

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LTD.

England & Wales · Charity number 1132154

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [00134549](#)

**Registered** 2009-10-16

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** 4 College Lane  
Newcastle Upon Tyne  
NE1 8JJ

**Phone** 0191-232 1168

**Website** [www.urc-northersynod.org](http://www.urc-northersynod.org)

## Activities

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**Objects:** TO ADVANCE THE CHRISTIAN RELIGION FOR THE BENEFIT OF THE PUBLIC IN ACCORDANCE WITH THE DOCTRINES, PRINCIPLES AND USAGES AND THE BASIS OF UNION OF THE UNITED REFORMED CHURCH

**Activities:** The charity supports local United Reformed Churches in N E England in their outreach and mission by the provision of financial, advisory and technical support. We also support the URC's regional objectives of Christian discipleship, mission, building partnerships and managing property. Grants are made to churches and individuals in support of those objectives.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

## Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Throughout England

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,006,798	£1,782,229	£16,395,343	15
2023-12-31	£2,525,773	£2,198,638	£15,912,784	13
2022-12-31	£1,663,493	£1,766,027	£14,435,167	13
2021-12-31	£2,449,221	£1,373,328	£16,143,987	15
2020-12-31	£1,511,048	£860,295	£13,597,968	12

## Trustees

Name	Role	Appointed
Anne Catherine Bartle		2024-03-16
CAROL HOGG		2017-03-11
Charles Andrew Randle		2022-10-15
Clive Lawrence Davies		2026-03-14
Dr Andrew Russell Graydon		2026-03-14
GORDON IAN WANLESS		2020-04-05
Jeffrey Ledger		2023-10-15
Rev Kenneth Philip Gray		2024-10-12
WILLIAM DUNCAN		2021-01-01

**THE UNITED REFORMED CHURCH ( NORTHERN PROVINCE) TRUST LTD.**

England & Wales - Charity number 1132154

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# Accounts

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**Charity Registration No. 1132154**

**Company Registration No. 00134549 (England and Wales)**

**THE UNITED REFORMED CHURCH  
(NORTHERN PROVINCE) TRUST LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors</b>	Mr K.R. Anderson Mrs J.W. Barr Miss A.C. Bartle (from 16 March 2024) Mr W. Duncan Revd K.P. Gray (from 12 October 2024) Mrs C. Hogg Mr J. Ledger Revd A.D. McGougan Mr C.A. Randle Mr G.I. Wanless
<b>Convenor</b>	Revd A D McGougan
<b>Treasurer</b>	Mr G.I. Wanless
<b>Secretary</b>	Mr W. Duncan
<b>Trust officer</b>	Mr A. Atkinson
<b>Finance officer</b>	Ms H.E. Hogg
<b>Charity number</b>	1132154
<b>Company number</b>	00134549
<b>Registered office</b>	4 College Lane, Newcastle upon Tyne, NE1 8JJ
<b>Auditor</b>	Sumer Auditco Limited, Unit 2, Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG
<b>Bankers</b>	Bank of Scotland Plc, PO Box 1000, BX2 1LB  Lloyds Bank plc, PO Box 1000, BX1 1LT  Kingdom Bank, Media House, Padge Road, Beeston, Nottingham, NG9 2RS  Virgin Money plc, 132-134 Northumberland Street, Newcastle upon Tyne, NE1 7DG  Moneywise Credit Union, 187-189 Shields Road, Newcastle upon Tyne, NE6 1DP  CCLA Investment Management Limited, One Angel Lane, London, EC4R 3AB
<b>Legal advisors</b>	Sintons LLP, The Cube, Barrack Road, NE4 6DB
<b>Investment managers</b>	CCLA Investment Management Limited, One Angel Lane, London, EC4R 3AB
<b>Property consultants</b>	Howarth Litchfield Partnership, Liddon House, Belmont Business Park, Durham DH1 1TW  Gritstone Project Management Ltd, 17 Lily Crescent, Jesmond, Newcastle upon Tyne, NE2 2SP

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2024

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The Directors present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by 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)" (effective 1 January 2019).

#### **Objectives and activities**

The Company's objectives are to advance the Christian religion for the public's benefit in accordance with the doctrines, principles, usages, and the Basis of Union of the United Reformed Church. In pursuit of this, the Company functions as a trustee, holding monies, investments, and properties for these purposes and for local churches.

The Company supports the Northern Synod's vision, which aims to enable local churches to be vibrant, informed, and effective in their local settings. The Synod, in turn, should serve as an expression of the Church at a regional level, reflecting the five marks of mission: tell, teach, tend, transform, and treasure. The Company provides financial, advisory, and technical support to assist churches within the Synod.

#### **Public benefit**

The Company is cognisant of the Charity Commission's guidance on public benefit. This requirement is fulfilled by enabling local churches to provide their services to the general public.

#### **Activities**

The Company carries out its work under 4 headings and illustrative examples of activity in 2024 are given below.

- 1. *Discipleship: Supporting Christian Spirituality, Nurturing, Lay and Ministerial Education, Development, and Training.*

This is a fundamental aspect of Synod activity, and the Trust supports it by providing funding for courses, sponsoring events, and offering grants for specific initiatives and projects that enhance individual or group faith experiences. Through the Ministries and Discipleship Committee, the Trust has been able to help laypeople attending courses on baptism and communion, as well as acquiring skills and knowledge of Zoom.

- 2. *Mission: Promoting Evangelism, Mission, Church Growth, Outreach and Racial Justice.*

This is central to the Company's objectives. Specific examples include supporting church-related community work, chaplaincies, and local churches through projects and events. Grants are awarded for ministry in local ecumenical partnerships. The Synod continues to explore novel ways of being church.

- 3. *Partnership: Collaborative Collaboration with Ecumenical, Community, and Global Partners.*

The Company supports the Synod's collaboration with Northerly Synods and provides funding to facilitate joint projects and events.

- 4. *Property Management: Providing and Overseeing Housing Accommodations for Ministers, Retired Ministers, and their Spouses or Former Civil Partners. Additionally, Supporting Local Churches in Ensuring the Proper Maintenance and Care of their Properties.*

Property-related matters are addressed by the Trust's Property subcommittee. This sub-committee establish a schedule of surveys to evaluate the condition of the property and determine subsequent maintenance requirements. Financial assistance for building preservation is provided through grants.

## THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2024

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The Company remains committed to finding sustainable and responsible ways to meet the aspirations of the Synod and to provide resources that can assist in the development of new forms of ministry. It also acknowledges the potential benefits of employing individuals to support churches in their ongoing work.

The Trust has consistently engaged in planning for the Synod's future, as requested.

The primary challenge for the Trust lies in determining the most effective resource allocation to support churches. This may entail increasing the involvement of laypeople while ensuring that the Trust upholds its charitable obligations and maximises the value of its investments.

#### *Grant-making*

A significant portion of the Company's activities is carried out through the distribution of grants. In the financial year 2024, a sum of approximately £429,871 was allocated. These grants are distributed to churches, other religious organisations, and individuals in accordance with established policies, with the primary objectives of:

- Repairing, maintaining, and enhancing the physical infrastructure of church and manse buildings.
- Promoting mission, outreach, and innovative expressions of church life.
- Providing lay and ministerial education and learning opportunities.
- Enabling individuals to attend events and workshops that cater to young people.
- Offering small welfare benevolences to those in need.

#### *Staffing and Volunteers*

The Company's operations are primarily carried out by volunteers, primarily the Directors, who receive expenses. Additionally, two members of the paid staff are responsible to the Board and consult with Directors or Officers when significant decisions are required. The work of the remaining staff is directed by the Synod.

Directors of the Board are not remunerated with honoraria, except for the Treasurer, who, in recognition of the additional responsibilities they undertake, receives an annual honorarium of 10% of a minister's stipend.

Volunteers donated an estimated 704 hours' work in total during the year, which is difficult to value in financial terms. The Board takes the view that the Company is not excessively dependent on any one individual.

Volunteers directly support the Trust through their roles as Directors, while others provide their time and assistance to sub-committees. The involvement of volunteers in advancing church activities is extensive, and their contributions are crucial for the churches' effectiveness. The Synod has acknowledged the need for support for volunteers, which is reflected in the Synod priorities.

#### **Achievements and performance**

**Discipleship– (£118,541)** Discipleship grants are awarded for specific developments and projects that enhance individual or group faith experiences. This year, a significant Synod-wide event was held at Bishop Auckland, which was well-received by all attendees. Additionally, throughout the year, several courses were conducted to refresh, and train anew, lay leaders in Baptism and Presiding at Communion.

**Mission– (£367,316)** Mission continued to be supported during 2024 and included grants to Redcar URC for immediate electrical and fire safety repairs at the church; St James's URC (Newcastle), for spire, roofing and masonry repairs at the church; Zion United Reformed Church, towards a major renovation programme at the church; St Columba's URC, towards roofing and masonry repairs at the church; St Cuthbert's, Holy Island, towards manse repairs; St James's URC (Alnwick), towards the cost of lighting improvements at the church; Heaton Churches Together, towards costs of the Heaton Festival in the Park; Sunderland & Boldon URC Partnership and Stockton Road URC, towards the costs of the CRCW; Stockton Road URC, for funding a set of four small community projects; Northumbrian Industrial Mission, towards core costs; Wooler URC, for the installation of a labyrinth and associated features in the car park behind the church; Rothbury URC, towards the cost of a part-time chaplain in the Dr Thomlinson CofE Middle School in Rothbury; St James's URC (Newcastle), towards the cost of Audio-Visual equipment; Roker RC, towards the ongoing work they do in community outreach; West Denton Community Church, towards the costs of a Community Worker.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

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**Partnerships– (£178,241)** In 2024, costs associated with ecumenical ministries were shared, and resources were also distributed to less affluent synods within the United Reformed Church through the Inter Synod Resource Sharing process. Support grants remain available to local churches as necessary. The Board is also informed of and actively involved in collaborative arrangements between other synods in Northern Britain. These initiatives are designed to enhance efficiency and establish supportive and constructive working partnerships. The Safeguarding team continues to collaborate with Synod, Trust, and local churches to review and strengthen systems throughout the Synod.

**Property– (£532,590)** The Company diligently maintained the properties under its direct responsibility and sought professional legal and property advice for local churches. Regular church surveys were conducted throughout the year, resulting in the award of grants for church and manse repairs and improvements amounting to £255,100 during 2024.

