

# Exeter Vineyard Church

# Finance Report for 2023

## Introduction

**Church costs money - hiring venues, supporting good works, running events, stationery, wages... things some things that seem very spiritual and some very mundane costs.**

**All of these things are paid solely by donations from members of the church. As such, we try to give feedback each year about the church finances and how we've spent the money that's been donated.**

For the majority of the 19 years that Sarah and I have led the church money has not been a big issue (thankfully because of the faithful and generous support of givers) and we've been able to do the things we felt God was calling us to do.

Occasionally we've had periods where the maths doesn't look like it's going to work and, as we look to 2024, we find ourselves at that point again. Looking at our budget projections, both our income and expenditure have dropped, but the income has dropped more than our expenditure, meaning we are having to stop doing some things we feel are important.

So there is a little extra significance to this finance report beyond just feeding back what happened with last year's income and expenditure. This report will give a summary of last year's finances and then look to the year ahead.

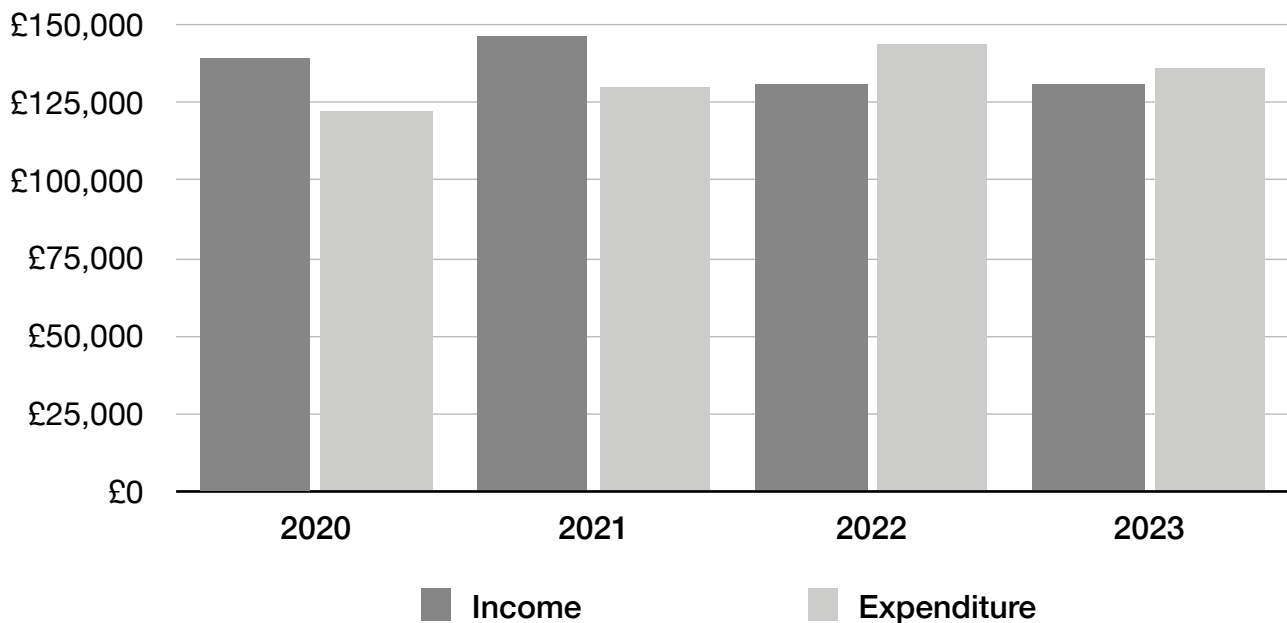
All our financial activities are decided and supervised by our team of trustees, with Mark Denton taking the finance lead. Ken Brown works as our Finance Officer, managing the week-by-week financial activities.

All the figures here are taken from our Quickbooks ledger. They are on a cash basis and rounded to the nearest £10. This is slightly different from how our accountant handles our official accounts (which can all be seen on the Charity Commission or Companies House websites) but I think these figures help paint a clearer picture of our finances and how our spending matches our priorities and values.

## 2023 Summary

Total Income	£ 130,960
<u>Total Expenditure</u>	<u>£ 135,810</u>
<b>Net Total</b>	<b>£ - 4,790 (loss)</b>

Here's a chart to compare our income and expenditure to previous years:



### Income

Our total income in 2023 was £130,960. Some of this income was from things like bank interest or payments made for activities, such as the church weekend away or the youth weekend.

