

Financial Summary

October Gift Day 2026



St Michael's Church
Stoke Gifford

As we look back over the life of St Michael's Church, we are continually reminded of the goodness and faithfulness of God. Ephesians 3:20 reminds us that we serve a God "who is able to do immeasurably more than all we ask or imagine." Time and time again, He has provided financially into the life of this, his Church, through the generous giving of you the congregation. It is your generosity that financially enables our vision of being a Christian Heart at the Centre of our Communities. As we approach our October Gift Day, we want to take this opportunity to explain how we fund our mission and ministry, where your money goes, and the financial realities we face together as a church community.

Our Structure: Two Charities

To understand our finances, it is helpful to know that our church operates through two linked charities:

PCC (Parochial Church Council): This funds the core Church ministry activities (Registered Charity Number: 1134709). Specific information on how we finance these ministries is detailed below.

The PCC also includes the Coffee Shop and the St Michael's Nursery. These are ministries that are not for profit and directly support our mission to be a Christian Heart at the Centre of our Communities. The PCC Trustees' aspiration is that these two ministries are financially self-sustaining. The Nursery is financially secure and generates a modest surplus which we continue to reinvest directly into the Nursery. In the past two years alone we have updated the outdoor play area, replaced the windows and have just completed the long awaited renovation of the toilets. The Coffee Shop, on the other hand, typically results in a financial ministry cost each year but serves as a valuable open door into our local community.

SMCC (St Michael's Church Centre Ltd): This is a separate but related charity (Registered Charity number: 1149601) responsible for the construction, maintenance and operation of the St Michael's Church Centre. It is now self-sustaining and no longer reliant on congregational donations, funded instead via local room hire and a structured annual financial contribution from the PCC. SMCC has no outstanding loans or debt for the Centre. Now that SMCC is largely self-sustaining, all donations are now directed to the St Michael's PCC.

Restricted vs. Unrestricted Funds: What's the Difference?

When you give to St Michael's, it goes into one of two categories:

Restricted Funds: These are donations given for a specific, designated purpose and cannot legally be spent on anything else. Historically, we have held Spring Gift Days specifically for project funding. While these raise funding for our building and resources, that money goes strictly toward those specific building projects—not the day-to-day running of the church. Since the completion of the renovation of the historic church building this Spring, the PCC holds only a very small value of restricted funds.

Unrestricted Funds (Mission & Ministry): This is our general income. It is used to fund our everyday Church activities. The majority of regular donations we receive are set up by bank standing order which helps us to budget effectively.

How We Spend Our Unrestricted Funds

Our day-to-day mission and ministry rely entirely on unrestricted funds. As you would expect, we incur general administration costs. However, the majority of our expenditure is focused on three main areas plus our core commitment to wider mission:

- 1. Mission Giving (Our Tithe):** We have long believed in being a generous Church. Therefore, we set aside 10% of donation income to support our mission partners, both here in Bristol and around the world.
- 2. Ministry Staffing:** It takes a staff team to support the needs of our large and diverse congregation. This includes our clergy, Simon and Tom, in addition to the leaders running our children and families, youth, student and young adults ministries and the amazing team who ensure the seamless day to day running of the Church. The Diocese of Bristol centralises the financial arrangements in place for Clergy but we meet this cost in full through a mechanism known as the Parish Share.
- 3. SMCC Contribution:** The PCC makes an annual contribution to the SMCC for our day-to-day use of the Centre. The contribution from the PCC to SMCC is intended to not benefit either party, but to fairly and equitably share costs. The cost to the PCC, and therefore met through donation income of the congregation, has not increased for over four years even though the costs SMCC incur have increased significantly during that time. This is due to the ability of the SMCC trustees and management team to manage costs effectively and to ensure that the building can be utilised by the community during the hours that the Church congregation is not using the building.
- 4. Shared costs with other local churches:** We are a net contributor to the Church of England's Diocese of Bristol. The Parish Share arrangement also covers shared regional costs such as the training of curates and ordinands. We receive no funding from the central Church of England or the Bristol Diocese.

Don't we cover these costs through voluntary donations for specific events?

For certain events in the life of the Church we ask for voluntary donations, for example in relation to Summer Club or Saturday breakfast. This goes to pay for direct costs related to the event (ingredients, equipment, external suppliers etc.) The suggested donation for these events does not include the cost of staff or buildings.

The Financial Reality

While we strive to manage our finances prudently, the reality is that our cost base—like household bills—increases by at least inflation each year, and often more. However, our regular, monthly donational giving has not increased in the same way for a number of years. This growing gap puts significant strain on our finances and results in operating deficits on our unrestricted funds.