Goals achieved in 2024 include:

- Increase board membership to ten
- Appoint a convenor to the Manse and Property Subcommittees
- Complete volunteer handbook
- Be an active participant in the Church Life Review process;

Goals not achieved include:

- Appoint directors to the Property Subcommittee;
- Setup a process for succession planning;
- Complete the update of data protection practice
- Implement centralised compliance inspections of manses
- Consult with Synod Executive Committee in agreeing a financial strategy
- Implement a system for carrying out energy audits of all properties as part of the developing environmental policy

#### **Financial review**

Throughout the financial year, total funds experienced an increase of £637,559 (2023: £1,322,617), reaching a total of £16,395,343. This increase in funds can be primarily attributed to a surplus on the year, amounting to £224,569, coupled with a positive valuation of our investments, which contributed £412,990 (refer to note 10).

#### *Income*

The investment income of £356,899 (2023: £367,036) was a welcome addition. Included in other income (note 5) is £1,500,000 for church properties transferred to the Trust for sale. This represents an increase of £45,050 from the value in 2023.

#### *Expenditure*

There were no exceptional items of expenditure during 2024, apart from the previous year-end provision of £400,000 made in respect of a payment to the URC Ministers' Pension Fund, which was ultimately not required. The reversal of this provision has been included in note 22.

#### **Reserves Policy**

The Balance Sheet, presented on page 13, outlines the allocation of various funds, totalling £16,395,343, as of 31 December 2024 (2023: £15,757,784). The term "reserves" refers to the portion of a charity's funds that are readily available for immediate use.

Certain funds are invested in property or subject to restrictions on their usage. The unrestricted fund net assets, readily available, amount to £12,259,788 (2023: £11,657,747). This figure is calculated by subtracting the balance of unrestricted tangible assets and investment properties (as per note 27) from the unrestricted fund balance (as per note 25).

The Directors annually review the policy and adopt a risk-based approach to setting a reserves target.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

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The primary financial risks that the Directors consider warrant attention include:

- Potential future lump sum contributions required to be made to the Church Life Review Fund.
- An anticipated increase in the level of support provided to Churches in relation to their Ministry and Mission Fund commitments, as per the ongoing Synod Assessment process (currently estimated at approximately £500k annually).
- The possibility of legal action against the Synod or Trust necessitating lump sum payments.

Based on these risks, the Directors believe that maintaining reserves at a level between £7m and £8m would be prudent.

The current level of reserves held exceeds the target level. However, considering the uncertainty surrounding the performance of investments due to the potential impact of the proposed support for the Church Life Review Fund, energy improvements, and global market instability, the Directors were satisfied with this position.

#### **Investment Policy**

Most the Company's available funds are invested through its nominees, primarily the CCLA Investment Management Ltd, one of the largest Charity Fund Managers in the United Kingdom. The Company's financial policy aims to maximise the total return while maintaining a steady income, thereby ensuring the fulfilment of its financial requirements. The portfolio is highly diversified, encompassing both UK and overseas equities. CCLA operates an active ethical policy that is not only based on the types of activities engaged in by companies in which the fund invests, but also on active engagement over issues such as good governance and management, and good environmental policies.

It is not believed that this policy has any detrimental effect on income or capital. The fund has returns that are comparable to those of other investment vehicles, and performance is monitored at meetings of the investment sub-committee, which are held twice annually. The current target for the COIF Charities Ethical Investment Fund is a total return of inflation plus 5% over the long term, ensuring a reliable income stream that maintains its real value over time. The fund aims to control volatility to 75% of that of the UK equity market.

#### **Risk Management**

The Directors are responsible for assessing the major risks to which the Company is exposed and for establishing systems to mitigate those risks. The Trust maintains a risk register and considers external and internal risks to which the Company is exposed. The Trust undertakes a formal review of the risks to which it is exposed annually.

#### *Factors Affecting Performance*

The Company's ability to achieve its objectives depends on several factors, not necessarily within its control, such as the performance of investments and the effective coordinated work of professional advisors. In 2024, there were no significant factors of this type.

Other factors of which the Trust is cognisant include the reduction in volunteers across the Synod and in churches, which can cause them to close. This in turn may mean the Synod having to make up more of a shortfall on its in-year M&M contributions. Some remaining churches will have high maintenance costs. All these issues have been considered by the Trust and Synod when developing future plans.

#### **Plans for the Future**

The Company plans to continue its work for the foreseeable future.

The Company has formally agreed to provide support to the Synod. The Trustees acknowledge the crucial role they play in facilitating the implementation of the Synod's forthcoming strategy.

The Board comprises a diverse range of professional experience from various sectors, including private, statutory, and voluntary organisations. Additionally, they have extensive involvement with ministry and churches. These diverse backgrounds will be instrumental in guiding the Company through the anticipated changes in the Synod.

## THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2024

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Goals for 2025 include:

- Consult with Synod Executive Committee in agreeing a financial strategy (Treasurer)
- Recruit a Board member with responsibility for implementation of the environmental policy, who would also serve on the Property Subcommittee (Trust Secretary)
- Set up a process for succession planning (Trust Convenor)
- Complete the update of data protection practice (Synod Operations Coordinator)
- Implement a system for carrying out energy audits of all properties as part of the developing environmental policy (Property Subcommittee)
- Actively support the implementation of the Church Life Review process (Trust Convenor)

#### **Structure, governance and management**

The United Reformed Church (Northern Province) Trust Limited (formerly known as the Durham and Northumberland Congregational Union (Incorporated)) was incorporated in England & Wales in 1914. It is a private charitable company, limited by guarantee. It is governed by its Memorandum & Articles of Association, adopted in revised form on 4 August 2009, which confer various powers, including powers to hold, maintain and administer property, money and investments; to buy and sell property and investments; and to take over any assets legally transferred to the Company.

#### *Directors/Trustees*

The Directors who served during the year were:

Mr K.R. Anderson

Mrs J.W. Barr

Miss A.C. Bartle (from 16 March 2024)

Mr W. Duncan

Revd. K.P. Gray (from 12 October 2024)

Mrs C. Hogg

Mr J. Ledger

Revd A.D. McGougan

Mr C.A. Randle

Mr G.I. Wanless

Most Directors contribute their time voluntarily and do not receive any remuneration from the Company. Any expenses reimbursed by the Company are detailed in note 13 of the financial statements. The sole exception is Mr. G.I. Wanless, who, as treasurer and in recognition of the additional responsibilities he assumes, is entitled to an annual honorarium of 10% of a minister's stipend.

The Directors are appointed by the United Reformed Church Northern Synod, while the officers are appointed by the Board. A balanced Board is sought, comprising a diverse range of experience, gender, and geographic representation. Vacancies are identified, and nominations are sought either through direct contact or via advertisement within the 50 churches of the Synod. Under the United Reformed Church Acts 1972-2000, all members and Directors are required to be members of a local church or ecumenical area of the United Reformed Church. Consequently, no candidates are sought outside the churches of the Northern Synod.

Upon appointment, all Directors are provided with an induction pack that outlines the Company's work and includes the Charity Commission's leaflet titled "The Essential Trustee: What You Need to Know." Throughout the year, additional training is provided on a variety of pertinent subjects.

The Board convenes five times annually to receive reports, establish policies, and make significant financial decisions. Subcommittees are responsible for overseeing investments, staff compensation, denominational Ministry and Mission Fund assessments, church and manse property management, and human resources. Small grant applications are evaluated by a Synod Executive subcommittee, while larger applications are referred to the Board. Investments are closely monitored through regular quarterly reports from the Investment Managers. Additionally, periodic condition survey reports are received from the Property Consultants regarding the local church properties.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

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All decisions are made by simple majority, with the Convenor having an additional casting vote. The Board may make decisions by agreement of two Directors on straightforward, non-controversial matters. The day-to-day management of the Company's affairs is carried out by two members of office staff, who are accountable to the Board. The Finance Officer and Trust Officer support the day-to-day operations of the Trust Company. Their tasks are operational in nature, and they work within the parameters defined by their role descriptions. The Trust Officer supports the Trust with administrative and legal support, including policy decisions that are referred to the Board.

The Trust maintains a remuneration policy that ensures effective resource stewardship while upholding objectivity and transparency. This approach fosters a perception of fairness and rationality in salary levels. The salaries of lay staff employed by the Trust are evaluated when a new position is established. This process is undertaken by members of the Human Resources sub-committee. In making a recommendation for an appropriate salary level, consideration is given to:

- Levels of remuneration for comparable posts within the not-for-profit sector in the North East of England.
- Salaries paid by the URC and other denominations across the United Kingdom.

The proposed salary and its rationale are subsequently discussed with the Remuneration sub-committee, and the recommended outcome is forwarded to the Trust. Annual reviews of the salaries of lay staff are conducted to reflect the changes in the level of responsibility and the increases in the cost of living that have transpired over the past 12 months. In exceptional circumstances, the Remuneration sub-committee may recommend a bonus payment to acknowledge the exceptional performance of duties that far exceed the standard expectations for the post-holder.

#### *Relations with other Parties*

The Company conducts its operations in conjunction with and in support of the United Reformed Church Northern Synod, a non-profit, unincorporated charitable organisation.

#### **Statement of Directors' responsibilities**

The directors, who also act as trustees for the charitable activities of The United Reformed Church (Northern Province) Trust Limited, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

A resolution proposing that Sumer Auditco Limited be reappointed as auditor of the company will be put at a Board Meeting.

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

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#### Disclosure of information to auditor

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Directors' report was approved by the Board of Directors.

Signed by:



.....5895DC3B7A7540C...

**A.D. McGougan**  
**Director (Convenor)**

05 August 2025  
Dated: .....

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### Opinion

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Limited (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

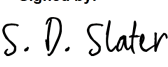
Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:  
  
.....15B4AADB6E574F4.....

