

Synod Together 10 October 2020

United Reformed Church (Southern Synod) Trust Ltd

Report of the Finance Committee on the accounts for the year to 31 December 2019.

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 2019 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 2019.

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 **£23,125k** to **£23,451k**, of which £8,742k (2018: £9,619k) relates to the Synod Manse Fund and £4,326k (2018: £326k) 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 mainly due to the allocation of £4,000,000 to the new grants and loans scheme. This was accompanied by a decrease in the Manse Fund resulting from property purchases.

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 £394k (2018: £372k). In practice, variable but very significant sums are usually received from the proceeds of the sale of buildings £1,430k (2018: £250k).

Owing to the rise in the stock market in 2019 the general funds of the Synod increased in value by £1,515k (2018: Decrease £895k). 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

£213k was spent on Mission. This includes the cost of employing the Mission Officer along with general grants to churches and ecumenical groupings. In 2019 the major areas for which grants were made were: £61k to support local churches and their mission, £48k for Turn the Tide, the Synod’s programme to support youth work in local churches and £9k for ecumenical situations.

£124k 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.

£1,589k was spent on property costs including the cost of employing the Property Officer. It also includes the grants to churches (£1,266k), the cost of selling buildings (£116k) and essential repairs (£140k).

£191k 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.

£43k was spent on Governance costs. This includes the costs of Synod Together, committee costs and the legal and audit fees. The major costs in 2019 were for legal (£23k) and audit fees (£10k).

£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 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 2019 the Trust endorsed a suggestion from the Finance Committee that £2,000,000 a year should be made available from the beginning of 2020 to support Mission and Building Projects from the Synods Churches. This continues in 2021. 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 2019. In parallel with getting on with this work, we are still considering how best to judge the achievements of Synod activity.

RESOLUTION

Resolution: Southern Synod is asked to receive the accounts for 2019

John Denison
Synod Treasurer
October 2020

GENERAL PURPOSES FUND - 2019

The General Purposes Fund had a balance of **£10,383k** at the end of 2019. This was £2,796k less than the balance at the beginning of the year.

During 2019 the Synod received £1,873k.	£
The income from our investments and bank interest amounted to	393,952
Rents Received	32,086
Donations	12,740
Monies from Closed Churches	2,310
Income on the sale of properties	1,430,000
Other Income	2,000
	<u>£1,873,088</u>

During 2019 the Synod spent **£2,184k.**

Mission - including grants to local church projects, ecumenical bodies, Turn the Tide and the cost of the Mission Officer	212,846
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	124,485
Church Building Grants	1,265,734
Other Property Costs-including expenses on purchase and sale, essential repairs and relevant salary costs	323,123
Indirect costs of running the Synod office	190,667
Governance Costs including Synod and Committee costs and legal fees	42,631
Our contribution to Inter-Synod resource sharing	25,000
	<u>£2,184,486</u>

The result of this activity was net outgoing resources of	(311,398)
From this was taken the transfer to designated reserves for the new grants and loans programme.	(4,000,000)
From this was added the increase in the value of investments	1,515,041
The resultant decrease in the value of the Fund was	<u>£(2,796,357)</u>

MANSE FUND - 2019

The Synod Manse Fund had a balance of **£8,742k** at the end of 2019. This was £877k less than the balance at the beginning of the year.

	£
Grants for repairs and refurbishments added up to	336,107
Property and other costs amounted to	59,455
Purchase of new manses	2,400,000
	<u>£2,795,562</u>
The proceeds of selling houses amounted to	730,000
Investment income and bank interest totalled	281,434
Rents received were	103,210
Other Income	4,736
	<u>£1,119,380</u>
The result of this activity was net outgoing resources of	(1,676,182)
To this was added the increase in the value of investments of	798,757
The resultant decrease in the value of the Fund was	<u>£(877,425)</u>