

**Accounts for the year ended 31 December 2018**

<b>2019 Budget</b>		<b>Notes</b>	<b>2018 Draft</b>	<b>2017 Actual</b>	<b>Var</b>
<b>000</b>			<b>000</b>	<b>000</b>	<b>000</b>
<b><u>Regular income and expenditure (A)</u></b>					
462	Investment Income		467	471	(4)
47	Loan Income		40	51	(11)
202	Rental Income	1	194	237	(43)
<b>711</b>	<b>Total regular income</b>		<b>701</b>	<b>759</b>	<b>(58)</b>
175	Office salaries and costs	2	188	419	(231)
53	Trust Salary	3	21	74	(53)
75	Professional fees & Synod costs		93	85	8
143	Property expenses		117	157	(40)
<b>446</b>	<b>Total regular Expenditure</b>		<b>419</b>	<b>735</b>	<b>(316)</b>
<b>265</b>	<b>Surplus - regular (A)</b>		<b>282</b>	<b>24</b>	<b>258</b>
<b><u>Missional fund Income and expenditure (B)</u></b>					
–	Gains from closed churches	4	901	202	699
–	Legacy Income	5	73	–	73
–	Investment (losses)/gains	6	(665)	1,213	(1,878)
–	<b>Total special income<sup>(i)</sup></b>		<b>309</b>	<b>1,415</b>	<b>(1,106)</b>
180	Inter Synod Sharing		180	180	–
86	M&M for ministers deployed in Synod		65	60	5
–	M&M for legacy	5	7	–	7
48	Ongoing committed mission costs		46	42	4
186	Programme Staff costs		188	157	31
–	Reserve for ministers' pensions	7	200	29	171
5	Welfare		–	2	(2)
166	Resources Fund - Discipleship	8	192	43	149
166	Resources Fund - people	8	210	69	141
218	Resources Fund - property	8	213	512	(299)
<b>1,055</b>	<b>Total missional expenditure</b>		<b>1,301</b>	<b>1,094</b>	<b>207</b>
<b>(1,055)</b>	<b>(Deficit)/Surplus - missional fund (B)</b>		<b>(992)</b>	<b>321</b>	<b>(1,313)</b>
<b>(790)</b>	<b>(Deficit)/Surplus - Total (A+B)</b>		<b>(710)</b>	<b>345</b>	<b>(1,055)</b>
<b>(790)</b>	<b>Cash</b>	<b>9</b>	<b>(45)</b>	<b>(868)</b>	<b>823</b>

(i) Special refers to windfall gains/(losses) from closed churches/legacies and unrealised gains/losses from investments

## Notes

1. There has been a significant number of vacant properties during the year and one of our investment properties changed status as required to house a minister.
2. Staff cost fell in relation to 2017, due mainly to 2017 being a transitional year for staff in the Synod Offices with a mix of new staff shadowing existing staff and also the use of temporary cover.
3. Similarly, with Fergus leaving in 2016 we used consultants for a large part of 2017. In 2018 we've had the benefit of a permanent qualified lawyer in this area for much of the year and have been able to recoup costs via savings in legal fees charged to the church network.
4. Given the nature of gains from closed churches we cannot anticipate such income which is why we say we run a deficit budget. Under current circumstances we do invariably receive such windfalls from year to year.
5. Legacy from closed church (St Luke's Bedford), 10% paid as M&M Contribution. Again, difficult to budget.
6. Investment gains are generally unrealised i.e. non-cash and therefore not available to spend and difficult to budget. Our equity investment funds suffered a loss this year when compared to last year, however the picture is not complete as we await a valuation of our investment properties.
7. In keeping with our policy of sharing with the wider denomination in 2017 we agreed a policy to devote up to 10% of Income from Closed Churches to meet the Pension Deficit of the Ministers Pension Fund of the URC, under this policy we donated £200,000 on receipt of the funds from the sale of Queens Park.
8. We continue to support our missional activity in the Thames North region through the mechanism of providing grants and loans. 2018 has seen a welcome shift in the mix of projects supported with greater emphasis on People and Discipleship.
9. Worth highlighting that although we made an accounting surplus of £345,000 in 2017 in cash terms we actually suffered a deficit when excluding unrealised gains on investments
10. In 2018 Budget we anticipated a deficit of £550,000. Our current indicates a deficit of only £45,000 before accounting for unrealized gains. This was largely driven by gains in the Discretionary fund relating to (i) windfall gains from Queens Park being greater than originally anticipated by £901,000; and (ii) legacy from St Luke's Bedford of £73,000. This was mitigated by additional unbudgeted expenditure of £200,000 in respect of the Ministers Pension deficit and £240,000 on missional projects under the Resources Fund. Regular Income and expenditure were broadly in line with budget.