**Mr Stephen Slater (Senior Statutory Auditor)**  
**for and on behalf of Sumer Auditco Limited**  
**Statutory Auditor**  
**Unit 2, Gosforth Park Avenue**  
**Newcastle upon Tyne**  
**NE12 8EG**

12 August 2025  
Date: .....

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

### Current financial year

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total as restated 2023 £
<b>Income and endowments from:</b>						
Donations and legacies	3	3,041	29,301	-	32,342	483,841
Investments	4	328,069	28,830	-	356,899	367,036
Other income	5	1,614,225	3,332	-	1,617,557	1,519,896
<b>Total income</b>		<b>1,945,335</b>	<b>61,463</b>	<b>-</b>	<b>2,006,798</b>	<b>2,370,773</b>
<b>Expenditure on:</b>						
Charitable activities	6	869,680	327,008	-	1,196,688	2,128,165
Other expenditure	9	423,051	162,490	-	585,541	70,473
<b>Total resources expended</b>		<b>1,292,731</b>	<b>489,498</b>	<b>-</b>	<b>1,782,229</b>	<b>2,198,638</b>
Net gains/(losses) on investments	10	275,179	101,786	36,025	412,990	1,150,482
<b>Net incoming/(outgoing) resources before transfers</b>		<b>927,783</b>	<b>(326,249)</b>	<b>36,025</b>	<b>637,559</b>	<b>1,322,617</b>
Gross transfers between funds		(476,576)	476,576	-	-	-
<b>Net movement in funds</b>		<b>451,207</b>	<b>150,327</b>	<b>36,025</b>	<b>637,559</b>	<b>1,322,617</b>
Fund balances at 1 January 2024		12,895,678	2,683,528	178,578	15,757,784	14,435,167
<b>Fund balances at 31 December 2024</b>		<b>13,346,885</b>	<b>2,833,855</b>	<b>214,603</b>	<b>16,395,343</b>	<b>15,757,784</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Prior financial year - as restated

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
<b>Income and endowments from:</b>					
Donations and legacies	3	424,845	58,996	-	483,841
Investments	4	328,004	39,032	-	367,036
Other income	5	1,514,824	5,072	-	1,519,896
<b>Total income</b>		<u>2,267,673</u>	<u>103,100</u>	<u>-</u>	<u>2,370,773</u>
<b>Expenditure on:</b>					
Charitable activities	6	2,009,330	118,835	-	2,128,165
Other expenditure	9	-	70,473	-	70,473
<b>Total resources expended</b>		<u>2,009,330</u>	<u>189,308</u>	<u>-</u>	<u>2,198,638</u>
Net gains/(losses) on investments	10	927,264	223,218	-	1,150,482
<b>Net incoming/(outgoing) resources before transfers</b>		<u>1,185,607</u>	<u>137,010</u>	<u>-</u>	<u>1,322,617</u>
Gross transfers between funds		(129,104)	129,104	-	-
<b>Net movement in funds</b>		<u>1,056,503</u>	<u>266,114</u>	<u>-</u>	<u>1,322,617</u>
Fund balances at 1 January 2023		<u>11,839,175</u>	<u>2,417,414</u>	<u>178,578</u>	<u>14,435,167</u>
<b>Fund balances at 31 December 2023</b>		<u><u>12,895,678</u></u>	<u><u>2,683,528</u></u>	<u><u>178,578</u></u>	<u><u>15,757,784</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

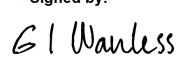
## BALANCE SHEET

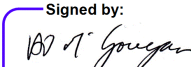
AS AT 31 DECEMBER 2024

	Notes	2024		2023 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		1,120,400		1,206,631
Investment property	16		181,300		181,300
Investments	18		12,521,107		12,187,617
			<u>13,822,807</u>		<u>13,575,548</u>
<b>Current assets</b>					
Debtors falling due within one year	19	18,159		21,558	
Debtors falling due after one year	19	12,782		37,782	
Investments	20	2,555,000		2,739,950	
Cash at bank and in hand		457,298		104,338	
		<u>3,043,239</u>		<u>2,903,628</u>	
<b>Creditors: amounts falling due within one year</b>	21	(43,641)		(68,193)	
<b>Net current assets</b>			<u>2,999,598</u>		<u>2,835,435</u>
<b>Total assets less current liabilities</b>			<u>16,822,405</u>		<u>16,410,983</u>
<b>Provisions for liabilities</b>	22		(427,062)		(653,199)
<b>Net assets</b>			<u><u>16,395,343</u></u>		<u><u>15,757,784</u></u>
<b>The funds of the charity</b>					
Endowment funds	23		214,603		178,578
Restricted income funds	24		2,833,855		2,683,528
Unrestricted funds	25		13,346,885		12,895,678
			<u>16,395,343</u>		<u>15,757,784</u>

05 August 2025

The financial statements were approved by the Directors on .....

Signed by:  
  
 FAC6C996393B433.....  
**G.I. Wanless**

Signed by:  
  
 5895DC3B747540C:..  
**A.D. McGougan**

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023 as restated	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	31		(1,875,710)		(1,700,371)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,679)		(229,710)	
Proceeds from disposal of tangible fixed assets		50,000		-	
Proceeds from disposal of investments		1,764,450		783,196	
Investment income received		356,899		367,036	
<b>Net cash generated from investing activities</b>			2,168,670		920,522
<b>Net cash generated from financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			292,960		(779,849)
Cash and cash equivalents at beginning of year			104,338		884,187
<b>Cash and cash equivalents at end of year</b>			457,298		104,338

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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### 1 Accounting policies

#### Charity information

The United Reformed Church (Northern Province) Trust Limited is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office is 4 College Lane, Newcastle upon Tyne, NE1 8JJ.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, (modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value). The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

#### 1.3 Charitable funds

Transfers to and from the General reserve fund to designated funds are made in accordance with the annual budget and in accordance with need. Funds are closed when the purpose for which they were created comes to an end, or it is otherwise resolved to discontinue them.

Details of the nature and purpose of each fund are explained in note 26. Designated funds are determined by the Board.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income arising on endowed funds is treated as an addition to the endowment.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1 Accounting policies (Continued)

##### 1.5 Resources expended

Expenditure is accounted for on an accruals basis. Grants payable are voluntary payments to individuals, local URC churches or other organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff and governance costs which support the charity and its activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold properties have been brought into the financial statements at the value at which they had previously been included in the accounts of the Northern Synod in 2009. Properties brought in after this date are valued at market value on donation or purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	25% straight line
Loans	No depreciation
Property improvements	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

##### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

---

#### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 1 Accounting policies

(Continued)

##### 1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

##### 1.12 Employee 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.13 Retirement benefits

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

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Critical judgements

##### Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2 Critical accounting estimates and judgements

(Continued)

##### Key sources of estimation uncertainty

##### Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

##### Valuation of investment property

As described in note 16 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Sanderson Weatherall, Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

#### 3 Donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total Unrestricted funds 2024 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	41	58,404	58,445	424,845	483,841
Grants receivable	3,000	(29,103)	(26,103)	-	-
	<u>3,041</u>	<u>29,301</u>	<u>32,342</u>	<u>424,845</u>	<u>483,841</u>
<b>Donations and gifts</b>					
Legacies	41	-	41	424,845	424,845
M&M contributions	-	58,404	58,404	58,996	58,996
	<u>41</u>	<u>58,404</u>	<u>58,445</u>	<u>424,845</u>	<u>483,841</u>
<b>Grants receivable for core activities</b>					
URC London - Legacy grant no longer required	-	(29,103)	(29,103)	-	-
URC London - Discipleship grant	3,000	-	3,000	-	-
	<u>3,000</u>	<u>(29,103)</u>	<u>(26,103)</u>	<u>-</u>	<u>-</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4 Investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Rental income	18,500	-	18,500	18,083	-	18,083
Income from listed investments	305,031	28,830	333,861	304,890	39,032	343,922
Interest receivable	4,538	-	4,538	5,031	-	5,031
	<u>328,069</u>	<u>28,830</u>	<u>356,899</u>	<u>328,004</u>	<u>39,032</u>	<u>367,036</u>

Rental income from investment properties is accounted for under income from investments.

#### 5 Other income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total as restated 2023 £
Properties held for resale	1,500,000	-	1,500,000	1,454,950	-	1,454,950
Other income	92,573	3,332	95,905	35,862	5,072	40,934
Rental income	15,452	-	15,452	18,702	-	18,702
Grants received	6,200	-	6,200	5,310	-	5,310
	<u>1,614,225</u>	<u>3,332</u>	<u>1,617,557</u>	<u>1,514,824</u>	<u>5,072</u>	<u>1,519,896</u>

Church properties handed over to the Trust for resale during 2024 are shown under properties held for resale. Properties that remain unsold have been included as current assets in assets held for sale, valued at expected sale value.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 6 Charitable activities

	Discipleship 2024 £	Mission 2024 £	Partnership 2024 £	Property 2024 £	Total 2024 £	Total 2023 £
Staff costs	-	76,656	-	-	76,656	37,193
Depreciation	-	-	-	15,420	15,420	15,420
Direct activities	7,405	30,063	11,853	183,910	233,231	1,216,967
	<u>7,405</u>	<u>106,719</u>	<u>11,853</u>	<u>199,330</u>	<u>325,307</u>	<u>1,269,580</u>
Grant funding of activities (see note 7)	13,466	144,265	17,040	255,100	429,871	417,431
Share of support costs (see note 8)	95,797	114,458	147,475	76,286	434,016	433,718
Share of governance costs (see note 8)	1,873	1,874	1,873	1,874	7,494	7,436
	<u>118,541</u>	<u>367,316</u>	<u>178,241</u>	<u>532,590</u>	<u>1,196,688</u>	<u>2,128,165</u>
<b>Analysis by fund</b>						
Unrestricted funds	118,541	367,316	(125,213)	509,036	869,680	2,009,330
Restricted funds	-	-	303,454	23,554	327,008	118,835
	<u>118,541</u>	<u>367,316</u>	<u>178,241</u>	<u>532,590</u>	<u>1,196,688</u>	<u>2,128,165</u>

#### For the year ended 31 December 2023

	Discipleship £	Mission £	Partnership £	Property £	Total 2023 £
Staff costs	-	37,193	-	-	37,193
Depreciation and impairment	-	-	-	15,420	15,420
Direct activities	4,404	110,499	903,582	198,482	1,216,967
	<u>4,404</u>	<u>147,692</u>	<u>903,582</u>	<u>213,902</u>	<u>1,269,580</u>
Grant funding of activities (see note 7)	9,230	139,001	15,429	253,771	417,431
Share of support costs (see note 8)	98,989	103,675	158,171	72,883	433,718
Share of governance costs (see note 8)	1,859	1,859	1,859	1,859	7,436
	<u>114,482</u>	<u>392,227</u>	<u>1,079,041</u>	<u>542,415</u>	<u>2,128,165</u>
<b>Analysis by fund</b>					
Unrestricted funds	114,482	392,227	995,199	507,422	2,009,330
Restricted funds	-	-	83,842	34,993	118,835
	<u>114,482</u>	<u>392,227</u>	<u>1,079,041</u>	<u>542,415</u>	<u>2,128,165</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7 Grants payable

