

Finance Report and Accounts for the Parish of Warton for the year ended 31 December 2022

Keith Gaydon (St Oswald's Treasurer)

Joyce Tombs (St Mary's Treasurer)

Overall parish financial position

To fully appreciate the parish's financial position it is necessary to understand the Parish Share and although this is mentioned in every annual financial report and is frequently discussed at PCC meetings I am unsure how much the average person in the pews knows and therefore – with apologies to those who do know – I would like to start this report with a brief explanation.

The Parish Share is the amount of money that each parish is asked to contribute to the Diocese to pay for mission and ministry, specifically the selection, training, employment, housing and ongoing support of clergy in parishes and non-parish-based clergy working across the wider Diocese. It also includes the common costs of supporting staff for parishes – from legal services to human resources advice and from safeguarding to property management. It also supports church schools; mission; discipleship; social outreach projects and much more.

It is calculated by allocating a cost of ministry based on stipend, NI and pension and a share of other costs based on the average number of regular weekly attendees in the parish in the previous three years. The share is then adjusted so that the most deprived parishes have some support from those who have more resources.

What that means for this parish is that in 2022 we (St Oswald's and St Mary's) were asked to contribute £61,680 (£5,140 per month) as our Share. As you will see from the accounts, we actually paid £39,600 this year, leaving us £22,080 in debt to the diocese. This is becoming a common theme as in 2021 we failed to pay £23,984. So, in bald terms, the parish fails to pay its way by some considerable amount, and it is only because the diocese chooses to carry our debt that we are not bankrupt. By not paying our Share we are preventing the diocese from undertaking some of its work and we need to see it in those terms.

A more detailed analysis of the finances for each of the churches and the church hall is given below.

Warton, St Oswald

Receipts

Income for 2022 was £93,496 which appears to represent an increase of 25% on 2021. It would be nice if this was the case but unfortunately it isn't. The number is distorted as we received two Gift Aid payments in 2022 and none in 2021 so £7,940 should have appeared in the 2021 accounts. When this is taken into account the increase is a much more modest 4%.

The largest changes in receipts were the drop in donations, which was primarily because in 2021 we had a one-off donation of £6,576, but also because there was a drop in online donations as we moved out of Covid restrictions. However, as a result of the lifting of restrictions we were able to increase our income from fundraising, particularly Coffee Stop, Breaking Bread, coffee mornings and evenings and the Autumn Fair.

Whilst a small increase in interest rates allowed us to get a little more from our investments, the rate was still low enough that the E R Wilson Trust was not able to give any grant for the Churchyard Fund this year.

I would also like to register once again my thanks to Jean Robinson and Janet Mann for counting and banking all the cash and cheques we received and Malcolm Brown for processing and submitting our Gift Aid claim. My job would be that much more difficult without their help.

Payments

The biggest increases in payments were for the Parish Share (covered in the section on overall parish finances above), the church running expenses and the hall running costs, (covered in the section below). The biggest share of the increase in church running expenses was a result of the increase in energy costs although this was not as big as it could have been as it mainly applied to the summer months. This was much more noticeable at the end of the year with monthly gas bills reaching £1,000.

Overall

The accounts show an excess of receipts over payments for 2021 of £2,943. However, this must be seen in the context of our debt to the diocese of £22,080 as a result of failing to pay the full Parish Share.

Church Hall accounts

The main changes in the Church Hall accounts this year were due to the end of the Covid restrictions. In 2021 we received a one-off payment totalling £4,185. In 2022 receipts from rentals and gym membership increased with greater usage of the facilities and our income to increase by 11%. However, payments increased substantially, more than doubling, as we once again paid the gym and hall co-ordinators and increased utility costs. There was also an increase in payments for decoration and fabric repair costs and gym equipment and maintenance.

Overall, the hall made a £1,122 profit, which we consider to be satisfactory.

