

FAQS ON ST JAMES BY THE PARK ANNUAL ACCOUNTS 2023

Why do we need to produce formal annual accounts?

The church operates as a charity and by law has to produce accounts and reports each year to provide a clear picture of our activities and financial position. They include a report from the trustees (the PCC members), a report from the Independent Examiner who has checked the accounts are correct, a Statement of Financial Activities (SOFA), a Balance Sheet, and notes that give more details behind the figures.

What is a SOFA?

The Statement of Financial Activities, or SOFA, is a summary of the income and expenditure during the year. It also shows the amount of money we had at the end of 2022 and how that had changed by the end of 2023.

What is a Balance Sheet?

The Balance Sheet is a snapshot of where we were financially on the 31 December 2023. It is in two halves – the top half shows where the money was held, and the bottom half shows which funds the money belonged to.

There are ‘debtors’ shown in the accounts. Are these people who owe us money, and how are we going to get the money back? Who are they, why haven’t they paid?

Debtors can be seen on the Balance Sheet, with more detail in Note 11. Yes, debtors are individuals or organisations who owe us money. One main debtor we have each year is HMRC. When we apply to HMRC to reclaim the Gift Aid on donations we’ve received it can take several weeks for the money to be paid to us. So at the end of the year any money not yet paid by HMRC will show up as a debtor in the accounts. The profit from the sale of St John’s, which is being held by the Diocese on our behalf, is also recorded as a debtor – this is because this money belongs to us and is ‘owed’ to us by the Diocese.

If ‘Debtors’ are people who owe us money, then ‘Creditors’ must be people the Church owes money to. How did that happen, don’t we pay our bills?

Creditors can be seen on the Balance Sheet, with more detail in Note 13. Yes, creditors are people who we are going to have to pay. But this doesn’t mean we are not paying on time. If we get a utility bill there is a period before it becomes due and so until we make the payment the bill shows as a creditor in our accounts. And when we pay the staff salaries at the end of each month, we have to pay HMRC the PAYE and National Insurance, but not straight away. The creditors also include money we are holding on behalf of groups such as Beacon.

Why is 133 Church Street valued at £48,500 and the Parish Hall at £55,000? Surely they are worth more than that?

These figures can be seen in Note 10. It’s true that if we sold 133 Church Street and the Parish Hall we would hope to get much more than these figures. The values shown in the accounts are historic from many years ago. Because these buildings are not owned by us primarily as an investment but are regularly used as part of our day to day activities, we are not required by law to constantly update these figures. This is good as getting a professional valuation each year which would take time and money.