

Parish of St Mary's Charlbury with All Saints' Shorthampton

2022 Financial Review and Financial Statements

FINANCIAL REVIEW

Overview

2022 was a year of uncertainty for PCC finances. The ending of Covid restrictions brought hope that a more normal level of service might be achieved within the parish, but this was quickly tempered by concerns about the impact of the war in Ukraine, particularly on the cost of utilities and the effect this might have on how the 2 churches were able to operate. However, it was also a year where the facilities at both churches were improved and where the Cornerstone initiative continued to get considerable support from parishioners and thus was able to continue to provide help to a surprisingly large number of families who continued to need support during the difficult economic times.

Overall the value of parish funds decreased by 17%. This was largely due to some considerable expenditure from the two fabric funds which was used to provide much needed maintenance for both churches, and some long needed enhancements to their facilities. The General Fund, which covers the day to day operational costs of the of the parish, also fell in value by about 17% although it still continues to meet the PCC policy of maintaining a balance equating to at least 3 months operational expenditure – but only just!

Unrestricted Funds

Unrestricted Funds comprise: (1) the General Fund, which is used to cover operational expenditure, and (2) designated funds, which finance particular church activities.

General Fund

Income held up well during the year, despite Covid restrictions remaining in place far longer than had been anticipated at the start of the accounting period. It was particularly pleasing to see the church facilities being used more frequently than in the recent past, thereby generating more income from church bookings, but also producing higher than expected collections at services. In addition, there were a number of very successful fund raising activities which more than met expectations. Sadly, any increase in income was more than offset by some larger than anticipated expenditure on long awaited maintenance and upgrade projects, to include a new website and repair of high level lights at St Mary's, and the purchase of new furniture for All Saints'. However, we were fortunate in being in a contract for gas and electricity that only ended in September 2022. As a result, the impact of higher utility costs was limited to the last 3 months of the year -- but this provided a foretaste of what could be expected in 2023.

Designated Funds

Designated Funds comprise:

- The Font Fund** which receives takings from the weekly Font Café and uses this income to support initiatives to develop the church's mission in the parish. The re-opening of the café once Covid restrictions were lifted

was widely welcomed in the parish and the café is now well attended, generating some useful income.

-**The Commemoration Flowers Fund** which raises money for the purchase of church flowers in memory of loved ones. There has been little activity.

-**The Legacies Fund**, established in 2019 to ensure that legacies were used to sustain and strengthen the Church ministry and facilities, in line with the wishes of the donors, has not been used during 2021

Restricted Funds

Restricted Funds comprise the following:

-**The St Mary's Fabric Fund** was used to pay for enhancements to the sound system in the church, and for the preparation of architect plans for the proposed kitchen expansion which, is it hoped, can be started in 2023

-**The All Saints' Fabric Fund** was well used during the year, primarily for the building of a French drain around the church, designed to overcome the perennial problem of damp in the church, but also for the installation of a compostable lavatory in an outbuilding (with the help of a grant). The roofs of both the porch and the outhouse/lavatory were also fully replaced.

-**The Cornerstone Fund** was well supported by the local community, and by a number of grant-making organizations, and has been well used throughout the year. The project is widely recognized as fulfilling a much needed role within the town of Charlbury and it continues to seek new ways of providing support. During the year, it has expanded its operations to include, through the Learning Café, after-school tuition for children identified by their teachers as requiring extra help, and the purchase of school uniforms for families who would otherwise struggle to meet the cost.

-**The Music Fund** was established to account for donations to support the choir of St Mary's. It has not been used during the reporting period.

-**The Memory Café Fund** has continued to use a grant of £1750, received from the Diocese in 2021, to run a monthly Café to provide support and counselling for those members of the parish with memory loss, often through dementia.

Outlook for 2023

Financial Strategy and Management

Given the current economic climate, the focus for the General Fund will be on maintaining control – indeed minimising -- expenditure. The impact of greatly increased utility bills has already been felt and the situation is unlikely to improve during 2023. At the same time, it is hoped that the resources of the Fabric Funds, which have been built up over previous years, together with new grants and donations, will allow some long-planned enhancements to the 2

churches – most notably the installation of a new kitchen facility at St Mary's – to go ahead.

2023 Budget Forecast

The PCC has approved a budget for 2023 which is largely in line with General Fund expenditure in 2022, but which assumes a 115% increase in charges for gas and electricity. In order to have a balanced budget, it has been necessary to set a much higher than normal target for fund raising. The PCC recognizes that, should this target not be achieved, it may be necessary to reconsider the requirement to hold 3 months expenditure in reserve.

