

TREASURER'S REPORT TO THE APCM RESCHEDULED FOR 25/10/2020

1.1 Financial Performance in 2019

Total receipts on unrestricted funds were £247,835. £106,306 was from tax efficient planned givers to the Church Giving Scheme, plus other planned giving (not tax efficient) of £5,571. Tax recoverable from Gift Aid amounted to £30,139. Collections taken in church produced £28,671, some of which was gift aided.

£251,154 was spent on the Christian Ministry of St Michael's Church. Of this £112,523 related to the Diocesan Quota and £16,397 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. Additionally, £35,146 was spent on the church quinquennial work.

In February 2019, the church suffered a break in. Whilst most of the cost is covered by our Insurance policy, there are some expenses which will not be covered and are subject to protracted discussions. An appeal to assist with the uncovered costs raised £1,773.

In 2019 the final receipt for the Organ Appeal produced £170 and this was transferred to the Church Improvement Fund. The Organ Appeal has now been closed.

Fund Raising for the Bells Appeal continued this year, and the net sum raised was £56,437.

1.1.2 Provisions

Various provisions were made during 2019 as follows:

Property Repair Fund - £9,000

WCC Delapidations Fund - £2,000

Families Ministry Reserve - £15,000

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 £349,877. A further £80,000 was invested in the COIF Charities Ethical Investment Fund - Income Units, this was valued at £114,035 at the same date.

The Cowell House property has been let since March 2018 bringing in an income of £1,334 per calendar month which covered the cost of £19,135 spent on refurbishment during 2019. Cowell House is valued in our fixed assets at a cost of £67,828. We believe the current market value is in excess of £450,000.

1.2 Church Workers Pension Fund (CWPF)

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

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, 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. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is 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 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 (2019: £1,157, 2018: £903).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m 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 that 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 (£9,000), Cowell House Maintenance (£1,000), Families Ministry Reserve (£15,000) 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.