

Newhaven Church Congregation

Treasurer's Report and Annual Account Summary for 2009

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This report falls into five parts:

1. Newhaven Connections Café
2. Development Fund
3. Church accounting excluding the above
4. Investments held at Church of Scotland and elsewhere
5. The "Whole Church" perspective, and 2010 Budget

1. Newhaven Connections Café

The café continued as a successful business on increased turnover of **£30,704** (2008: £24,350). The necessary autumn closure for the acoustic work on the ceiling had an effect on profitability. However, the café continues to be self-supporting after allowing for a grant from the Church of Scotland. It remains a very successful outreach venture at minimal cost to Newhaven Church. (Appendix I).

2. Development Fund

The development fund held locally by Newhaven Church diminished in total from £67,377 to £59,336: an outlay of £8,041. We made a further drawdown of £14,278 from central funds held at Church of Scotland, to fund the cost of acoustic work on the ceilings.

Anticipated Gift Aid recovery for 2006–2009 of **£7,069** was shown as a Debtor at 31/12/2009. This has since been recovered from HMRC during 2010.

3. Main Church Accounts

3.1. Source of Funds (Appendix II)

Income from offerings (Freewill Offering envelopes, Standing Orders and "Open Plate") amounted to **£61,989**, 10% down on 2008 (£69,094). This breaks down as FWO & Standing Orders: **£49,116**, 1.6% down on 2008 (£49,912); and Open Plate: **£12,873**, 32% down on 2008 (£19,182).

After adding in other sources of income, such as hire of premises, incidental gifts, contributions from congregational organisations and investment income, the total income came to **£72,307**, 7% down on 2008 (£77,746). Investment income had much improved in 2009, as had income from premises hire (partly offset by corresponding Hall Convener's costs for setting up and taking down before and after many of the hires).

Anticipated Gift Aid recovery for 2009, shown as a Debtor at 31/12/2009, was due in the sum of **£12,279** (since recovered from HMRC during 2010). The 2008 figure was £12,478. Where members paying tax on their income are giving regularly, signing a gift aid declaration will boost the church's share by 25%, at no cost to the giver. Forms are available from the Treasurer.

3.2 Analysis of Expenditure (Appendix III)

Outgoings in 2009 amounted to **£77,231**, compared with £75,299 in 2008. This is the net result of increases in computing and Internet costs, presbytery dues, employment costs and expenditure on fabric, partially offset by a reduction in the Ministries & Mission allocation, pulpit supply and Heat & Light costs.

Out of the costs that we are able to influence, Heat & Light is the greatest at around £4,900. The effect of introducing Direct Debits and registering our charitable status with Scottish Power has started to reduce costs by 10–15%, and the effect of that shows as a reduction compared with 2008. However, one should note that the first quarter of 2010 has cost the church considerably more than the equivalent quarter in 2009 due to the cold weather.

Employment costs are rising with the routine annual increment, and the effect of premises hires has augmented the Hall Convener's hours. Maintenance of church and manse rose from £1,312 in 2008 to £3,292 in 2009. The increase would have been greater if bad weather had not delayed work on the church exterior into 2010. Fabric work, which includes security costs, will continue to form a significant outlay in 2010, with costs of £7,500 anticipated.

In total, an increase in expenditure in 2010 over 2009 is budgeted to be **£10,363**. (Appendix V).

3.3 Income vs. Outgoings (Appendix IV)

During 2009 we received income of **£72,307**, to which one should add anticipated Gift Aid recovery of **£12,279**. The total is then **£84,586**.

We spent **£77,231**, leaving a working surplus of **£7,355**. Thus, the church operated at a surplus if one excludes Development and Café transactions.

4. Investments held on behalf of the Church

The Church of Scotland allocates units in (i) a Growth Fund; and (ii) an Income Fund on behalf of participating churches. Newhaven Church has shares in each, which pay us income. We also hold Government stocks from prior bequests. The market value of these stocks and shares varies with the financial market, and stood at £22,278 on 31 December 2009, recovering some of the fall in value during 2008 (31/12/2007: £27,064; 31/12/2008: £20,152). We withdrew no capital during 2009, consistent with good practice while the financial market is depressed.

