

2023 Annual Financial Report and Accounts
Presented to the APCM of St Lawrence Church, Barnwood
on 24th April 2024

Introduction

The PCC's accounts for the year ending 31st December 2023 have been prepared in the usual way on a Receipts and Payments basis using the "Cash Book" program provided by the Diocese of Gloucester. The results have been reviewed and signed-off by a Chartered Accountant, Andrew Matson. We continue to be very grateful to him for carrying out this essential task, free of any charge to us.

Full details of the accounts are shown in Table 1, under the headings of Total Funds, Unrestricted Funds, Designated Funds and Restricted Funds. A comparison of the Total Funds with the equivalent figure from 2022 is shown in the final column. A visual pie-graph of income and expenditure is also shown in Figure 1.

The figures shown in Table 1 have not been rounded, but they have been rounded to the nearest £100 and in bold font for ease of presentation and reading in this report. Numbered paragraphs in this text correspond with the numbers in the "Notes" column of Table 1.

Overview of the Year

1. Total Income – from all sources totalled **£107,900**, it is still not back to pre-Covid levels of around **£118,000** but it is an increase of **£18,000** (20%) on the total in 2022. Nearly £7,000 of this came from a grant from a local charity (The Sylvanus Lyson Trust) to employ a new support worker. The majority of the remainder arose from increased Giving and its associated Tax Recovery with smaller increases in Legacies and Hall Lettings and Other Income from solar panels and community events.

2. Total Resources Expended on all items, totalled **£105,900**. It is also increased on 2022 but by a more modest **£5,500** (5%). It was driven primarily by increases in Administration Costs as we increased staffing levels (funded from the restricted Sylvanus Lyson Trust – see (1) above) and the so-called "Cost of Raising Funds", which includes Church Centre running costs, especially the costs of installing lift shaft safety lighting, see (11) below. Some other costs actually reduced, for example the reduction in support for our refugee colleagues from our restricted funds during 2023.

3. Net (Outgoing)/Incoming Resource - over the year was a small margin of **£2,100**. It is comfortably better than 2022 when we had a deficit of **£10,400** between total income and expenditure.

4. Investment Assets – these grew in capital value by **£7,100**. Of this total, **£4,600** was from the Designated Music Fund (now reclassified as the majority of the PCC's available reserves). The remaining **£2,500** was from the various other restricted endowment funds with dividends and interest for running and maintaining the Churchyard, upkeep of church fabric and the provision of church services.

5. Net Funds Carried into 2024 - totalled **£97,300** after net gains of **£9,200** over the figure carried into 2023 of **£88,100**. These are effectively the PCC's "Reserves" and comprise two categories:

Available reserves – are funds which could be used by the PCC for any purpose. At the end of 2023 they comprised **£3,000** of unrestricted funds and **£53,500** of designated funds. Total available reserves are therefore **£56,500**.

Restricted Reserves – are the funds held by the PCC which can only be used for the purposes specified by their respective original donors. These finished the year at **£40,800**, mainly boosted by receipt of cash from the Sylvanus Lysons Trust, and an increase in their capital value by **£2,500**. The majority of these reserves are held in share-based funds.

Minimum Available Reserves Level - the PCC's self-imposed floor of **£50,000** of Unrestricted and Designated funds was agreed several years ago. It was judged by the PCC, at the time, to be a suitable safety margin to keep the church functioning in an emergency for around six months, i.e. it is around half of the PCC's annual turnover. At the end of 2023 the PCC's available reserves were around **£56,500**, i.e. £6,500 above this floor. It is a small increase on the closing valuation of the end of 2022 of **£54,600**.

6. Legacies – were received from the estates of the late Joan Hulme and George Ridgeon totalling **£1,500**. Both were Unrestricted.

7. Interest and Dividends – of **£2,500** were little changed from 2022 as we made no changes to our investment portfolio during the year and interest rates and dividend returns remained similar to 2022.

8. Donations and Grants to Charities were made of £1,100, a small increase on 2022. They comprised the usual restricted annual donation to Christian Aid arising from after-service Sunday coffee with other collections for the Syrian Earthquake Appeal, and a small agreed annual grant to EcoChurch which was funded by a parishioner. In our present financial situation, we are still unable to return to our previous practice of making a grant to Barnwood School of £2,000 each year.