Peter Durrant
PCC Treasurer

Parish of St. Mary's Charlbury with All Saints' Shorthampton

Financial Statements for the Year Ended 31 December 2022

STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted General	Funds Designated	Restricted Funds	Total 2022	Total 2021
Income from :					
<i>Donations + legacies</i>	85175		24040	109215	149701
<i>Income from Charitable activities</i>	9795		5975	15770	28341
<i>Investments</i>	197			197	15
<i>Other income</i>	14009	2120	10368	26497	37430
Total income from :	109176	2120	40383	151679	215487
Expenditure on :					
<i>Raising funds</i>	302		0	302	1461
<i>Expenditure on Charitable Activities</i>	112503		48870	161373	106402
<i>Other Expenditure</i>		198	13792	13990	33084
Total Expenditure on :	112805	198	62662	175665	140947
Net Income/ Expenditure	-3629	1922	-22279	-23986	74540

STATEMENT OF ASSETS AND LIABILITIES

	Total 2022	Notes	Total 2021
Current Assets - Cash at Bank and in Hand			
<i>Santander - current Account</i>	24947		14355
<i>CAF Bank Current Account</i>	71357		107989
<i>CCLA (CBF) - deposit account</i>	16531		16531
<i>Cash in Hand</i>	1010		22
<i>Agency Collections</i>	126	1	
TOTAL	113971		138897
Liabilities - Agency accounts			
<i>Agency collections</i>	0		1028
TOTAL	0		1028
Net Total Assets	113971		137869

Note:

1. £126 wrongly attributed to Agency Operation and now included in accounts

The attached notes form part of these financial statements:

See Note 3 for movements in unrestricted and restricted funds during the year.

See Note 4 for details of agency collections.

See Notes 5-7 for more detailed breakdowns of income and expenditure.

Parish of St. Mary's Charlbury with All Saints' Shorthampton

Financial Statements for the Year Ended 31 December 2022

NOTES

Note 1. The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 using the Receipts and Payments Basis.

Note 2. Figures shown for 2022 have been revised to be consistent with the revised nominal accounts categories that were introduced in 2009.

Note 3. The distribution of monetary assets between unrestricted and restricted funds and the movement in funds during 2022 is shown in Table 1 below.

Table 1: Movement in Restricted and Unrestricted Funds (excluding Agency operations)

Fund Type and Title	Fund Balance B/F	Restated after prior year adjustment	Notes	Incoming Resources	Outgoing Resources	Fund Balance C/F
Unrestricted funds						
General Fund	33206	32957	1	109176	112805	29328
SM Projects Fund	0	0		0	0	0
Legacies Fund	4453	4453		0	0	4453
Font Fund	8956	8955		2060	198	10817
Commemoration flowers Fund	-52	-39		60	0	21
Sub-Totals - Unrestricted Funds	46563	46326		111296	113003	44619
Restricted Funds						
SM Fabric Fund	21379	21379		2210	5298	18291
AS Fabric Fund	31901	31901		6025	27987	9939
Organ Fund	416	491	2	0	0	491
Cornerstone	36322	36322		32149	29136	39335
Memory Fund	1287	1537	1	0	241	1296
Sub Totals Restricted Funds	91305	91630		40384	62662	69352
TOTALS ALL FUNDS	137868	137956	3	151680	175665	113971

Notes: the following corrections have been made to 2021 Opening Balances:

1. £250 transferred from General Fund to Memory Café, as required by last year's accounts
2. £75 wrongly credited to General Fund in 2021 and has been transferred to Organ Fund in June 2022.
3. An extra £88 cannot be identified and has been credited to the revised Fund Balance C/F.

Note 4: Agency operations are activities that are not included in the Financial Statements since money received is paid over in full to a third party. In previous years, this has included money collected by the PCC on behalf of the Diocese for wedding and funeral fees as well as fees for the vergers, organist and gravediggers. This year, there are no agency operations, and the entry of £126 in the Statement of Assets and Liabilities was an incorrect entry.

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Note 5: Table 2 shows income and expenditure during 2022 broken down between the different fund groups. The General Fund is used primarily to finance the PCC's operational costs.

Table 2 : Income and Expenditure by Group

	Unrestricted General	Funds Designated	Restricted Funds	Total 2022	Total 2021
Income					
Planned Giving	58604			58604	58859
Other Giving	10864	2120	565	13549	24101
Gift Aid Recovery	15707		128	15835	21048
Grants	6838		1567	8405	43178
Fund Raising Activities/Events	9795		5974	15769	10664
Fees Income	7170			7170	4810
Legacies	0			0	0
Cornerstone Initiative	0		32150	32150	52812
Other income	197			197	16
Total Income	109175	2120	40384	151679	215488
Expenditure					
Parish Share	58985			58985	58985
Clergy Expenses	4763			4763	4155
Church and Outreach	3078			3078	2942
Parish Administration +Office Expenses	20351			20351	16170
Utilities and Insurance	9498			9498	8520
Church and Churchyard	8287			8287	3324
Cleaning/Maintenance	7542			7542	3286
Major Building Repairs +Improvements			33285	33285	14479
Fund Raising Costs	301			301	1461
Cornerstone			29135	29135	27014
Other Expenditure		197	241	438	612
Total Expenditure	112805	197	62661	175663	140948
Funds Balance	-3630	1923	-22277	-23984	74540

Note 6: Table 3 shows the distribution of capital spending on building repairs and improvements.