There are two other funds held at Church of Scotland on behalf of Newhaven Church. These resulted from the sale of the old manse, offset by the cost of building the church and halls, and relate to the Development Fund. One is an interest-bearing fund, and one is a deposit account. Neither is influenced by market fluctuations. Amounts held are:

Interest bearing account No: 500100681

Opening balance: £59,478

Closing balance (after interest added): £62,983

Deposit account No: 560100682 (C of S Investors' Trust Deposit Fund)

Opening balance: £30,724

18/12/2009. Transferred to Development Fund account: **£14,278**

Closing balance: £16,446

5. The "Whole Church" perspective, and 2010 Budget

Aside from the Development Fund, which continues to finance major works in the church—related to the move into the present premises—the church has been running at near break-even, but the trend is in the wrong direction. Income was down on 2008 by 7% from all sources, mostly attributable to a reduction in Open Plate giving. Although committed giving through the FWO scheme was only slightly down on 2008, there is a danger in becoming overly dependent on a few generous donors, where a modest increase in giving from the many would provide greater security of revenue. We have major operating expenses, which can only be funded by the prayerful giving of our congregation.

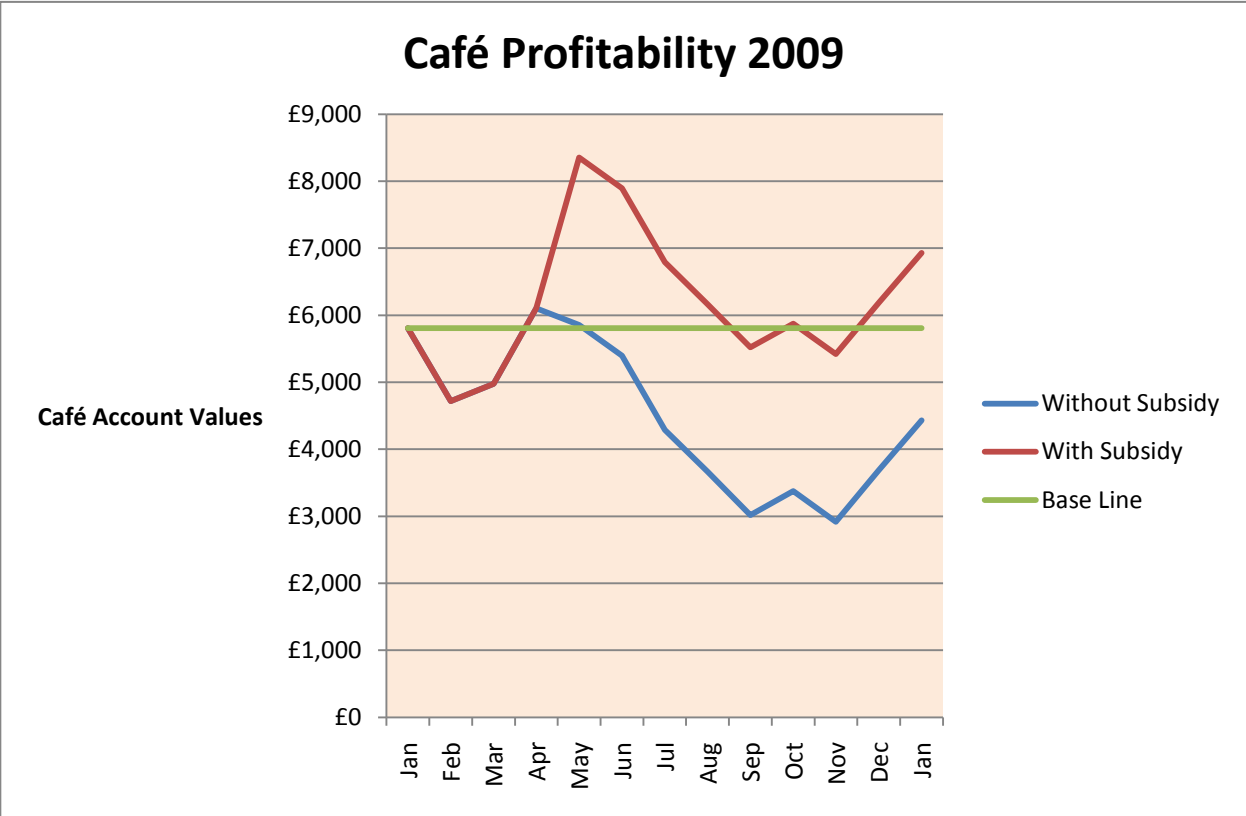
An ambitious budget (Appendix V) approved for 2010 aims for a £10,000 increase in expenditure compared with 2009, but this will only be achievable by reversing the decline in income, and making economies. Tendering for major contracts is one possible way. Nearly £60,000 of our expenditure is fixed and unavoidable (Dues to Church of Scotland, Heat & Light, Accountant, Performance Licences etc.). Hence, a modest percentage increase in income will bring about a significant percentage increase in funds available for use on discretionary church activities.

