

The Association Cultuelle of the Anglican Chaplaincy of Midi-Pyrénées & Aude

Treasurer & Stewardship Report for the Annual General Meeting 2020

Financial Accounts for 2019

In previous years, the results of the Chaplaincy (the *Association Cultuelle*) and MPA-Aid (the *Association Caritative*) have been consolidated. However, the *Associations* are separate legal entities, each with its own Statutes. Therefore, it is appropriate to produce separate financial statements for each *Association*. Thus, the financial position of the Chaplaincy, in isolation, can be seen more clearly, particularly as relates to the unrestricted Chaplaincy funds. This is very important, not least in the light of the difficult financial situation of the Chaplaincy existing at the closure of the 2019 year. Subsequently, it provides clear relevant information to the Chaplaincy Council (acting as the *Conseil d'Administration* of the *Association Cultuelle*) for making budgetary and other policy decisions.

This Report covers the *Association Cultuelle* only for which the Income & Expenditure Statement and the Balance Sheet for 2019 are enclosed, together with the Independent Financial Examiner's Report.

Format of Financial Statements

Certain changes have been made to the format of the Financial Statements this year, as follows:

- Prior year amounts have been included, which helps us better to see the evolution of the income & expenditure and that of the Chaplaincy Funds.
- Overall, the presentation has been simplified by grouping together related items of income & expenditure with notes being included to provide additional narrative.

Results for 2019

As can be seen, our deficit remained high at €20,468, which has resulted in a reduction in Chaplaincy Funds from €67,102 to €46,633. To enable everyone to better understand the results, my comments are as follows:

- **Income** increased by €6,011, i.e. 5.3%. The salient points that can be attributed to this are:
 - o Planned Giving increased by €3,454, i.e. 6.6% (in part as a result of the increase in the exchange rate to 1.18 from 1.12 in 2018).
 - o Plate collections reduced by €841, i.e. 3.77%, in the main as a result of some members of congregations switching to Planned Giving.
- **Expenditure** increased by €6,778, i.e. 5.1%. The salient points that can be attributed to this are:
 - o On the recommendation of the Independent Financial Examiner, the fixed assets of the Chaplaincy, capitalised in previous years, have been written off, resulting in an increase in the amount of depreciation of €2,137.
 - o Payments to the Diocese of Europe increased by €4,012, i.e. 32.3% (in part, as a result of the increase in the exchange rate).
 - o Travel costs increased by €4,613, i.e. 20.4%.
 - o Other expenses decreased by €3,842, i.e. 21.8%.

Activity During 2019

- The **Association Cultuelle Budget for 2019** was agreed in the first quarter of the 2019. Subsequently, the Chaplaincy Council was provided with regular updates of the 'Cash Flow Against Budget'.
- The Chaplaincy Council (acting as the *Conseil d'Administration*) adopted the policy to set a **Minimum Reserve Fund (MRF)** to cover six months expenditure in respect of the following obligatory costs:
 - o stipend;
 - o Chaplaincy house rent and utilities;
 - o pension contributions;
 - o French social security contributions and health insurance;
 - o worship centre rents; and
 - o insurances.
- Agreement was obtained from the Diocese Finance Office for the Chaplaincy to pay its **Common Fund Contributions** on a monthly basis, starting from 2020, in order to aid our cash flow and thus, the impact on the MRF.
- Thanks to the efforts of our Chaplain, Dan, a donation of £15,000 was received from a private trust, which is to be used for the purpose of growing the Chaplaincy-wide Mission. **The Mission Fund** is restricted to its defined purpose and cannot be used to support the normal expenses of the Chaplaincy.

The majority of the expenditure of the Mission Fund in 2019 was incurred directly in relation to enhancing the mission at Brens. Other expenditure includes the cost of the Mission Planning Days, which took place around the Chaplaincy.

- A **Financial Planning Campaign** for the Chaplaincy was launched in July 2019 and documents were circulated by email to members of our congregations. Printed packs were also supplied to the local churches. The Campaign resulted in the following response to Planned Giving:
 - o Alet-les-Bains – 2 new Planned Giving donors, plus an increase by 1 existing regular donor;
 - o Brens – an increase by 1 existing regular donor, plus additional ad-hoc donations being made by an existing regular donor;
 - o Cahors – 1 new Planned Giving donor, plus an increase by 1 existing regular donor; and
 - o Caylus – 3 new Planned Giving donors.
- A **Stewardship Campaign** took place in November/December 2019, during which Dan and I made presentations at the churches of Alet-les-Bains, Brens, Cahors and Toulouse. The main priority of the Campaign was to put us on a firmer financial footing for the future. However, this was also an opportunity to assess talent and skills within our congregations, particularly as we have had new people join our Chaplaincy since the last time that this exercise was carried out several years ago. Moreover, it presented an opportunity for our congregations to engage with their own worship centre's Mission Plan, in the light of the Chaplaincy-wide vision.

