

Financial Report for the Year Ended 31st December 2021

Our sincere thanks go to all staff, volunteers and wardens for organising so well the financial and site management tasks of St Michaels through 2021.

Result for the year

During the year operating receipts amounted to £130k (2020 - £104k) and operating payments were £148k (2020 - £117k).

This gave rise for 2021 to a net deficit of £17k (2020 - £13k deficit).

Receipts

The rise in receipts during the year was attributable to the following factors: Church halls fully re-opening, new halls tenants and a generous response from the congregation to the Gift Day. A single gift aid claim was received which was an improvement on the zero figure of 2020. Halls rental receipts, our main income source, were higher by £10k than 2020 due to COVID restrictions ending. The halls rental charges were reviewed and increased in September 2021.

Payments

Operational payments totalling £148k in 2021 were significantly higher than the previous year. Our Parish Share at £76k (includes the shortfall of £21k from 2020) was £21k more than 2020. A Parish Share short payment of £21k also for 2021, not made to conserve cash flow will be settled in the first quarter of 2022. In 2020 church electricity costs were lowered by £5k due to a successful compensation claim made against British Gas via the Energy Ombudsman but in 2021 energy costs returned to more normal levels. Energy renewals in 2021 have increased due to the energy market volatility and this figure may rise substantially in 2022.

Reserves policy

At the end of the year unrestricted funds stood at £45k with much of what was in the deposit account depleted. Restricted funds reduced to £22k due to works to repair the church clock. The figure includes £14k for Church fabric which have to be used for their designated purpose.

Early optimism of consolidating our finances and achieving an annual net break even position in the forthcoming year have been tempered due to staff changes and a difficult start to 2022 (see 'Going Concern' note below).

Going Concern

In accordance with the Church of England's Accountability Guide (section 3 para 3.4), we are obliged to comment on any matters which affect this position.

As a result of the decision to pay the parish share in full and the lingering impact of COVID on halls rental income and collections, uncertainty exists as to whether St Michaels can continue as a going concern during the next 12 months.

In connection with the above, a Declaration of Trust deed or similar document, needs to be located to evidence the Church is the beneficial freehold owner of the property at 109 Carlton road, to facilitate its possible sale.

As any possible sale of the property at 109 Carlton Road may take a lengthy time and due to ongoing staff changes the immediate priority for the church should be a focus on knowledge transfer and handover and gaining financial control of halls administration and bringing the gift aid claims up to date. Additionally, with little or no savings to fall back on parish share payments must be carefully managed to maintain a steady cashflow. Mainly due to higher energy costs the hall hire charges should also be reviewed annually.

Future Developments

There is always the risk of substantial building repair costs arising from the large St Michael's Church and Halls site.

The Elvin court site seems to have opened and the owners may not be complying with the covenants on the land.

St Michaels

Summary of receipts and payment account - Jan-Dec 2021

As at 31/12/20:

Bank Current account	34178
Deposit account	50346
	84524

Receipts

account	Sum of amount £
Bright Minds Playgroup	31
Church fees	1171
Collections - SGADS under £20	2905
Collections non SGADS	2379
Envelopes	0
Gift day	7460
Halls	62446
Pew Envelopes	0
Rent - 109 Carlton - gross	13180
Standing Orders	28334
Standing Orders not gift aid	7673
Sundries	5
Tax Rebate	5152
Votive Stand	0
(blank)	
Grand Total	130737

Payments

account	Sum of amount £
Bank Charges	258
Bibles / Church books	324
Children's Worker Expenses	1499
Children's Worker Salary, NI & Pensi	15089
Chris Garn Expenses	170
Christian Aid	315
Church / Children's Groups	0
Church Insurance	6513
Church PPST	1279
Church Repairs & Renewal	3241
Church sundries inc. window cleani	0
Cleaning Materials	475
CMS	3600
Fees to Diocese	204
Flowers	58
Gifts	230
Hall tests -Fire & PAT & Emergency I	889

Hall Window Cleaning	600
Heating & Lighting	6186
Hedley & Chadwick Cleaning	2052
Insurance Halls	1211
Judith Expense	1021
Main Hall & Manley Cleaning	2015
Major Hall Repairs	3150
Management Fees & VAT	1659
Minor Repairs & renewals	2354
Minor Repairs via Agent	0
Music downloads	927
Office Manager/accounts assistant	12865
Parish Share 2020	21487
Parish Share 2021	55000
Sundries	316
Trade Refuse	2630
Vicar's Expenses	0
Water	583
(blank)	
Grand Total	148200

Net receipts/ (-payments)	-17463
Interest received	18

As at 31/12/21:

Bank Current account	67081
Deposit account	0
	67081

Transfers from CCLA to TSB

05/12/2021	25000
05/20/2021	25365

unrestricted funds.

Note:

This statement does not show the analysis between restricted and

Independent examiner's report to the PCC of St Michael & All Angels Church, Gidea Park

I report on the accounts of the PCC for the year ended 31 December 2021, which are set out in the financial report.

Respective responsibilities of the PCC and the examiner

The charity's trustees consider that an audit is not required for this 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 procedures laid down in the general directions given by the Charity Commissioners section 145(5)(b) of the 2011 Act; and
- State whether particular matters have come to my attention.

Basis of Independent Examiners 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 charity 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 the management committee

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 opinion on the accounts.

Independent examiner's statement

In connection with my examination, no matter has 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 s.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, except however, for the following ongoing concern:
- (3)

ONGOING CONCERN

In accordance with the Church of England's Accounting Guide (section 3 para 3.4) I am obliged to comment on any matters which effect the Church's current financial position.

As a result, despite the loss of Hall's rental income due to the effect of COVID and the regulations thereof, together with rising utility and maintenance costs, the PCC (trustees) decided to honour their commitment to the Diocese and pay in full the Parish share. As a result, the church ended 2021 with a deficit of £17,000.

This deficit, together with a deficit of £14,000 from 2019 and £14,000 from 2020 most certainly gives rise for concern as to the financial stability of the church in future years.

Although I am not authorised to give advice, I do so believe a Damage Limitation Exercise by the PCC (with guidance from those having financial and business acumen) should be undertaken with haste in order to regain the financial stability of St Michael's and All Angels.

Mrs Valerie Goodwin, Independent Examiner.

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March 2022