Finance Paper K

|  |  |  |
| --- | --- | --- |
|  | Paper | Action |
| 1 | Statutory Accounts Year Ended 31 December 2021 | K1 | Approval (subject to Approval of Trustees) |
| 2 | Forecast Year Ended 31 December 2022 | K2 | Information |
| 3 | Budget Year Ended 31 December (Draft) | K3 | Information - to be approved by Executive |

2021 Statutory Accounts

1 Net surplus in the year of £0.448 million (2020 surplus of £7.421 million). Regular income running at a surplus of £0.088 million (2020: surplus of

£0.286 million) and Discretionary Fund a surplus of £0.360 million (2020: Surplus £7.139 m).

2 Regular income depressed by significant property repairs against programme assets of £0.211 million.

3 Surplus in the Discretionary Fund reflective following mitigating factors

- Unrealisd gains from the revaluation of all our investment properties by Rapleys (£2.0 million) and the increase in values of our equity holdings with CCLA (£1.7 million)

- Requirement to rcognise full discounted four-year commitment to Ministers Pension Fund deficit amounting to £3.0 million

2022 Financial Forecast

1 Currently forecasting an overall surplus of £7.663 million against a budgeted loss of £1.9 million, a favourable variance of £9.7 million.

2 Regular income and Expenditure is running at a £0.069 million adverse variance to budget due to the following mitgationg factors:

- Investment Income below budget as a result of investmest units sold in Q421 to fund the payment to the Ministers Pension Fund Deficit

- Two significant refurbishment projects approved during the year

- Write off of abortive fees in respect of the Adeyfield claim against the Main Contractor which we have concluded is unlikely to be successful.

3 The Discretionary Fund is showing a favourable variance of £9.6 million largely driven by the following factors:

- Gains expected from the closure of Woodford Green and St Pauls Enfield amounting to £7.7 million amongst other smaller property gains.

- Favourable variance against payment to Ministers Pension Fund Deficit of £0.8 million as full commitment recognised in 2021.

4 Staffing

The following posts have been filled during the year

- Property Officer (new post)

- Training Officer (existing post)

- Lumen Centre Manager

Posts to be filled

- Administrative Officer - (new post) - now 2023 ???

- Chief Operating Officer (new post) - now 2023 ???

2023 Budget

1 Budget process this year slightly different from previous years as we've split it into two phases as follows

- Phase 1 - Base Budget

- Phase 2 - Strategic Considerations

The results of Phase 1 are presented to you in draft form as the are subject to discussion with Synod Executive, currently anticipating a budget deficit of £1.7 million. However there no significant items of note, other than the following

- We arecurrently proposing a separate fund of £1.0 million as part of the Resources Fund to deal with our commitment to Green Apostle

Environmental policy

In Phase 2 we will have wide internal consultation concerning the following matters

- Environmental policy

- Church closures

- Deployment

- Lumen

- Training / Walking the Way