##### Current financial year

	Discipleship 2024 £	Mission 2024 £	Partnership 2024 £	Property 2024 £	2024 £
Grants to institutions:					
Roker URC	-	9,000	-	-	9,000
Manse Repair and Maintenance Annual Grants	-	-	-	13,000	13,000
St George's URC, High Heaton	-	-	-	16,091	16,091
Redcar URC	-	-	5,000	61,000	66,000
Holy Island Mission Project	-	10,000	-	-	10,000
Wooler URC	-	15,920	-	2,250	18,170
Trinity Church, Ashington	-	-	-	2,630	2,630
Rothbury URC	-	4,500	-	-	4,500
St Andrew's Church, Crook	-	-	1,000	-	1,000
St James's URC Newcastle	-	9,500	-	37,507	47,007
St Columba's URC North Shields	-	9,000	-	26,223	35,223
Widdrington URC	-	-	-	4,000	4,000
St Margaret's URC South Shields	-	-	-	5,000	5,000
Northallerton URC	-	-	-	100,000	100,000
St James's URC Alnwick	-	-	-	2,450	2,450
Northumbrian Industrial Mission	-	15,000	-	-	15,000
Heaton Churches Together	-	1,000	-	-	1,000
West Denton Community Church	-	50,000	-	-	50,000
Stockton Road URC	-	8,452	-	-	8,452
CY&F Grants	-	46,106	-	-	46,106
Less grants no longer required	-	(39,310)	-	(15,051)	(54,361)
Minor institutional grants	-	5,097	11,040	-	16,137
	-	144,265	17,040	255,100	416,405
Grants to individuals	13,466	-	-	-	13,466
	13,466	144,265	17,040	255,100	429,871

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

##### Discipleship

Discipleship grants are awarded for specific developments and projects which strengthen individual or group faith experience.

##### Mission

Mission grants are awarded to fund events and projects central to the company's purpose including promoting evangelism and church growth.

##### Partnership

Partnership grants are awarded to support joint working with ecumenical, community and global partners.

##### Property

Property grants are awarded to support local churches in funding proper care of their properties.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7 Grants payable

(Continued)

##### Prior financial year

	Discipleship 2023 £	Mission 2023 £	Partnership 2023 £	Property 2023 £	2023 £
Grants to institutions:					
Roker URC	-	9,000	-	-	9,000
Northgate URC Darlington	-	-	-	150,603	150,603
Manse Repair and Maintenance Annual Grants	-	-	-	11,110	11,110
Faith in the Community	-	36,000	-	-	36,000
West End URC	-	-	-	35,348	35,348
St Aidan's URC, Hexham	-	-	-	3,000	3,000
St George's URC, High Heaton	-	-	3,553	-	3,553
Keld Resource Centre	-	31,800	-	-	31,800
St Columba's URC, Billingham	-	21,995	-	-	21,995
Sunderland Connect Network	-	20,000	-	-	20,000
Redcar URC	-	9,869	-	10,000	19,869
St Andrew's URC, Kenton	-	-	-	9,961	9,961
Guisborough URC	-	-	-	10,650	10,650
Horsley URC	-	-	-	10,000	10,000
Holy Island Mission Project	-	10,000	-	-	10,000
Grindon Church Community Project	-	-	-	8,919	8,919
Church Action in Poverty North East	-	5,635	-	-	5,635
Church of the Good Shepherd	-	-	-	5,000	5,000
Wooler URC	-	-	-	5,000	5,000
St Cuthbert's LEP, Heaton	-	-	-	4,500	4,500
Trinity Church, Ashington	-	-	-	4,425	4,425
Rothbury URC	-	-	-	4,224	4,224
Low Row Church	-	-	-	3,138	3,138
St Andrew's Church, Crook	-	-	1,000	-	1,000
Christ Church, Stanley	-	-	800	-	800
Less grants no longer required	-	(12,527)	-	(22,107)	(34,634)
Minor institutional grants	20	-	9,076	-	9,096
	<u>20</u>	<u>131,772</u>	<u>14,429</u>	<u>253,771</u>	<u>399,992</u>
Grants to individuals	9,210	7,229	1,000	-	17,439
	<u>9,230</u>	<u>139,001</u>	<u>15,429</u>	<u>253,771</u>	<u>417,431</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

8 Support costs	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Staff costs	333,603	-	333,603	333,344	-	333,344
Depreciation	23,490	-	23,490	23,678	-	23,678
Office & executive	65,163	-	65,163	62,479	-	62,479
Office staff costs	5,904	-	5,904	7,480	-	7,480
Field Team costs	5,856	-	5,856	6,737	-	6,737
Audit fees	-	7,200	7,200	-	7,200	7,200
Sundry expenses	-	294	294	-	236	236
	<u>434,016</u>	<u>7,494</u>	<u>441,510</u>	<u>433,718</u>	<u>7,436</u>	<u>441,154</u>
Analysed between						
Charitable activities	<u>434,016</u>	<u>7,494</u>	<u>441,510</u>	<u>433,718</u>	<u>7,436</u>	<u>441,154</u>

#### Basis of allocation

	Office & executive	Office staff	Field Team
	%	%	%
Discipleship	25	20	23
Mission	25	21	34
Partnership	25	31	43
Property	25	28	-
	<u>100</u>	<u>100</u>	<u>100</u>

Support and governance costs are allocated as an approximation of average working time for staff costs, and equally between all categories for the running costs of the Synod Office and the Synod Executive Committee.

Governance costs includes payments to the auditors of £5,400 (2023: £5,400) for audit fees and £1,800 (2023: £1,800) for non audit services.

#### 9 Other expenditure

	Unrestricted funds	Restricted funds	Total	Restricted funds	Total
	2024	2024	2024	2023	2023
Monies paid to investors	<u>423,051</u>	<u>162,490</u>	<u>585,541</u>	<u>70,473</u>	<u>70,473</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 10 Net gains/(losses) on investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total Unrestricted funds 2024 £	Restricted funds 2023 £	Total 2023 £
Gain/(loss) on revaluation of investments	270,369	101,786	-	372,155	898,920	1,122,138
Gain/(loss) on sale of investments	4,810	-	36,025	40,835	28,344	28,344
	<u>275,179</u>	<u>101,786</u>	<u>36,025</u>	<u>412,990</u>	<u>927,264</u>	<u>1,150,482</u>

#### 11 Net movement in funds

2024  
£

2023  
£

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	7,200	7,200
Depreciation of owned tangible fixed assets	38,910	39,098

#### 12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 13 Directors

None of the Directors (or any persons connected with them) received remuneration during the year (2023: none), but 7 of them were reimbursed a total of £1,822 travelling and other expenses (2023: 5 were reimbursed £776).

The treasurer received an annual honorarium of £3,253 (2023: £3,098) being 10% of a minister's stipend in recognition of the additional work carried out by him.

#### 14 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Head count	15	13
Full-time equivalent	11	10

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 14 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	313,650	275,275
Social security costs	27,868	25,287
Other pension costs	68,741	69,975
	410,259	370,537
	410,259	370,537

Key management are considered to be the Directors of the Trust, none of whom received any remuneration this year or in the previous year.

There were no employees whose annual remuneration was more than £60,000.

#### 15 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Loans £	Property improvements £	Total £
<b>Cost</b>					
At 1 January 2024	988,450	38,733	225,983	206,034	1,459,200
Additions	-	2,679	-	-	2,679
Disposals	-	(946)	(50,000)	-	(50,946)
At 31 December 2024	988,450	40,466	175,983	206,034	1,410,933
<b>Depreciation and impairment</b>					
At 1 January 2024	136,008	34,149	-	82,412	252,569
Depreciation charged in the year	15,420	2,885	-	20,605	38,910
Eliminated in respect of disposals	-	(946)	-	-	(946)
At 31 December 2024	151,428	36,088	-	103,017	290,533
<b>Carrying amount</b>					
At 31 December 2024	837,022	4,378	175,983	103,017	1,120,400
At 31 December 2023	852,442	4,584	225,983	123,622	1,206,631

Freehold properties comprised in the total above are functional assets and managed by the Trust. Loans relate to properties for the purpose of providing houses for some ministers, retired ministers and their spouses. These properties are managed by the United Reformed Church Retired Ministers' Housing Society Limited.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 16 Investment property

	2024 £
<b>Fair value</b>	
At 1 January 2024 as restated and 31 December 2024	181,300

Included in the fair value is Berwick Church which is currently being leased by the Spittal Improvement Trust and has a fair value as at 31 December 2024 of £181,300.

#### 17 Financial instruments

	2024 £	2023 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	2,555,000	2,739,950

#### 18 Fixed asset investments

	Common investment fund
<b>Cost or valuation</b>	
At 1 January 2024	12,187,617
Additions	118,303
Valuation changes	372,155
Disposals	(156,968)
At 31 December 2024	12,521,107
<b>Carrying amount</b>	
At 31 December 2024	12,521,107
At 31 December 2023	12,187,617

#### 19 Debtors

	2024 £	2023 £
<b>Amounts falling due within one year:</b>		
Other debtors	8,702	16,049
Prepayments and accrued income	9,457	5,509
	18,159	21,558

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

19 Debtors	(Continued)		
	2024	2023	
	£	£	
<b>Amounts falling due after more than one year:</b>			
Other debtors	12,782	37,782	
<b>Total debtors</b>	<u>30,941</u>	<u>59,340</u>	
20 Current asset investments	2024	2023	
	£	£	
Assets held for sale	2,555,000	2,739,950	
21 Creditors: amounts falling due within one year	2024	2023	
	£	£	
Other creditors	6,486	20,283	
Accruals and deferred income	37,155	47,910	
	<u>43,641</u>	<u>68,193</u>	
22 Provisions for liabilities	2024	2023	
	£	£	
Grant provisions	427,062	253,199	
Pension provisions	-	400,000	
	<u>427,062</u>	<u>653,199</u>	
<b>Movements on provisions:</b>			
	<b>Grant provisions</b>	<b>Pension provisions</b>	<b>Total</b>
	£	£	£
At 1 January 2024	253,199	400,000	653,199
Reversal of provision	(54,361)	(400,000)	(454,361)
Utilisation of provision	(231,501)	-	(231,501)
Additional provisions in the year	459,725	-	459,725
	<u>427,062</u>	<u>-</u>	<u>427,062</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****(Continued)****22 Provisions for liabilities**

Included in the above grants are amounts which are expected to be paid after more than one year totalling £162,545 (2023: £113,092).

