

Registered Charity Number: 1115390
Company number: 05763786

Urban Theology Union

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 August 2021

Urban Theology Union

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Urban Theology Union

Legal and administrative information for the year ended 31 August 2021

Trustees

Revd Anesia N Cook

Revd Andrew J Crowley

Mr David M Dale

Ms Erica Dunmow Executive Chair

Revd Kevin Ellis

Revd Richard Firth

Mr Joseph Forde

Revd Gill M Newton

Dr Christopher J Sissons

Revd Julie Upton

Revd Jonathan Haigh

Resigned 21 November 2020

Appointed 21 November 2020

Company secretary

Revd Andrew J Crowley

Charity number

1115390

Company number

05763786

Registered address

Victoria Hall Methodist Church

Norfolk Street

Sheffield

S1 2JB

Independent Examiner

Sarah Lightfoot, FCA DChA

On behalf of:

VAS Community Accountancy

The Circle

33 Rockingham Lane

Sheffield

S1 4FW

Urban Theology Union

Trustees' annual report For the year ended 31 August 2021

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 August 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the charities Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102) issued in October 2019.

Objectives and activities

The objects of the Urban Theology Union (UTU) are:

- A) the promotion of the Christian religion and the development of the Christian ministry in urban communities.
- B) the promotion and provision of schemes of study and training including courses and lectures for ordained and lay people and of research projects and the publication of the results of such research, directed at relating Christianity to the needs and opportunities of urban communities
- C) the promotion of such other charitable purposes as may from time to time be determined.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Achievements and performance

This year has seen the continued success of the new Certificate in Theology and Discipleship for Mission, and the initial design of several other new courses to be run in academic year 2021-2.

This has been aided by the creation of a new staff post of Director of Theological Exploration to replace the PhD Tutor role, which is enabling us to move to becoming far less reliant on PhD teaching for our income. Membership numbers and income have grown.

UTU has continued to teach mainly on video, which has the advantage of attracting students from a wider geographical area. The exception is the PhD/Book writing Graduate Study Seminars which reverted to in person in June.

Overall income has reduced due to completion of two PhD students and our continued inability to recruit new students (although we still have enquiries) because LKC have not secured an alternative validating University (see below), making that Programme a net drain on rather than contributor to our finances.

Urban Theology Union

Trustees' annual report - continued For the year ended 31 August 2021

Academic and learning

The cohort for the 10-day Certificate by video was smaller than last year, but again most students are remaining linked to UTU's development which is very helpful. Recruitment for 2021-22 has returned to 2019-20 levels.

The new 'Living with Confidence and Respect with people of other faiths' was suspended this year, as too many potential learners wanted to attend in person.

Recruitment to the PhD is on hold due to the withdrawal of U of Manchester from validation via Luther King Centre of which we are a constituent college. We are working actively with them to explore the continuation of teaching at this level. There will be no change for any of our current students who will remain students of UTU, LKH, and the University of Manchester, until completion of their degree, but their number will reduce as they graduate. Teaching on the Graduate Study Days has returned to in-person. The progress and achievements of current students remain high and our quarterly study seminar format remains a good one for the support, encouragement and retention of students.

Recruitment to the Book Writing Course, for people writing at post doctorate level, holds steady, and we are very pleased that our recent graduate, Dr. Joe Forde will be publishing his re-written thesis in 2022 with James Clarke & Co, and Rev Julian Sullivan, a member of the Book-Writing Graduate Seminar has also had his text about his ministry in Sheffield accepted for publication.

The year-long development of materials on the topic of Kingdom-based Evangelism, with an external panel of writers, has resulted in a substantial resource, currently held on our website, but due to be published on a stand-alone site. The Methodist Church is promoting this nationally within their Evangelism and Growth strategy, and a full-scale launch takes place in late '21. This is aimed at raising our profile as an interesting place to study, and to develop partnership opportunities, rather than being a direct income generator.

We have three and possibly four new, non-accredited courses in development for 2022, following three very helpful blue-sky thinking days with academic staff, students and trustees.

Facilities and Finance

The premises we rent from The Foundry (on behalf of Victoria Hall Methodist Church) have been majorly re-styled, and we have been working closely with them towards re-building the previous partnership relationship that we had directly with Victoria Hall. The compromised of part-library, and part open space in the Suite seems to be working, although we have lost the small teaching areas for supervisions.

Investigations into the status of our property early in the year, revealed that we do owe the Methodist Church nationally half of its value, net of sale costs. This had to be established before sale, and took some time to investigate due to the Methodist Church's loss of records, so we have received rental income for most of the year.

