



## Financial Statements 2018

**Canon Simon Harper** (Chair of the Board of Finance)

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## growing church bringing hope

Our vision for growing church bringing hope expresses a deep longing to see our worshipping communities growing in numbers, in prayer and discipleship, in serving our communities, and above all in making a difference – sharing the hope we have, which is the power of God to transform us and our world



## achievements



## Statement of Financial Activities

- Total income **£7.3M**, an increase of **£123k** over 2017 (after excluding income from the sale of a property in 2017)
- Total expenditure of **£6.5M**, down from **£7.1M** in 2017
- Of the reduction in expenditure **£690k** relates to the reduction in the pension liability
- “Underlying” result is a deficit of **£123k**

Note	2018 £	2018 £	2018 £	2017 £	2017 £
<b>Income from</b>					
<b>Donations</b>					
Parish contributions	2	4,492,126	-	4,492,126	4,546,961
Archbishops' Council	2	1,429,192	-	1,429,192	1,318,246
Other donations	2	461,492	115,243	576,735	519,738
Charitable activities	3	377,301	-	377,301	421,830
Other activities	4	237,115	-	237,115	221,429
Investments	5	173,376	11,096	184,472	146,113
Other	6	-	-	-	549,067
<b>Total income</b>		<b>7,170,602</b>	<b>126,339</b>	<b>7,296,941</b>	<b>7,723,384</b>
<b>Expenditure on</b>					
Raising funds	7	(84,029)	-	(84,029)	(54,152)
Charitable activities	8	(6,325,350)	(122,849)	(6,448,199)	(7,077,948)
<b>Total expenditure</b>		<b>(6,409,379)</b>	<b>(122,849)</b>	<b>(6,532,228)</b>	<b>(7,132,100)</b>
<b>Net incoming/(outgoing) resources before investment gains</b>		<b>761,223</b>	<b>3,490</b>	<b>764,713</b>	<b>591,284</b>
<b>Net gains/(losses) on investments:</b>					
Unrealised gains/(losses) on investment assets	15	(27,222)	-	(14,873)	232,367
Revaluation of fixed assets	15	300	-	300	-
<b>Net income/(expenditure)</b>		<b>734,301</b>	<b>3,490</b>	<b>(14,873)</b>	<b>823,651</b>
Transfers between funds	13	2,968	(2,968)	-	-
<b>Net movement in funds</b>		<b>737,269</b>	<b>522</b>	<b>(14,873)</b>	<b>823,651</b>
Reconciliation of funds					
Total funds brought forward		7,054,091	1,650,801	13,219,933	21,924,825
<b>Total funds at 31 December 2018</b>	19	<b>7,791,360</b>	<b>1,651,323</b>	<b>13,205,060</b>	<b>22,647,743</b>

## Reduction in pension creditor

- Statutory accounts require us to recognise our liability to pay pensions
- Assets are recognised based on their value as at 31 December each year
- Liabilities are recognised based on their “fair value” as at 31 December each year
- Fair value attempts to take into account factors such as;
  - Forecast inflation rates
  - Forecast changes in stipend
  - Longevity
  - Etc
- Changes in these assumptions result in a change in the liability
- BUT THESE CHANGES DO NOT CHANGE OUR CASHFLOW IN THE SHORT TERM AND THEREFORE THE £690K IS NOT AN INCREASE IN CASH

## Net assets

- As at the end of the year the net assets of the DBF totaled £22.6M
- Of these assets £1.9M relates to General Funds

Endowment funds		13,205,060	13,219,933
Including revaluation reserve:			
£347,847 (2017: £362,720)			
Restricted income funds		1,651,323	1,650,801
Unrestricted income funds:			
General funds		1,919,125	1,251,392
Including revaluation reserve:			
£182,946 (2017: £203,076)			
Designated funds		5,872,235	5,802,699
Including revaluation reserve:			
£201,270 (2017: £208,362)			
<b>Total funds</b>	20	<b>22,647,743</b>	<b>21,924,825</b>

## Cashflow

- During the year the total cash available to the DBF reduced by £360k
- 2019 is forecast to continue this downward trend, especially during the year



## Summary

- The accounts reflect the position of the DBF as at 31 December 2018
- Whilst they show a surplus, the underlying (cash) result is a deficit
- Work is being carried out to review and control costs but the majority of costs are people costs
- 2019 budget significantly reduced the requested amount of parish share but the contributions received to date would indicate that despite the reduction the level of collection may fall short of this target
- During 2019 the reduction in cash reserves will continue
- We have assets but we can only sell them once

The Chair of the Board of Finance to propose:

***that the Financial Statements  
for the year ending 31<sup>st</sup> December 2018  
be received***