

LEEDS METHODIST MISSION
FINANCE REPORT
Mission Council Meeting – 7th February 2017

ACCOUNTS – 31st August 2016

Firstly I must apologise in reporting that at present the accounts for the above year have not been finalised with the auditors. The matter relates to whether the year requires an audit or an independent examination. Our turnover, including grants was in excess of £250,000 and our assets including both Oxford Place and Oxford Chambers buildings are valued in excess of £5m.

Subject to a small adjustment I had to make following the last meeting the revised deficit for the year was £7,415.42, I understand from conversation with the auditors there are no further adjustments. I will report separately to the committee the outcome of the discussions with the auditors and District Treasurer in due course.

ACCOUNTS – Current year

As previously reported the financial viability of the Mission is dependent on the income generated from the commercial letting of the premises in both the Chambers and The Gallery, together with supporting income from the hire of rooms and conferencing facilities. Due to the current situation with the commercial lettings I have reviewed my previous forecasts for the current year from a break even position, after making a provision for future maintenance, to a deficit of £35,000 with no provision for future maintenance. This situation causes me great concern with the possibility of cash flow problems both in the current year and in future years unless this position can be reversed as soon as possible.

COMMERCIAL TENANCIES

At the last meeting, I reported on a meeting I had had with Laura Carnall, legal operations manager at TMCP in connection with the completion of outstanding leases to safeguard our interests. Following that meeting and after numerous emails between our solicitors and TMCP we received confirmation at the end of November that we could complete on 4 of the 6 leases. These have now been completed. There is one still outstanding, awaiting a response from the tenant's solicitor, and a further one with outstanding points to resolve.

We have recently agreed a 12 month letting of a small room in the basement, and are currently in negotiation with 2 existing tenants to take leases, one on the 1st floor of The Chambers and the other, the offices previously occupied by Genesis in the Gallery.

If the above lettings go ahead we will still have the following areas unoccupied.

Oxford Chambers – 3rd floor currently occupied by Women's Counselling

Oxford Place – Entire basement area, after the closure of the Children’s Centre at the end of March, with the exception of the small room on an annual agreement,

Following a conversation with the District Property secretary we have agreed that all new leases should incorporate an open termination clause to be actioned either by the tenant – 6 months, or the landlord – 12 months.

TEAROOM CAFÉ

The café has now been operational for 15 months, and has provided support to the conferencing in both the supply of buffets and general refreshments. In addition other groups using our premises have found it exceptionally useful, together with the general public. We note however that the general footfall over recent weeks has been low. I think that the café requires the conferencing, and the conferencing requires the café.

The results for the café are as follows

| | Year January 2016 to December 2016 | Period September 2016 to January 2017 |
|--------------------------|---------------------------------------|--|
| Refreshments | 7,993.25 | 3,208.50 |
| Buffet | 11,113.30 | 4,391.50 |
| Cafe | 11,543.55 | 3,938.66 |
| Total Income | £30,909.50 | £11,538.66 |
| | | |
| Food | 7,215.78 | 2,339.74 |
| Wages | 19,351.25 | 8,296.98 |
| Other Costs | 2,076.70 | 486.24 |
| Total Expenditure | £28,903.13 | £11,122.96 |
| | | |
| Surplus | £2,006.37 | £415.70 |

MISSION COUNCIL APPROVAL

1. Retrospective approval to increase staff salaries in line with living wage rates from 1st January 2017.
2. Negotiate with Methodist Insurance to increase our policy excesses to either £500 or £1,000, currently at £250. (the premium for 2016/2017 was £18,497)
3. To continue the Tea Room café and employment of existing staff to August 2017

Bernard Neville
Treasurer
February 2017