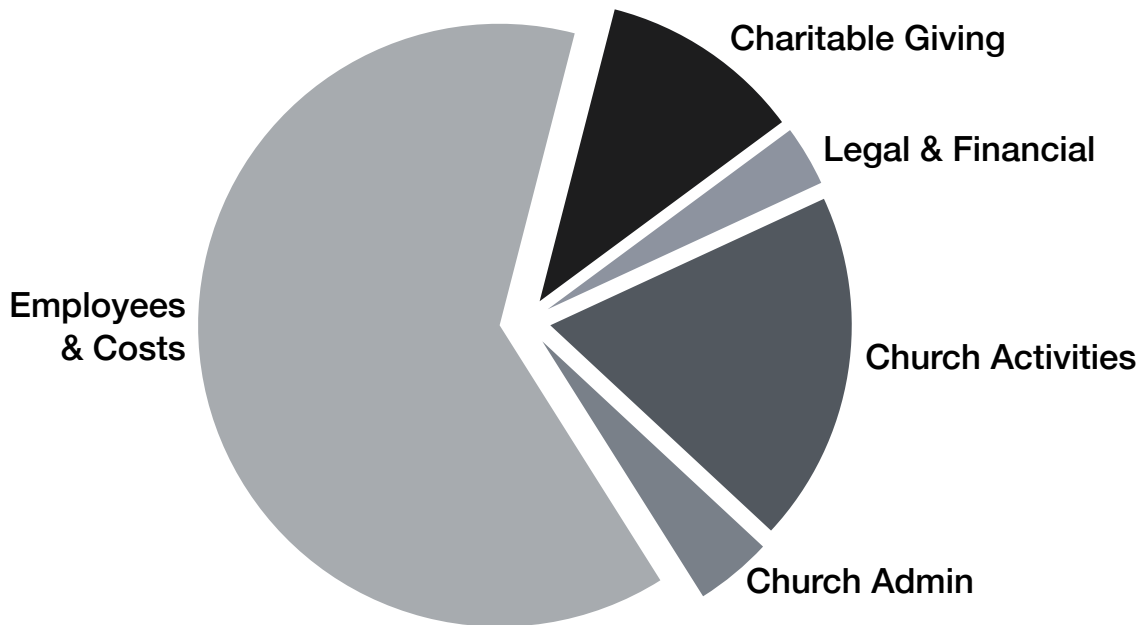
However, most of our income - £99,410 - came from donations. The vast majority of this was given by people who had registered for Gift Aid, meaning we were able to receive an extra £21,800 back from HMRC. This is why it's so important to have people registered as Gift Aid givers.

One aspect of our income that is worth noting is how dependent we are on a small number of households. In 2023 we had 31 households donate to the church through the Gift Aid scheme, but just over a third of all this income came from 4 only households.

This just means we are quite heavily dependent on certain households. In an ideal world we would have the core of our income spread across more donors.

# Expenditure

To help understand our spending, we split our expenditure into five categories as seen in this chart:



**Charitable Giving (£14,750)** This is what we give away to good works outside of Exeter Vineyard. This includes support for the Dugmore family, Crosslines, Exeter Foodbank, the Wisbey family, the Refugee House project, Roundabout and to Vineyard UK & Ireland. We give away at least 10% of our income.

**Church Activities (£25,550)** These are the costs to do church ‘stuff’ - the sort of things you can see and expect churches to do. It includes renting the school for our Sunday service, the cost of children and youth activities, Messy Church, subsidies for the weekend away, supporting volunteer leaders, having a website and so on. There is a breakdown for the specific costs of certain activities below:

Youth work	£ 4,480 <sup>1</sup>
Kids & Messy Church	£ 2,090
Sunday Service rent	£ 2,240
Sunday Service hospitality	£ 2,470
Hub leaders’ support	£ 5,220 <sup>2</sup>
Church weekend away	£ 5,610 <sup>3</sup>

<sup>1</sup> This includes the cost of the youth weekend away, for which we received £250 in contributions from families. So the total cost to the church for the youth weekend away was £2,110 for 19 youth.

<sup>2</sup> As our key leaders we feel it is a priority to support Hub leaders. In 2023 this involved monthly meetings and a training weekend away. The weekend cost £3,890 for 22 people.

<sup>3</sup> We received £3,900 in ticket sales, so the actual cost to the church was £1,710.

**Church Admin (£5,600)** These are the behind the scenes costs, things like phone costs, stationery, postage and so on. This category is lower than previous years because we haven't been renting an office, although during 2023 we were hiring a storage unit, which cost £2,300 over the year. With the Roundabout ministry closing we've been able to re-sort our church equipment and we stopped hiring the storage unit at the end of January 2024.

**Legal & Financial (£4,400)** This includes bank charges, insurance, accountancy fees and DBS checks for children and youth helpers. The necessary insurances we require cost £1,830 a year.

**Employees & Costs (£85,510)** This is by far our biggest expense. There are 5 people on our payroll. I am full-time, Sarah is 2.5 days a week, Rachel Cock is 2 days, Adam Porter is 1 day, Ken Brown has 6 hours a week as our Finance Officer and Jacob Blackburn has 6 hours a week doing bits and pieces, including editing videos, managing the website and uploading podcasts.

