functions has stalled slightly. However, Sue has been finding new hirers and extended the hiring hours of other customers, so there should be a more favourable environment in 2024. Sue is capably assisted by Geoff Knight, who looks after the accounting and banking connected with the letting income. Many thanks also to Terry Cairns for carrying out the church's banking and recovering Gift Aid from HMRC – nearly £14,000 in 2023. My predecessor, Tony Tucker, has provided invaluable and wise advice on the final draft of the accounts. I am also grateful to our accounts examiner, Andrew Harker, for his general advice on making smarter use of our Xero accounting software and for technical guidance on compliance with the relevant accounting standards.



C I Robinson, Honorary Treasurer

Date: 28 April 2024

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
ST. MARK'S CHURCH WOODCOTE**

I report on the accounts for the year ended 31st December 2023, which are set out on the statement of financial activities, balance sheet and associated notes.

Respective responsibilities of the members of the Parochial Church Council (PCC) and the Independent Examiner

As the members of the PCC you are responsible for the preparation of the accounts; you consider that an audit is not required for his year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act.
- follow the procedures laid down in the General Directions given by the Charity Commissioners Section 145(5)(b) of the 2011 Act
- State whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the General Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the PCC and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner's Statement

In connection with my examination, no matters have come to my attention:-

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 130 of the 2011 Act; or
- to prepare accounts which accord with these accounting records have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Andrew Harker FCCA

57 The Fieldings
Southwater
Horsham
West Sussex
RH13 9LZ

Date:

30/4/2024

ST. MARK'S CHURCH WOODCOTE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	72,819	5,955	78,774	87,127
Other trading activities	3	57,048	-	57,048	62,365
Investment income	4	10,657	2,149	12,806	11,841
Total		<u>140,524</u>	<u>8,104</u>	<u>148,628</u>	<u>161,333</u>
EXPENDITURE ON					
Charitable activities	5				
Giving to Missions and Charities		3,748	1,730	5,478	3,480
Church expenses		87,727	12,827	100,554	88,159
Diocese contribution		62,300	-	62,300	59,000
Other costs		11,171	-	11,171	8,521
Total		<u>164,946</u>	<u>14,557</u>	<u>179,503</u>	<u>159,160</u>
Net (expenditure)/income before gains & losses		(24,422)	(6,453)	(30,875)	2,173
Net gains/(losses) on investments		<u>20,859</u>	<u>8,098</u>	<u>28,957</u>	<u>(50,544)</u>
NET INCOME/(EXPENDITURE)		(3,563)	1,645	(1,918)	(48,371)
Transfers between funds	13	<u>2,149</u>	<u>(2,149)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(1,414)	(504)	(1,918)	(48,371)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>263,879</u>	<u>87,624</u>	<u>351,503</u>	<u>399,874</u>
TOTAL FUNDS CARRIED FORWARD		<u>262,465</u>	<u>87,120</u>	<u>349,585</u>	<u>351,503</u>

The notes form part of these financial statements

ST. MARK'S CHURCH WOODCOTE

**BALANCE SHEET
31 DECEMBER 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	8	9,694	-	9,694	1
Investments	9	<u>252,050</u>	<u>77,644</u>	<u>329,694</u>	<u>315,738</u>
		261,744	77,644	339,388	315,739
CURRENT ASSETS					
Debtors	10	7,942	-	7,942	7,898
Investments	11	-	5,029	5,029	17,029
Cash at bank		<u>7,092</u>	<u>4,447</u>	<u>11,539</u>	<u>18,640</u>
		15,034	9,476	24,510	43,567
CREDITORS					
Amounts falling due within one year	12	<u>(14,313)</u>	-	<u>(14,313)</u>	<u>(7,803)</u>
NET CURRENT ASSETS		<u>721</u>	<u>9,476</u>	<u>10,197</u>	<u>35,764</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>262,465</u>	<u>87,120</u>	<u>349,585</u>	<u>351,503</u>
NET ASSETS		<u>262,465</u>	<u>87,120</u>	<u>349,585</u>	<u>351,503</u>
FUNDS	13				
Unrestricted funds				262,465	263,879
Restricted funds				<u>87,120</u>	<u>87,624</u>
TOTAL FUNDS				<u>349,585</u>	<u>351,503</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28 April 2024 and were signed on its behalf by:

B. J. Roberts
Trustee

ST. MARK'S CHURCH WOODCOTE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The accounts statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the church has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the church to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 3 to 10 years

Fund accounting

Unrestricted funds can be used in accordance with the church's objectives at the discretion of the PCC.