9. Mission and Evangelism – at **£2,600** was a reduction on last year's **£4,500**, as we distributed the cash raised through the restricted Refugee Support Fund. More details of our work with refugees will be given later.

10. Parish Share – this was paid in full at **£56,000**, the same as 2022 as there was no change to the Diocesan request of 2022 in recognition of the challenging financial position of the majority of churches across the Diocese. As with 2022, the PCC chose to defer payments of around **£4,000** of the Diocesan request to nearer the end of the year; this ensured we had sufficient cash to sustain the required level of reserves at all times without breaching our floor throughout the year. The final payments, to complete the full Diocesan request, were made in mid-December.

11. Running Costs of the Church, Church Centre (Cost of Raising Funds) and Churchyard - totalled **£13,100**. This increased by £2,200 over 2022. It was mainly driven by the long-outstanding requirement to improve the safety of maintenance workers in the Centre lift shaft by the installation of LED strips along its length. Lanes Health Foods provided a restricted grant of **£1,650** to fund this.

12. Support Costs of £1,700 are a general catch-all category so varies between years depending which costs are included within it. In 2023 it included the new card-reading terminal sited in the church at £400 and all the tea, coffee, biscuits and refreshments for all church activities.

13. Administration and Staff Costs – of **£26,000** showed another year-on-year increase, this time by around **£4,700** from 2022 at **£21,200**. It was mainly due to an increase of 10% in staff salaries to maintain our lower paid workers in line with the Government's Living Wage guidelines, retaining differentials between staff, and paying two months of salary for our new Communities' and Families' Worker, as our new appointee commenced employment in November.

Other Points of Interest

Refugee Support Fund – this fund has received **£4,800** of restricted donations over the past two years, including Gift Aid, which has enabled us to support our refugee friends to the tune of **£4,300** by the end of 2023 with a balance moving forward of **£500** retained for other such causes. This year we were unable to provide Christmas presents and a Christmas party for our refugee colleagues, as members of the group obtained their refugee status and left Barnwood for new futures around Christmas. However, we were able to give each refugee a departure gift of £100 each to help them set up in a new location. We continue to provide a bus pass for a young person in the group, to continue attending full-time school in Churchdown.

Card Giving – the two SumUp card machines took donations of around **£2,200** compared to around **£1,600** in 2022. Its true turnover was greater than this, as one couple paid for a complete wedding costing around £1,000 on a credit card. In such cases, the PCC charges a small premium of 1.5% to recover its usage costs of these machines.

Easy-Fund-Raising – this scheme enables online retailers to donate a small proportion of their online sales receipts to good causes, provided that if buyers have signed up to the scheme and made known the fund they wish it to be donated to. It raised just £200 in 2023 of which almost half appeared to be a one-off goodwill donation from the company which runs it.

Sylvanus Lyson's Fund – a grant totalling £17,000 over three years has been agreed from this fund to support the employment of a Community Family Worker. Fiona Rawlinson was appointed to this post in October and will work under the direction of the vicar to further the mission of the Church. A further donation from a parishioner of £1,000 has also been received to support this. Calculations suggest that this cash will be sufficient to cover the full cost of this post in its first year. However, it will need a subsidy of around £6,000 from PCC funds as it tapers off over the three years of its duration, depending on wage inflation. Almost £7,000 was received from this trust for its first year of operation, the majority of which remains in our restricted reserves at the end of 2023 for use in 2024.

Solar Panels – the PCC's long-standing loan from the Diocese for the purchase of these panels in Dec 2011 was paid off in full, from the electricity generation income, by early 2023. All generation income now comes directly to the PCC. With a design life of the solar panel installation of 25 years, the PCC should receive this income for the next 13 years or so of around £2,600 pa now and index linked by Retail Price Indexation (RPI) every year thereafter.

Fund Raising – there were no events in 2023 in this specific category. However, our parishioners and the local community have enjoyed a series of events organised primarily by the Community Events Team. These included the now fortnightly mid-week coffee mornings, a summer barbeque, a Persian evening, a plant sale, and a curry night. Net of costs, these raised around £1,800 in unrestricted funds.

Gift Day – this was extremely well supported and raised £7,650 including Gift Aid in unrestricted funds.