Nick Timmins

Newhaven Church Treasurer

31 March 2010

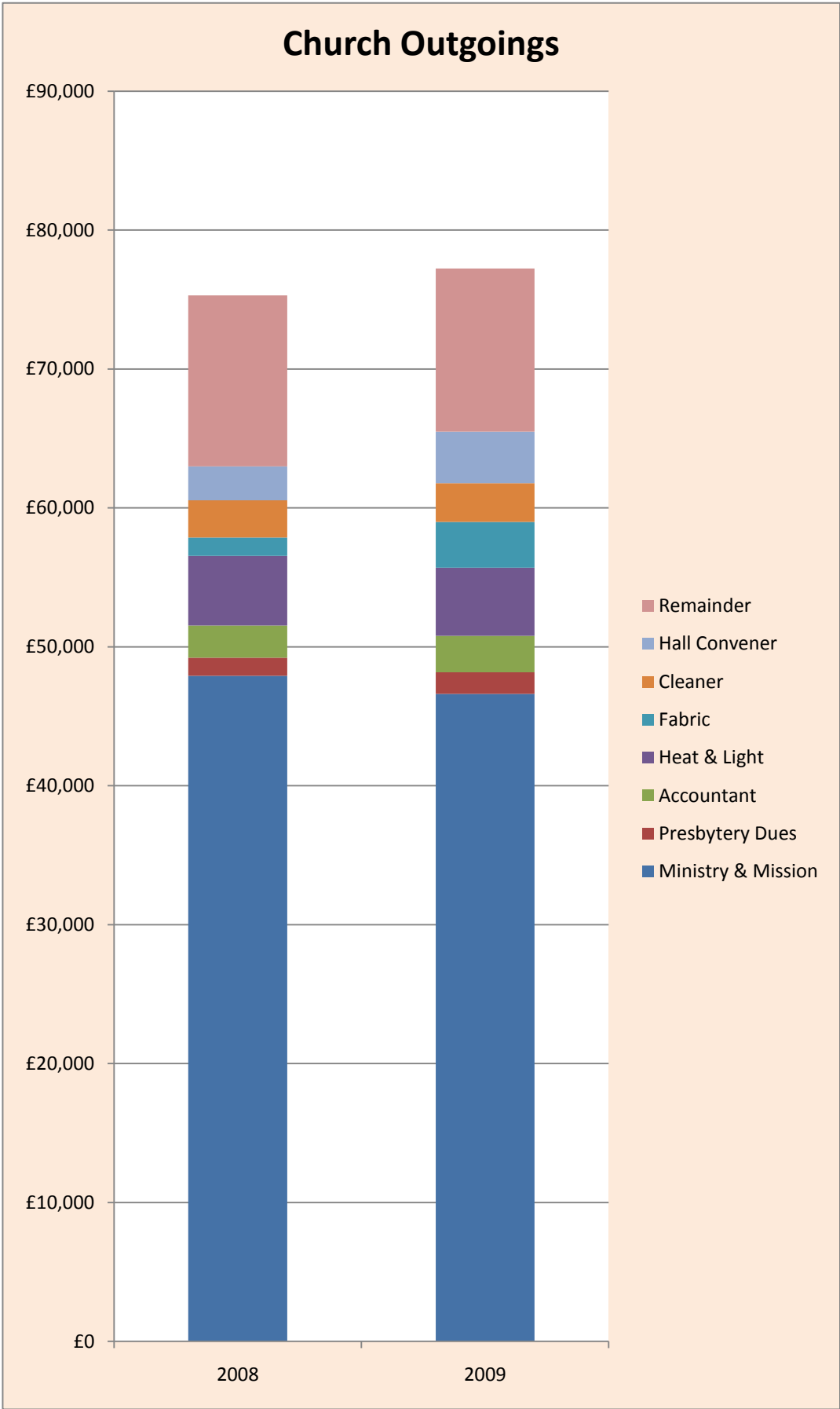
Appendix I



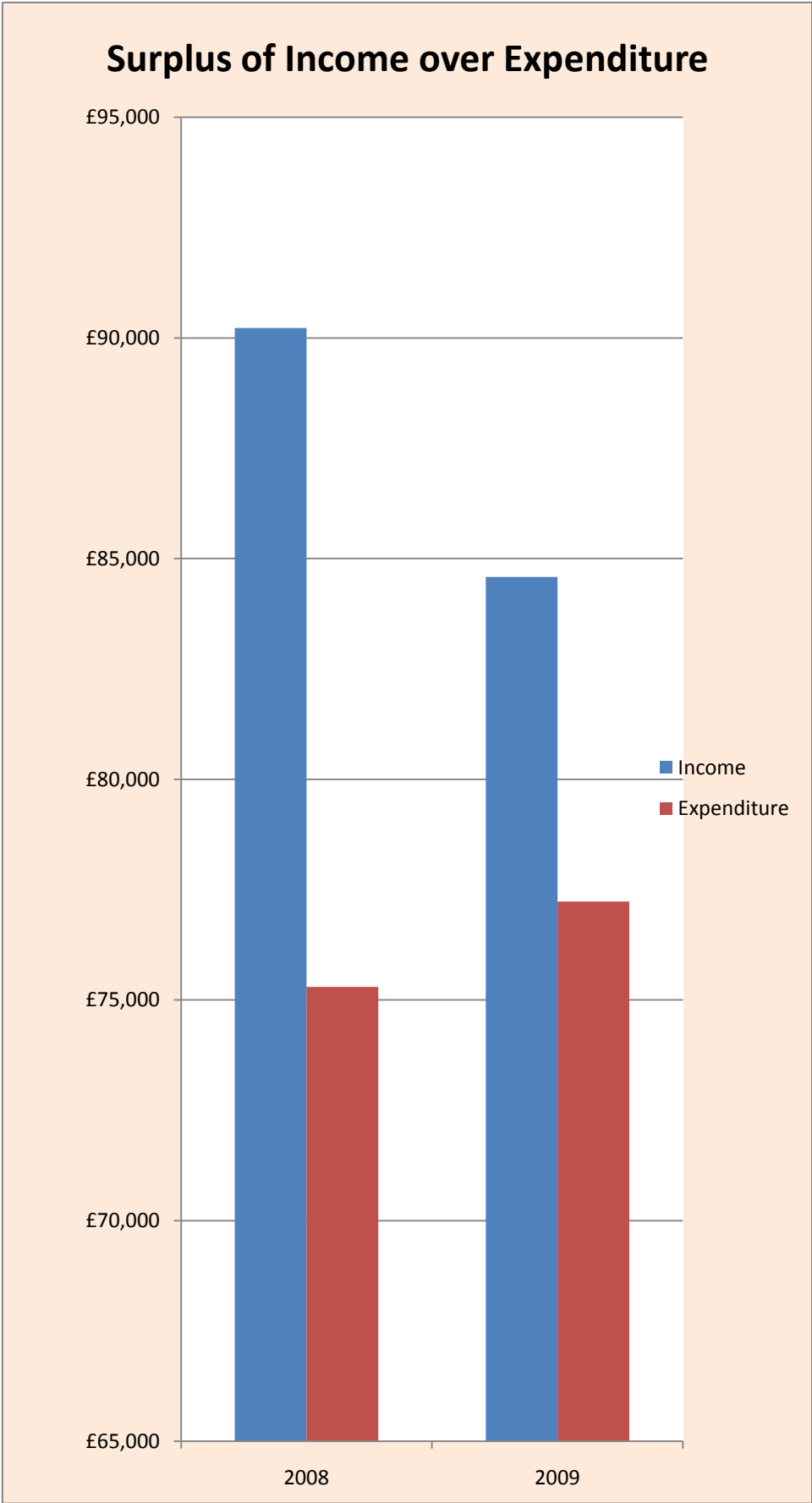
Appendix II



Appendix III



Appendix IV



Appendix V

BUDGET 2010

| Charitable Activities | Worship | Education | Comms. | M & O | Pastoral | Social | F & S | Fabric | Admin. | A & W | Budget 2010 | Total 2009 | 2010 - 2009 | Comment |
|--|--------------|------------|------------|--------------|------------|----------|---------------|--------------|--------------|----------|---------------|---------------|--------------|---|
| 1. General | | | | | | | | | | | | | | |
| Ministries & Mission Allocation | | | | | | | 47,149 | | | | 47,149 | 46,604 | 545 | |
| Presbytery Dues | | | | | | | 1,600 | | | | 1,600 | 1,559 | 41 | Estimate |
| Pulpit Supply | 120 | | | | | | | | | | 120 | 60 | 60 | Estimate |
| Worship & Music Costs | 5,880 | | | | | | | | | | 5,880 | | 5,880 | 2010 includes £2,819 one-off capital costs |
| Music Licence & Books | | 600 | | | | | | | | | 600 | 979 | -379 | Licences included in Worship for 2010 |
