

As part of our TRIO stewardship campaign, the PCC committed to keep the church family updated on the state of our finances. This is the first formal update. It covers the finances of St Thomas’ Church only. If you would like any further information or explanation of the figures presented here, please don’t hesitate to contact our Treasurer, Lindsay Leteve.

Summary

The PCC approved a budget for 2021 that, without obtaining further funding for our 0-18 Director role, will reduce our reserves by nearly £8,000.

Our free reserves – including the remaining funding set aside for our 0-18 Director – were £47,000 at 31 December 2021. They had reduced to just over £45,300 by 31 March 2021.

The key points to note for the first three months of 2021 are:

- We are still seeking external grant funding for our 0-18 Director role to make up at least the £8,000 shortfall
- Our total income was £325 a week less than we had estimated in the budget. If our total income remains at this level for the full year, it will reduce our reserves further by almost £17,000
- Actual expenditure was lower than our budget but this is because our buildings have been closed. The savings against budget are unlikely to continue when the Church is fully open and operational.

Background

When we set the 2021 budget for St Thomas’ Church in December 2020, the PCC had to make various estimates and assumptions – both in terms of our finances and the practical aspects of our church family life such as when we would be able to return to a more normal way of operating.

We set a budget in the prayerful belief that we will be successful in obtaining further funding for the continuation of the 0-18 Director role after the current money that has been set aside runs out at the end of August 2021. As can be seen in the table below, without this further funding, the budget approved by the PCC for 2021 will eat into our reserves by almost £8,000. We are still seeking this additional funding.

| | <i>2020 Actual figures</i> | <i>2021 Approved budget</i> |
|--|--------------------------------|---------------------------------|
| | £ | £ |
| Total unrestricted income | 198,000 | 196,300 |
| Total expenditure | *(199,200) | (202,600) |
| Transfer to the World Mission Fund | (18,000) | (18,400) |
| Money available from 0-18 Director legacy fund | 25,500 | 17,000 |
| Increase / (reduction) in reserves | 6,300 | (7,700) |

** this includes nearly £7,000 used from restricted funds where this was permitted*

Income

Using prior year figures as a baseline, the PCC estimated that St Thomas' total income in 2021 would be more than £196,000. This comes from voluntary donations (regular planned giving, ad hoc donations and open plate), tax refunds in the form of Gift Aid, rental income from our House for Duty and fees (for example for weddings and funerals). The table below shows our budgeted income per week against the amount we actually received in the first three months of 2021.

| | <i>Budgeted weekly income</i> | <i>Actual weekly income</i> |
|--|-------------------------------|-----------------------------|
| | £ | £ |
| Voluntary donations | 2,865 | 2,650 |
| Tax recoverable (Gift Aid) | 635 | 570 |
| Fees | 77 | 32 |
| Rental income from House for Duty | 198 | 198 |
| Total income | 3,775 | 3,450 |
| <i>Variance against income budget for January to March 2021</i> | | <i>(325)</i> |

Expenditure

A breakdown of our weekly expenditure is given in the table below.

| | <i>Budgeted weekly spend</i> | <i>Actual weekly spend</i> |
|---|------------------------------|----------------------------|
| | £ | £ |
| Common fund contribution | 1,728 | 1,728 |
| People costs (including 0-18 Director role) | 1,431 | 1,431 |
| Other costs of running the church | 738 | 467 |
| Missionary giving and donations (World Mission) | 354 | 354 |
| Total expenditure | 4,251 | 3,980 |
| <i>Variance against expenditure budget for January to March 2021</i> | | <i>271</i> |

The largest single item of expenditure is the church's contribution towards the Common Fund, previously called the Parish Share. This is paid to Derby Diocese to support the provision of mission and ministry, including salaries and housing for clergy.

The second largest item of expenditure relates to the costs of the people the PCC employs to support the ministry and administration of the parish. The PCC employs 6 people, with all employment contracts being part-time with the exception of the 0-18 Director.

The other costs of running the church have been kept to a minimum wherever possible. In particular, with the church buildings being closed for most of the three months, the cost of heating and lighting has been half the amount we spent in the same period in 2020.

As disclosed in our 2020 Accounts, the PCC has a tradition of transferring 10% of voluntary unrestricted donations and the associated Gift Aid to the World Mission Fund for missionary and charitable giving. During 2021, we are intending to provide £18,400 to the World Mission Committee to distribute to our partner missionary societies and other organisations. One quarter of this amount, £4,600, was transferred on 31 March 2021. The World Mission Committee will meet in mid-May to arrange the distribution of these funds.