

# Parish of Langdon Hills



## Treasurer's report

to the Annual Parochial Church Meeting on 10.4.11

and

## Accounts for 2010

# **Treasurer's report**

## **To the Annual Parochial Church Meeting 2011**

### **1. Introduction**

The annual accounts give an overall picture of the finances during the year.

**Page 1** *Statement of Financial Activities*. This says "how we're doing". It shows the money coming in and going out, and the difference between them - the surplus. Concentrate on column 4, the total for 2010. This is printed in bold for clarity. The last column shows the equivalent result for the previous year.

**Page 2** *Balance sheet*. This says "How much have we got?". It shows our net assets - what's in our bank accounts, and the value of the church hall and our investments, less money we owe at the end of the year. The lower part shows which of our church funds contain these net assets.

The remaining pages simply amplify these, giving further detail of the money coming in and going out.

### **2. The year in summary**

This has been a year of great blessing. Firstly we were able to obtain a sizable grant from Essex County Council (some £900,000) which has enabled us to start work on the extension. Secondly, the financial result for the year (a surplus of nearly £45,000) is considerably higher than we forecast, and also higher than 2009 (£13,000).

### **3. Major Projects**

Work started on the St John's extension in July 2010, and we have received grant payments in advance of the forecast payments to the contractors. By the end of 2010 we had received some £400,000 more than we had paid. This of course will all come right during the course of 2011. To avoid the accounts being misleading I have recorded this amount against the work to be done in 2011. This means that the 2010 results are not skewed by the major project. However, both income and expenditure figures are considerably larger than normal, reflecting the amount that the project has cost during the year.

The total cost of the project (including developing the chapel within the existing building) is likely to be £1,155,000. We have received grants of £940,000, and so we

shall be paying the remaining £215,000. This is some £65,000 more than we had planned. This is the result of developments during the course of the project. Examples of these are a new fire escape in the main building, and a second entrance for the extension.

A smaller, but significant project in St Mary's Church was the renewal of the lighting system. This cost £25,000, but has provided us with a low-energy and low-maintenance flexible system that should last many years.

#### **4. Pre-school**

This year has seen a continuing successful growth in our Pre-school activities. This has been partly brought about by the increase in government funding from 12.5 to 15 hours per week per child. Our service in the Pre-school (including the Out-of-school Club) is highly valued. The combined Pre-school activities have contributed significantly to the overall surplus mentioned above, and also to the donations to Children's Joy. There was no increase in the government fee rate in 2010. For some years this rate has been higher than the fees we charge, and we felt we should increase our fees to that level.

#### **5. Church income**

We keep separate account of "church" and "trading" income and expenditure. 80% of "church" income is from donations. After a decline in 2009, giving by church members has increased to the level of 2008. Of course costs have risen since then. Whereas in 2008 we were able to finance all our church commitments by church income, in the past two years we have not been able to achieve that, and have had to rely on trading income to cover a significant shortfall in 2010. It's a sobering thought that if we had no trading activities we would be showing a deficit of some £10,000.

We are very grateful to all who give, but especially the 50 or so people who give in a regular planned way (eg by standing order). We have reclaimed £10,500 from HM Revenue and Customs for gift-aided donations. Regrettably from April 2011 the proportion recoverable reduces from 28% to 25%. This will reduce the amount we reclaim by £1,000 per year. If you pay tax and your donations to the church are not yet gift-aided, please see me soon, and I'll introduce you to an entirely painless way of making your donations go further!

#### **6. Supporting Charities**

Our policy is to support seven charities, representing mission and relief work both overseas and in this country. £2,500 was given to each, (£500 more than in 2009). This represents 10% of income from donors plus 10% of the profit on our trading activities. Additionally we made some occasional donations to some of those, and

other charities throughout the year. You can see details of this on page 5 of the accounts.

During 2010 the PCC decided to share some of the financial blessing we had received, by donating a tenth of the project cost to charity, in addition to our regular giving. This means that we aim to have donated an additional £100,000 by the end of 2012. We have already donated £10,000, with a further £9,000 committed.

## **7. Hall hire**

Hire charges for St Mary's Church Hall and St John's remain unchanged since 2007. They comfortably cover the regular and occasional costs of the building.

## **8 The year ahead**

We look forward to the completion of the St John's extension and chapel, which will enable us to enhance the Pre-school services we offer, as well as benefitting church activities (eg providing a quiet worship area, and a meeting space for Sunday School). The work has absorbed a great deal of energy and time, but we need to plan wisely to make the best use of the result. All the cost of the St John's project that we have to pay will be incurred this year, and that will be reflected in this year's financial results.

Our main objective, that we need to hold firmly, is to use the resources God has given us to introduce more people to Jesus as saviour, and to help us all to grow stronger in our Christian life.

A J Dunhill

Honorary Treasurer