Grants are normally awarded with a maximum contribution towards costs and a time frame to be claimed. If the grant is underspent or not claimed within the allotted time frame, the unclaimed grant provision is reversed.

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

**23 Endowment funds****Current financial year**

	<b>At 1 January 2024</b>	<b>Gains and losses</b>	<b>At 31 December 2024</b>
	£	£	£
<b>Permanent endowments</b>	178,578	36,025	214,603
	<u>          </u>	<u>          </u>	<u>          </u>

**Prior financial year**

	<b>At 1 January 2023</b>	<b>Gains and losses</b>	<b>At 31 December 2023</b>
	£	£	£
<b>Permanent endowments</b>	178,578	-	178,578
	<u>          </u>	<u>          </u>	<u>          </u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 24 Restricted funds

##### Current financial year

	Balance at 1 January 2024	Incoming resources	Movement in funds		Gains and losses	Balance at 31 December 2024
			Resources expended	Transfers		
	£	£	£	£	£	£
Dales fund	48,326	-	-	-	1,106	49,432
Ministry & mission fund	122,005	58,403	(291,125)	234,249	2,361	125,893
Moderator's benevolent fund	1,339	-	(2,350)	2,100	-	1,089
Mozambique partnership fund	20,231	247	-	-	477	20,955
Mozambique project fund	1,023	12	-	-	24	1,059
Students' fund	9,958	-	-	-	-	9,958
Pulpit supply fund	-	-	-	-	228	228
Trust capital funds	1,209,766	30,088	(32,090)	(15,741)	27,561	1,219,584
Church funds	1,240,664	2,000	(162,443)	255,407	70,029	1,405,657
Northerly Synods Listening and Reconciliation Fund	29,102	(29,102)	-	-	-	-
Safeguarding fund	650	-	(90)	(560)	-	-
Charity Collections fund	185	(185)	-	-	-	-
Northerly Synods general fund	279	-	(1,400)	1,121	-	-
	<u>2,683,528</u>	<u>61,463</u>	<u>(489,498)</u>	<u>476,576</u>	<u>101,786</u>	<u>2,833,855</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 24 Restricted funds

(Continued)

##### Prior financial year

	Movement in funds					Balance at 1 January 2024 £
	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	
Dales fund	44,387	-	-	-	3,939	48,326
Ministry & mission fund	125,997	58,996	(73,176)	-	10,188	122,005
Moderator's benevolent fund	1,399	-	(1,060)	1,000	-	1,339
Mozambique partnership fund	18,099	512	-	-	1,620	20,231
Mozambique project fund	915	26	-	-	82	1,023
Students' fund	9,146	-	-	-	812	9,958
Pulpit supply fund	187	-	-	(187)	-	-
Trust capital funds	1,125,917	31,359	(45,882)	-	98,372	1,209,766
Church funds	1,060,805	12,022	(68,659)	128,291	108,205	1,240,664
Northerly Synods Listening and Reconciliation Fund	29,102	-	-	-	-	29,102
Safeguarding fund	650	-	-	-	-	650
Charity Collections fund	-	185	-	-	-	185
Northerly Synods general fund	810	-	(531)	-	-	279
	<u>2,417,414</u>	<u>103,100</u>	<u>(189,308)</u>	<u>129,104</u>	<u>223,218</u>	<u>2,683,528</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 25 Unrestricted funds

##### Current financial year

	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
General funds	658,349	332,022	(627,275)	11,409	13,920	388,425
General reserve	2,187,210	76,602	373,397	(204,822)	60,555	2,492,942
Property valuations	1,267,339	-	(15,420)	-	-	1,251,919
Manse fund	6,383,412	868,036	(468,825)	(1,035,732)	142,035	5,888,926
Property fund	1,102,852	667,880	(305,068)	-	26,500	1,492,164
Mission Fund	538,563	7,731	(123,475)	-	31,786	454,605
C&Y Strategy	725,552	8,137	(126,065)	(13,572)	-	594,052
Dr Brand Legacy	16,092	1,236	-	-	383	17,711
Minsters' Pension Fund	-	-	-	761,419	-	761,419
Retired Ministers' Housing	-	-	-	4,722	-	4,722
Revenue Fund	16,309	(16,309)	-	-	-	-
	<u>12,895,678</u>	<u>1,945,335</u>	<u>(1,292,731)</u>	<u>(476,576)</u>	<u>275,179</u>	<u>13,346,885</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 25 Unrestricted funds

(Continued)

#### Prior financial year - as restated

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
General funds	868,138	159,322	(583,598)	12,994	46,493	503,349
General reserve	2,008,870	460,583	(712,760)	216,817	213,700	2,187,210
Property valuations	1,056,759	-	(9,420)	-	220,000	1,267,339
Manse fund	5,097,853	1,381,342	(58,120)	(230,024)	192,361	6,383,412
Property fund	1,365,383	249,089	(314,756)	(178,048)	136,184	1,257,852
Mission Fund	544,422	-	(229,916)	106,828	117,229	538,563
C&Y Strategy	796,533	-	(56,675)	(14,306)	-	725,552
Dr Brand Legacy	13,767	1,028	-	-	1,297	16,092
Minsters' Pension Fund	43,365	-	-	(43,365)	-	-
Retired Ministers' Housing	44,085	-	(44,085)	-	-	-
Revenue Fund	-	16,309	-	-	-	16,309
	<u>11,839,175</u>	<u>2,267,673</u>	<u>(2,009,330)</u>	<u>(129,104)</u>	<u>927,264</u>	<u>12,895,678</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 26 Nature and purpose of funds

##### **General fund**

This fund is unrestricted, and was set up by Trust resolution in 2009, and designated for the day-to-day running of the Northern Synod. It was originally formed by combining various designated funds and is funded from investment income and property sales. This asset is represented by pooled investments and cash and office furniture and fittings.

##### **General reserve fund**

This fund is unrestricted, and consists of all the undesignated monies of the Synod. This asset is represented by pooled investments and cash.

##### **Property valuations fund**

This fund is unrestricted, and was set up in 2009. This asset is represented solely by property.

##### **Manse fund**

This fund is unrestricted, and was set up in 2006, and is funded from the sale of manses and retired ministers' houses. This asset is represented by pooled investments and cash. The Manse Fund is designated for making grants to churches and expenses incurred by the Trust in respect of manses.

##### **Property fund**

This fund is unrestricted, and was set up by Trust resolution in 2009 and is designated for making grants to churches and expenses incurred by the Trust in respect of property matters. It is funded from the sale of churches and halls and is represented by pooled investments and cash.

##### **Mission fund**

This fund is unrestricted, and was set up by Trust resolution in 2009. This fund is designated for the provision of grants for small church/community projects and longer term projects which will require more substantial funding. The fund is a combination of the Development Fund and a legacy received, and is now funded from the sales of properties. This asset is represented by pooled investments and cash.

##### **Dr Brand legacy fund**

This fund is unrestricted and arises from legacy income and is represented by pooled investments and cash. Dr James Brand left a legacy to the Presbytery of Newcastle in the 1960s. The Trust/Synod inherited it among the assets of the Districts of Newcastle and Durham & Teesside in 2008.

##### **C&Y Strategy Fund**

This fund is designated and is available for a children and youth work strategy agreed in 2021. This fund is designated from the Mission fund therefore will not receive any investment income.

##### **Retired Minister's Housing Fund**

This fund is unrestricted and is designated for retired ministers' housing purposes. It arose from 15% of manse sales, although this is no longer the case, and is represented by pooled investments and cash.

##### **Ministers' pension fund**

This fund is unrestricted and is designated for contributing to the deficit on the URC ministers' pension fund. It arises from the sale of manses and is represented by pooled investments and cash.

##### **Revenue fund**

This fund is unrestricted and represents investment income to be distributed to funds

##### **Dales fund**

The Dales Fund is restricted and is used to support rural ministry and properties in Swaledale. It is represented by pooled investments and cash.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 26 Nature and purpose of funds

(Continued)

##### ***Ministry and mission fund***

This fund is restricted, and was set up in 1992, for the sole purpose of meeting ministry and mission commitments as necessary. It arises from accumulated surpluses and transfers from the Lancashire Congregational Union and North Tyne fund. Contributions from and to ecumenical partners are posted through this fund. This asset is represented by pooled investments and cash.

##### ***Moderator's benevolent fund***

This fund is restricted, and was set up in 1996 for the sole purpose of making discretionary grants to individuals. It arises from donations received by the Moderator and by transfers from reserves. This asset is represented by one designated bank account and cash.

##### ***Mozambique partnership fund***

This fund is restricted and was created in 2010 to sustain the partnership between Northern Synod and the Igreja Presbiteriana de Moçambique. The fund is supported by general donations from individuals and the General Reserve Fund. The asset is represented by pooled investments and cash.

##### ***Mozambique project fund***

This fund was established in 2010 and is restricted. The fund was set up to collect donations from individuals, to support specific projects relating to the Partnership in Mozambique. The asset is represented by pooled investments and cash.

##### ***Students' fund***

The Students' Fund was transferred from Newcastle Presbytery and is restricted to provide book grants to ministerial students. The asset is represented by pooled investments and cash.

##### ***Pulpit supply fund***

This fund is restricted and was set up in 2011 to collect contributions from local churches and pay preaching fees and expenses in Northumberland. This asset is represented by pooled investments and cash.

##### ***Trust capital funds***

These funds are restricted and arose from the sale of properties, and have been designated by Synod resolution for specific churches. These assets are represented by pooled investments and cash.

##### ***Church funds***

These funds are restricted and are held on behalf of local churches. These assets are represented by discrete (ie, separately identified) investment subaccounts and cash.

##### ***Northerly Synods Listening and Reconciliation Fund***

This fund is restricted and was set up in 2017. This fund will manage the grant received for this project in the five Northerly Synods and is represented by cash.

##### ***Charity Collections***

This fund is restricted and was set up in 2019 to hold monies collected for specific charities.

##### ***Safeguarding Fund***

This fund is restricted and was set up to hold a grant of £2,000 received from URC London.