Table 3: Capital Expenditure by Fund

	General Fund Reserves 2022	Legacy Fund 2022	SM Fabric Fund 2022	AS Fabric Fund 2022	Total Capital Expenditure 2022	Total Capital Expenditure 2021
St Mary's Charlbury						
<i>Building Repairs and improvements</i>			5298		5298	3654
All Saints Shorthampton						
<i>Building Repairs and improvements</i>				27986	27986	10825
			5298	27986	33284	14479

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Note 7: The General Fund is used primarily to finance the operational budget of the PCC. Table 4 provides a more detailed breakdown of General Fund income and expenditure by category.

Table 4: General Fund - Operational Income and Expenditure (Detailed)

Operational Income (General Fund)	<u>2022</u>	<u>2021</u>
Planned Giving	58605	58859
<i>Parish Giving Scheme</i>	<i>48206</i>	<i>41982</i>
<i>Standing Orders</i>	<i>7445</i>	<i>12182</i>
<i>Envelopes</i>	<i>646</i>	<i>1135</i>
<i>Other Planned giving</i>	<i>2308</i>	<i>3560</i>
Other Giving	10862	7614
<i>One off donations</i>	<i>4371</i>	<i>4692</i>
<i>Collections at Services</i>	<i>5043</i>	<i>789</i>
<i>Wall Boxes and Card Reader</i>	<i>1448</i>	<i>2133</i>
Gift Aid Recovery	15707	16335
Grants	6838	5289
Fund Raising Activities	9795	10664
PCC Fees (Weddings + Funerals)	4881	3807
Hire and use of Church Facilities	2290	1006
Investment Income	197	15
Other Receipts	0	0
Total Operational Income	109175	103589
Operational Expenditure (General Fund)		
Parish Share	58985	58985
Clergy Expenses	4763	4155
Church and Outreach Activities	3078	2942
Parish Administration	18054	16170
<i>Administrators' Services</i>	<i>9687</i>	<i>9240</i>
<i>Office Equipment + Consumables</i>	<i>6032</i>	<i>4155</i>
<i>Photocopying + Printing</i>	<i>0</i>	<i>1619</i>
<i>Other Office Costs</i>	<i>2335</i>	<i>1156</i>
Utilities	6499	3223
<i>Electricity</i>	<i>1088</i>	<i>1957</i>
<i>Gas</i>	<i>3114</i>	<i>891</i>
<i>Telephone + Internet</i>	<i>2297</i>	<i>375</i>
Church Cleaning	1424	977
Building Maintenance + Minor Repair	10762	1775
Equipment Repairs / Maintenance	0	534
Churchyard Maintenance	3642	3324
Insurance	5297	5297
Fundraising Costs	301	1461
Total Operational Expenditure	112805	98843
Excess of Income over Expenditure	-3630	4746

Parish of St. Mary's Charlbury with All Saints' Shorthampton

Financial Statements for the Year Ended 31 December 2022

Independent Examiner's Report to the PCC of St. Mary's Charlbury with All Saints' Shorthampton

This report on the financial statements of the PCC for the year ending 31st December 2022, which are set out in Appendix 1 to the PCC Annual Report for 2021, is in respect of the examination carried out in accordance with Church Accounting Regulations and Section 43 of the Charities Act 1991.

Respective Responsibilities of the PCC and the Examiner

As members of the PCC you are responsible for the preparation of the financial statements. You consider that the audit requirement of the Regulations and the Section 43(2) of the Act do not apply (income/expenditure above £250,000). It is my responsibility to issue this report to those financial statements in accordance with the terms of the Regulations.

Basis of this Report

My examination was carried out in accordance with the directions given by the Charity Commission under section 43(7)b of the Act to be found in the Church Guidance 2006 edition issued by the Archbishop's Council. The examination includes a review of the accounting records kept by the PCC. It also includes considering any unusual terms or disclosures in the financial statements and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (i) which gives me cause to believe that in any material respect the requirements to keep accounting records in accordance with Section 41 of the Act and to prepare financial statements which comply with the Act have not been met; or
- (ii) to which in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to have been reached. However, it is recommended that, on a monthly basis, the Church Wardens should be required to confirm in writing that they have seen details of all transactions undertaken during the preceding month and are satisfied that they are correct, authorised and approved; such records to be made available at future annual examinations.



Mr Tony Morgan
Independent Examiner
22 february 2023