

Finance Report

This report highlights some of the headlines from the 2023 accounts. For the full picture, the accounts can be found online at <https://thetfordteamministry.org.uk/annual-meetings>, or there are some hard copies available at St Cuthbert's, Cloverfield and Grace Church.

The accounts cover the activities of the PCC, including Grace Church, but not Cloverfield Community Church, for which accounts are compiled and reported separately.

The assets of the PCC recorded in the accounts are broken down into two types of fund: **restricted** and **unrestricted** funds. Year-end balances for all the funds are given on page four of the accounts.

Restricted funds have been explicitly donated for a particular purpose, and their use is legally restricted to that purpose.

One new restricted fund was created during 2023: the **Timothy Fund**. This holds the residual of a donation made for the express purpose of providing bursaries and covering other expenses for the Team Churches Weekend Away. The donor indicated that, should it not all be used for this purpose, the gift could be retained and used by the Team Ministry for restricted missional and discipleship purposes.

Following the Weekend Away, the monies remaining from the bursary donation were transferred from Cloverfield's account to the PCC's. £477 of the funds was categorised as 'Socials & Events income' to reimburse the General Fund for the Sizewell Hall deposit paid in December 2022, and the remainder was placed in the new Timothy Fund. £215.40 of the Fund was subsequently used to subsidise the performance of *The Journey of the Magi*. The intention is to keep the majority of the remaining funds for use towards the Team Churches Weekend Away envisaged for 2025.

Of the **unrestricted** funds, the General Fund represents the day-to-day operations of St Cuthbert's, the Grace Fund does likewise for Grace Church and similarly the Sports Ministry Fund for the sports ministry.

During 2023, the PCC voted to close the (empty) **3 Market Place Sale** and **Fellowship Fund** unrestricted funds. In the case of the former, all monies had been spent on the first stage of the redevelopment project. In respect of the latter, fellowship activities are now accounted for through appropriate budget lines in the General Fund.

From a glance at the full accounts, it will be immediately apparent that that the largest source of income for both St Cuthbert's and Grace Church is **giving and donations**. **A huge thank you** to everyone who contributes financially to the lives of our churches – we are sincerely grateful for each and every gift.

A continuing point of concern is the low level of **Parish Share** payment. Parish Share is paid to the Diocese in respect of their costs for our stipendiary clergy and central parish support costs. In 2023 the Parish Share request was £23,800 for St Cuthbert's and £11,162 for Grace Church (which already involves a significant subsidy from the Diocese). Actual Parish Share payments in 2023 were £2,000 (St Cuthbert's) and £3,000 (Grace Church). We are unlikely to enjoy the current level of support from the Diocese indefinitely if Parish Share contributions are unable to improve.

General Fund

As will be seen from pages five and six of the accounts, total income to the General Fund in 2023 was £34,350. Total expenditure (including net transfers to other internal funds) was £39,752.16. Of the transfers out, £5,000 was to correct a mis-categorisation in the 2022 accounts, where a gift given in support of the Sports & Community Minister post had incorrectly been allocated to the General Fund; this was reversed by a £5,000 transfer from the General Fund to the Sports & Community Minister Fund (on top of the usual £1,000 annual contribution from the General Fund to the Sports & Community Minister post).

Without this correction, therefore, the **effective in-year deficit** to the General Fund was **£402.16** (but see below in respect of 2023 occasional offices fees).

Other particular points to note with the General Fund accounts are:

1. Fees from occasional offices for 2023 totalling £3,493 were received from the Thetford Team Ministry fees account at the start of 2024, hence the apparent zero income on this budget line in 2023 (but it will show in the 2024 accounts).
2. The balancing £671.97 Gift Contributions (income) and Gifts (expenditure) comprises (a) donations at the Ukraine Anniversary Service (subsequently gifted on to the nominated charity, the Cambridge Ukrainian School), plus (b) Daniel Sherrington's leaving gifts.
3. At the end of the year, Café Cuthbert repaid £7,050 of the historic £7,050.38 debt, and the PCC formally agreed to waive the negligible £0.38 of the debt remaining. This sum is therefore no longer included within 'Other Debtors' (page four on the accounts).
4. At the end of the year, the PCC was awaiting reimbursement from Café Cuthbert of some of the monies expended on Charity Fundraiser fees (for raising funds for the employment of café staff), and so this is included as an Other Debtor.
5. A payment of £270 from All Saints' Croxton towards clergy expenses was made at the end of December 2023, but not received into the Thetford PCC bank account until 02/01/2023; this sum is also included as an Other Debtor in the 2023 accounts for consistency with previous years, since the payment was made in respect of 2023.
6. As noted last year, a closing balance of £52,027.94 in the General Fund appears to be very healthy. However, the General Fund (or other unrestricted funds) needs to be able to cover the deficits in other funds. If one were to subtract the Other Debtors balance (since this is not yet cash in the bank), the negative funds and fixed assets from the General Fund, we would be left with a deficit of just over £14,500 – which would need to be covered from reserves or other designated funds. The releasing of the EU contingent liability (see below, under 'Development Fund') would make a significant difference here.

Grace Church Fund

As shown on page eight of the full accounts, total income to the Grace Church Fund during 2023 was £9,655. Total expenditure (including net transfers to other internal funds) was £7,998.92, leaving an **in-year surplus** of **£1,656.08**.

Development Fund

The Development Fund continues to contain a contingent liability of £30,527 in respect of redevelopment funding from the EU which will have to be repaid if insufficient paid staff posts are created, in accordance with the terms of the grant. Furthermore, the Development

Fund includes the equipment in the kitchen at St Cuthbert's as a fixed asset, depreciating at 20% per annum. As at 31 December 2023, therefore, the Development Fund contained within it £11,367 worth of equipment – which obviously cannot be spent as if it were cash.

Clergy Discretionary Fund

During 2023 the Clergy Discretionary Fund was established by the PCC, in view of the continuing and growing pressures on cost-of-living for many. Gifts from this Fund may be made, at the discretion of the clergy, to support members of St Cuthbert's or Grace Church in particular times of financial hardship. The Fund was established with contributions of £250 apiece from the General Fund and the Grace Church Fund; to date no gifts have been made out of it.

Endowment Funds

The two Endowment Funds listed in the accounts (the Chapel Acre Share Fund and the Watts Legacy Share Fund) pay dividends into the CCLA Deposit Account and thereby form part of the Reserve Fund (note that the majority of the investment income, and the growth of the Reserve Fund, is from the Endowment Fund dividends).

A pending project is to investigate the terms of the bequests of the two Endowment Funds.

And Finally...

Finally, the scale of the full accounts indicate the amount of work involved in making all these payments and keeping track of all the incomings and outgoings. We continue to be grateful for a warm working relationship with Kieran Kenny, our bookkeeper at Emerald Accountants – and a huge vote of thanks for all the work done by Sandra Phillips and Mick Tobitt (as bank account signatories) and Karen Tobitt and Louise Applin (as the counting team). And to everyone else who helps in all manner of ways – thank you.

Peter Herbert
April 2024