The property was finally put on the market in the autumn, and as of October '21 looks to realise a sum greater than that in the accounts. It will therefore secure our finances, even if our course income does not stabilise or increase, for the next five years.

Urban Theology Union

Trustees' annual report - continued For the year ended 31 August 2021

Our strategy of developing our range of non-accredited courses for which we accrue all fees, is aiming to more than fill the gap created by left by the net loss that we will shortly experience on the PhD Programme.

People and governance

UTU will continue to be a place with a mixed economy of paid and voluntary staff – and we are very appreciative of those who enjoy keeping up their academic life by giving us their services.

Revd Dr Christine Dutton resigned in June to take up a post with the national Methodist Church. We were very sad to see her leave, but know that it will be helpful to have a friend in that role.

We re-thought the role, and rather than recruit another PhD Tutor we were delighted to appoint Rev Dr Robert Hoch as Director of Theological Exploration, on a one-year Contract for Services. He comes with an exciting mix of experience of seminary teaching at PhD level and pastoring in an inner city context. He will work as a PhD tutor, and will lead any future development at that level, but his primary role is developing and promoting the new range of courses and helping us discern our way forward as an institution specialising in education and learning from within a radical and contextual theological basis.

He is also developing our technical capacity, and we are now able to utilise LKC's Moodle platform for our courses.

The two volunteer librarians are back at work post Lockdown 3, and we are near to our goal of having our catalogue on-line, which will again enhance what we can offer students.

Covid and other Risks

We continue to remain confident that our ability to deliver courses on video and through Moodle, if there is a further lock-down, will mean that our work can continue.

We are also increasing our on-line presence and doing a major piece of work on profiling which will mean that we are much less reliant on local in-person recruitment to courses.

Urban Theology Union

Trustees' annual report - continued For the year ended 31 August 2021

The future

We have several initiatives being planned for 2021-22 which we believe will continue to develop our work. They are: three other courses under development: profile raising through our work on Kingdom Evangelism; publicity about the books by our graduates being published by commercial imprints; and more capacity for course development through our new staff post. We expect to see an increase in engagement through 2022, and a resulting strengthening of our position as an enabler of passionate, cutting edge engagement with urban faith and life and the people who live it.

Reserves Policy and going concern

The trustees have determined that free reserves (unrestricted funds, excluding fixed assets which are not readily available for sale) should be maintained at a level equivalent to one month's expenditure. This is estimated at £5,825. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the current activities.

The level of free reserves held at 31 August 2021 was negative £8,102 after taking into account some accruals and the outstanding loans valued at £11,730.

As at November 2021, the sale of the property had been agreed and is hoped to be completed by December 2021, when we look to realise a sum greater than that in the accounts. The proceeds will repay at least £8,000 of outstanding loans.

The remaining net proceeds will help secure our finances, even if our course income does not stabilise or increase, for the next five years. For this reason, the trustees consider the charity a going concern for at least twelve months' from the signing of these accounts.

Structure Governance & Management

The company is governed by its Memorandum and Articles of Association incorporated on 31 March 2006 and amended on 15 February 2017. The organisation became a registered charity on 18 July 2006. The charity is a company limited by guarantee and does not have a share capital.

Trustees are elected by members at the annual general meeting and also co-opted by a majority of trustees at a committee meeting.

None of the trustees has any beneficial interest in the company.

The charitable company is administered by an Operations Group, comprising the Chair, Trustee with HR responsibility and Hon Treasurer, advised by the Director of Research for academic issues. They meet monthly to assess the performance and input to strategic issues.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The trustees declare that they have approved the trustees' report above on 20 Nov. 2021 and signed on behalf of the trustees by:



Name: ERICA DUNNOW
Trustee

Independent Examiner's report to the trustees of Urban Theology Union ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: 
Sarah Lightfoot, FCA DChA

VAS Community Accountancy
The Circle
33, Rockingham Lane
Sheffield
S1 4FW

Date: 2 December 2021

Urban Theology Union

Statement of financial activities

(incorporating the income and expenditure account)

for the year ended 31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Income from:							
Donations	2	2,650	-	2,650	1,123	-	1,123
Charitable activities	3	17,530	-	17,530	25,593	-	25,593
Investments	4	7,500	-	7,500	7,501	-	7,501
Other		92	-	92	203	-	203
Total income		27,772	-	27,772	34,420	-	34,420
Expenditure on:							
Raising funds	5	2,059	-	2,059	1,453	-	1,453
Charitable activities	6	32,919	-	32,919	37,058	-	37,058
Total expenditure		34,978	-	34,978	38,511	-	38,511
Net income/(expenditure)		(7,206)	-	(7,206)	(4,091)	-	(4,091)
Transfers	14	-	-	-	-	-	-
Net movement in funds		(7,206)	-	(7,206)	(4,091)	-	(4,091)
Reconciliation of funds:							
Total funds brought forward		79,104	2,387	81,491	83,195	2,387	85,582
Total funds carried forward		71,898	2,387	74,285	79,104	2,387	81,491

The statement of financial activities includes all gains and losses recognised in the year. All of the charitable company's operations are classed as continuing.