To bridge the 2026 operational deficit, our October Gift Day explicitly asks for one-off donations to meet this shortfall. But our long-term aspiration is for our regular giving to increase and meet our day-to-day expenditure, securing a stable foundation for the church's future.

Each day we receive on average £1,000 of regular donational giving of which the majority is Gift Aided meaning we can claim an extra £250 a day from HMRC. This is why gift aid is so important to charities. However our expenditure on mission and ministry is close to £1,400 a day. Each year we close this gap in our funds through the generosity of one off giving via our October Gift day.

Don't we have legacy investments to fall back on?

Unlike some historic churches, St Michael's holds no endowments, capital investments, or legacy funds to draw upon. Our cash reserves are limited in line with Charity Commission guidelines to approximately three months of core operating costs, held solely as a prudent safety net to evidence good governance and an orderly wind-down should our circumstances ever change, rather than a buffer for ongoing operational deficits.

A Culture of Generosity: It Takes All of Us

We cannot rely on a small number of donors to bridge this gap; it takes all of us. When Jesus observed the widow putting her two small copper coins into the temple treasury (Mark 12:41-44), He didn't focus on the monetary value of the gift, but on the posture of her heart. It was about participation, counting herself in, and living as a disciple.

Eugene Peterson famously described Christian discipleship as "a long obedience in the same direction." It is not made up of rare, dramatic gestures, but of slow, steady, everyday faithful choices that gradually shape us into the image of Jesus.

As a Church, we have been using the Practicing the Way resources to develop a Rule of Life. Generosity is a core practice of that life. Setting aside regular, planned giving month by month is a practical expression of that "long obedience." It is not just about funding a budget; it is a spiritual discipline that forms our hearts over time. Every gift, no matter the size, matters deeply.

What Could This Look Like Practically?

While we have a short term gap in our funds for 2026 of approximately £50,000, we have an aspiration for regular giving to meet regular expenditure for next year and beyond. If we wanted to raise our regular giving by £50,000 a year in 2027 to cover inflationary pressures and secure our ministries, it might seem like a daunting number. But if just 100 people or households counted themselves in and increased their regular giving, the goal becomes highly achievable. On an average Sunday in 2025, 473 adults attended St Michaels with 131 Children.

Could you be one of the 100 households that helps us to close our deficit?

Here is an example of how **100 people** adjusting their regular giving going forward, could meet that £50,000 target:

Number of People or Households	Extra / New Giving per Week	Total Annual Impact
50	£5	£13,000
30	£10	£15,600
15	£15	£11,700
5	£40	£10,400
100	-	£50,700 per year

Note: If you are eligible for UK Gift Aid, the actual amount you need to give is even lower, as the government adds 25% to your donation.)

While this illustration focuses on regular monthly giving, we recognise that not everyone receives a predictable monthly income. For many, giving via a one-off mechanism works better in their circumstances—and we actively budget for a level of one-off giving each year alongside monthly donations.

1. Gift Aid (Adding 25% at No Extra Cost)

If you pay UK Income Tax or Capital Gains Tax, completing a Gift Aid declaration allows St Michael's to claim an extra 25p for every £1 you give directly from HM Revenue & Customs (HMRC), at no extra cost to you. Gift Aid is an established UK government scheme designed to champion the vital role charities play across society, using tax relief to multiply individual generosity and strengthen communities for the good of all. HMRC uses Gift Aid declarations strictly to verify tax relief eligibility and process the charity's reclaim. HMRC does not track personal giving choices, scrutinise giving habits, or inspect personal finances as a result of a Gift Aid declaration. You can read full details on GOV.UK's official Gift Aid page.

2. Give As You Earn (Payroll Giving)

For employed members of the congregation - particularly higher (40%) or additional (45%) rate taxpayers - another tax-efficient option is Give As You Earn (Payroll Giving). Most large employers will offer this scheme already. Donations are deducted directly from your gross pay before Income Tax is calculated. For example, if you are a 40% taxpayer, a £100 monthly gift to St Michael's costs you only £60 out of your net take-home pay, while the church receives the full £100 immediately. This therefore provides for higher rate taxpayers an extra 15% government funding with no cost to the employee when compared with Gift Aid. Charities Aid Foundation (CAF) is one of the biggest providers of payroll giving schemes to UK employers and has information on how this approach works on their website to benefit employers, employees and charities.

Looking Ahead Together

Whether it is giving the equivalent of a cup of coffee a week, or stepping out in faith to give more, we are all invited to participate. As we prepare for this October Gift Day, please consider your regular giving alongside any one-off gifts. Let us step forward together in faith, trusting in Him "who is able to do immeasurably more than all we ask or imagine" so that we can continue to see God make a profound difference in us and in our communities both now and into the future.

stmichaelsbristol.org/giving



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