

### **Mission & Ministry Contribution**

The M&M pledge from SW Synod for 2024 was £1,250,000. Our actual contribution was £ 1,250,000. This included a donation from Synod Trust of £75,000.

Our commitment for 2025 is **£1,500,000**. This is an agreement to help the central URC cover its costs. This also includes a contribution from the Synod Trust.

### **Grant changes**

We are not planning to make any changes to grants for 2025.

## The 2024 accounts

It should be noted that figures provided for March Synod are unaudited and usually result in significant changes during the audit process. The comparison figures for 2023 are the original pre audit figures.

### Income

Major category	2023	2024
Investment Income	406,080	443,833
Donations, grants & legacies	10,925	11,846
Funds from closed churches	3,096,513	713,425
Property sales	598,261	939,990
Other income	3,338	12,440
<b>Total</b>	<b>4,115,117</b>	<b>2,121,534</b>

In 2024 we have had several properties added to our portfolio. Some of these properties will be shared with churches on a 60/40 basis.

Our policy is to add properties to our asset portfolio on being made redundant. If the net proceeds are to be shared, then we add the Synod Trust's share of the estimated sales proceeds. When sales are completed, adjustments are made to cover costs of sale.

We had several redundant churches added to our portfolio in 2023 with plans to sell them, fewer in 2024. Some were sold in 2024.

### Expenditure – Grants Made

Category	2023	2024
Institutional Grants	195,515	140,484
Mission & Enabling Grants	157,033	236,276
Property Grants	48,949	141,031
Other Grants	2,400	8,200
<b>Total Grants</b>	<b>403,897</b>	<b>553,199</b>

Grants are taken as liabilities as soon as they are granted. They may cover multiple years and appear as liabilities on our balance sheet.

Grants are awarded as required, and in 2024 there were several new multi-year grants.

**Expenditure – Direct Activity costs**

Category	2023	2024
Training & conferences	26,098	36,408
Church Support	48,921	26,371
Safeguarding	32	11
Youth Work	119	124
<b>Total</b>	<b>75,170</b>	<b>62,913</b>

Other costs were like previous years, apart from greater costs related to church support.

**Expenditure –Staff costs**

Category	2023	2024
Special Ministry	123,955	73,765
Other staff	204,922	206,317
Pastoral Advisors	46,798	47,496
<b>Total</b>	<b>375,675</b>	<b>327,578</b>

The 2023 figure for special ministry includes some redundancy costs.

**Expenditure – Support costs**

Category	2023	2024
Synod & Area costs	10,684	9,328
Printing, stationery & Postage	8,217	6,699
Utilities	2,701	1,983
Office costs	49,181	65,175
Property costs	53,718	180,090
M&M	37,060	83,200
Governance costs	83,080	66,892
<b>Total</b>	<b>244,641</b>	<b>399,957</b>

Our 2023 office costs include a substantial sum in respect of scanning all our archives. We have also undertaken some remodelling of the office in 2024. We have also increased the depreciation costs on our buildings to cover future maintenance costs. Governance costs include any losses made on

sales of properties or investments. In the case of properties, this can be the costs incurred whilst the property was empty, or simply that the net proceeds were less than expected.

#### Summary of current account income and expenditure

Category	2023	2024
Total Income	4,115,117	2,121,534
Grants made	403,897	553,199
Direct activity costs	75,170	62,913
Staff costs	375,675	327,578
Support costs	244,641	399,957
Total expenditure	1,099,383	1,334,647
<b>Surplus/(Loss)</b>	<b>3,015,734</b>	<b>777,887</b>

#### Summary of income and expenditure

Category	2023	2024
Net incoming	3,015,734	777,887
Paper Gains/(losses) on assets	1,261,510	968,801
<b>Net funds movement</b>	<b>4,277,244</b>	<b>1,746,688</b>

We have been fortunate in that for 2 years in succession we have made significant investment gains on paper. Nevertheless, our net incoming funds shows a surplus largely due to additional redundant properties being transferred to the Synod Trust's asset portfolio. A couple of manses have been voluntarily transferred to the Synod Trust, in line with the new manse policy.

**Balance sheet**

Category	2023	2024
Tangible assets	3,919,602	4,716,110
Investment property	4,245,394	3,805,676
Other investments	12,284,054	13,913,709
Current Assets	1,947,225	1,161,453
Current liabilities (1 year)	(797,286)	(341,208)
Long term liabilities (> 1 year)	(948,281)	(1,003,181)
<b>Net Assets</b>	<b>20,846,542</b>	<b>22,467,389</b>

The reduction in current liabilities is due to larger payments to the Retired Ministers Pension Funds and draw down of some liabilities. The increase in the longer-term liabilities is due to the multi-year grants made.

The changes in 2024 include:

- Purchased 3 new manses plus transfer of 1 redundant manse and sold 4 manses
- Sold 1 church

**Staff**

A word of thanks to Paula for all the work that she undertakes particularly on the M&M issues. It is far from easy telling churches their fair share of the costs of ministry and Mission.

Paula also looks after most of the administration and bookkeeping of the Synod Trust.

**Church Life Review**

Some of you may know all about the Church Life Review (CLR) being conducted by the URC. Its intention is to reduce the burden on local churches, and to do things in a more streamlined manner. There is also a possible plan to set up a central organisation that can provide services to Synods and local churches as well as supporting new mission initiatives.