##### ***Northerly Synods General Fund***

This fund is restricted and was set up to hold funds from the five Northerly Synods. This fund is managed by Northern Synod.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 27 Analysis of net assets between funds

##### Current financial year

	Unrestricted 2024 £	Restricted 2024 £	Endowed 2024 £	Total 2024 £
Fund balances at 31 December 2024 are represented by:				
Tangible assets	1,020,400	-	100,000	1,120,400
Investment properties	181,300	-	-	181,300
Investments	9,895,005	2,626,102	-	12,521,107
Programme related assets	(114,603)	-	114,603	-
Current assets/(liabilities)	2,791,845	207,753	-	2,999,598
Provisions	(427,062)	-	-	(427,062)
	<u>13,346,885</u>	<u>2,833,855</u>	<u>214,603</u>	<u>16,395,343</u>

##### Prior financial year - as restated

	Unrestricted 2023 £	Restricted 2023 £	Endowed 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Tangible assets	1,056,631	-	150,000	1,206,631
Investment properties	181,300	-	-	181,300
Investments	9,519,025	2,668,592	-	12,187,617
Current assets/(liabilities)	2,791,921	14,936	28,578	2,835,435
Long term liabilities	-	-	-	-
Provisions	(653,199)	-	-	(653,199)
	<u>12,895,678</u>	<u>2,683,528</u>	<u>178,578</u>	<u>15,757,784</u>

## THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 28 Operating lease commitments

##### Lessor

The company owns two properties for rental purposes.

Rental income earned during the year for one property was £13,500 (2023: £10,875). The property has a committed tenant until 2042.

Rental income amount of £5,000 (2023: £4,583) was received for the property acquired in the 2022. The property has a committed tenant until 31 January 2028.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	<b>2024</b>	<b>2023</b>
	£	£
Within one year	18,500	18,500
Between two and five years	77,917	69,417
In over five years	162,000	189,000
	<u>258,417</u>	<u>276,917</u>

#### 29 Related party transactions

There were no disclosable related party transactions during the year (2023: none).

#### 30 Properties vested in the company as custodian trustee

A comprehensive list of properties vested in the company is available on request to the URC Northern Synod Office.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

31 Cash absorbed by operations	2024	2023 as restated
	£	£
Surplus for the year	637,559	1,322,617
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	(356,899)	(367,036)
Gift of property	(1,560,000)	(1,609,950)
(Gain)/loss on disposal of tangible fixed assets	-	575
Gain on disposal of investments	(40,835)	(28,344)
Fair value gains and losses on investments	(355,784)	(1,122,138)
Depreciation and impairment of tangible fixed assets	38,910	39,098
Investment fee rebate	(16,371)	(16,309)
<b>Movements in working capital:</b>		
Decrease in debtors	28,399	45,333
(Decrease)/increase in creditors	(24,552)	21,941
Decrease in provisions	(226,137)	(141,158)
<b>Cash absorbed by operations</b>	<u>(1,875,710)</u>	<u>(1,855,371)</u>

### 32 Prior period adjustment

At 31 December 2023 investment properties were misstated due to a misclassification of a property being held for sale. A prior year adjustment has been made to correct this error.

Other income has reduced by £155,000 due to the reduction in fair value movement of the investment property.

The impact of the above on the 2023 financial statements is as follows

#### Changes to the balance sheet

	At 31 December 2023		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Fixed assets</b>			
Investment properties	336,300	(155,000)	181,300
<b>Capital funds</b>			
Endowment funds	178,578	-	178,578
<b>Income funds</b>			
Restricted funds	2,683,528	-	2,683,528
Unrestricted funds	13,050,678	(155,000)	12,895,678
<b>Total equity</b>	<u>15,912,784</u>	<u>(155,000)</u>	<u>15,757,784</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 32 Prior period adjustment (Continued)

##### Changes to the profit and loss account

	Period ended 31 December 2023		
	As previously reported	Adjustment	As restated
	£	£	£
Other income	1,674,896	(155,000)	1,519,896
Net movement in funds	1,477,617	(155,000)	1,322,617

#### 33 Analysis of changes in net funds

The charity had no material debt during the year.

#### 34 Retirement benefit schemes

##### Final salary (defined benefit) pension scheme

The Trust is a participating member of The United Reformed Church Final Salary Scheme, a pension scheme principally for la staff which is administered by TPT Retirement Solutions Trust (formerly The Pensions Trust). The scheme is a defined benefit scheme. It was closed to future accrual on 28 February 2023 and staff were moved into a defined contribution scheme administered by Aon Master Trust on 1 March 2023. The Trust contributed £68,741 (2023: £54,191) into this defined contribution scheme during the year. The Trust is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme. The most recent formal actuarial review of the defined benefit scheme was at 30 September 2022 when the scheme had a surplus of £1,446,000. The assumptions underlying that valuation include:

- Discount Rate: Initial rate of gilt yield curve plus 1.80% p.a. at the valuation date tapering linearly to gilt yield curve plus 0.5% p.a. by 30 September 2027 (5 years from the valuation date)
- RPI inflation: Gilt RPI Inflation Curve at each term
- CPI Inflation: RPI Inflation less 1.0% p.a. at each term until 2030 and RPI Inflation from 2030 onwards
- Rate of increase in earnings: CPI Inflation plus 1.0% p.a. at each term

**THE UNITED REFORMED CHURCH ( NORTHERN PROVINCE) TRUST LTD.**

England & Wales - Charity number 1132154

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# Accounts

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Charity Registration No. 1132154

Company Registration No. 134549 (England and Wales)

**THE UNITED REFORMED CHURCH  
(NORTHERN PROVINCE) TRUST LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors</b>	Mr K.R. Anderson Mrs J.W. Barr Miss A.C. Bartle (from 16 March 2024) Mr W. Duncan Mrs C. Hogg Mr J. Ledger (from 15 October 2023) Revd A.D. McGougan Mr C.A. Randle Mrs M.I. Shepherd (until 12 April 2023) Mr G.I. Wanless
<b>Convenor</b>	Revd A D McGougan
<b>Treasurer</b>	Mr G.I. Wanless
<b>Secretary</b>	Mr W. Duncan
<b>Trust officer</b>	Mr A. Atkinson
<b>Finance officer</b>	Ms H.E. Hogg
<b>Charity number</b>	1132154
<b>Company number</b>	134549
<b>Registered office</b>	4 College Lane, Newcastle upon Tyne, NE1 8JJ
<b>Auditor</b>	Sumer Auditco Limited Unit 2, Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG
<b>Bankers</b>	Bank of Scotland Plc PO Box 1000, BX2 1LB  Lloyds Bank plc PO Box 1000, BX1 1LT  Kingdom Bank Media House, Padge Road, Beeston, Nottingham, NG9 2RS  Virgin Money plc 132-134 Northumberland Street, Newcastle upon Tyne, NE1 7DG  Moneywise Credit Union 187-189 Shields Road, Newcastle upon Tyne, NE6 1DP
<b>Legal advisors</b>	Sintons LLP The Cube, Barrack Road, NE4 6DB

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Investment managers**

CCLA Investment Management Limited  
One Angel Lane, London, EC4R 3AB

### **Property consultants**

Sanderson Weatherall LLP (to 5 April 2022)  
Central Square South, Orchard Street, Newcastle upon Tyne, NE1 3AZ

Howard Litchfield Partnership (from 5 April 2022)  
Liddon House, Belmont Business Park, Durham DH1 1TW

Gritstone Project Management Ltd (from 1 January 2022)  
17 Lily Crescent, Jesmond, Newcastle upon Tyne, NE2 2SP

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The Directors present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by 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)" (effective 1 January 2019).

#### **Objectives and activities**

The Company's objectives are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages and the Basis of Union of the United Reformed Church. In pursuit of this, the Company acts as trustee, holding monies, investments and properties for these purposes and for local churches.

The Company supports the Northern Synod's vision, to enable local churches to be lively, informed and be effective in being the church in their local setting and Synod to be an expression of the Church at regional level, in the light of the five marks of mission (tell, teach, tend, transform and treasure). The Company provides financial, advisory and technical support to assist churches in the Synod.

#### **Public benefit**

The Company is aware of the Charity Commission's guidance on public benefit. This requirement is met by enabling local churches to provide their services to the general public.

#### **Activities**

The Company carries out its work under 4 headings and illustrative examples of activity in 2023 are given below.

- *1. Discipleship* - supporting Christian spirituality, nurture, lay and ministerial education, development and training.

This is a cornerstone of Synod activity and the Trust assists this by funding courses, sponsoring events, and offering grants for specific developments and projects which strengthen individual or group faith experience. Through the Ministries and Development Committee, the Trust have been able to offer support for lay people attending courses on baptism and communion and acquiring skills and knowledge of Zoom.

- *2. Mission* - promoting evangelism, mission, church growth, outreach and racial justice.

This is central to the Company's purposes. Specific examples include, supporting church related community work, chaplaincies and local churches with projects and events. Grants are awarded for ministry in local ecumenical partnerships. Synod continues to explore new ways of being church.

- *3. Partnership* - supporting joint working with ecumenical, community and global partners.

The Company supports the Synod's collaboration with Northerly Synods and funding is available to assist with joint working on projects and events.

- *4. Property* - providing and managing housing for ministers, retired ministers and their widow(er)s or former civil partners and supporting local churches in proper care of their properties.

Property issues are considered by the Trust's Manse and Property sub-committees. Both committees initiate a schedule of surveys to assess the condition of property and subsequent maintenance requirements. Financial support for building preservation is made available through grants.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The Company continues to seek sustainable and responsible ways to fulfil Synod's aspirations and making resources available to assist with developing new forms of ministry. It also recognises the potential benefits of employing people to support churches in their work.

The Trust has continued to participate in planning for the Synod's future as and when asked to do so.

The key issue remaining to the Trust is tackling how to use resources to support churches, which might involve employing more lay people, whilst maintaining its charitable duty to achieve best value for its investments.

#### *Grant-making*

Much of the Company's work is achieved through making grants (in 2023, some £417,431), which are given to churches and other bodies as well as individuals, in accordance with published policies for the following purposes:

- Repair, maintenance and improvement of church and manse buildings
- Mission, outreach and fresh expressions of church
- Lay and ministerial education and learning
- Travel to events for young people
- Small welfare benevolences are also given.

#### *Staffing and Volunteers*

The work of the Company is carried out by volunteers (mainly the Directors) who receive expenses, as well as by two members of paid staff, who are responsible to the Board and refer to Directors or Officers when major decisions are needed. The work of the other staff is directed by the Synod.

