

Financial Report for the Year Ending 31st December 2022

End of year position

As at 31/12/22:	
Bank Current account	65,625
Deposit account	0
	65,625

- Current financial position not healthy.
- The 2022 parish share of £38,316 had not been paid by the 31st December 2022, and so is shown as a liability in the annual accounts.
- The PCC approved the decision to delay the 2022 parish share payment, due to concerns that St Michael's would become financially unviable.
- Parish Share Payments complete for 2021 (totalling £76,748). £21,748 was paid during 2022 for the 2021 parish share.
- The first insurance payment of 10,000 for the main hall fire is also included in the end of year balance.
- The balance also includes restricted funds - £23,620.

Annual Accounts for 2022

The annual accounts show a deficit of £1,455, but the deficit would have been greater - £39,771, if the parish share for 2022 had been paid.

Annual Accounts	
Receipts	£165,621
Payments	£167,076
Difference	-1,455

Going Concern

As a result of the lingering impact of COVID, the remaining parish share payments for 2021 were paid in 2022. However, even if the parish share payments for 2021, had been paid during the 2021 financial year, there would have still been a 2022 financial deficit and the church would not have been able to meet it's 2022 parish share payments.

As mentioned in the 2021 financial statement, one option to keep St Michael's financially viable is to release funds by selling or re-mortgaging 109 Carlton Road.

Parochial Church Council of St Michael's Church, Gidea Park
Financial Statements for the year ended 31st December 2022

This statement has been prepared in accordance with the Church Accounting regulations 2006

Receipts and Payments Account

	Note	Unrestricted Funds	Restricted Funds	Total 2022	2021	2020
		£	£	£	£	£
Receipts						
Planned Giving	2	29,941	0	29,941	36,007	35,785
Tax Recovered in 2021	4	11,496		11,496	5,152	
Unplanned giving & donations	3	15,701		15,701	12,745	2,362
Other receipts	4	1,297		1,297	1,207	379
Halls	5	94,253		94,253	62,446	52,131
109 Carlton Road	6	12,933		12,933	13,180	13,044
Investment income CCLA			0			313
Total Receipts		165,621	0	165,621	130,737	104,014
Payments						
Parish Share	7	60,060		60,060	76,487	55,000
Church renewals	8	7,441		7,441	3,241	2,592
Church running costs	9	27,521		27,521	17,526	10,775
Clergy expenses	10	20,106		20,106	16,588	18,250
Missions & Charities	11	600		600	3,600	750
Halls running costs	12	44,267		44,267	26,442	27,102
109 Carlton Rd costs	13	2,398		2,398	2,606	2,606
Other Payments	14	4,683		4,683	1,710	
Total Payments		167,076	0	167,076	148,200	117,075
Receipts less payments		(1,455)		(1,455)	(17,463)	(13,061)
Cash at bank and in hand at 1st January 2022		67,081	23,620	67,081	84,524	97,585
Cash at bank and in hand at 31st December 2022		65,625	23,620	65,625	67,081	84,524

Statement of Assets and Liabilities at 31st December 2022

	Unrestricted Fund	Restricted Funds	Total 2021	2020
Cash at bank and in hand				
Bank Current account	65,625		67,081	34,178
Deposit account	0	23,620		50,346
	65,625	23,620	67,081	84,524
Liabilities				
Parish share - balance remaining 2022	38,316		21,748	21,487
	27,309	23,620	45,333	63,037

Asset retained for own use
Fixed Asset - 109 Carlton Road

<u>45,400</u>	<u> </u>	<u>45,400</u>	<u>45,400</u>	<u>45,400</u>
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This asset is retained for church use: freehold house at 109 Carlton Road purchased 1985 (cost £45,400)
The property is not regularly revalued but a conservative unofficial valuation of the property in 2022 estimated the value at £500,000

Parochial Church Council of St Michael's Church, Gidea Park
Financial Statement for the year ended 31st December 2022

Notes to the Accounts

Note 1 Change in Funds

	1 January 2022	Transfer	Interest	Receipts/ (Payments)	31st Dec 22
General Reserve - Unrestricted	33,806			(27,521)	6,285
General Legacies - Unrestricted	1,262				1,262
Hall Repair Fund	15,094			(7,441)	7,653
General Funds	50,162				15,200
Childrens Worker Fund	10,742			(10,742)	0
Designated Fund	10,742			(10,742)	0
Palmer (Church Fabric) - Restricted	14,951				14,951
Helga Johannsen Legacy - Restricted	4,283				4,283
Childrens Worker Fund					
Elvin Legacy - Flowers - Restricted	4,386				4,386
Restricted funds	23,620				23,620
Total	84,524				38,820
	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021	2020
Note 2 Planned Giving					
Envelope Scheme	190		190	0	1,273
Standing Orders	29,751		29,751	36,007	34,512
	29,941		29,941	36,007	35,785
Note 3 Unplanned giving & donations					
Collections	5,466		5,466	2,905	2,362
Donations			0	2,379	
Gift Day	10,235		10,235	7,460	
Fundraising					
	15,701		15,701	12,745	2,362
Note 4 Other receipts					
Church fees	696		696	1,171	283
Bright Minds Playgroup	571		571	31	43
Charities					
Sundries	30		30	5	53
Tax Rebate	11,496		11,496		
	12,793		12,793	1,207	379
Note 5 Halls					
Regular Monthly lettings	74,053		74,053	52,246	43,381
Car Parking	10,200		10,200	10,200	8,750
Church Insurance Advance (due to fire)	10,000		10,000		
	94,253		94,253	62,446	52,131
Note 6 109 Carlton Road					
Rental income	12,933			13,180	13,044
	12,933			13,180	13,044

