

United Reformed Church (Southern Synod) Trust Ltd

Report of the Finance Committee on the accounts for the year to 31 December 2020.

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 2020 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 2020.

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 **£23,451k** to **£23,525k**, of which £10,760k (2019: £8,742k) relates to the Synod Manse Fund and £2,326k (2019: £4,326k) relates to other designated funds. As will be seen from the summary accounts on the following pages, there was a small increase in the General Purposes Fund and this was accompanied by an increase in the Manse Fund resulting from property sales.

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 £247k (2019: £394k). In practice, variable but very significant sums are usually received from the proceeds of the sale of buildings £217k (2019: £1,430k).

Owing to the fall in the stock market in 2020 the general funds of the Synod decreased in value by £966k (2019: Increase £1,515k). 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

£83k was spent on Mission. This includes the cost of employing the Mission Officer along with general grants to churches and ecumenical groupings. In 2020 a further £221k was awarded by the

Synod Mission Panel in grants to local churches and projects. The major areas for which grants were made were: £141k for supporting mission posts in local churches, £50k for Turn the Tide, the Synod's programme to support youth work in local churches and £29k to support local churches in improving their IT equipment.

£127k 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, Safeguarding 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.

£139k was spent on property costs including the cost of employing the Property staff. It also includes the grants to churches (£20k) and the cost of selling buildings (£18k). £779k was awarded by the Building Grants and Loans Panel to support local churches in fitting their buildings for mission.

£175k 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.

£38k was spent on Governance costs. This includes the costs of Synod Together, committee costs and the legal and audit fees. The major costs in 2020 were for legal (£24k) 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 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

Following the success of the current scheme, during 2021 the Trust endorsed a suggestion from the Finance Committee that a further £1,500,000 a year should be made available from the beginning of 2022 to support Mission and Building Projects from the Synods Churches. This will continue in 2023. 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 2020. 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 2021

GENERAL PURPOSES FUND - 2020

The General Purposes Fund had a balance of **£10,439k** at the end of 2020. This was £55k more than the balance at the beginning of the year.

During 2020 the Synod received £610k.	£
The income from our investments and bank interest amounted to	247,509
Rents Received	16,651
Donations	160
Monies from Closed Churches	128,336
Income on the sale of properties	217,000
	£609,656

During 2020 the Synod spent **£2,184k.**

Mission - including grants to local church projects, ecumenical bodies, Turn the Tide and the cost of the Mission Officer	83,118
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	127,315
Church Building Grants	20,000
Other Property Costs-including expenses on purchase and sale, essential repairs and relevant salary costs	118,885
Indirect costs of running the Synod office	175,480
Governance Costs including Synod and Committee costs and legal fees	38,312
Our contribution to Inter-Synod resource sharing	25,000
	£588,110

The result of this activity was net incoming resources of	21,546
From this was added the transfer from designated reserves for unused monies from the grants and loans programme.	999,998
From this was taken the decrease in the value of investments	(966,156)
The resultant increase in the value of the Fund was	£55,388

MANSE FUND - 2020

The Synod Manse Fund had a balance of **£10,760k** at the end of 2020. This was £2,019k more than the balance at the beginning of the year.

Grants for repairs and refurbishments added up to	£ 207,186
Property and other costs amounted to	83,938
Purchase of new manses	670,000
	<u>£949,235</u>
The proceeds of selling houses amounted to	3,332,000
Investment income and bank interest totalled	193,266
Rents received were	69,398
Other Income	12,545
	<u>£3,607,209</u>
The result of this activity was net incoming resources of	2,657,974
To this was taken the decrease in the value of investments of	(639,427)
The resultant increase in the value of the Fund was	<u>£2,018,547</u>