

## Synod Together 12 October 2019

### United Reformed Church (Southern Synod) Trust Ltd

#### *Report of the Finance Committee on the accounts for the year to 31 December 2018.*

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 2018 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 2018.

### 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 decreased from **£24,701k** to **£23,125k**, of which £9,619k (2017: £10,118k) relates to the Synod Manse Fund and £326k (2017: £313k) relates to other designated funds. As will be seen from the summary accounts on the following pages, there was a decrease in the General Purposes Fund due to both low property sales and investment losses. This was accompanied by a decrease in the Manse Fund also resulting from investment losses.

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 £372k (2017: £332k). In practice, variable but very significant sums are usually received from the proceeds of the sale of buildings £250k (2017: £1,270k).

Owing to the fall in the stock market in the 4<sup>th</sup> quarter of 2018 the general funds of the Synod decreased in value by £895k (2017: Increase £817k). 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

£94k was spent on Mission. This includes the cost of employing the Mission Development Officer along with general grants to churches and ecumenical groupings. In 2018 the major areas for which grants were

made were: £27k for Turn the Tide, the Synod's programme to support youth work in local churches and £9k for ecumenical situations.

£131k was spent on training during the year. The major part of this was the employment costs associated with the work of the Training Development Officer 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.

£260k was spent on property costs including the cost of employing the Property Officer. It also includes the grants to churches (£196k), the cost of selling buildings (£5k) and essential repairs (£9k).

£246k 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.

£101k was spent on Governance costs. This includes the costs of Synod Together, committee costs and the legal and audit fees. The major costs in 2018 were for legal (£83k) and audit 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.

## **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 an appropriate standard of housing provision is, 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. This continued in 2018 and into 2019. A new scheme is being introduced in 2020.

The above is an outline account of the work of the Synod in 2018. In parallel with getting on with this work, we are still considering how best to judge the achievements of Synod activity.

John Denison  
Synod Treasurer  
September 2019

**GENERAL PURPOSES FUND - 2018**

The General Purposes Fund had a balance of **£13,180k** at the end of 2018. This was £1,091k less than the balance at the beginning of the year.

During 2018 the Synod received <b>£661k</b> .	£
The income from our investments and bank interest amounted to	375,860
Rents Received	21,200
Donations	183
Monies from Closed Churches	3,916
Profit on the Sale of a Fixed Asset	9,729
Income on the sale of properties	250,000
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	£660,888

During 2018 the Synod spent **£857k**.

Mission - including grants to local church projects, ecumenical bodies, Turn the Tide and the cost of the Mission Officer	94,468
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	130,691
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Church Building Grants	196,327
Other Property Costs-including expenses on purchase and sale, essential repairs and relevant salary costs	63,380
Indirect costs of running the Synod office	245,844
Governance Costs including Synod and Committee costs and legal fees	100,854
Our contribution to Inter-Synod resource sharing	25,000
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	£856,564

The result of this activity was net outgoing resources of	(195,676)
To this was added the decrease in the value of investments	(895,387)
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The resultant increase in the value of the Fund was	£ (1,091,063)

MANSE FUND - 2018

The Synod Manse Fund had a balance of **£9,619k** at the end of 2018. This was £499k less than the balance at the beginning of the year.

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	£
Grants for repairs and refurbishments added up to	264,799
Property and other costs amounted to	58,790
Investment management costs	2,152
Purchase of new manses	1,679,950
	<u>£2,005,691</u>
The proceeds of selling houses amounted to	1,669,000
Investment income and bank interest totalled	288,526
Rents received were	65,927
	<u>£2,023,453</u>
The result of this activity was net incoming resources of	17,762
To this was taken the decrease in the value of investments of	(516,523)
The resultant decrease in the value of the Fund was	<u>£ (498,761)</u>