Urban Theology Union

Balance Sheet As at 31 August 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments	9	80,000	80,000
Tangible assets	10	-	-
Total fixed assets		<u>80,000</u>	<u>80,000</u>
Current assets			
Stocks	11	1,000	1,000
Debtors	12	675	978
Cash at bank and in hand		4,340	4,303
Total current assets		<u>6,015</u>	<u>6,281</u>
Creditors: amounts falling due within one year	13	(11,730)	(4,790)
Net current assets		<u>(5,715)</u>	<u>1,491</u>
Total assets less current liabilities		74,285	81,491
Creditors: amounts falling due after one year		-	-
Total net assets		<u><u>74,285</u></u>	<u><u>81,491</u></u>
Represented By			
FUNDS			
General funds		71,898	30,481
Revaluation reserve		-	48,623
Total unrestricted funds		<u>71,898</u>	<u>79,104</u>
Restricted funds	14	2,387	2,387
Total charity funds	15	<u><u>74,285</u></u>	<u><u>81,491</u></u>

For the year ending 31 August 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The director's acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The accounts have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006.

Approved by the board on 20 Nov 2021 and signed on its behalf by:

Name: 
Trustee

Urban Theology Union

Notes to the Accounts for the year ended 31 August 2021

1 Accounting Policies

(a) Basis of preparation

Urban Theology Union is a charitable company in the United Kingdom limited by guarantee. In the event that the charity is wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and with the Charities Act 2011. The financial statements have taken advantage of the exemption to prepare a Statement of Cash Flows.

Urban Theology Union meets the definition of a public benefit entity under FRS 102. The financial statements are prepared under the historical cost convention modified to include the revaluation of properties. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £.

(b) Income

Income is recognised in the SOFA when the charity has entitlement to the funds, any performance conditions attached to the monies have been met, the receipt of the income is probable and its amount can be reliably measured.

(c) Expenditure and liabilities

Expenditure is recognised where there is a legal or constructive obligation to pay a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured. All expenditure is reported gross of irrecoverable VAT.

(d) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investment properties are revalued by the Trustees every five years or annually where it is considered that a material change in value has occurred.

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible assets at the following annual rates calculated to write off the cost less estimated residual value, on a straight line basis over their useful economic lives. Assets costing less than £500 are not capitalised.

(f) Stocks

Stock comprises of a library of publications and magazines. Publications are valued at cost of production. The magazines are deemed to be of no value.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(h) Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

(i) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(j) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Notes to the Accounts - continued
for the year ended 31 August 2021**

1 Accounting Policies - continued

(k) Employee and retirement benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

(l) Fund accounting

Unrestricted funds are donations and other income receivable or generated for the objects of the organisation without further specified purpose and are available as general funds.

Restricted funds are either donations which the donor has specified are to be solely used for particular areas of the charity's work or grant income sought for specified activities.

(m) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that the charity will continue to operate for 12 months from authorising these financial statements, given the future plans detailed in the trustees' report.

2 Income from donations

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Donations and gifts	1,650	-	1,650	1,123
Loan waivers	1,000	-	1,000	-
	<u>2,650</u>	<u>-</u>	<u>2,650</u>	<u>1,123</u>

3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Course fees	13,025	-	13,025	20,975
Memberships	4,505	-	4,505	4,480
Book income	-	-	-	138
	<u>17,530</u>	<u>-</u>	<u>17,530</u>	<u>25,593</u>

All income in 2020 was unrestricted.

4 Income from investments

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Rental income	7,500	-	7,500	7,500
Bank interest	-	-	-	1
	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>7,501</u>

All income in 2020 was unrestricted.

5 Expenditure on raising funds - investment management costs

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Rent collection, property repairs and maintenance charges	2,059	-	2,059	1,453
	<u>2,059</u>	<u>-</u>	<u>2,059</u>	<u>1,453</u>

All expenditure in 2020 was unrestricted.