Restricted funds can only be used for purposes specified by the donor.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Planned giving - tax efficient	50,939	50,895
Planned giving - non tax efficient	636	360
Bequests	-	5,000
Gift aid refunds	13,781	14,753
Cash collections	3,976	3,987
Electronic gifts	950	1,206
General donations	8,492	10,926
	<u>78,774</u>	<u>87,127</u>

3. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Uplander Income & Expenditure	210	183
Church lettings	4,869	2,341
Annex income	3,255	6,231
Hall Letting income less deposit refunds	46,819	48,897
Fundraising	-	839
Insurance claim	-	1,108
Wedding & Funeral fees	1,895	2,766
	<u>57,048</u>	<u>62,365</u>

ST. MARK'S CHURCH WOODCOTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. INVESTMENT INCOME

	2023	2022
	£	£
Income received, of which £2,149 from restricted investments (2022: £2,212)	<u>12,806</u>	<u>11,841</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Giving to Missions and Charities	5,478	-	5,478
Church expenses	100,554	-	100,554
Diocese contribution	62,300	-	62,300
Other costs	<u>8,818</u>	<u>2,353</u>	<u>11,171</u>
	<u>177,150</u>	<u>2,353</u>	<u>179,503</u>

6. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Other costs	<u>391</u>	<u>1,962</u>	<u>2,353</u>

7. 2022 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	78,866	8,261	87,127
Other trading activities	62,365	-	62,365
Investment income	<u>9,629</u>	<u>2,212</u>	<u>11,841</u>
Total	<u>150,860</u>	<u>10,473</u>	<u>161,333</u>
EXPENDITURE ON			
Charitable activities			
Giving to Missions and Charities	3,480	-	3,480
Church expenses	85,731	2,428	88,159
Diocese contribution	59,000	-	59,000
Other costs	<u>8,521</u>	<u>-</u>	<u>8,521</u>
Total	<u>156,732</u>	<u>2,428</u>	<u>159,160</u>
Net gains/(losses) on investments	<u>(39,651)</u>	<u>(10,893)</u>	<u>(50,544)</u>
NET INCOME/(EXPENDITURE)	<u>(45,523)</u>	<u>(2,848)</u>	<u>(48,371)</u>
Transfers between funds	<u>2,212</u>	<u>(2,212)</u>	<u>-</u>
Net movement in funds	<u>(43,311)</u>	<u>(5,060)</u>	<u>(48,371)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>307,190</u>	<u>92,684</u>	<u>399,874</u>
TOTAL FUNDS CARRIED FORWARD	<u>263,879</u>	<u>87,624</u>	<u>351,503</u>

ST. MARK'S CHURCH WOODCOTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2023	23,300
Additions	<u>10,770</u>
At 31 December 2023	<u>34,070</u>
DEPRECIATION	
At 1 January 2023	23,299
Charge for year	<u>1,077</u>
At 31 December 2023	<u>24,376</u>
NET BOOK VALUE	
At 31 December 2023	<u>9,694</u>
At 31 December 2022	<u>1</u>

9. FIXED ASSET INVESTMENTS

	Cash and settlements pending £
MARKET VALUE	
At 1 January 2023	315,738
Disposals	(14,551)
Revaluations	<u>28,507</u>
At 31 December 2023	<u>329,694</u>
At 31 December 2022	<u>315,738</u>

There were no investment assets outside the UK.

Certain investments are held by the Southwark Diocesan Board of Finance (value at 31 December 2023: £77,644), which may only be used for capital expenditure of an ecclesiastical nature and not for meeting day-to-day expenses.

Investment income was also achieved from the various unrestricted investment accounts held on behalf of the Parish by (values shown as at 31 December 2023): CCLA (£179,513), Eden Tree Investment Management (£42,542), M&G Investments (£21,876), and Rathbone Management (£8,119).

Income from both sets of investments realised £12,806 this year compared with £11,841 in 2022. Of this, £2,149 was from restricted investments (2022: £2,212).

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	2,304	3,426
Tax	2,295	2,236
Prepayments and accrued income	<u>3,343</u>	<u>2,236</u>
	<u>7,942</u>	<u>7,898</u>

ST. MARK'S CHURCH WOODCOTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. CURRENT ASSET INVESTMENTS

	2023 £	2022 £
Central Board of Finance Deposit	<u>5,029</u>	<u>17,029</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other creditors	<u>14,313</u>	<u>7,803</u>

13. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	91,289	(5,843)	2,149	87,595
Mission	63,335	4,979	-	68,314
Stonework and roof repair	24,779	-	(24,779)	-
Church Maintenance	12,762	(3,675)	-	9,087
Hall Maintenance	12,306	(175)	55,982	68,113
Halls Caretaking	31,203	-	(31,203)	-
Organ	26,993	1,190	-	28,183
Choir	<u>1,212</u>	<u>(39)</u>	<u>-</u>	<u>1,173</u>
	263,879	(3,563)	2,149	262,465
Restricted funds				
Southwark Diocesan Board of Finance	68,676	10,247	(2,149)	76,774
Restricted Gifts & Special appeals	1,073	720	-	1,793
Bequest	15,000	(10,000)	-	5,000
Place to be cafe	<u>2,875</u>	<u>678</u>	<u>-</u>	<u>3,553</u>
	<u>87,624</u>	<u>1,645</u>	<u>(2,149)</u>	<u>87,120</u>
TOTAL FUNDS	<u>351,503</u>	<u>(1,918)</u>	<u>-</u>	<u>349,585</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	139,990	154,413	8,310	(5,843)
Mission	-	(75)	5,054	4,979
Church Maintenance	-	(4,425)	750	(3,675)
Hall Maintenance	450	(5,067)	4,442	(175)
Organ	85	(1,109)	2,214	1,190
Choir	<u>(1)</u>	<u>(127)</u>	<u>89</u>	<u>(39)</u>
	140,524	(164,946)	20,859	(3,563)
Restricted funds				
Southwark Diocesan Board of Finance	2,149	-	8,098	10,247
Restricted Gifts & Special appeals	2,497	(1,777)	-	720
Bequest	-	(10,000)	-	(10,000)
Place to be cafe	<u>3,458</u>	<u>(2,780)</u>	<u>-</u>	<u>678</u>
	<u>8,104</u>	<u>(14,557)</u>	<u>8,098</u>	<u>1,645</u>
TOTAL FUNDS	<u>148,628</u>	<u>(179,503)</u>	<u>28,957</u>	<u>(1,918)</u>

ST. MARK'S CHURCH WOODCOTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. MOVEMENT IN FUNDS - continued

2022 Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	71,616	17,461	2,212	91,289
Mission	78,703	(15,368)	-	63,335
Stonework and roof repair	30,032	(5,253)	-	24,779
Church Maintenance	24,444	(11,682)	-	12,762
Hall Maintenance	28,429	(16,123)	-	12,306
Halls Caretaking	37,818	(6,615)	-	31,203
Organ	34,754	(7,761)	-	26,993
Choir	<u>1,394</u>	<u>(182)</u>	<u>-</u>	<u>1,212</u>
	307,190	(45,523)	2,212	263,879
Restricted funds				
Southwark Diocesan Board of Finance	79,569	(8,681)	(2,212)	68,676
Restricted Gifts & Special appeals	840	233	-	1,073
Bequest	10,000	5,000	-	15,000
Place to be cafe	<u>2,275</u>	<u>600</u>	<u>-</u>	<u>2,875</u>
	<u>92,684</u>	<u>(2,848)</u>	<u>(2,212)</u>	<u>87,624</u>
TOTAL FUNDS	<u>399,874</u>	<u>(48,371)</u>	<u>-</u>	<u>351,503</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	146,989	(120,020)	(9,508)	17,461
Mission	-	(8,386)	(6,982)	(15,368)
Stonework and roof repair	-	-	(5,253)	(5,253)
Church Maintenance	1,999	(10,976)	(2,705)	(11,682)
Hall Maintenance	1,583	(15,097)	(2,609)	(16,123)
Halls Caretaking	-	-	(6,615)	(6,615)
Organ	104	(2,143)	(5,722)	(7,761)
Choir	<u>185</u>	<u>(110)</u>	<u>(257)</u>	<u>(182)</u>
	150,860	(156,732)	(39,651)	(45,523)
Restricted funds				
Southwark Diocesan Board of Finance	2,212	-	(10,893)	(8,681)
Restricted Gifts & Special appeals	233	-	-	233
Bequest	5,000	-	-	5,000
Place to be cafe	<u>3,028</u>	<u>(2,428)</u>	<u>-</u>	<u>600</u>
	<u>10,473</u>	<u>(2,428)</u>	<u>(10,893)</u>	<u>(2,848)</u>
TOTAL FUNDS	<u>161,333</u>	<u>(159,160)</u>	<u>(50,544)</u>	<u>(48,371)</u>

Southwark Diocesan Board of Finance

This fund arises from the sale of our former curate's house and from a bequest. The SDBF holds the underlying investments on our behalf. The capital can only be used for capital expenditure of an ecclesiastical nature but interest and dividend income are released to us in order to meet parish running costs.