| Mission, Outreach & Pastoral Expenditure | | | | 1,200 | 400 | | | | | | 1,600 | 1,038 | 562 | Partly Bible Bus in 2010. Includes Fucella for 2009 |
| Charitable gifts | | | | 400 | | | | | | | 400 | 135 | 265 | Includes Fucella for 2010 |
| Other | | | 500 | | | | | | | | 500 | 358 | 142 | Ad hoc catering |
| | 6,000 | 600 | 500 | 1,600 | 400 | 0 | 48,749 | 0 | 0 | 0 | 57,849 | 50,733 | 7,116 | |
| 2. Buildings | | | | | | | | | | | | | | |
| Repairs / Maintenance to Church & Manse | | | | | | | | 6,600 | | | 6,600 | 3,292 | 3,308 | Additional costs in Manse subject to Session approval |
| Manse Council Tax | | | | | | | | | 2,000 | | 2,000 | 1,910 | 90 | |
| Heat & Light | | | | | | | | | 4,500 | | 4,500 | 4,905 | -405 | Estimated readings in 2009 make budget uncertain |
| Security | | | | | | | | 900 | | | 900 | 866 | 34 | Security Alarm companies, church & manse. |
| Insurance | | | | | | | | | 2,500 | | 2,500 | 2,288 | 212 | Estimate |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,500 | 9,000 | 0 | 16,500 | 13,261 | 3,239 | |

Appendix V

| Charitable Activities | Worship | Education | Comms. | M & O | Pastoral | Social | F & S | Fabric | Admin. | A & W | Budget 2010 | Total 2009 | 2010 - 2009 | Comment |
