

Annual Report and Financial Statements For the year ended 31st December 2019

Financial Review

May I start with a couple of financial thank yous:

These accounts would never be produced if it wasn't for Vanessa working tirelessly and in all her own time to keep the accounts up to date, and the workload continues to be much greater with the continuation of the Thomas Field Hall Project. 2018 was almost entirely dealing with income for the project from various donors, whereas 2019 has seen the start of expenditure with all the additional work that creates.

Secondly a big thank you to Gwen, who counts the collection after the morning service at least 90% of the time, mainly assisted by me, but certainly others get involved. Also thank you to Mike and others, who count the Evensong collection and all other services where collections are taken.

I appreciate that the accounts are not easy to understand, especially with having different classifications for the various funds, ie. Restricted, Designated, Endowment and Unrestricted.

Page 1 of the accounts is basically reporting the income that we have received during the year, and how we have spent it. We then add or subtract any unrealised investment gains or losses, because they are not really income or expenditure and finally we bring the balances forward and end with the balances carried forward. I will briefly summarise these page 1 figures, which should be read in conjunction with Notes 3a to 4c on Page 4 & 5 of the accounts.

Normal Activities

Income

Total Income in 2019 was £102,251 (2018: £267,190) and of course the main reason for this reduction is the donations towards the Thomas Field Hall Appeal were much lower in 2019 as we made the decision to cease fund raising until we had firm quotations from builders and other suppliers, (See Page 1 and Notes on Page 4).

It is better to look at Note 3a to 3d on Page 4 for the detail.

Our main source of income continues to be from planned giving and in 2019 this was £34,667 (£34,267 + £400) (2018: £38,781) (£38,441 + £340), a decrease of 10.6%. We have converted a few donors onto planned giving during 2019, but we have also lost a couple of generous donors. We did

receive a legacy payment this year of £2,500 (2018: £Nil), which helped to offset the lower planned giving figure in the year.

Unplanned collections were £4,586 (2018: £6,901), (Note 3a Page 4) a decrease of 33.5%. The decrease can be explained by the fact that in 2018 we received a contribution towards the piano of £1750 and two funerals contributing £1000 each in 2018.

Income from Other Individual Donations was £3,886 (2018: £1,524), (Note 3a Page 4). The 2019 figure was mainly made up of a further donation of £3,000 to pay for the piano. The 2018 figure included a receipt of £719 from the insurance company following the theft of John's computer.

Income from other activities was £11,052 (£3,393 Note 3b + £7,659 Note 3d), (2018: £12,718), (£3,820 Note 3b + £8,898 Note 3d) a decrease of 13.1%. This is explained by the decrease in the number of weddings in 2019 from 8 to 6 and a one off filming rights figure of £1,000 included in the 2018 figure above.

The total income from normal activities was £67,407 (£66,985 + £127 + £267 + £22 + £6 – See Totals on Page 4 for 1st three figures and incoming resources on Page 8 for the £22 + £8 figures), (2018: £72,447).

Expenditure

It is better to look at Note 4a to 4c on Page 5 for the detail.

Total Expenditure in 2019 was £95,845 (2018: £75,148). The £27,624 expended on the Thomas Field Hall in the year was mainly on professional fees, such as architect and planning fees.

Total Expenditure in 2019, excluding the Thomas Field Hall Project, was £68,221 (£65,006 + £3,215 – Totals on Page 5), (2018: £71,244)

The Parish Share of £37,364 (2018: £36,072) represents 54.7% of the above figure, and we have little control over this charge.

Church Utilities were £2,887 (2018: £3,561) a reduction of 19%, which may be explained by the fact we had less weddings and funerals this winter and hence used less oil for heating the church.

External Repairs, maintenance and equipment were £5,695 (2018: £7,670). Last year the figure included an amount of £1,690 for renovating the flint wall at the side of the Bridgewater Chapel and making it damp proof.

The repair to the mullion in one window and leak in another of the windows in the north aisle was £3,215 and that is shown under Other Resources expended and paid for out of the Designated Fabric Fund.

The figure for Administration and Accounting was £6,345 (2018: £7,448) which was 14.8% less than the 2018 as that figure included £969 for replacing John's computer that was stolen. Also 2018 had higher bank charges due to the increased activity through the account caused by the Thomas Field Hall Appeal.

We donated £1,000 to Little Gaddesden Church of England Primary School (2018: £1,000) and also expended £144 on bibles for the school leavers. Although that was our only direct charitable donation, we continue to support fund raising activities in the community, including DENS, the Royal British Legion and British Humanitarian Aid. These receipts and payments do not appear in our financial statements as they do not form part of the PCC's accounts.

Assets & Liabilities

It is better to look at the Balance Sheet on Page 2 and notes 9 to 14 on Pages 7 to 9

I am pleased to report that our portfolio made an overall gain of £26,659 (2018: £1608). However this is an unrealised gain and as we know the markets have been exceedingly turbulent since the year end.