Parochial Church Council of St Michael's Church, Gidea Park
Financial Statement for the year ended 31st December 2022

Notes to the Accounts

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021	2020
Note 7 Parish Share					
2022 Parish Share for 2021	21,748		21,748		55,000
2022 Parish Share for 2022	38,312		38,312	76,487	
	<u>60,060</u>		<u>60,060</u>	<u>76,487</u>	<u>55,000</u>
Note 8 Church Renewals					
Repairs & Renewals	7,441		7,441	2,592	2,592
	<u>7,441</u>		<u>7,441</u>	<u>2,592</u>	<u>2,592</u>
Note 9 Church running costs					
Church Insurance	2,819		2,819	6,513	2,838
Heating and Lighting	6,877		6,877	-6,186	(1,868)
Organ & Music	945		945	927	768
Sanctuary			0		
Church & Childrens Groups			0	0	246
Office manager/accounts assistant	12,161		12,161	12,865	6,512
Flowers			0	58	47
Sundries & Window Cleaning			0	600	500
Fire protection	542		542	889	
Bank Charges	274		274	258	256
Refreshments			0		
Church PPST	3,725		3,725	1,279	1,449
Bibles / Church books	178		178	324	27
	<u>27,521</u>		<u>27,521</u>	<u>17,526</u>	<u>10,775</u>
Note 10 Clergy Expenses					
Vicar's expenses				0	216
Interregum Costs					
Curate's Expenses					
Fees to officiating ministers					
Children's Worker	17,272		17,272	15,089	16,785
Children's Worker Expenses	2,834		2,834	1,499	1,249
	<u>20,106</u>		<u>20,106</u>	<u>16,588</u>	<u>18,250</u>

Parochial Church Council of St Michael's Church, Gidea Park
Financial Statement for the year ended 31st December 2022

Notes to the Accounts

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021	2020
Note 11 Missions & Charities					
Essex Clergy					
CMS	600		600	3,600	750
	<u>600</u>		<u>600</u>	<u>3,600</u>	<u>750</u>
Note 12 Halls running costs					
Utilities - Gas & Electricity	12,040		12,040	10,167	9,094
Water	1,191		1,191	583	813
Minor Repairs	5,844		5,844	2,354	978
Major Repairs	6,634		6,634	3,150	3,734
Insurance	5,317		5,317	1,211	4,256
Cleaning Materials	1,102		1,102	475	805
Main Hall & Manley Cleaning	3,559		3,559	2,015	2,558
Hedley & Chadwick Cleaning	2,878		2,878	2,052	2,514
Hall Window Cleaning	1,000		1,000	600	500
Trade refuse	2,613		2,613	2,630	772
Sundries	1,102		1,102	316	471
Fire, lighting & PAT tests	987		987	889	607
	<u>44,267</u>		<u>44,267</u>	<u>26,442</u>	<u>27,102</u>
Note 13 Carlton Road Running Costs					
Minor Repairs via Agent	463		463	395	395
Management Fees & VAT	1,935		1,935	1,596	1,596
Insurance				615	615
	<u>2,398</u>		<u>2,398</u>	<u>2,606</u>	<u>2,606</u>

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 2022 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 concerns:

ONGOING CONCERNS

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. Firstly ...I believe the date of the APCM was too close to the completion of Year End Accounts, which did not allow for appropriate consideration by the PCC. Consequently, with the final Accounts and report not being dispatched until 5 days prior to the Annual meeting I have not been able to examine them thoroughly.

Secondly...The church's income has taken a big drop as a result of a fire which rendered the Main Hall unusable for the immediate future. This together with rising utility costs, staff changes, and deficits for the past 3 years leads me to surmise that in 2023 the church will become Insolvent. The PCC must be aware of their own liabilities.

Thirdly ... to avoid this, action needs to be taken to either seek to freeze the Parish Share, currently about £78000 until the Church's financial position can be stabilised, or dispose of their remaining fixed asset at an agreeable market value.

Mrs Valerie Goodwin, Independent Examiner. 20 March 2023
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Romford
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