Funds

Of the various funds we have for different purposes the Churchyard fund is the one which is not sufficient for the purpose. We continue to need to use general funds to cover the costs of maintaining the churchyard. This year to the tune of £935.

The Restoration/Fabric Fund stands at just over £37,100 as there have been no major works undertaken this year. The Flower Fund remains just about the same at £420. The Verger Fund, which is simply a way to acknowledge the money paid in fees for occasional services (weddings, funerals etc) which would normally be paid to the verger, has increased to nearly £3,500 and can be used as the PCC sees fit.

The Junior Church and Young Generation funds stand at £500 and £592 and available to be used by the respective groups.

Borwick, St Mary Unrestricted funds

In 2022 total receipts amounted to £10,573, compared with £10,606 in 2021. However, the makeup and significance of these figures differed considerably. Voluntary income rose from £4,411 to £6,864 but this was in part due to there being two years of Gift Aid reported in 2022 and none in 2021. In 2022 Gift Aid totalling £1,911 was recovered on qualifying donations received in 2020 and 2021, as the receipt of the former had been delayed and so nothing was included in the 2021 accounts.

The "Giving In Grace" stewardship campaign in 2021 boosted one-off donations in that year whereas the benefit of increased regular monthly giving impacted more on 2022. Sadly a number of regular donors passed away during 2022 and others have subsequently reduced their regular giving, so projected regular giving for 2023 is lower than that received in 2021. This is an ongoing challenge for the DCC who remain extremely grateful to all regular, occasional, and indeed former, donors.

Other income was £3,709 (2021: £6,295). The reduction was mainly because in 2021 a one-off payment of £4,000 had been received as a Bank Switching Incentive and a further £1,000 as a Grant for purchasing livestreaming equipment. Two grants were received in 2022 which were both related to the cost of living crisis caused by inflationary pressures and rising energy costs. The grants received comprised a £600 grant from the (Borwick) Poores Land Charity to provide a Warm Space and food, and an Energy Costs Grant. In late 2022 the Church of England made the Energy Costs Grant of £15 million available to Dioceses to distribute to their parish churches. Within the Diocese of Blackburn, the Grant was shared equally across all churches who offer a Sunday service. Hence St Mary's and St Oswald's churches both received £1,642.58. This is included within Other Receipts.

Expenditure in 2022 totalled £9,996 (2021: £11,210). St Mary's increased its contribution to St Oswald's towards the payment of the Parish Share from £4,300 to £5,400. This was to assist with an increase in the total Parish Share demanded by the Diocese from the Parish of Warton. Churchrunning expenses fell to £3,896 from £4,695. A new combined, Parish-wide Insurance contract was negotiated with a new insurer from 1 July 2022 which resulted in a £476 (28%) saving to St Mary's in 2022 and what should be a 49% saving for the full year to June 2023. Payments for electricity fell from £2,307 to £1,365, but this was mainly due to the receipt of (under) estimated bills in the latter months of the year. An additional £550 was paid in early 2023 when the Smart Meter reading was properly reflected by the energy company. However, St Mary's was shielded from the worst of the increase in energy costs as it has a 3 year fixed price contract with its electricity supplier which runs until November 2023. Payments for the upkeep of the churchyard and of services increased as levels of activity recovered post Covid-19. No payments were made for building costs in 2022.

Overall, for the year ended 31 December, receipts exceeded payments by £577 resulting in a corresponding increase in cash at bank from £12,498 to £13,075. This includes Grant income in excess of £2,000 which will be paid out in 2023 or beyond (being the Energy Costs Grant of £1,624 and £450 remaining from the Warm Spaces grant).

The St Mary's assets held as investments via the Diocese fell in value by £3,714 which, when taken in conjunction with the rise in cash held, meant that the St Mary's reserves fell from £44,368 at the beginning of the year to £41,231 at 31 December 2022.

Whilst this is a workable level of reserves, the greater existential threat to the District Church is the lack of adequate local support in worship, its wider mission and its day-to-day operation; most of which falls on a very small group of people.

