

Financial Report - January to December 2020

Thank you to the Finance Committee who have looked after our money and accounts over the last year. Graham Cavill, Di Marples and Kerrie Wells meet with me and our Finance Officer, George Boylin, about once a month. Between them they have made sure that everything ran smoothly, despite it being a very unusual, and at times difficult year.

2020 was our first full year with a paid part time Finance Officer. Janet Daye had done a fantastic job for us as Acting Treasurer, giving a huge amount of time as a volunteer to reorganise our financial systems and put everything on a much better footing. But when no-one offered to take on the role after her, we at first paid FaithStar (a local accounts company) to do the work, and then advertised for a part time Finance Officer. George Boylin was appointed in October 2019.

George deals with our payroll, monitors income and expenditure, produces regular financial statements for the PCC and is responsible for producing the year end accounts. But he is NOT the Church Treasurer. Charity law says this has to be a charity trustee – in other words a member of the PCC.

We are still looking for a new Church Treasurer. Jack Hiscock has acted as Treasurer for the last year, but we would much prefer to keep the role of Churchwarden and Treasurer separate.

Because we now have a paid Finance Officer, the role of Treasurer has changed substantially. Being Treasurer does NOT now mean preparing accounts or managing day to day transactions – that is all done by George and other members of the Finance Committee. Instead, we are looking for a volunteer, who has time to attend both PCC meetings (about six a year) and Finance Committee meetings (once a month). The role is to oversee the work of the Finance Committee, and make sure that the PCC is kept regularly informed and updated. We need someone who is comfortable reading Balance Sheets and Financial Statements. You should be able to use and interpret “Excel” files, and be ready to ask questions about anything that seems unusual or unclear. This is a key role, but it is much more about oversight and reporting - and should therefore require a lot less time to do.

Do please think and pray about whether this might be a role you could take on – and please get in touch with me if you want more information about this.

Comments on the Financial Statements for 2020

The Balance Sheet (page 3) shows both Unrestricted Funds which we are free to use as we wish, and Restricted Funds which can only be used for specific named purposes. This includes money raised for other charities e.g. Asha, or given for specific purposes e.g. the Defibrillator fund and the Natter project. In the rest of this Report I will only comment on the Unrestricted Funds.

In 2019 we had a small surplus of income over expenditure of £2322 (page 9) but this included a £5000 Grant from the Church Burgesses (page 4 note 2). No further grant was expected in 2020, so we started the year expecting to spend more than we received. The PCC was aware of this, and we had decided to hold a Gift Day and giving appeal in the summer.

The arrival of Covid19 made our financial situation much more worrying. From March onwards, after the start of the first Lockdown, we saw a fall in regular giving, no plate collections and a sharp drop in Hall Rental income. Plate collections for the year were £1,155, compared to £6,741 in 2019 (page 4).

We reported the situation to the Church and held the Gift Day and giving appeal as planned. The response was astounding. Thank you to everyone for your amazing generosity, either by one-off

donations or by increasing your regular giving. Donations in 2020 were an incredible £31,543 compared to £11,470 in 2019 (page 4 note 1). Increased pledges to planned giving meant that this too increased in the second half of the year, and finished higher overall in 2020 than in 2019.

As part of the Gift Day appeal, we asked our regular givers to consider using the "Parish Giving Scheme". This is a system set up by the wider church, at no cost to us. It makes it easier for us to monitor planned giving, and much easier to claim Gift Aid. If you are a taxpayer and give to a charity, including St Timothy's, Gift Aid allows us to claim back from the Government an additional 25% on top of your donation. In 2020, we received £27,655 in this way.

We also benefited from a Government grant of £8,645 when our paid staff were Furloughed in July and August. And while Hall income did fall dramatically, it still brought in £11,010.

On the expenditure side, Lockdown also meant we spent less on Gas and Electricity (only £7484 compared with £11562 in 2019) and less on maintenance (£3146 compared with £8729 in 2019).

In summary, we finished 2020 with unrestricted income totalling £184,968, against expenditure of £165, 678. So there was a surplus in 2020, despite Covid19, of £19,290.

Looking forward, although it's still quite early in the year, at the moment we also expect to be in the black in 2021.

In terms of financial planning, one major issue that will need to be addressed is the Church heating system. We know that the gas system we have is at the end of its life. It will need replacing, and it would be good to move to a system that was much more efficient. The aim is to go for a system that will help us reach our commitment to becoming a "zero-carbon" Church. We need to start thinking soon how best to take this forward.

Overall, I am happy to report that the finances of St Timothy's are in good shape. Thank you all again for your generosity and support.

Malcolm