|---|--------------|------------|--------------|--------------|------------|----------|---------------|--------------|---------------|----------|---------------|---------------|---------------|-------------------------------------|
| 3. Other Local Expenses | | | | | | | | | | | | | | |
| Cleaner Employment Costs | | | | | | | | | 2,840 | | 2,840 | 2,784 | 56 | |
| Caretaker Employment Costs | | | | | | | | | 3,500 | | 3,500 | 3,711 | -211 | Will be offset by hall hire income. |
| Cleaning & hygiene | | | | | | | | | 750 | | 750 | 711 | 39 | |
| Telephone, printing, postage & stationery, TV | | | 1,250 | 500 | | | | | 415 | | 2,165 | 2,091 | 74 | |
| Computing & Internet | | | 750 | | | | | | | | 750 | 701 | 49 | |
| | 0 | 0 | 2,000 | 500 | 0 | 0 | 0 | 0 | 7,505 | 0 | 10,005 | 9,997 | 8 | |
| 5. Governance costs | | | | | | | | | | | | | | |
| Independent examiner's fee 2010 (estimated) | | | | | | | 2,000 | | | | 2,000 | 2,000 | 0 | Estimate |
| TOTAL Budget 2010 | 6,000 | 600 | 2,500 | 2,100 | 400 | 0 | 50,749 | 7,500 | 16,505 | 0 | 86,354 | 75,991 | 10,363 | |