Independent Examiner's Report to the Trustees/Members of the Parochial Church Council of the Ecclesiastical Parish of Warton

I report to the trustees on my examination of the accounts of the above for the year ended 31 December 2022.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Parochial Church Council as required by section 130 of the Act; or
2. the accounts did not accord with the accounting records;

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mr Trevor Williams

Address: 3 Kershaw Drive, Lancaster LA1 3FY

Date: 30 April 2023

The Parochial Church Council of the Ecclesiastical Parish of Warton
Financial Statements for the year ended 31 December 2022

Receipts and Payments Accounts	Notes 1	COMBINED		Total 2021 £
		Unrestricted Funds £	Restricted Funds £	
RECEIPTS				
Voluntary Receipts				
Planned giving		31,081	31,081	28,952
Collections at services		5,159	5,159	3,648
All other giving/voluntary receipts		8,264	1,309	17,160
Gift Aid recovered		16,886	16,886	
		61,390	1,309	49,759
Activities for Generating Funds		23,502	23,502	17,256
Investment Income		1,128	1,128	843
Church Activities		5,358	5,358	5,406
Other Receipts		5,281	5,281	6,752
Total Receipts		96,660	1,309	80,016
PAYMENTS				
Church Activities				
Diocesan Parish Share contribution		39,600	39,600	36,000
Clergy and staffing costs		8,504	8,504	9,565
Church running expenses		25,745	2,150	23,766
Hall running costs		15,445	15,445	7,477
Major church repairs and maintenance				
Mission giving and donations		1,279	1,279	0.00
Other expenditure		1,250	1,250	1,229
		91,823	2,150	78,847
Cost of generating funds		446	446	120
Governance costs		30	30	6
Other Payments				
Church building and reordering project				1,077
Livestreaming Equipment				567
Total Payments		92,299	2,150	80,617
Excess/ (Deficit) of Receipts over Payments		4,361	(841)	(602)
Transfer between funds		(935)	935	
		3,426	94	(602)
Cash at bank and in hand on 1 January				73,669
Cash at bank and in hand at 31 December				77,189

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The Parochial Church Council of the Ecclesiastical Parish of Warton
Combined Statement of Assets and Liabilities as at 31 December 2022

	Unrestricted Funds		Restricted Funds		Total	
	£	£	£	£	£	£
Investments						
St Mary's - Investment accounts						
Sharp Legacy Share Account at valuation	5,858			5,858		6,642
Building Fund Share Account at valuation	12,288		10,000	22,288		25,228
	18,156		10,000	28,156		31,870
Cash at Bank and in Hand						
St Oswald's						
Main current account	13,774	5,300		19,074		17,015
CBF Church of England Deposit Fund		30,000		30,000		30,000
E & R Wilson Churchyard Trust account		1,805		1,805		2,043
Church Hall account	13,235			13,235		12,113
Sub total St Oswald's	27,009	37,105		64,114		61,171
St Mary's						
Main current account	5,152	2,019		7,171		5,522
Diocesan held Deposit account	3,152			3,152		4,433
Diocesan held Sharp account	2,752			2,752		2,543
Sub total St Mary's	11,056	2,019		13,075		12,498
Total cash at bank and in hand	38,065	39,124		77,189		73,669
Total Cash and Investments	56,221	49,124		105,345		105,539
Debtors						
Debtors at 31 December were:						
Gift Aid reclaim - St Oswald's			2,022		2021	
Gift Aid reclaim - St Mary's					7,940	
					877	
					8,817	

Approved by the Parochial Church Council on
and signed on its behalf by:

Mr Keith Gaydon

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The Parochial Church Council of the Ecclesiastical Parish of Warton
Financial Statements for the year ended 31 December 2022