The presentations were reasonably well attended at most worship centres. Whilst there was some initial positive response, in terms of additional one-off donations and increased planned giving, most of these were from people who are already giving considerable support to the Chaplaincy – both financially and their time.

Printed TRIO packs (***The Responsibility Is Ours***) were supplied at the churches and also distributed by email. The Campaign resulted in the following response to Planned Giving:

- Alet-les-Bains – 2 new Planned Giving donors, plus increases by 3 existing regular donors
 - Cahors – 1 new Planned Giving donor, plus increases by 5 existing regular donors
 - Toulouse - an increase by 1 existing regular donor.
- Throughout 2019, **fundraising activity** was high. Whilst we did not reach our target of €20,000, I am very grateful for the effort that was made around the Chaplaincy. It was particularly encouraging to see new events taking place at both Alet-les-Bains and Toulouse.

Fundraising requires enthusiasm, dedication, time and effort. However, fundraising can also be fun and provides an opportunity for fellowship, as well as potential outreach to people who are not already members of our congregations and thus, engagement with our Chaplaincy-wide Mission Plan. It is understood that the possibilities for fundraising vary from one worship centre to another, either due to an 'abundance' or a 'lack' of facilities, size of congregation or perhaps quite simply, lack of experience.

Income from fundraising has been an important source of income to the Chaplaincy. For this reason, attempts were made to form a Chaplaincy-wide **Fundraising Committee** (FC), consisting of up to two members from each worship centre. The intended objective of the FC had been to share ideas and for those worship centres that are more experienced to provide guidance to those that are less experienced. Additionally, the FC would work closely with the Chaplaincy Stewardship Officer in planning the events for the year ahead, which could reasonably be expected to take place around the Chaplaincy, in order to dovetail with the budget target that had been agreed with the Chaplaincy Treasurer.

Unfortunately, the only worship centres that responded to this call were Brens and Cahors, neither of which need guidance in fundraising! However, since stewardship planning has now become an activity which should be regularly undertaken in the future, I feel that there is still merit in a FC being formed, not least to establish agreed fundraising targets across the Chaplaincy.

- During the year, work began on creating a **Financial Policies & Procedures Manual** for the Chaplaincy (which has been completed in 2020). The Manual will subsequently be updated on an on-going basis to reflect any changes made in financial policies and procedures.

Looking Forward

Income from fundraising has always been an essential part of our budget. However, it is uncertain and therefore, it is not prudent to depend on this source of income. Clear evidence of this can be seen in 2020, as the impact of Covid-19 has prevented us from holding many planned events. Our plate collections have also been affected and despite the introduction of the on-line donation facility, this is not being used as much as we have hoped.

Therefore, to ensure a firmer financial basis for the future, members of our congregations who are not already participating in the Planned Giving Scheme are urged to change to this method of financial giving, as soon as possible. Not only does this help us with our budget planning, but the fact that we continue to receive your regular donations, whether you are in church or not, is highly beneficial. I am grateful to those who already donate in this way, but would also ask that if you have not reviewed the amount that you donate regularly for say two years or more, please consider if it would be possible for you to do this now.

Donations through the Planned Giving Scheme can be made in Euros or Sterling. More information and the forms needed to change to this method of giving are available on the Finances page of our website at <https://www.churchinmidipa.com/give>.

In line with our 5-Year Budget Plan, our goal is to achieve a level of Planned Giving that is at least able to support our legal financial commitments. The ability to cover other running costs, plus donations to other charities, would then be dependent upon the level of other income received.

It is intended that Stewardship Campaigns will now take place each year in the summer and the autumn. Not least, this is an opportunity for the Mission Vision of the Chaplaincy to be presented and thus, for our congregations to take this into consideration when formulating their local Mission Plans. Sadly, the impact of Covid-19 has affected our plans to visit our churches in 2020, but we should look forward to resuming this in 2021.

It had been anticipated that the balance of the Mission Fund would be spent in 2020, mostly in relation to the cost of enhancing the mission at Brens. However, due to the impact of Covid-19 and the reduction in physical services, this is now unlikely to be the case. Therefore, it may be appropriate now for the use of this Fund to be reflected upon, particularly in the light of what may now be inevitable changes in our worship patterns beyond 2020. The overall objective use of this Fund is to enhance the Chaplaincy-wide Mission, which could, for example, include using the Fund to support the cost of new centres of worship, plus an enhancement of on-line worship facilities for the Chaplaincy.

On a final note, I would like to give special thanks to all local worship centre treasurers for the support that they have given. The work that they do is invaluable. Thanks also go to Ben Rolfe for the Independent Examination of the Financial Accounts.

Daphne Foulkes
Treasurer & Stewardship Officer
26th September 2020

THE ANGLICAN CHAPLAINCY OF MIDI-PYRENEES AND AUDE

FINANCIAL ACCOUNTS FOR YEAR ENDED 31ST DECEMBER 2019

Income & Expenditure Account			
	Notes	2019	2018
Income:			
Collections	2	77,772.96	75,159.97
Other donations	3	38,520.38	36,286.34
Sundry Income		2,739.57	1,575.37
Total Income		119,032.91	113,021.68
Expenditure:			
Chaplaincy costs	4	73,561.09	73,514.93
Travel expenses		27,220.04	22,607.20
Payments to the Diocese	5	16,434.26	12,422.61
Donations		1,434.56	1,622.18
Depreciation of Fixed Assets	6	3,205.50	1,068.50
Other expenses	7	17,646.02	21,488.03
Total Expenditure		139,501.47	132,723.45

Deficit for the Year		-20,468.56	-19,701.77
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Balance Sheet			
		2019	2018
Fixed Assets			3,205.50
Current Assets:			
Cash at Bank		23,550.72	59,520.64
Cash at bank - restricted	8		
Diocese Account		21,833.00	3,126.14
Sundry Assets		1,250.00	1,250.00
Total Assets		46,633.72	67,102.28

Represented by:			
		2019	2018
Total Chaplaincy Funds			
Balance as at 1st January 2019		67,102.28	86,804.05
Less deficit/surplus for the year		-20,468.56	-19,701.77
Balance at 31st December 2019		46,633.72	67,102.28

Explanatory Notes:

The Accounts are the accounts of The Anglican Chaplaincy of Midi-Pyrenées & Aude, excluding its Charitable Association MP Aid.

- 1 **Accounting Principles:** The accounts are done on a Receipts & Payments basis, with the Cash at Bank adjusted for late year-end items.
- 2 **Collections:** This is the income of the Chaplaincy from plate collections and regular payments through the Planned Giving Scheme:

	2019	2018
Plate Collections	22,325.32	23,166.61
Planned Giving	55,447.64	51,993.36
	77,772.96	75,159.97

- 3 **Other donations:** Donations given to the Chaplaincy, fees for weddings and funerals, plus from fundraising or the like.
- 4 **Chaplaincy costs:** Stipend, health & social security charges, and pension contributions of the Chaplain, plus rent and related charges of the rectory.
- 5 **Payments to the Diocese:** for the Common Fund, the Archdeaconry Fund, Synod and the Bishop's Ordination Fund.
- 6 **Depreciation of Fixed Assets:** The fixed assets of the Chaplaincy capitalised in prior years have been written off, so that the total of the Church Funds represent what is available to the Chaplaincy, given its precarious financial position.
- 7 **Other expenses:** Books, worship centre rents, insurance, candles, wafers & wine, stationery, postage & printing, fees paid, bank charges, Chaplain's entertainment, hire of halls and miscellaneous.
- 8 **Mission Fund:** Not included in these Accounts are the receipt of a donation of €17,700, disbursements of €6,526.95 and a remaining balance of €11,173.05, which is held in a restricted fund.

The Mission Fund specifies exactly what payments can be made from this Fund, which by definition is not available for the expenses of the Chaplaincy, so inclusion in the Chaplaincy Accounts is not appropriate.

**Independent Financial Examination of 2019 Accounts of The Anglican Chaplaincy of
Midi-Pyrenées and Aude**

Report of Examiner - Ben Rolfe Chartered MCSI

Having conducted my review, I am satisfied that no material matters of concern have come to my attention.

I have provided detailed information on the tests and checks made on the accounts.

Adequate financial accounting records have been kept.

The accounts are consistent with the accounting records.

Judgements and estimates (where applicable) are reasonable.

The accounts represent a factual report of transactions.

The form and content of the accounts are reasonable.

Following an analytical review of the accounts, no items have been identified requiring either follow-up or further explanation.

Inspection of documentary evidence was performed.

Limitation of liability. My activities have been undertaken to establish that no material matters of concern exist relating to the accounts. These activities do not represent an audit and no liability can be accepted for any deliberate mis-statement within the accounts or other deliberate misrepresentation of information or concealment of relevant information which would not be detectable during the application of reasonable skills and diligence. No fee has been charged for my work.

Signed:



Date: 10th February 2020