Restricted Gifts & Special appeals

This fund relates to both gifts restricted in their use and funds received by St. Mark's on behalf of other beneficiaries, for example collections for third parties at specific services, weddings or funerals. This fund separates such items from church funds.

ST. MARK'S CHURCH WOODCOTE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

13. MOVEMENT IN FUNDS - continued

Bequests

This fund holds bequests for restricted purposes in a separate bank account - the CBF Church of England Deposit Fund. Currently it contains £5,000 (part of a larger gift of £7,000) for an altar hanging, being a donation from Gwyneth Frampton in memory of her late husband Clive Frampton. We expect this project to be completed in 2024. The £10,000 legacy from the late Penny Norris has been drawn down from the Southwark Diocesan Board of Finance Deposit Fund and used to refurbish a meeting room – the Penny Norris Suite - within the main hall area. The suite is currently being furnished and is expected to be in use by summer 2024.

Mission

This fund is to support major projects which advance the mission and outreach activities of St. Mark's.

Stonework

This fund supported the financing of capital works relating to the stonework of the church. In July 2023 the PCC decided to transfer the balance of this fund to the Church Maintenance Fund.

Church Maintenance

This fund is used to pay for significant maintenance items and stonework. This includes costs such as electrical works, boiler repairs and upgrades to our CCTV system. In 2023 this fund was used to pay for £3,594 of remedial work arising from our quinquennial electrical inspection.

Hall Maintenance

This fund supports the same purposes as the Church Maintenance Fund but in relation to the halls and lodge. In 2023 the major charges to the fund comprised remedial work from the quinquennial electrical inspection (£3,660) and complex electrical fault tracing and rectification (£1,254).

Halls Caretaking

This fund supported major expenditure when the church employed a caretaker. There has not been a caretaker for many years. In July 2023 the PCC decided to transfer the balance of this reserve fund to the Hall Maintenance Fund.

Organ

This fund is used to pay for significant refurbishment work on our church organ. It is credited with organ fees from funerals.

Choir

This fund supports the activities of the choir, including the cost of professional membership fees.

Place to Be Café

In May 2021, the church received a Croydon Episcopal Area Special Grant to be spent on 'innovative pieces of mission in the local Church community'. The PCC decided the grant would be used to create and run a programme for people affected by dementia, and for their carers, which is called 'A Place To Be Café'. A professional manager is employed and activities staffed by volunteers. This fund separates the finances of the café and the church.

14. RESERVES POLICY AND MAJOR RISKS

Reserves Policy

This year's accounts have been presented incorporating the 2015 Statement of Recommended Practice and Financial Reporting Standard 102 for Charities. A detailed schedule of the movement in Reserve Funds is shown in note 13 above. This includes opening and closing balances in the various reserve funds as well as the income and amounts spent, transfers between funds and revaluation gains and losses of investments attributable to those funds. The notes at the foot of note 13 describe the purposes of the funds and provide examples of their use.

The Unrestricted general reserves stood at £87,595 at 31 December 2023, representing 49% (2022: 57%) of our total running expenses, including the costs of running the halls. The PCC regards a minimum of 33% as a prudent level of free reserves to hold against swings in income and unexpected expenditures in a given year.

Restricted Reserves investments of £77,644 held with the Southwark Diocesan Board of Finance, arising from the sale of our former curate's house and a bequest, are held for capital expenditure of an ecclesiastical nature. The investments resulting from these reserves generated interest and dividend income of £2,149 (2022: £2,212) which can be used to meet Parish running costs. Other restricted or designated reserves represent specific gifts or funds set aside for the purposes designated by the donors or by the PCC.

ST. MARK'S CHURCH WOODCOTE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

14. RESERVES POLICY AND MAJOR RISKS - continued

Major Risks

The major financial risks facing the Parish are considered to be:

Church Income and Expenditure. Although donations held up well in 2023, the church is perceptibly more vulnerable to declining attendances at services. The average age of parishioners is increasing. Giving did rise in response to the national church Harvest 2023 theme of generosity. On the cost side, the ageing electrical systems and the need to keep the roof and guttering in good order continue to be a claim on our cash. Our cohort of volunteer parishioners undertaking maintenance tasks – the Thursday Group – is increasingly unable to carry out work that often requires scaffolding or other specialised equipment or knowledge, resulting in higher expenditure on contractors. The biggest challenge in 2023 arose from very high energy prices. A great deal of energy is used to heat large volumes of unused space within the church. We have increased charges for winter hires of the church to help offset energy costs and are investigating 'heating the human' options, such as heated cushions.