## Analysis

In 2023 we spent more than our income. This was possible because we have money in the bank. At the end of 2023 we had just over £50,000 in savings. We are required by the Charity Commission to have three months of operating costs set aside in reserve, which we've set at £25,000, leaving us about the same again in savings. This is the cushion we can use when our expenditure is more than our income, but it's not a long-term solution.

We have been actively trying to reduce all unnecessary expenses, but there is a limit to this. There are further places we could save, but ones I'm reluctant to do, because I feel it will change the sort of church family we are.

For example, youth work. Not everyone has teenagers, but as things stand, everyone donating to the church is paying towards youth activities. We could, instead, ask parents to cover the costs.

However, I much prefer the idea that we, as a church family, feel a collective sense of responsibility and opportunity to invest in 'our' young people. I think it would feel different if families had to pay for their children to participate in the youth activities and possibly it might lead to some children missing out.

The same principle applies to a number of other expenses, including children's activities, leaders' development and benevolence support. The philosophical question is whether we should only give money to the things we are personally connected to, or whether we are donating money into a big pot to be used as God directs.

Another notable expense is supporting leaders. I feel this is a really important aspect of church life. Vineyard depends on our leaders and their committed service. Hub leaders give many hours of service to the church, opening their homes and lives, sometimes getting involved and taking responsibility in difficult pastoral situations.

They do all of this as volunteers, so the opportunity to together over a meal, talk about their experiences, offer advice and support, and pray together is important and seems well worth the investment.

Another expenditure that sometimes might seem conspicuously luxurious are the breakfast we have at our Sunday Service. In 2023 we spent £1,890 on the pastries! Obviously we could save money by having digestives and custard creams, but we're weighing up the value of breakfast as a community against the monetary cost. And another way to think about it is that this works out at about £75 per service or less than £1 per person.

## **Looking forward to 2024**

Each year we set a budget based on our expected income, planning our activities accordingly. We want to use our funds to do the things that are important for us and the vision God has given us.

We are continuing to cut costs, but often there are only small gains to be made. For example we've reduced the budget for food at youth events. We've stopped some professional services, such as a retainer to a HR firm. We've stopped paying for the storage unit.

In 2024 we're not doing the Church Weekend Away or the Hub Leaders' Training Weekend. It's been usual practice to give staff a pay rise to reflect cost-of-living inflation, but we have frozen wages for 2024.

However the budget is still in deficit by just over £6,000. This can be covered by our reserves, but we don't want to keep doing this. Therefore if the situation continues we will review staffing in 2025.

The other alternative is that our income increases. As things stand we would need our income to increase by slightly over 5% to balance the budget.

Giving to the church, which the Bible describes as an act of worship, is a very important part of belonging to a church family. We've purposefully never made donating a big deal or in any way a condition for belonging, but we are so very grateful for all of the people who do give.

Given the current economic climate, I don't really want to press people to give more. However, I do feel comfortable asking people to prayerfully consider their giving.

Jesus talks about our ability to be generous with our finances as a crucial part of the character God wants to produce in us, so it's always something to bear in mind.

Perhaps you could review your giving? Maybe your personal income has gone up, but you haven't reflected this in your tithe? Maybe you donate towards a number of good works and now would be a good time to review them?

Or perhaps you haven't thought about donating to Exeter Vineyard. If you believe in what we're doing and receive benefits from being part of the church family, then starting to contribute might feel a really natural step.

One way to think about the deficit of £6,000 is that if everyone, in a church of *about* 100 adults, gave an extra £5 a month the budget would balance. Of course, this probably won't happen, but the point I'm making is small donations (especially with Gift Aid) always help and in God's economy the amount isn't the key element anyway - after all, it says in 2 Corinthians 9, 'God loves a cheerful giver!'

## **What's next?**

If you would like to start giving, register for Gift Aid or ask a question about how to give (or how to adjust your donation), then you can contact Ken Brown, who works as our finance officer. He can be contacted on [finance@exe.vin](mailto:finance@exe.vin)

## **Talking about our church finances**

As a church we want our church finances to be a discussion, rather than just transmitting information. So if you have a question or a comment we suggest you email or talk to Dave, Mark or Ken - whoever you feel would be the most appropriate. Contact details are below.

The trustees of Exeter Vineyard want to communicate about finances well and clearly. It's important to understand that no area of our finances (other than who gives what) is secret or confidential. This is about our money, given for God's work in and through Exeter Vineyard.

Dave - [dave@exe.vin](mailto:dave@exe.vin)

*(note my email will be off during my sabbatical - 13<sup>th</sup> May to 24<sup>th</sup> June)*

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Ken Brown - [finance@exe.vin](mailto:finance@exe.vin)