

TREASURER'S REPORT TO THE APCM ON 28/05/2023

1.1 Financial Performance in 2022

Total receipts on unrestricted funds were £197,473. £102,882 was from tax efficient planned givers to the Church Giving Scheme, plus other planned giving (not tax efficient) of £4,619. Tax recoverable from Gift Aid amounted to £26,064. Collections taken in church produced £4,704, some of which was gift aided. £563 was recovered from VAT on church work bills. Overall, despite the Church Giving Scheme was £3,582 lower than last year, the church received generous legacies totalling £7,623.

On the expenditure side, £180,271 was spent on the Christian Ministry of St Michael's Church. Of this £107,295 related to the Diocesan Quota and £17,997 was given to different charities at home and abroad. The balance represents the cost of running the church and the St Michael's share of the Windhill Churches Centre.

The Fund Raising for the Bells Appeal continued this year. The Bells Fund brought forward figure for 2021 was £181,505. The income raised in 2022 was £134,839. In addition, the PCC granted £24,000 to the Bells project (£15,000 from Improvements to Church Fund and £9,000 from Repairs to Property Fund that covers necessary quinquennial work). The Bells expenditure in 2022 was £325,499 making total fund carried forward £14,846.

1.1.2 Provisions

Various provisions were made during 2022 as follows:

Property Repair Fund - £10,000

Cowell House Maintenance - £1,000

Our reserves have been carefully invested and an original sum of £225,000 set aside as an endowment for the benefit of the WCC is with the CBF Church of England Investment Fund - Income Shares, the value at the end of December was £377,115. A further £80,000 was invested in the COIF Charities Ethical Investment Fund - Income Units, this was valued at £120,442 at the same date.

Fund	Date of initial deposit	Initial deposit	Value at end of December 2021	Value at end of December 2022
CBF Investment account	2013	£225,000	£427,430	£377,115
COIF Ethical Investment Fund	2014	£80,000	£137,527	£120,442

The Cowell House property has been let since March 2018 bringing in an income of £1,360 per calendar month. Cowell House is valued in our fixed assets at a cost of £67,828 (the initial purchase price as required by the accounts regulation). We believe the current market value is in excess of £450,000.

1.2 Church Workers Pension Fund (CWPF) – standard annual statement 2022

St Michael's (Bishop's Stortford) PCC participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and the other participating employers.

CWPF has two sections: 1. the Defined Benefits Scheme 2. the Pension Builder Scheme, which has two subsections; a. a deferred annuity section known as Pension Builder Classic, and, b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2022: £1,238 2021: £1,185).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, St Michael's (Bishop's Stortford) PCC could become responsible for paying a share of the failed employer's pension liabilities.

1.3 Reserves Policy

The PCC has formulated the following policy, relating to our reserves.

1. The cash maintained on the PCC's main account should be £50,000 minimum.
2. Annual transfers should be made to the Property Repairs Fund (£10,000), Cowell House Maintenance (£1,000), and the WCC Dilapidations Fund (£2,000).
3. An Endowment Fund of £225,000 should be maintained to provide an income to assist with the outgoings on the WCC.
4. The above policies will be reviewed annually by the Finance Committee.