Halls: In broad terms, the halls and lodge generate the letting income for the church to meet most of its Parish Support Fund pledge. The halls offering has to be maintained and developed to protect the income stream from regular and occasional hirers. The church installed modern infra-red heaters in the halls in 2023 after an increasing number of electrical failures and the imminent probability of hirers moving elsewhere. The new heaters have been well received but hirers have been using extra electricity. We are investigating better technical controls over the heating at the same time as educating hirers on more effective use of the heating controls.

Restoration of the organ. The potential restoration options remain undecided, although the organ has benefited from continuing maintenance in 2023.

Parish Support Fund. A potential risk is a request from the Diocese for a significant increase in the Parish Support Fund, although contributions are voluntary. In fact, since the Covid-19 pandemic, the suggested increases in contributions have been below the rate of general inflation. The Parish is asked annually to make a financial pledge of the amount they will give the following year to fund the ministry and mission of the Diocese (including the cost of clergy). This is our single largest item of expenditure and its affordability depends on maintaining our giving and letting income. The PCC increased the pledge for 2024 to £64,500 from £62,300, which slightly exceeded the Diocese's suggested higher contribution.

Losses from financial investments. The value of our investment portfolio is subject to stock market turbulence - in 2023, we sold £15,000 of investments to offset the hugely increased gas and electricity costs and to invest in new hall heating equipment. We realised a gain of £1,220 on these sales compared with their value at 1 January 2023. Problems would occur if the church had to liquidate investments to pay imminent bills at a time when stock markets are depressed and thus incurred a realised loss on investments. To mitigate this risk, the investments are diversified across investment managers, geographies and sectors. In addition, the church aims to maintain minimum current account balances sufficient to cover at least a month of normal expenditure. The Finance Committee will be re-assessing the portfolio during 2024.

Inability to fill key positions of responsibility. It is becoming more difficult to fill key roles from within a slowly declining, and increasingly elderly, congregation. This situation is currently not uncommon within the current Church of England. The Treasurer role was filled in 2022, shared between two people. The church currently has a churchwarden until the 2024 APCM, but if no replacements are forthcoming there will need to be discussions with the Diocese about alternative governance arrangements.

ST. MARK'S CHURCH WOODCOTE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Planned giving - tax efficient	50,939	50,895
Planned giving - non tax efficient	636	360
Bequests	-	5,000
Gift aid refunds	13,781	14,753
Cash collections	3,976	3,987
Electronic gifts	950	1,206
General donations	<u>8,492</u>	<u>10,926</u>
	78,774	87,127
Other trading activities		
Uplander Income & Expenditure	210	183
Church lettings	4,869	2,341
Annex income	3,255	6,231
Hall Letting income less deposit refunds	46,819	48,897
Fundraising	-	839
Insurance claim	-	1,108
Wedding & Funeral fees	<u>1,895</u>	<u>2,766</u>
	57,048	62,365
Investment income		
Interest received	<u>12,806</u>	<u>11,841</u>
Total incoming resources	148,628	161,333
EXPENDITURE		
Charitable activities		
Secretarial costs	6,871	5,964
Diocesan Contribution	62,300	59,000
Clergy expenses	1,087	431
Books & training literature	210	21
Charitable Giving	5,478	3,480
Telephone, Broadband & Office Costs	603	419
Organist & Music Director	7,313	5,957
Lay Pastoral Assistant	499	10,483
Organ Maintenance	1,109	4,078
Parish Events	88	(14)
Youth Ministry Costs	(359)	(207)
Repairs & Maintenance	16,653	28,269
Utilities	27,756	12,653
Cleaning	6,427	5,946
Security	2,046	1,323
Sundry Church Expenditure	977	885
Hall Letting costs	8,618	7,980
Printing Postage, Stationery	1,344	488
General Expenses	958	1,642
Insurance	5,290	4,775
Annex running costs	892	892
Sanctuary & Worship costs	1,099	617
Carried forward	157,259	155,082

ST. MARK'S CHURCH WOODCOTE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Charitable activities		
Brought forward	157,259	155,082
Place to be expenses	2,780	2,428
Penny Norris suite	13,754	-
Bad debts	3,152	-
Legal fees	205	-
	177,150	157,510
Support costs		
Finance		
Bank charges	391	442
Governance costs		
Accountancy fees	885	723
Fixtures and fittings	1,077	485
	1,962	1,208
Total resources expended	179,503	159,160
Net (expenditure)/income before gains and losses	(30,875)	2,173
Gains and losses		
Unrealised gains/(losses) on fixed asset investments	28,507	(50,544)
Realised gains/(losses) on fixed asset investments	450	-
Net expenditure	<u>(1,918)</u>	<u>(48,371)</u>