Receipts and Payments Accounts

		Unrestricted Funds		Restricted Funds	Total
		£	£	£	£
Notes					
RECEIPTS					
Voluntary Receipts					
Planned giving		27,346		27,346	26,077
Collections at services		4,754		4,754	3,323
All other giving/voluntary receipts	2	7,451	1,309	8,760	15,949
Gift Aid recovered		14,975		14,975	
		54,526	1,309	55,835	45,348
Activities for Generating Funds					
Investment Income	3	23,502		23,502	16,934
Church Activities	4	200		200	30
Other Receipts	5	4,802		4,802	5,346
	6	9,157		9,157	6,623
Transfers or receipts from other funds					
Total Receipts		97,187	1,309	98,496	74,281
PAYMENTS					
Church Activities					
Diocesan Parish Share contribution		39,600		39,600	36,000
Clergy and staffing costs	7	8,504		8,504	9,565
Church running expenses	8	21,849	2,150	23,999	19,072
Hall running costs		15,445		15,445	7,477
Mission giving and donations		1,279		1,279	810
Other expenditure		1,250		1,250	1,229
		87,927	2,150	90,077	74,152
Cost of generating funds					
Governance costs		446		446	120
Transfers to other funds/branches		30		30	5
Total Payments		88,403	2,150	90,553	74,279
Excess/ (Deficit) of Receipts over Payments		3,784	(841)	2,943	2
Transfer between funds					
Cash at bank and in hand on 1 January		(935)	935		
Cash at bank and in hand at 31 December				61,170	61,169
				64,114	61,171

Warton, St Oswald

(ex-Graham)

The Parochial Church Council of the Ecclesiastical Parish of Warton
Financial Statements for the year ended 31 December 2022

Receipts and Payments Accounts

Borwick, St Mary

		Unrestricted Funds		Restricted Funds	Total
		£	£	£	£
Notes					
RECEIPTS					
Voluntary Receipts					
Planned giving		3,735		3,735	2,875
Collections at services		406		406	325
All other giving / voluntary receipts	9	813		813	1,211
Gift Aid recovered		1,911		1,911	
		6,864		6,864	4,411
Activities for Generating Funds					
Fund raising					322
Investment Income	10	928		928	813
Church Activities	11	556		556	60
Other Receipts	12	2,225		2,225	5,000
Total Receipts		10,573		10,573	10,606
PAYMENTS					
Church Activities					
Diocesan Parish Share Contribution		5,400		5,400	4,300
Contribution to Benefice costs		700		700	571
Church running expenses	13	3,896		3,896	4,695
		9,996		9,996	9,566
Cost of Generating Funds					
Other Payments					
Church Building and Reordering Project	14				1,077
Livestreaming equipment					567
Total Payments		9,996		9,996	11,210
Excess/ (Deficit) of Receipts over Payments		577		577	604
Cash at bank and in hand on 1 January		10,479	2,019	12,498	13,102
Cash at bank and in hand at period end		11,056	2,019	13,075	12,498
Cash is represented by					
Current account				7,171	5,522
Diocesan Deposit account				3,152	4,433
Diocesan Sharp Legacy account				2,752	2,543
				13,075	12,498

The Parochial Church Council of the Ecclesiastical Parish of Warton
Financial Statements for the year ended 31 December 2022

Notes to the Accounts

1 Accounting Policies and Explanatory Information

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the Charities Act 2011 and the Church Accounting Regulations 2006, using the receipts and payments basis.

The PCC has legal ownership of all assets, and responsibility for all liabilities, within the Ecclesiastical Parish, which comprise those of the Parish Church of St Oswald's, Warton, the District Church of St Mary's, Borwick, and the Church Hall at Warton. Each entity manages, operates and accounts for its finances separately under the oversight of the PCC.

However, for the purposes of these Financial Statements the receipts and payments arising from the Church Hall are included within the receipts and payments account of St Oswald's Church. A separate receipts and payments account is presented for St Oswald's and St Mary's, together with explanatory notes on each. A combined receipts and payments account is presented to show the overall receipts and payments for the Parish as a whole.

