

Good morning

You have seen the extract accounts and I just want to make a few comments about them. Firstly I can confirm that there are no material variations between the accounts you have and those approved by the Vestry last Tuesday.

As I said to the Vestry on Tuesday night there are three ways of looking at the accounts and the deficit this year. You have what might be called a paper deficit given that it includes a valuation of the investments at the end of August of £270,637. You have the deficit on the general fund of £37,285 and thirdly the reduction in the net current assets of the church of £65,622. All three are valid ways of looking at the church's financial position. Possibly the net current assets one is the best indicator of the true position given the current turmoil in the financial markets and it also measures cash out the door.

I should mention in passing that if the investments had been be valued at the end of October there would have been a further loss of around £80,000 to include in these accounts. Things have stabilised a bit in the last 3 weeks and there seems to be a slight recovery in value.

Throughout the year i have been forecasting a deficit of around £65,000. Again this year we were fortunate in legacies being left to us amounting to £21,500 bringing us very close to the general fund deficit that I mentioned earlier.

I have in previous years mentioned the risk of having a commercial tenant in the hall and how that drove unrealistic expectations of income from the hall. This year there has been a further fall in hall income as the commercial tenant wound down her activities and this shown up in the fall in hall income. Whilst Marie has worked very hard at filling the hall with new groups and it is down to her that the hall is in fact busier than ever, the income from these groups is at a lower hourly charge which is being reflected in the income received in comparison to last year. There will be an increase in hall income this year given the increased activity.

Most of the income and expenditure follows the same pattern as last year and there is nothing that I want to particularly highlight.

A number of questions from members of the congregation have already been responded to but one member in particular wanted me to expand further on their

question at this meeting. It concerns the projected deficits going forward that were published in the October magazine. The question surrounds the number of church members needed to make the church sustainable in financial terms and by that we mean the elimination of the deficit. The answer is very easy. Every household in the congregation, assuming rather there are 80, needs to double its contribution or alternatively the congregation needs to double. It can also be a combination of both obviously. That would solve the problem.

That won't happen and that is why the reserves policy has been changed by the Vestry to allow deficits. All I would say though is that this can't continue beyond the timescale mentioned in the policy. It's your church and everyone has ownership of it. The Rector and Vestry can only do so much and that is an important point to make for me to make.

As I have said repeatedly I stand here once a year and do this. I don't do very much in between. The smooth running of the finances is down to Robin Holmes and Marie. They do all the hard work and we are grateful to them for their endeavours.