

GENEROUS GIVING

St Peter's Finance Update

8th October 2023

Heather Flood Treasurer



Good morning everyone.

As we are approaching the end of the year, I am going to update you on the church's financial position.

As you'll be reviewing your giving as we move into 2024, I want to make sure everyone in the church understands the full financial picture and how finances work in the church.

We have three different pots of money that I am going to talk about:

1. The general fund pot
2. The restricted pot which is mainly grants and
3. The legacy pot.

Spending from these pots is all connected to fulfilling our vision of being a source of spiritual hope, practical help and authentic community.

The General fund is the pot of money all your donations go into. We budgeted a £50k deficit for the general fund this year. I will update you on what the deficit currently is.

We don't tend to get any external funding for our everyday costs so rely on all your donations.

Thank you to everyone who gives! We can't do what we do without you!

2023 General fund forecast

		Expenditure	
Income		Staff costs	£ 167k
Donations	£ 334k	Church costs	£ 136k
Sundry income/Other	£ 58k	Parish share*	£ 77k
Income Total	£ 392k	Global mission	£ 33k
		Expenditure total	(£ 413k)
		Deficit	(£ 21k)

Here is a projection of where we expect to be at the end of the year for the general fund.

We have received £50k more income than budgeted so far this year giving a total of £392k but have also had unexpected costs regarding maintenance on our buildings and AV work that needed doing, part of this being the new screens you are currently looking at.

The biggest area of expenditure, £167k, is for the staff team, who are fantastic and work very hard to put the church's vision into action.

The £136k includes all expenditure in relation to our activities and maintaining our buildings.

As a C of E church, we have to pay the Parish share* of £77k which is worked out by Wycombe Deanery and, amongst other things, covers Danny being our vicar.

We tithe our gifts from you to support missionaries and other projects outside of our church.

This year our income is estimated at £392k and our costs £413k, giving us an overspend of £21k, nearly £30k below the budgeted deficit of £50k.

*The Parish Share enables the Diocese to fund: clergy stipends, National Insurance and pension • clergy housing • training for clergy, ordinands and lay people • support services for parishes such as safeguarding services, buildings advice and much more.

Grant funding: Restricted



As a staff team, we are doing all we can to spend your money wisely. So, why have we purchased all this new equipment?

All the items you see in these pictures have been purchased from grant money which is restricted. As well as being used for children's clubs and by the youth, these items are also used for community events and are available for other activities.

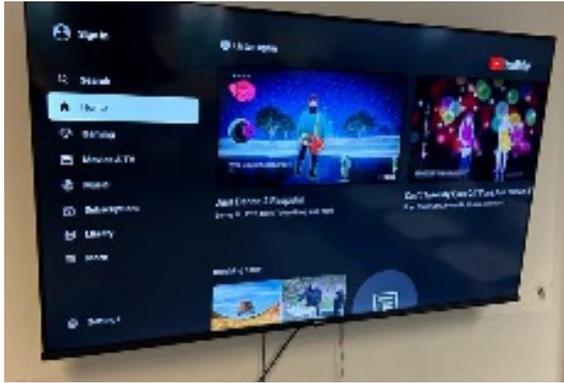
So, if you'd like to learn how to use a Playstation, now is your chance! An idea for Young @ Heart maybe?!!

Restricted funds are money that is given for a specific purpose, either from individuals or in a grant. It must legally be used for the purposes stated when given and is not managed by the PCC.

Grants also fund the Lunch Club, school supplies and the Baby Bank projects.

This means not a penny of the money you give is spent on these ministries.







Legacy fund

- The PCC agreed to move legacy income to a separate designated fund. Left to us in 2020 & 2021.
- Not to be spent on running costs but used for bigger projects.
- So far being used for:
 - New sound desk (£13k)
 - New locks (£4k)
 - Live streaming (£16k)
 - Architects for building project (£20k)
- £228k left to potentially be spent on a Building project/Essential Maintenance.