The method of presenting the statutory accounts makes it quite difficult to understand the state of our various reserves at 31st December 2019, and therefore I have summarized them below:

Thomas Field Hall Fund	£198,059	Restricted
Goddard Fund	126,425	Designated
Fabric Fund	14,134	Designated
Vestments and Altar Fund	2,882	Restricted
Sunday School Fund	834	Restricted
Burnham Bequest	7,689	Endowment
Church Acre	1,492	Endowment
Cash on Deposit	48,364	Unrestricted
Cash in Bank	25,007	Unrestricted

Total	<u>£424,886</u>
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This total does not include the Debtors and Creditors figures of £713 and £400 respectively.

The reason for the decrease in the Fabric Fund (2018: £17,349) is that £3,215 was used for the repair to the central mullion of the window at the west end of the north aisle, and repairing a leak to the central window of the north aisle.

The Thomas Field Hall Fund, Goddard Fund and the Cash on deposit will be used for the Thomas Field Hall Project and, if at all possible, we will use no more than £100,000 from the Goddard Fund.

Overall the accounts showed a surplus of £6,406 (2018: £192,042) made up of a net surplus on the Thomas Field Hall Project of £7,220 and a deficit on normal activities of £814. Added to this surplus were the unrealized gains on our investments of £26,659 (See note 10 on Page 7) (2018: £1,608) giving a total surplus of £33,065 (2018: £193,650).

Total Assets now stand at £425,199 (Funds above of £424,886 + Debtors of £713 – Creditors of £400) (2018: £392,134).

Thomas Field Hall Appeal

The estimated cost of this renovation and expansion work was initially budgeted at £400,000, and the PCC decided that we would use up to a maximum of £150,000 of our own reserves, and attempt to raise the remaining £250,000 from our electoral roll members, the village community and indeed the wider community in general.

As already stated, we decided to suspend donation collection part way through 2019, until we had firm quotations from a number of builders.

I reported to the PCC on 7th December 2019 that we had a proposed builder. This meant we had 85% of our detailed budget backed up with firm quotations, but the total project budget was now going to cost £634,975 including VAT. As this was much higher than our original estimates, we proposed to divide the project into Phase 1 and Phase 2.

Phase 1 would be to complete the building works for the new hall at a cost of £552,675, and Phase 2 would be to upgrade the heating in the present church, the installation of a CCTV system, and finally purchase of all the necessary fixtures and fittings for the hall at a cost of £82,300 including VAT.

The VAT element within Phase 1 is £92,100 and the majority of this, according to HMRC has to be standard rated. However we have recently submitted a claim to the Listed Places of Worship Grant Scheme to reclaim the standard rated VAT on early invoices as a grant, and can report that apart from some small exceptions that grant has now been received in February 2020. We are therefore confident of being able to reclaim the majority, if not all, of the remaining VAT we will have to pay out on invoices, through this grant scheme.

In early December we commenced money raising again, and thanks to certain generous donors the PCC approved signing an order with the builder following an Extraordinary Meeting on 30th December 2019. Work on Phase 1 commenced with an archeological survey on 2nd March 2020 and the actual construction will start on 23rd March 2020.

I can report that at 29th February 2020 we have now collected £239,621 including gift aid, and analysis of that figure shows:

Donors – General gifting (including standing orders)	£217,019
Curry Evening and Silent Auction	£8,907
Film Night	£769
Safari Night	£1,065
Burns Night	£2,122
Grants (including VAT recovery)	£8,733
Bank Interest	£1,006

Also outstanding monies backed by standing orders are	£3,445
Firm pledges not yet received	£49,875

This pledge figure includes a £5,000 grant from the Beatrice Lang Foundation

Total	£292,941
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I estimate that we will be able to claim a further £87,610 in VAT grants over the life of Phase 1 construction and therefore together with the £150,000 in our present reserves we will have raised £530,551, giving a shortfall at present of £22,124 (£552,675 less £530,551) which equates to £17,700 plus gift aid.

My thanks to everyone who has donated, so far, and to all those who have organized the wonderful events and attended these events knowing the proceeds were going to the Thomas Field Hall Appeal.

At this time we are continuing to receive donations and apply for grants, and are confident that we will raise sufficient funds to fully complete Phase 1 and eventually Phase 2.

Conclusion

We have had to call on many people's generosity to raise the monies for the Thomas Field Hall, and so far that has been a real success story.

However in 2018 we made £1,203 surplus on normal church activities and in 2019 we have made a deficit of £814. This is slightly concerning as we have also lost a couple of generous donors in 2019. We have had a couple of years where we have been heading for a deficit position, and now have to call on those same people who have given so generously to making the Thomas Field Hall a reality, to review their planned giving, and to consider increasing it, especially if they have not done so for a year or two, as even a 10% increase would generate another £4,000 per annum income including gift aid.

We bought a Goodbox card reader in July and have been using that in church in order to accept donations made by cards instead of cash. At present this is only used occasionally because it cannot process Gift Aid, but we hope this will help to increase our income, particularly at weddings.

We are also confident that the Thomas Field Hall once completed towards the end of 2020 will lead to increased generation of income from 2021 onwards.

The PCC continues to review all expenditure, but our beautiful church needs a certain income to maintain it in a good condition for future generations.

Finally I would like to express my thanks to all donors for their continued support, and to all the volunteers who give of their time so willingly, and without which the church could not function.

Allan Webster
Treasurer