In Conclusion

Overall, the PCC's finances were put under less pressure in 2023 than in 2022 but it remained a close call between income and expenditure every month. This situation necessitated the PCC to retain some of its Parish Share commitment to the Diocese until the end of the year, by which time it was confident that it could pay the full request of **£56,000** without dipping beyond the agreed sum of **£50,000** of available reserves.

After paying its full Parish Share, the PCC used its remaining income from all sources through 2023 and the gain in value of its Designated investment assets to:

- Provide a full programme of Christian worship on Sundays, Christian festivals, personal services (weddings, baptisms and funerals), with a choir and an organist along with regular community events in a social environment;
- Employ four part-time staff rising to five by the end of the year for office administration, churchyard maintenance, centre cleaning, directing music and, latterly, for ministry to and organisation of events for the communities and families within the parish;
- Run its premises in a safe and satisfactory manner including maintaining a Grade II* listed church, with heating, lighting, health and safety, energy efficiency, etc. following guidance from the recent QQI report and in compliance with all Diocesan guidance and relevant national standards, laws and regulations.
- Assist in the financial and physical support of a group of around 11 fellow Christians from Iran on their arrival in Barnwood, the establishment of their refugee status and their subsequent departure, along with other charitable work.

At the end of the year the PCC's total reserves had increased to over **£97,000** and included available (unrestricted and designated) reserves of **£56,500**. This final figure was only realised at the end of the year due to an upturn in the market value of the PCC's portfolio of share-based investments and enabled the PCC to pay its requested Parish Share in full.

The PCC also prepared and approved a balanced budget forecast for 2024 with income forecast close to £100,000 and expenditure just £900 below this. At this stage it includes a reduction in its Parish Share by £4,000 to £52,000 to achieve this. The PCC was subsequently requested by the Diocese to improve this to £60,000 and we will make best endeavours to meet this target provided it does not breach the PCC-agreed reserves floor of £50,000.

Bob Hinton – Treasurer to the PCC

28th Feb 2024

APPENDIX 1 – The 2024 Budget Forecast

Introduction - this budget was produced at the end of October 2023 using the actual data for the latest 10 months of data (Jan to Oct) together with the last two months of 2022 (Nov and Dec). Each outturn figure was then considered and adjusted upwards or downwards to reflect expected or known changes of income and expenditure from this dataset.

The PCC also holds a significant number of Restricted cash reserves totalling around £41,000: these can only be used for the purpose specified at the time of donation by their donor. Restricted cash and reserves do not form a part of this forecast. It is therefore only comparable with the outturn sums of the Unrestricted and Designated columns of Table 1.

2024 Final Forecast – see Table 2

Income - with the changes detailed below, then the 2023 outturn figure of **£94,800** increases by 5.2% to **£99,700** in 2024.

Expenditure - The corresponding figure for 2023 was **£97,800** increasing marginally by 1% to **£98,800** in 2024.

Income vs Expenditure - a narrow positive margin arises from these forecasts of just **£900**. This figure is very sensitive to unpredictable changes in either income or expenditure over a whole year or so. For example we already have a bill for £2,150 lined up for payment in February 2024 for further lift repairs! It may assist in understanding the PCC's wish to carry such reserves of this order.

Diocesan Request vs Deanery Commitment. One complication in this process was that the **Deanery** requested all PCCs to provide a Parish Share commitment figure for 2024 – to which the PCC responded with an affordable and hence firm commitment of **£52,000** and in line with this budget at the time. It represents a **£4,000** or 7% decrease on the 2023 figure of **£56,000**. While simultaneously the **Diocese** made a direct request to all of its parishes requesting a 7% increase in our Parish Share to **£60,000**.

The PCC continues with its base case budget forecast but with the offer to the Diocese to make all efforts to meet this higher target Parish Share without breaching its agreed available reserves floor of at least **£50,000** throughout the year. Please be aware that the budget figures in this Appendix were prepared at the end of October 2023 and based on projections to the 2023 year-end, not on the actual year-end data which is the subject of this review at the actual outturn for 2023.

We will therefore continue to focus on reducing our cost base and increasing income, especially through regular giving, in order to move towards paying a higher level of Parish Share than this budget figure of **£52,000**. No firm agreement can be made at this stage for 2024 as the budget forecast suggest there is a risk of breaching the PCC's floor of available reserves.

