

Synod Together 8 October 2016

United Reformed Church (Southern Synod) Trust Ltd

Report of the Finance Committee on the accounts for the year to 31 December 2015.

Charity law requires that, along with its annual accounts, the Synod is required to produce an account of its activities during the year and to assess the extent to which they have achieved the purposes of the Synod. Up to now Synod Together has been content to receive a brief account of its finances and to leave any assessment to its committees.

The following account of the year 2015 is made chiefly from a financial viewpoint. The intention is to try to make members of Synod more aware of what is being done in their name and to form a basis from which assessments can be made in the future. All the sums quoted relate only to 2015.

SUMMARY

The letter "k" after a sum of money indicates £1,000. More detailed accounting information is set out below; Appendix A details the General Purposes Fund and Appendix B the Manse Fund

During the year the total unrestricted funds of the Synod increased from **£16,278k to £19,641k**, of which £7,799k (2014: £7,452k) relates to the Synod Manse Fund and £313k (2014: £313k) relates to other designated funds. As will be seen from the summary accounts on the following pages, there was an increase in the General Purposes Fund due to property sales. This was accompanied by an increase in the Manse Fund resulting from the sale of surplus manses.

As always, copies of the detailed audited accounts for the year can be obtained from the Synod Office, on request.

PURPOSE OF SYNOD

The purpose of the Synod is to oversee and support the work of the United Reformed Church in the counties of Kent, East and West Sussex, most of Surrey and in South London.

INCOME

In financial terms the unrestricted resources available on a regular basis is investment income £216k (2014: £194k). In practice, variable but very significant sums are usually received from the proceeds of the sale of buildings £3,435k (2014: £819k). We were also very grateful to receive £13k (2014: £2k) from local churches towards the Synod's contribution to the deficit on the Ministers' Pension Fund.

Owing to the fall in the stock market in 2015 the general funds of the Synod decreased in value by £101k (2014: Increase £123k). The performance of the market is not one that can be predicted with any certainty.

In summary, Synod Together needs to be aware that its current financial situation has to be viewed in the context of the fact that a considerable proportion of its income comes from uncertain and unpredictable sources.

EXPENDITURE

£248k was spent on Mission. This includes the cost of employing the Mission Officer along with general grants to churches and ecumenical groupings. In 2015 the major areas for which grants were made were: £17k for Turn the Tide, the Synod's programme to support youth work in local churches, £19k for

ecumenical situations and £150K towards the redevelopment of Westminster College (it was agreed by the Finance Committee that the balance should be paid in 2015 rather than over a three year period).

£70k was spent on training during the year. The major part of this was the employment costs associated with the work of the Development Officer for Education & Learning and the Children's and Youth Development Officer. All their work has a direct impact on local churches. Also included under this heading are certain costs involved in the continued training of ministers and the cost of assessing and supervising ministerial students.

£221k was spent on property costs including the cost of employing the Property Officer. It also includes the grants to churches (£3k), the cost of selling buildings (107k) and essential repairs (£46k).

£174k was spent on resourcing the Synod Office. More than half of that was spent on salaries and associated costs for the staff who conduct the work of the Synod and its relationship to Synod Areas & United Areas, local churches and others. They also support the Moderator and Synod Officers and administer the financial work. Staffing and salary levels are kept under regular review. Other costs include the rent of the offices, IT costs and office running costs.

£29k was spent on Governance costs. This includes the costs of Synod Together, committee costs and the legal and audit fees. The major cost in 2015 was for legal fees (£9k).

£25k was given to inter-synod resource sharing. This contribution allows some of the poorer Synods to do more work than their own resources would permit, but still not as much as is done by Southern and some others.

£39k was given as Southern Synod's contribution to the Ministers' Pension Fund of which £13k was contributed by local churches.

MANSES

It is difficult to assess the success of the Manse Fund against its purpose of providing housing and a work base for ministers. However, there are continuing questions over what is an appropriate standard of housing provision, the siting of manses in multiple pastorates, and the extent to which the personal needs of a ministerial family should affect the choice or change of a manse. Although there is a very significant balance in the Manse Fund at the year end, it must be borne in mind that there is an identified need to purchase further manses. All these questions have a financial consequence. A summary of the Manse fund is set out at Appendix B.

AND FINALLY

During 2015 the Trust endorsed a suggestion from the Finance Committee that £250,000 should be made available from the beginning of 2016 to support Mission Projects from the Synods Churches. Full details of the scheme are set out on the Synod's website.

The above is an outline account of the work of the Synod in 2015. In parallel with getting on with this work, we are still considering how best to judge the achievements of Synod activity.

Ian Fleming
Synod Treasurer
September 2016

Paper C1 Appendix A

GENERAL PURPOSES FUND - 2015

The General Purposes Fund had a balance of **£11,529k** at the end of 2015. This was £3,016k more than the balance at the beginning of the year.

During 2015 the Synod received £3,923k .	£
The income from our investments amounted to	196,898
Rents Received	19,138
Donations	1,330
Monies from Closed Churches	79,747
Contributions to Ministers' Pension Fund	13,300
Profit on the sale of a Fixed Asset	21
Income on the sale of properties	3,435,000
Grants awarded no longer required	177,098
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	£3,922,562
During 2015 the Synod spent £806k .	
Mission - including grants to local church projects, ecumenical bodies, Westminster College, Turn the Tide and the cost of the Mission Officer	247,707
Training- including training of ministers and lay preachers, youth and children's work and the cost of the Development Officer for Education and Learning and the Children's & Youth Development Officer	69,887
Church Building Grants	2,825
Other Property Costs-including expenses on purchase and sale, essential repairs and relevant salary costs	218,072
Indirect costs of running the Synod office	174,140
Governance Costs including Synod and Committee costs and legal fees	29,219
Our contribution to Inter-Synod resource sharing	25,000
Our contribution to the Ministers' Pension Fund	39,000
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	£805,850
The result of this activity was net incoming resources of	3,116,712
From this was taken the decrease in the value of investments	(101,206)
The resultant increase in the value of the Fund was	<hr/>
	£3,015,506

Paper C1 Appendix B

MANSE FUND - 2015

The Synod Manse Fund had a balance of **£7,799k** at the end of 2015. This was £347k more than the balance at the beginning of the year.

	£
Grants for repairs and refurbishments added up to	165,499
Property and other costs amounted to	43,460
	<u>£208,959</u>
The proceeds of selling houses amounted to	414,500
Investment income totalled	163,508
Rents received were	68,796
Donations	25
Insurance Claim	695
	<u>£647,524</u>
The result of this activity was net incoming resources of	438,565
From this was taken the decrease in the value of investments of	(91,533)
The resultant increase in the value of the Fund was	<u>£347,032</u>