

## TREASURER'S REPORT TO THE APCM ON 31/05/2026

### 1. Financial Performance in 2025

Total receipts on unrestricted funds were £333,008. £94,654 was from tax efficient planned givers to the Church Giving Scheme, plus other planned giving (not tax efficient) of £2,916. Tax recoverable from Gift Aid amounted to £25,166. Collections taken in church produced £3,040, some of which was gift aided. £3,711 was recovered from VAT on church work bills. Overall, even though the Church Giving Scheme was £2,337 lower than last year, the church received substantial generous legacies totalling £84,722. Investments and rent income made the total of £42,834. £26,369 income was received from the dissolution of Friends of St Michaels. The balance represents minor income.

On the expenditure side, £242,027 was spent on the Christian Ministry of St Michael's Church. Of this £103,650 related to the Diocesan Quota fully paid on time, and £19,663 was given to different charities at home and abroad. There were major repairs to the church building including the boiler work totalling £12,686. In addition, £9,522 was spent on WCC window films to repair and protect the glass windows. The balance represents the cost of running the church, and the St Michael's share of the Windhill Churches Centre.

The Fund Raising for the Bells Appeal was concluded this year. The Bells Fund brought forward figure for 2024 was £12,762. The income raised in 2025 was £5,229. The Bells expenditure in 2025 was £6,074 making total fund carried forward £11,917.

### 1.2 Provisions

Provisions made during 2025: Property Repair Fund - £10,000 and Cowell House Maintenance - £3,000

Our reserves have been carefully invested and an original sum of £225,000 set aside as an endowment for the benefit of the WCC is with the CBF Church of England Investment Fund - Income Shares. In 2025 a further £60,000 was invested in this fund. The value at the end of December was £464,524. A further £80,000 was originally invested in the COIF Charities Ethical Investment Fund - Income Units, this was valued at £128,949 at the same date.

| Fund                         | Date of initial deposit | Initial deposit | Deposit in 2025 | Value at end of December 2025 | Value at end of December 2024 |
|------------------------------|-------------------------|-----------------|-----------------|-------------------------------|-------------------------------|
| CBF Investment account       | 2013                    | £225,000        | 60,000          | £464,524                      | £422,039                      |
| COIF Ethical Investment Fund | 2014                    | £80,000         | 0               | £128,949                      | £135,901                      |

The Cowell House property has been let since March 2018 bringing in an income of £1,472 per calendar month. Cowell House is valued in our fixed assets at a cost of £67,828 (the initial purchase price as required by the accounts regulation). We believe the current market value is in excess of £450,000.

### 2. Church Workers Pension Fund (CWPF) – standard annual statement 2025

*St Michael's (Bishop's Stortford) PCC participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and the other participating employers.*

*CWPF has two sections: 1. the Defined Benefits Scheme 2. the Pension Builder Scheme, which has two subsections; a. a deferred annuity section known as Pension Builder Classic, and, b. a cash balance section known as Pension Builder 2014.*

### **Pension Builder Scheme**

*Both sections of the Pension Builder Scheme are classed as defined benefit schemes.*

***Pension Builder Classic** provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.*

***Pension Builder 2014** is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.*

*There is no sub-division of assets between employers in each section of the Pension Builder Scheme.*

*The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (**2025: £1,443** **2024: £1,407**).*

*A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022.*

*For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2026, the Board chose to grant a discretionary bonus of 10% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 1997 service so that the pension increase was also 10% (where usually it would be calculated based on inflation up to an annual cap of 5% for pensions in payment in respect of service prior to April 2006 and 2.5% for pensions in payment in respect of service post April 2006). This followed improvements in the funding position over 2025. There is no requirement for deficit payments at the current time.*

*For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.*

*The Church of England Pensions Board has agreed that some employers could use assets in the DBS of the CWPF in lieu of contributions to Pension Builder Classic and/or Pension Builder 2014. You will see this information on your DBS statement which will be sent separately.*

*The next valuation is due as at 31 December 2025.*

*The legal structure of the scheme is such that if another employer fails, **St Michael's (Bishop's Stortford) PCC** could become responsible for paying a share of the failed employer's pension liabilities.*

### **3. Reserves Policy**

**The PCC has formulated the following policy, relating to our reserves.**

1. The cash maintained on the PCC's main account should be £50,000 minimum.
2. Annual transfers should be made to the Property Repairs Fund (£10,000), Cowell House Maintenance (£1,000), and the WCC Dilapidations Fund (£2,000).
3. An Endowment Fund of £285,000 should be maintained to provide an income to assist with the outgoings on the WCC.
4. The above policies will be reviewed annually by the Finance Committee.