TABLE 1 - BARNWOOD's Receipts & Payments Account
for the year ended 31 December 2023

	Note Numbers	2023	Unrestricted funds	Designated funds	Restricted funds	2022
		£	£	£	£	£
INCOME						
Voluntary income:						
Planned giving		49,808	49,808	-	-	35,812
Collections, donations & other giving		17,837	5,846	351	11,640	19,337
Income tax recovered		11,713	11,314	60	339	9,875
Legacies	(6)	1,534	1,534	-	-	-
Activities for generating funds						
Magazine/Bookstall sales/Hall Lettings etc		13,694	13,694	-	-	12,416
Income from other Properties		-	-	-	-	-
Annual Fete/events		-	-	-	-	387
Investment income:						
Interest & dividends	(7)	2,478	170	1,445	863	2,427
Income from charitable activities:						
Parochial fees		6,139	6,139	-	-	7,932
Other incoming resources:						
Insurance claims		-	-	-	-	-
Gain on disposal of fixed assets		-	-	-	-	-
Loans received		-	-	-	-	-
Other		4,738	4,738	-	-	1,858
		-	-	-	-	-
Total incoming resources	(1)	107,941	93,243	1,856	12,842	90,044
EXPENDITURE						
Charitable activities:						
Donations/Grants to charities	(8)	(1,143)	-	-	(1,143)	(943)
Mission & Evangelism	(9)	(2,577)	(627)	(602)	(1,348)	(4,506)
Parish Share	(10)	(55,982)	(55,982)	-	-	(55,982)
Clergy expenses		(1,219)	(1,219)	-	-	(1,492)
Church running expenses	)	(5,751)	(3,323)	(750)	(1,678)	(5,310)
Churchyard maintenance	) (11)	(1,720)	(705)	-	(1,015)	(834)
Cost of raising funds (Centre running costs)	)	(5,619)	(3,969)	-	(1,650)	(4,781)
Running costs:						
Support costs	(12)	(1,671)	(1,671)	-	-	(277)
Administration costs (inc. staff costs)	(13)	(25,955)	(23,983)	(729)	(1,243)	(21,225)
Other		(4,252)	(4,252)	-	-	(3,266)
Governance costs						
Major expenditure						
Repairs to church buildings		-	-	-	-	(1,806)
Repairs to other property		-	-	-	-	-
Capital purchases/additions		-	-	-	-	-
Loan repayments		-	-	-	-	-
Total resources expended	(2)	(105,889)	(95,731)	(2,081)	(8,077)	(100,422)
Net (outgoing)/ incoming resources	(3)	2,052	(2,488)	(225)	4,765	(10,378)
<i>Transfers between funds</i>		-	-	-	-	-
<i>Net incoming/(outgoing) resources before gains</i>		2,052	(2,488)	(225)	5	(10,378)
<i>Gains on investment assets</i>	(4)	7,121	-	4,573	2,548	(10,895)
<i>Net movement in funds</i>		9,173	(2,488)	4,348	7,313	(21,273)
<i>Funds brought forward at 1 Jan 2023</i>		88,094	5,439	49,163	33,492	109,367
<i>Funds carried forward at 31 Dec 2023</i>	(5)	97,267	2,951	53,511	40,805	88,094

*produced using the Diocesan Cashbook v5

BARNWOOD PAROCHIAL CHURCH COUNCIL
ANNUAL FINANCIAL REPORT AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER 2023

Presented to the APCM on Wednesday 24th April 2024

Basis of Accounts

The accounts for the PCC of St Lawrence Church in the parish of Barnwood have been prepared on a "Receipts and Payments" basis using the "Cash Book" accounting program provided by the Gloucester Diocesan Board of Finance for this purpose. The Version Number is V5.2 - 2 issued December 2015.

The final accounts have been independently examined by Mr Andrew Matson.

These accounts and their examination are, to the best of the PCC's knowledge, compliant with the requirements of the Charities Act 1993 and those of the Statement of Recommended Practice (SORP), 2005 revisions.

Robert Hinton



(Treasurer)

Andrew Matson



(Independent Examiner)

Approved by members of the Parochial Church Council and signed on their behalf by:

Rob Crofton



(Vicar)

Margaret Seyers



(Church Warden)

DATE:

