*Appendix One*

**Presentation of accounts for Dyffryn Clwyd Mission Area – Annual Vestry Meeting 2022**

Fr Huw presented the amalgamated accounts for 2021 and thanked the Treasurers for their hard work including: - Jonathan Major Mission Area Treasurer, Mark Hudson Gift Aid Secretary, and all our treasurers, and those who assist - where there is no treasurer. It’s worth remembering how far we’ve come in the last couple of years. In 2020 we were behind and had to do 2 years worth of accounts to bring us up to date, following our registration with the Charity Commission in August 2019, our treasurers worked hard to bring this about.

**Accounts 2021**

The Dyffryn Clwyd Mission Area accounts are with the auditors and the consolidated/audited accounts will posted on the Charity Commission website by the deadline of 31st October 2022.

Fr Huw presented the unaudited accounts for the Mission Area.

The first sheets are the old familiar church in wales income and expenditure.

For those interested, the second set of sheets are the balances of the various individual funds. The Mission Area works as the single legal entity as far as the Charity Commission, grant giving organisations and creditors are concerned.

Running Costs

The headline figure at the end of these accounts for 2021 show an income of £457,801

And an expenditure of £488,853, roughly a £30,000 loss in 2021.

Annually it costs are between £210K - £220K, to run the mission area and meet all our outgoings and legal liabilities. This includes £150K Parish Share to the diocese. In the Church in Wales it costs around £50K per priest per annum. Currently across 12 churches we have 3 full time clergy, 1 curate and 1 non stipendiary cleric. In return from the diocese, we receive for our clergy a stipendary allowance for living costs, housing, national insurance, employers’ insurance, pension contributions and other associated costs.

We also recieve half of the administrators wages and support from diocesan staff like Michael Plane who does all our quinquenials and is so helpful with our buildings, Martin Schlangen who has been so helpful with grant applications, Adam who is always on the end of the phone for our treasurers, and so on. So we actually get far more than we pay.

Amalgamated income is approximately £179K from donations and legacies, which is in unrestricted income, comprising:

* £30K from legacies,
* £85K from donations,
* £40K from rents and investment income,
* £15K from HMRC rebate on gift aided donations and
* £9K from fundraising across all churches.
* Occasional office fees, variable
* During the last 2 pandemic years, we have received financial support for each church directly from the Represenative Body in Cardiff and the Diocese to support us through the pandemic.

This leaves a shortfall of between 30K-50K per year and is unsustainable. At our last meeting of treasurers and MAC trustees, we looked at the estimated profit/loss for 2021, virtually every church recorded a loss. If you look at our projections for 2022 we are going to be spending reserves, and there will be a further loss at then end of the year. We can as a Mission Area sustain our losses for a long time, due to our reserves, but, there are a number of churches who are looking at running out of money in the next 2-3 years.

What tends to skew our figures and hide the reality is the growth in share prices of investments. This means that on paper it can look like we are making money when in fact we’re losing it. For example in Efenechtyd’s investments, the £40K profit as of December 31st 2021, is not cash in the bank that can be spent. Rather the value of the shares they hold on that day. With the crash in the markets after Russia invaded Ukraine that profit has disapeared. If you turn to the spreadsheet of our projected income/expenditure for 2022 you can see this more clearly.

Reserves and Investments.

* Across all churches we have approximately £3 million.
* Around £1 million of that is restricted and can only be spent on certain places or things.
* Around £1.8 million is unrestricted.

But, that money is not evenly distributed. We face the situation where if we don’t change our mindset and if things remain as currently is the case, two or three churches will run out of money within the next couple of years, while other churches could remain open with no congregation and no services. Somewhere like Llanfair, with the re-ordering done, could run out of money and all their facilities will be lost. That makes no sense at all.

Fr Huw urged that if we are to see ourselves as a Church of God, we must think of ourselves as One Church supporting Mission and Growth. It makes no sense to have some churches trying to grow but without the finances, while others have the resources but are not using them for growth.

Other income is essential to us as a church.

We are incredibly lucky and blessed in Dyffryn Clwyd to have been left money and land from wealthy benefactors in the past, rent and investment income accounts for around £40,000 of our income.

But we do need to raise more funds. Straight fundraising was just under £9,000 last year.

Divided across the 12 churches this is low. We have produced an events calendar to help every church plan and promote thier fundraising activities throughout the year.

The fundraisers that we hold are not only essential to balancing the books, they are also our main presence events, where we come into contact with people who don’t come to church. Funraising is at it’s heart, evangelistic and we do need more of it.

We are also trying to diverisify so we are not always asking the same people for more money. The pilgrimages and quiet days are a way of reaching out to others and will hopefully provide a new and different income stream.

Our buildings as assets and how we use them

We’ve had exceptional expenses with building works and re-ordering this year which is reflected in our income expenditure figures . We are looking at our churches and other buildings and developing plans for alternative use in some cases, with the benefit of grants for refurbishment, e.g., Ruthin town churches.

We are reaching out to others through plans to engage with the Faith Tourism market, for example ‘Llety’r Llan’ in Llanfwrog – providing facilities for visitors to camp in church. Once the computer booking system is in place this will be a pilot scheme for the Representative Body. The projected income from the initiative is £8K -£12K per annum.

We hope to make progress this year with plans to develop Llanynys and adjoining buildings as part of a pilgrimage retreat centre, producing an income from Faith Tourism.

Please see appendix of churchwardens reports on activities events and services in 2021 across our church buildings.

**The challenges we face and how we might overcome them**

Our accounting is complex.

Obsticles in getting our accounts ready for audit this year stem from delays in getting investment statements in a timely fashion for multiple accounts and 2 churches not having a fully functioning Tresurers.

The transition from 12 seperate churches to a single Mission Area, the new legal framework and our accounting process’s now, has been protracted. For the most part we are still operating from a view point of 12 seperate entities which we then try to sandwich together at the end of the year. However, for anyone looking from the outside that’s not what they see.They see a single organisation, a single registered charity, Dyffryn Clwyd Mission Area and expect to see a single set of accounts. This applies to: -

The Charity Comission

Grant awarding bodies

Creditors

Banks

Contractors doing work are employed by the Mission Area not by church councils.

If one church can’t afford their electric bill then the Mission Area is still liable. That goes for anything that looks at us legally.

Our legal obligations

The law governing our accounting systems and bank accounts means that it is becoming a harder job each year to keep on top of the multitude of bank accounts we have in Dyffryn Clwyd and all the associated paperwork.

With our investments we’ve had a great deal of work to do, to unblock accounts and bring things into line, with updated signatures, and the legal reality that the trustee’s are the MAC not church councils. For example COIF accounts require signatures from all Trustees listed on the Charity Commission web site.

How the amalgamated monies of 12 churches are separated and allocated is up to the Mission Area to decide. However we decide to draw lines around things e.g. by having separate bank accounts and designating and restricitng funds is up to us, we can have as much of it or as little of it as we want.

The MAC, which we will vote for shortly, and the Executive of that MAC can change things or not... but the more sub-divisions we decide to have, the more complicated things are, and that’s a choice and a balance which is entirely up to us.

**Hope in our future together**

Bringing hope

With both the gift of our reserves income the love and care demonstrated by our church officers and the challenges we face, we have a bright and vibrant furure ahead of us.

We have a window of opportunity, there is so much to be thankful for across the MA. There are so many green shoots and signs of growth for the future, where we have invested our time and our energies, not in just keeping the show on the road and doing what we’ve always done, but with a deliberate, intentionally plan. We have reached out to new people:-

* Some of that is in fresh expressions, Clocaenog and the wild church and family services, St Peter’s in Ruthin and the bridge,
* Some of that is in traditional and familiar church, in Llanbedr new things are acting as feeders to tadtional sung Sunday worship, in Llanychan, you know what you’re going to get if you go there, and people do travel for 1984 traditional services if they’re done with a passion and real enjoyment.

Now we have a choice with our finances

We can look at the loss, and we can close down, protect what’s ‘ours’ and have a mindset of scarcity that just tries to be the last one to run out of money and close up shop.

We can use and give our money to support a building remaining open.

Or we can see oursevles as the Church of God, as one Church, one community in Dyffryn Clwyd, spread across various buildings. We can be.....

* A church with a mission,
* A church that wants to reach out and tell people of the joy of the Good News of Christ Jesus,
* A church that works together across Dyffryn Clwyd,
* Dynamic, and support mission and growth wherever it is found, regardless of which building it is associated with, and together we can make sure there is a future for God in this place.

Whichever we decide to do, will all of our church buildings stay open?

This is a hard question to face and even harder to answer. If we double down on just looking after our own, the answer is definately no.

If we choose to use our money together, we can’t gurantee it, if you look beyond Dyffryn Clwyd, other Mission Areas are already making those hard choices and church buildings are closing.

We’ve already lost Llaenlidan, it’s now a pilgrim church.

Efenechtyd will remain open and part of the MA, but we are not holding regular worhsip there.

In town, we are already moving towards having one building for regular worship and exploring alternative uses for the other 2.

But those decisions were not taken because a church ran out of money, but because they’re running out of people. There is a better way to use our resources to grow and to pass on our faith to new people.

The future is uncertain

But... if we have the courage to change our mindset,

TO embrace the new structure of the Mission Area,

Then we can look to a future with hope and faith.

It’s going to be hard work and all I can say to you is I’m ready and willing roll up my sleaves and get stuck in... but at the end of the day, it is up to all of you what we do.

Rev Huw Bryant

Mission Area Leader

Annual Easter Vestry Meeing 2022.