No honoraria are paid to Directors of the Board, except for the Treasurer who, in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

Volunteers donated an estimated 689 hours' work in total during the year, which is difficult to value in financial terms. The Board takes the view that the Company is not excessively dependent on any one individual.

Volunteers support the Trust directly through their roles as Directors, and others offer their time and help to subgroups and committees. The role of volunteers in furthering church activities is extensive and without it the churches' effectiveness will be limited. The Synod has recognised that volunteers require support, and this is reflected in the Synod Way Forward.

#### **Achievements and performance**

*Discipleship* – (£114,482) Discipleship grants are awarded for specific developments and projects which strengthen individual or group faith experience. There was a significant Synod-wide event held at The Alnwick Garden this year, which was well received by all who attended. During the year a number of courses were held to refresh, and train anew, lay leaders in Baptism, Presiding at Communion and acquiring skills of using Zoom.

*Mission* – (£392,227) Mission continued to be supported during 2023 and included grants to Sunderland Connect Network; St Cuthbert's Centre Holy Island for Manse related expenses; St George's High Heaton for Manse Costs; St Columba's North Shields for A/V equipment; Keld Resource Centre Ltd to cover the cost of missional programs at the Keld Centre; Northerly Synods - Leading Your Church Into Growth (LYCIG) initiative; St Columba's, Billingham to fund the work of the CRCW; Faith in the Community towards the employment of a full-time Community Project Development Lead; CAPNE: towards core operating costs, two items of equipment and an awareness-raising campaign with local churches. Emergency grants were available to be applied for by any Church who felt because of or the steep increase in utility costs they were in financial hardship. One such grant was made for £800 to Christ Church Stanley. Small mission grants were awarded, helping churches to benefit local communities.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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*Partnerships* – (£1,079,041) Costs relating to ecumenical ministries were shared during 2023, and resources were also shared with poorer synods in the United Reformed Church through the Resource Sharing process. Support grants continue to be awarded to local churches where required. The Board is also apprised of and involved with collaborative arrangements between other synods in Northern Britain. These are intended to provide efficiency gains and put in place supportive and constructive working partnerships. The Safeguarding Advisor is continuing to work with Synod, Trust and local churches to review and strengthen systems across all parts of the Synod. Liaising with Solicitors regarding church investment funds is ongoing throughout the year.

*Property* – (£542,415) The Company continued to maintain the properties for which it is directly responsible and ensured professional advice on legal and property matters for local churches. Church surveys were carried out throughout the year and grants were awarded for church and manse repairs and improvements totaling £253,771 during 2023.

Goals achieved in 2023 include:

- Appointing a director to the Property Subcommittee;
- Reviewing appointment of legal advisor;
- Adopting the URC database;
- Participating in the Church Life Review conference;
- Conducting an HR review and appointing the new Synod Clerk

Goals still in progress and carried forward to 2024 include:

- Increase board membership to ten
- Appoint a convenor to the Manse and Property Subcommittees
- Complete the update of data protection practice
- Implement the manse strategy
- Complete volunteer handbook

#### **Financial review**

During the year, total funds increased by £1,477,617 (2022: a decrease of £1,708,820) to £15,912,784. The increase in funds is largely due to increase in the valuation of our investments of £1,150,482 (see note 10).

#### **Income**

Investment income of £348,953 was pleasing to note (2022: £365,826). Included in other income (note 5) is £1,609,950 for church properties handed over to the Trust for sale, an increase in 2023 of £414,950.

#### **Expenditure**

There were no exceptional items of expenditure during 2023 other than at the year end a provision of £400,000 was made in respect of a payment to the URC Ministers' Pension Fund. This has been included in note 22.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### *Reserves Policy*

The Balance Sheet on page 13 shows the disposition of the various funds totaling £15,912k as at 31 December 2023 (2022: £14,435k). The term "reserves" describes that part of a charity's funds that are freely available. Some of the funds are invested in property or restricted in use. The unrestricted fund net assets readily available are £12,022k (2022: £10,973k). The Director's review the policy annually and have taken a risk-based approach to setting a reserves target.

The main financial risks that the Director's feel need to be covered are:

- possible future lump sum contributions required to be made to either of the pension funds (current commitment £2.2m over 8 years),
- an increased rate of support to Churches in relation to their Ministry and Mission Fund commitments as per the newly agreed Synod Assessment process (currently running at circa £300k per year) and
- possible legal action against the Synod/Trust requiring lump sum pay outs.

Based on these risks, the Directors feel that they should aim to maintain reserves at a level between £7m to £8m.

The current level of reserves held is in excess of the target level, however with the uncertainty around the performance of investments due to the impact of the possible support for ministers' welfare, energy improvements and world-wide market instability, the Directors were satisfied that this was appropriate.

The Directors will review the policy annually.

#### *Investment Policy*

The majority of the available funds of the Company are invested through its nominees, primarily the CCLA (Churches, Charities and Local Authorities) Investment Management Ltd, one of the largest Charity Fund Managers in the UK. The financial policy of the company is to maximise the total return whilst maintaining a steady income by which the financial requirements of the company can be met. The portfolio is highly diversified with investment in both UK and overseas equities. CCLA operates an active ethical policy based not only on the types of activity engaged in by companies in which the fund invests, but also on active engagement over issues such as good governance and management, and good environmental policies.

It is not felt that this policy is having any detrimental effect on income or capital; the fund has returns that compare well with other investment vehicles, and performance is monitored at meetings of the investment sub-committee, which are held twice yearly. The current target is a total return of inflation plus 5% over the long term, in the COIF Charities Ethical Investment Fund. This would include the provision of a reliable income stream that maintained its real value over time. It aims to control volatility to 75% of that of the UK equity market.

#### *Risk Management*

The Directors are responsible for assessing the major risks to which the Company is exposed, and for establishing systems to mitigate those risks. The Trust maintains a risk register and considers external and internal risks to which the Company is exposed. The Trust undertakes a formal review of the risks to which it is exposed each year.

#### *Factors Affecting Performance*

The Company's ability to achieve its objectives depends on several factors, not necessarily within its control, such as performance of investments, and the effective coordinated work of professional advisors. In 2023 there were no significant factors of this type.

Other factors of which the Trust is cognisant of include the reduction in volunteers across the Synod and in churches which can cause them to close. This in turn may mean the Synod having to make up a shortfall on their in-year M&M contributions. Some remaining churches will have high maintenance costs. All these issues have been considered by the Trust and Synod when developing future plans.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### *Plans for the Future*

The Company plans to continue its work for the foreseeable future.

The Company has agreed in principle to support the Synod and Trustees recognise their important role in assisting the implementation of the Synod's future strategy.

The Board reflects a broad range of professional experience within private, statutory and voluntary organisations, and of course extensive involvement with ministry and churches all of which will be drawn upon to steer the Company through the changes in the Synod which lies ahead.

Goals for 2023 include:

- Increase board membership to ten: Trust Secretary
- Appoint convenors to Property and Manse Subcommittees: Trust Secretary
- Appoint directors to Property and Manse Subcommittees: Trust Secretary
- Review synod legal advisors' appointment: Board
- Complete the update of data protection practice: Trust Officer
- Migrate to adopting the Church House database: Synod Operations Coordinator
- Implement manse strategy: Manse Subcommittee
- Respond to Church Life Review process: Convenor, Trust Secretary, Treasurer, Moderator
- Conduct on HR review, including appointment of new Synod Clerk: HR Subcommittee
- Complete volunteer handbook: HR Subcommittee

#### **Structure, governance and management**

The United Reformed Church (Northern Province) Trust Limited (formerly known as the Durham and Northumberland Congregational Union (Incorporated)) was incorporated in England & Wales in 1914. It is a private charitable company, limited by guarantee. It is governed by its Memorandum & Articles of Association, adopted in revised form on 4 August 2009, which confer various powers, including powers to hold, maintain and administer property, money and investments; to buy and sell property and investments; and to take over any assets legally transferred to the Company.

#### *Directors/Trustees*

The Directors who served during the year were:

Mr K.R. Anderson

Mrs J.W. Barr

Mr W. Duncan

Mrs C. Hogg

Mr J. Ledger (from 15 October 2023)

Revd A.D. McGougan

Mr C.A. Randle

Mrs M.I. Shepherd (until 12 April 2023)

Mr G.I. Wanless

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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Most of the Directors give their time voluntarily and receive no benefits from the Company. Any expenses reclaimed from the Company are set out in note 13 to the financial statements. The exception is Mr G.I.Wanless who, as treasurer and in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

The Directors are appointed by the United Reformed Church Northern Synod, and the officers are appointed by the Board. A balanced Board is sought, with a mixture of experience, gender, and geographic spread. Where vacancies are identified, nominations are sought either by direct approach or advertisement amongst the 61 churches of the Synod. Under the United Reformed Church Acts 1972-2000, all members and Directors must also be members of a local church or ecumenical area of the United Reformed Church, and for this reason no candidates are sought outside the churches of the Northern Synod.

Upon appointment, all Directors are provided with an induction pack explaining the work of the Company and including the Charity Commission's leaflet *The Essential Trustee: what you need to know*. Further training is provided during the year on a range of relevant topics.

The Board meets five times a year and receives reports, sets policies and takes major financial decisions. Subcommittees deal with investments, staff remuneration, denominational Ministry & Mission Fund assessments, church and manse properties, and human resources. Small grant applications are considered by subcommittees, with larger ones referred to the Board. Investments are monitored regularly, with quarterly reports from the Investment Managers. Periodic condition survey reports are received from the Property Consultants on local church properties.

All decisions are taken by simple majority, with the Convenor having a casting vote. The Board may make decisions by agreement of two Directors, on straightforward, non-controversial matters. The day-to-day running of the Company's affairs is carried out by two members of office staff, who are responsible to the Board. The Finance Officer and Trust Officer support the day to day working of the Trust Company. Their tasks are operational in nature and they work within parameters defined by their role descriptions. The Trust Officer supports the Trust with administrative and legal support with policy decisions referred to the Board.

The Trust has a remuneration policy to provide effective stewardship of resources as well as being objective and transparent so that salary levels are perceived as being fair and rational. The salaries of lay staff employed by the Trust are assessed when a new post is created. This is carried out by members of the Human Resources sub-committee. In making a recommendation of an appropriate salary level account is taken of:

- Levels of remuneration for posts of comparable responsibility within the not-for-profit sector in the North East of England
- Salaries being paid by the URC and other denominations across the United Kingdom.