Transactions whereby St Oswald's receive monies which are subsequently paid over to St Mary's or vice versa are eliminated on consolidation to prevent double counting.

A combined statement of assets and liabilities is presented together with a note showing the movement on all the underlying funds.

1.2 VAT

As the PCC is not registered for VAT, all figures are shown gross, that is inclusive of VAT, where applicable. Under the Listed Places of Worship Grant Scheme as operated by the Department for Digital, Culture, Media and Sport, eligible VAT is recovered by way of a grant.

1.3 Grants

Grants awarded, including the above LPWV grant, are treated as income when drawn down and received. Amounts claimed but not received at the year end are included as debtors in the statement of assets and liabilities.

1.4 Funds

Unrestricted Funds

These represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Restricted Funds

These are funds which are required to be used solely in accordance with specific restrictions imposed by donors or funders, or have been raised by the PCC for particular purposes.

Designated Funds

These are funds which, although not legally restricted, are allocated for a particular purpose by the PCC.

The Parochial Church Council of the Ecclesiastical Parish of Warton
Financial Statements for the year ended 31 December 2022

Notes to the Accounts (continued)

	Unrestricted Restricted		Warton, St Oswald	
	Funds	Funds	Total	Total
	£	£	£	£
2 All other giving/ voluntary receipts				
General and other donations (Gift Aid)	3,837		3,837	12,156
Donations towards Parish News	85		85	140
Specific donations/ collections	3,295		3,295	1,770
Votive stand	234		234	18
Grant to E&R Wilson Churchyard fund				499
Churchyard fund donations		1,215	1,215	339
Restoration fund donations		94	94	1,026
	7,451	1,309	8,760	15,949
3 Receipts from activities for generating funds				
Coffee stop	1,310		1,310	187
Proceeds from Breaking Bread	903		903	173
Coffee mornings/evenings	1,223		1,223	-
Parish News advertising	1,559		1,559	1,682
Christmas fair, raffle and tree festival	1,842		1,842	-
Church hall income	16,568		16,568	14,892
Book stall, crafty ladies	99		99	-
	23,502	-	23,502	16,934
4 Investment Income				
CBF Deposit Fund interest	200		200	30
	200	-	200	30
5 Income from Church Activities				
PCC fees (Weddings, funerals, etc.)	4,653		4,653	5,296
Fees for courses	149		149	50
Remembrance book entries				-
	4,802	-	4,802	5,346
6 Other Receipts				
Borwick, St Mary contribution to Parish Share	5,400		5,400	4,300
Borwick, St Mary towards benefice expenses	700		700	571
Yealand, St John towards benefice expenses	1,432		1,432	1,752
Energy grant - Church of England	1,625		1,625	-
	9,157	-	9,157	6,623

The Parochial Church Council of the Ecclesiastical Parish of Warton
Financial Statements for the year ended 31 December 2022

Notes to the Accounts (continued)

Warton, St Oswald

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
7 Clergy and Staffing				
Incumbent's expenses	818		818	990
Organist's and musical director's fees	3,565		3,565	4,620
Council tax - vicarage	3,476		3,476	3,344
Water rates - vicarage	396		396	392
Clergy telephone	249		249	218
	8,504		8,504	9,565
8 Church running expenses				
Parish training and mission				
Church insurance	4,335		4,335	4,205
Organ tuning				1,080
Church maintenance and cleaning	3,970		3,970	1,558
Upkeep of services	2,119		2,119	1,022
Junior church expenses	232		232	341
Printing and copier costs	1,983		1,983	2,027
Upkeep of churchyard		2,150	2,150	1,778
Printing, postage and stationery	1,437		1,437	1,756
Computer consumables and repairs				
Church electricity and gas	6,157		6,157	4,937
Church water	208		208	108
Sundry expenses	1,407		1,407	261
Books and cards				
	21,849	2,150	23,999	19,072

Vicarage del by 25?!