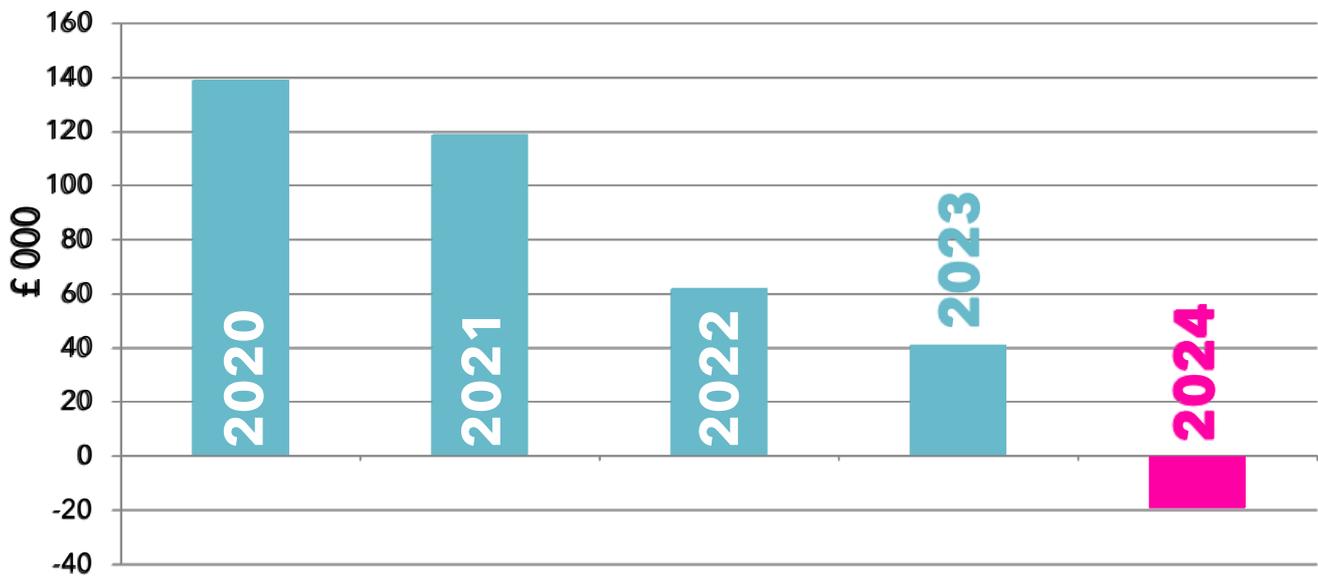
We also have a Legacy fund after a generous gentleman left the church £240k in 2020. Then 2 individuals left us a total of £70k in 2021.

The PCC agreed to move all this Legacy income to a separate designated fund so it is not spent on everyday running costs but used for bigger items.

So far these funds have enabled us to buy a sound desk, new locks, live streaming equipment and paid for architects to advise on a potential building project.

There is currently £228k remaining to be spent on a potential Building project or Essential Maintenance.

Free Cash Reserves 2020-23



As the earlier slide showed, we are expecting a deficit this year of £21k.

We have reserves, unspent money from previous years, which were £62k at the end of 2022.

Therefore we can use some of these funds so even though we are spending more than we are getting in, we are not in debt. I really want to emphasize that.

However, next year if we carry on at our current level of spending, we will run out of money as can be seen by the red box.

The PCC will make sure we don't go into debt, but that means unless giving increases, the church will need to cut back expenditure in some areas.

This would be a real shame as we want to keep building on our current activities in line with our vision and cutting costs could threaten this.

What do we do in 2024?

Challenge

Essential that we can fund ongoing operational costs from our income.

Possible options:

Use remaining reserves ~£41k

Increase giving.

Going back to a slide I shared at the APCM, what do we do next year?

We need to be able to fund ongoing operational costs out of our income for the year and not rely on reserves.

We will only have £41k of reserves to use and ideally don't want to spend all our savings. Our only real option is to increase our income.

Summary

PCC are stewarding your money wisely.
We really appreciate all who give & would like to invite those who do not give financially to prayerfully consider what they can give
If giving doesn't increase, difficult decisions to be made in 2024.

In summary,

- Please trust the PCC who are spending your money wisely to fulfil St Peter's vision. Please pray for wisdom and God's provision.
- We are very grateful to everyone who gives.
- If you don't, we would ask you to consider giving.

Please prayerfully consider whether you are able to give more, either by increasing or starting a standing order or by a one-off gift.

- If giving doesn't increase, difficult decisions will need to be made next year.

If anyone would like more details or has any questions, please talk to me afterwards, get in touch with the church office or email me: heather@loudwater.org

Thank you for listening.