Urban Theology Union

Notes to the Accounts - continued for the year ended 31 August 2021

6 Expenditure on charitable activities

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Direct costs					
Salaries	7	11,370	-	11,370	11,123
Other staff costs		724	-	724	1,414
Literary resources and books		423	-	423	1,113
Course administration charges		6,572	-	6,572	8,543
Catering		18	-	18	272
Advertising and marketing costs		-	-	-	4
Consultancy		1,848	-	1,848	2,000
Rent		6,120	-	6,120	6,700
Computer costs		1,962	-	1,962	1,285
Insurance		1,584	-	1,584	1,555
Telephone		784	-	784	823
Postage, photocopying and stationery		685	-	685	922
Other office costs		41	-	41	631
Independent examination fee (accountancy)		480	-	480	480
Other legal and professional costs		60	-	60	-
Sundry expenses		248	-	248	193
		32,919	-	32,919	37,058

£255 was paid to the independent examiner's organisation during the year for software subscription.

All expenditure in 2020 was unrestricted.

7 Staff costs

	2021 £	2020 £
Salaries	11,370	11,123
	11,370	11,123
Number of employees	2021	2020
Tutors	1.00	1.50
Management and administration	1.00	1.00
	2.00	2.50

No employee received remuneration of more than £60,000 in either year.

8 Trustees and key management personnel remuneration, benefits and expenses

The charity trustees were not paid or received any other benefits from employment with the Charity in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity 2020: £nil).

There were no other key management personnel of the charity, other than the trustees.

9 Investments

	Investment Properties £	Total £
Valuation		
As at 1 September 2020	80,000	80,000
As at 31 August 2021	80,000	80,000

240 Abbeyfield Road was purchased jointly with SICEM. The company's proportion is included in the accounts at a valuation of £80,000. It was valued by the trustees on an open market basis at 31 August 2015. As at the date of signing of the accounts, the trustees plan to sell the property - realised gains since the 2015 valuation will be recognised on completion of sale.

Urban Theology Union

Notes to the Accounts - continued for the year ended 31 August 2021

10 Tangible fixed assets

	IT equipment £	Office equipment £	Total £
Cost			
As at 1 September 2020	3,500	2,500	6,000
As at 31 August 2021	3,500	2,500	6,000
Depreciation			
As at 1 September 2020	3,500	2,500	6,000
As at 31 August 2021	3,500	2,500	6,000
Net book value			
As at 31 August 2021	-	-	-
As at 31 August 2020	-	-	-

11 Stock

	2021 £	2020 £
Finished goods and goods for resale - library of publications and magazines	1,000	1,000
	1,000	1,000

12 Debtors

	2021 £	2020 £
Trade debtors	157	802
Prepayments	518	176
	675	978

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	11,250	4,250
Accruals	480	540
Other taxes and social security	-	-
	11,730	4,790

Urban Theology Union

Notes to the Accounts - continued for the year ended 31 August 2021

14 Restricted funds

	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Scholarship fund	2,387	-	-	-	2,387
	2,387	-	-	-	2,387

The Scholarship fund represents the initial donations incoming from a campaign to raise funds to support students unable to obtain a grant or money towards the cost of a course. The funds are set aside for this purpose only.

Prior year comparison

	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Scholarship fund	2,387	-	-	-	2,387
	2,387	-	-	-	2,387

15 Net assets by fund

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Fixed assets	80,000	-	80,000	80,000	-	80,000
Current assets	3,628	2,387	6,015	3,894	2,387	6,281
Current liabilities	(11,730)	-	(11,730)	(4,790)	-	(4,790)
	71,898	2,387	74,285	79,104	2,387	81,491

16 Related party transactions

Erica Dunmow, trustee, is also a trustee of Luther King House Educational Trust (LKH), the private college which runs the undergraduate courses which are recognised by HEFCE. Erica is a representative of Urban Theology Union on the LKH board, in common with other representatives, to be responsive to denominational issues and to provide a coherent way forward. Course fee income of £10,915 was received in the year, being income collected by individuals (2020: £19,530) and course administrative fees of £6,572 were paid during the year (2020: £8,543). There were no outstanding debtors at the year end (2020: £nil).

Revd Jonathan Haigh became a trustee on 21 November 2020. He is also a trustee of The Foundry, who own the building at which Urban Theology Union is based. Rent of £6,085 was paid during the year. Rent was paid at market value.

There were no further related party transactions during the year.

17 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	475	475
Between one and five years	832	1,307
	1,307	1,782