The Parochial Church Council of the Ecclesiastical Parish of Warton
Financial Statements for the year ended 31 December 2022

Notes to the Accounts (continued)

Borwick, St Mary

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
9 All other giving/ voluntary receipts				
General and other donations	813		813	710
Giving in Grace campaign				350
Other online giving				151
	813		813	1,211
10 Investment Income				
Dividends received on Investments	837		837	810
Interest received on Diocesan held deposit account	91		91	3
	928		928	813
11 Income from Church Activities				
Hire/ use of church building				60
Occasional fees	556		556	
	556		556	60
12 Other Receipts				
Grant for livestreaming				1,000
Energy Grant - Church of England	1,625		1,625	
Grant for Warm Spaces (Winter warmer lunches)	600		600	
Other - bank switching incentive				4,000
	2,225		2,225	5,000
13 Church running expenses				
Church insurance	1,186		1,186	1,662
Church utilities - electricity	1,365		1,365	2,307
Church utilities - water	21		21	59
Church maintenance and cleaning	10		10	60
Organ maintenance	158		158	95
Upkeep of services	528		528	186
Upkeep of churchyard	412		412	290
Postage, stationery and sundries	67		67	37
Food, etc. for Winter warmer lunches	150		150	
	3,896		3,896	4,695
14 Church construction and redecoration				
Heating contract				758
Furniture and Equipment				319
				1,077

The Parochial Church Council of the Ecclesiastical Parish of Warton
Financial Statements for the year ended 31 December 2022

Notes to the Accounts (continued)

15 Movement on Funds/Reserves

	Unrestricted Funds £	Designated Funds £	Total Unrestricted Funds £	Restricted Funds £	Total £
St Oswald's					
Fund Balances at 1 January 2022	20,811	3,349	24,160	37,011	61,171
Movement in year: Receipts	91,130	1,057	92,187	1,309	93,496
Payments	88,066	336	88,403	2,150	90,553
Transfers	(935)	-	(935)	935	-
Excess/ (Deficit) of Receipts over Payments	2,128	721	2,849	94	2,943
Fund Balances at 31 December 2022	22,939	4,070	27,009	37,105	64,114
St Mary's					
Fund Balances at 1 January 2022	32,349	-	32,349	12,019	44,368
Movement in year: Receipts	9,573	600	10,173	-	10,573
Payments	9,646	150	9,796	-	9,996
Excess/ (Deficit) of Receipts over Payments	127	450	577	-	577
Increase/(decrease) in market value of Investments	(3,714)	-	(3,714)	-	(3,714)
Fund Balances at 31 December 2022	28,762	450	29,212	12,019	41,231
Combined Funds					
Fund Balances at 1 January 2022	53,160	3,349	56,509	49,030	105,539
Movement in year: Receipts	2,255	1,171	3,426	94	3,520
Increase/(decrease) in market value of Investments	(3,714)	-	(3,714)	-	(3,714)
Fund Balances at 31 December 2022	51,701	4,520	56,221	49,124	105,345

The movements on the above designated and restricted funds during the year were:

	Balance at 1-Jan-22 £	Receipts £	Payments £	Transfers £	Balance at 31-Dec-22 £
Designated Funds					
Power Fund	420	337	336	-	421
Verger Fund	2,429	720	-	-	3,149
Jurior Church	500	-	-	-	500
Warm spaces	600	-	350	-	450
	3,949	1,657	686	-	4,520
Restricted Funds					
St Oswald's	-	1,215	2,150	935	-
R & F Wilson Churchyard Trust	-	-	-	-	-
Churchyard Fund (closed 2020)	-	-	-	-	-
Restoration and Fabric Fund	37,011	94	-	-	37,105
sub total St Oswald's	37,011	1,309	2,150	935	37,105
St Mary's	-	-	-	-	-
Livestock	433	-	-	-	433
Project 123	11,586	-	-	-	11,586
sub total St Mary's	12,019	-	-	-	12,019
Combined Restricted Funds	49,030	1,309	2,150	935	49,124

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