There will be, in addition to the July General Assembly an additional General Assembly in November 2025 when the plans for the changes proposed by the CLR will be considered and, if agreed, put into motion.

As the M&M income from churches and Synods is unable to meet the likely additional costs proposed, the Synod Trusts are being asked to provide a fund that can cover the additional costs that CLR proposes.

Some of the items proposed include:

- A denominational portal to access common documents
- Funding for lay workers for churches, where they would otherwise be unaffordable
- A phone line for churches to offer advice and guidance
- Common accounting software for use by churches
- Provision of common services for Synods and churches
- Possible shared IT infrastructure for Synod, churches and the central organisation
- Shared Human Resources guidance

The proposal is to set up a fund in advance of the November meeting. The Synod Executive Committee would like to propose a contribution to the new CLR fund of £250,000 per year, committed for 10 years, probably starting in 2025.

#### **Resolution**

**The URC Southwestern Synod endorses the recommendation of the Synod Executive committee to contribute up to £250,000 per year for the next 10 years.**

#### **Legacies of Slavery Fund**

General Assembly agreed to set up a fund of at least £1M. The treasurer of the URC has asked whether we might contribute as a Synod to this fund.

The Synod Executive Committee Synod recommend a one-off payment to the new fund of £120,000. This is a figure suggested by the URC Treasurer.

#### **Resolution**

**The URC Southwestern Synod endorses the recommendation of the Synod Executive committee to contribute £120,000 to this fund.**

#### **Churches Mutual Credit Union**

I am not sure if the members of Synod are aware of this union. The URC is a member of the fund, and all churches, Elders and Ministers can draw or contribute to this fund. There are already some members of this fund who are members of the URC in the Southwestern Synod area.

The fund is working well but is getting to the stage where it might need to restrict loans. As the Synod Trust we can make investments that are not primarily to generate income or growth, but to make investments that meet social and Christian needs.

The Synod Executive Committee proposes to make an investment of £200,000, out of our current investment portfolio of almost £14M.

#### **Resolution**

**The URC Southwestern Synod endorses the recommendation of the Synod Executive committee to contribute £200,000 to the Churches Mutual Credit Union.**

### **Cornerstone Church Cranbrook**

Many of you will recall that we received a presentation from Jon Holder at a recent Synod about this Ecumenical project and the Synod agreed that the Trust could provide up to 90% of the costs of the setup approvals needed to get this project off the ground.

It is not a LEP in the classical sense, but it is a church set up as a covenant between the Church of England, the Methodist Church and the United Reformed Church. Effectively an LEP without the legal overload that many LEPs suffer. It is very much a Mission Project in a new build area near Exeter and fully in synchronisation with our URC philosophy to work Ecumenically and to create new Missional Projects.

The project is now moving towards building a new church building for both the work of the church and to provide community space in the centre of the village. The likely cost of the new church building is likely to be between £1.8M and £2M.

We are already meeting 15% of running costs of the church whilst it becomes established. Our covenant means that we are also being asked to contribute 15% to the costs of the new build. The Synod Executive committee is asking the Synod to approve the following:

- To allow the Synod Trust and its officers to work with our Denominational partners to make this project a reality
- To allow the Synod Trust and its officers to invest up to £250,000 in the new building, ensuring that our investment has guarantees that our interests are protected.
- To ensure that any applications for future ministry is open to URC ministers
- To provide a secured loan to the Diocese of Exeter for up to £1M, to ensure progress in the building works at our normal loan rate of Bank rate plus 1%.

### **Resolutions**

- **The URC Southwestern Synod accepts and endorses the recommendation that we should be involved in bringing Cranbrook Church building into existence.**
- **The URC Southwestern Synod accepts and endorses the recommendation allow the Synod Trust to invest up to £250,000 in the new building in addition to the 90% Grant already approved for the planning works.**
- **The Synod authorises the Synod Trust Officers to provide a loan of up to £1M to enable the building works to progress.**

### **Manses**

We have in progress 9 manses that have been handed over to the Synod Trust, with at least 3 more under consideration.

We have also found one small change is necessary to the policy on manses. The funds created by withholding a share of the rental which were created to ensure that there were funds to meet any repair and renovation costs for manses and which are held on behalf of the local churches. As these funds were created to meet future costs, these funds should be transferred to the Synod Trust when the responsibility for repairs is transferred to the Synod Trust.

### **Resolution**

**The URC Southwestern Synod agrees that any funds held by the Synod Trust on behalf of a local church for the maintenance of the manse will be transferred to the Synod Trust when that manse is transferred to the Synod Trust.**

### **Western College Trust**

The Trustees of the Western College Trust wish to relinquish their responsibilities for this trust and to transfer control to the Trustees of Northern College Trust. The Southwestern Synod Trust is currently the Custodian Trustee of these funds, and we plan to transfer the fund to be under the control of Northern College Trust.

### **Changes to M&M Calculations for 2026**

As a part of its plans to improve the provision of ministry to LEP's, for 2026 onwards we will no longer consider only the URC Members of a church but will consider the whole membership of the church. We will further amend the factors associated with LEP's to ensure that there is not a major increase in the recommended contribution to the M&M. Any such change would be limited to 10% of the recommended contribution to the M&M fund.

This will be covered in a resolution to be brought to the October meeting of the Synod.

Richard Gray  
Treasurer  
26<sup>th</sup> February 2025