The proposed salary and its rationale are then discussed with the Remuneration sub-committee and the outcome recommended to the Trust. Salaries of lay staff are reviewed annually to reflect changes in the level of responsibility and increases in the cost of living which have occurred in the last 12 months. In exceptional circumstances a bonus payment may be recommended by the Remuneration sub-committee to reflect the performance of duties well in excess of what might normally be expected of the post-holder.

#### *Relations with other Parties*

The Company carries out its activities in concert with and in support of the United Reformed Church Northern Synod, an unregistered unincorporated charitable association.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Statement of Directors' responsibilities

The directors, who also act as trustees for the charitable activities of The United Reformed Church (Northern Province) Trust Limited, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

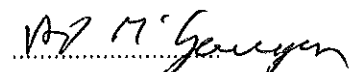
#### Auditor

A resolution proposing that Sumer Auditco Limited be reappointed as auditor of the company will be put at a Board Meeting.

#### Disclosure of information to auditor

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Directors' report was approved by the Board of Directors.



A.D. McGougan  
Director (Convenor)

Dated: 3/9/24

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### Opinion

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Limited (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Stephen Slater (Senior Statutory Auditor)  
for and on behalf of Sumer Auditco Limited  
Statutory Auditor  
Unit 2, Gosforth Park Avenue  
Newcastle upon Tyne  
NE12 8EG

Date: 5/9/2024

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

### Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and legacies	3	424,845	58,996	-	483,841	18,337
Investments	4	328,004	39,032	-	367,036	377,347
Other income	5	1,669,824	5,072	-	1,674,896	1,267,809
<b>Total income</b>		<b>2,422,673</b>	<b>103,100</b>	<b>-</b>	<b>2,525,773</b>	<b>1,663,493</b>
<b>Expenditure on:</b>						
Charitable activities	6	2,009,330	118,835	-	2,128,165	1,675,670
Other expenditure	9	-	70,473	-	70,473	90,357
<b>Total resources expended</b>		<b>2,009,330</b>	<b>189,308</b>	<b>-</b>	<b>2,198,638</b>	<b>1,766,027</b>
Net gains/(losses) on investments	10	927,264	223,218	-	1,150,482	(1,606,286)
<b>Net incoming/(outgoing) resources before transfers</b>		<b>1,340,607</b>	<b>137,010</b>	<b>-</b>	<b>1,477,617</b>	<b>(1,708,820)</b>
Gross transfers between funds		(129,104)	129,104	-	-	-
<b>Net movement in funds</b>		<b>1,211,503</b>	<b>266,114</b>	<b>-</b>	<b>1,477,617</b>	<b>(1,708,820)</b>
Fund balances at 1 January 2023		11,839,175	2,417,414	178,578	14,435,167	16,143,987
<b>Fund balances at 31 December 2023</b>		<b>13,050,678</b>	<b>2,683,528</b>	<b>178,578</b>	<b>15,912,784</b>	<b>14,435,167</b>

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
<b>Income and endowments from:</b>					
Donations and legacies	3	696	17,641	-	18,337
Investments	4	317,052	60,295	-	377,347
Other income	5	1,267,741	68	-	1,267,809
<b>Total income</b>		<b>1,585,489</b>	<b>78,004</b>	<b>-</b>	<b>1,663,493</b>
<b>Expenditure on:</b>					
Charitable activities	6	1,667,458	8,212	-	1,675,670
Other expenditure	9	-	90,357	-	90,357
<b>Total resources expended</b>		<b>1,667,458</b>	<b>98,569</b>	<b>-</b>	<b>1,766,027</b>
Net gains/(losses) on investments	10	(1,338,371)	(267,915)	-	(1,606,286)
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(1,420,340)</b>	<b>(288,480)</b>	<b>-</b>	<b>(1,708,820)</b>
Gross transfers between funds		(28,549)	28,549	-	-
<b>Net movement in funds</b>		<b>(1,448,889)</b>	<b>(259,931)</b>	<b>-</b>	<b>(1,708,820)</b>
Fund balances at 1 January 2022		13,288,064	2,677,345	178,578	16,143,987
<b>Fund balances at 31 December 2022</b>		<b>11,839,175</b>	<b>2,417,414</b>	<b>178,578</b>	<b>14,435,167</b>

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

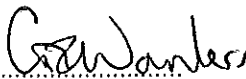
**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST  
LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		1,206,631		1,016,593
Investment property	16		336,300		336,300
Investments	17		12,187,617		11,179,023
			<u>13,730,548</u>		<u>12,531,916</u>
<b>Current assets</b>					
Debtors falling due within one year	19	21,558		65,891	
Debtors falling due after one year	19	37,782		38,782	
Investments	20	2,739,950		1,755,000	
Cash at bank and in hand		104,338		884,187	
		<u>2,903,628</u>		<u>2,743,860</u>	
<b>Creditors: amounts falling due within one year</b>	21	(68,193)		(46,252)	
<b>Net current assets</b>			<u>2,835,435</u>		<u>2,697,608</u>
<b>Total assets less current liabilities</b>			<u>16,565,983</u>		<u>15,229,524</u>
<b>Provisions for liabilities</b>	22		(653,199)		(794,357)
<b>Net assets</b>			<u><u>15,912,784</u></u>		<u><u>14,435,167</u></u>
<b>The funds of the charity</b>					
Endowment funds	23		178,578		178,578
Restricted income funds	24		2,683,528		2,417,414
Unrestricted funds			13,050,678		11,839,175
			<u>15,912,784</u>		<u>14,435,167</u>

The financial statements were approved by the Directors on 31/12/24.

  
G.I. Wanless

  
A.D. McGougan

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST  
LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	32	(1,700,371)		(1,522,723)	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(229,710)		(2,059)	
Sale/(purchase) of investments		783,196		1,075,471	
Investment income received		367,036		377,347	
<b>Net cash generated from investing activities</b>			920,522		1,450,759
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(779,849)		(71,964)
Cash and cash equivalents at beginning of year			884,187		956,151
<b>Cash and cash equivalents at end of year</b>			104,338		884,187

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

#### Charity information

The United Reformed Church (Northern Province) Trust Limited is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office is 4 College Lane, Newcastle upon Tyne, NE1 8JJ.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, (modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value). The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

#### 1.3 Charitable funds

Transfers to and from the General reserve fund to designated funds are made in accordance with the annual budget and in accordance with need. Funds are closed when the purpose for which they were created comes to an end, or it is otherwise resolved to discontinue them.

Details of the nature and purpose of each fund are explained in note 26. Designated funds are determined by the Board.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income arising on endowed funds is treated as an addition to the endowment.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies (Continued)

##### 1.5 Resources expended

Expenditure is accounted for on an accruals basis. Grants payable are voluntary payments to individuals, local URC churches or other organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff and governance costs which support the charity and its activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold properties have been brought into the financial statements at the value at which they had previously been included in the accounts of the Northern Synod in 2009. Properties brought in after this date are valued at market value on donation or purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	25% straight line
Loans	No depreciation
Property improvements	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

##### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

##### 1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

##### 1.12 Employee 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.13 Retirement benefits

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

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Critical judgements

###### Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

**Determining residual values and useful economic lives of tangible fixed assets**

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

**Valuation of investment property**

As described in note 16 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Sanderson Weatherall, Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

3 Donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted 2023 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	424,845	58,996	483,841	696	18,337
<b>Donations and gifts</b>					
Donations from local churches	-	-	-	696	696
Legacies	424,845	-	424,845	-	-
M&M contributions	-	58,996	58,996	-	17,641
	424,845	58,996	483,841	696	18,337

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Rental income	18,083	-	18,083	10,875	-	10,875
Income from listed investments	304,890	39,032	343,922	305,531	60,295	365,826
Interest receivable	5,031	-	5,031	646	-	646
	<u>328,004</u>	<u>39,032</u>	<u>367,036</u>	<u>317,052</u>	<u>60,295</u>	<u>377,347</u>

Rental income from investment properties is accounted for under income from investments.

5 Other income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Properties held for resale	1,609,950	-	1,609,950	1,195,000	-	1,195,000
Other income	35,862	5,072	40,934	60,494	68	60,562
Rental income	18,702	-	18,702	12,247	-	12,247
Grants received	5,310	-	5,310	-	-	-
	<u>1,669,824</u>	<u>5,072</u>	<u>1,674,896</u>	<u>1,267,741</u>	<u>68</u>	<u>1,267,809</u>

Church properties handed over to the Trust for resale during 2023 are shown under properties held for resale. Properties that remain unsold have been included as current assets in assets held for sale, valued at expected sale value.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Charitable activities

	Discipleship 2023 £	Mission 2023 £	Partnership 2023 £	Property 2023 £	Total 2023 £	Total 2022 £
Staff costs	-	37,193	-	-	37,193	36,930
Depreciation	-	-	-	15,420	15,420	19,120
Direct activities	4,404	110,499	903,582	198,482	1,216,967	848,289
	<u>4,404</u>	<u>147,692</u>	<u>903,582</u>	<u>213,902</u>	<u>1,269,580</u>	<u>904,339</u>
Grant funding of activities (see note 7)	9,230	139,001	15,429	253,771	417,431	357,277
Share of support costs (see note 8)	98,989	103,675	158,171	72,883	433,718	407,707
Share of governance costs (see note 8)	1,859	1,859	1,859	1,859	7,436	6,347
	<u>114,482</u>	<u>392,227</u>	<u>1,079,041</u>	<u>542,415</u>	<u>2,128,165</u>	<u>1,675,670</u>
<b>Analysis by fund</b>						
Unrestricted funds	114,482	392,227	995,199	507,422	2,009,330	1,667,458
Restricted funds	-	-	83,842	34,993	118,835	8,212
	<u>114,482</u>	<u>392,227</u>	<u>1,079,041</u>	<u>542,415</u>	<u>2,128,165</u>	<u>1,675,670</u>

For the year ended 31 December 2022

	Discipleship £	Mission £	Partnership £	Property £	Total 2022 £
Staff costs	-	36,930	-	-	36,930
Depreciation and impairment	-	-	-	19,120	19,120
Direct activities	5,120	65,758	622,261	155,150	848,289
	<u>5,120</u>	<u>102,688</u>	<u>622,261</u>	<u>174,270</u>	<u>904,339</u>
Grant funding of activities (see note 7)	6,326	43,327	(7,118)	314,742	357,277
Share of support costs (see note 8)	91,676	94,055	145,583	76,393	407,707
Share of governance costs (see note 8)	1,435	1,435	1,840	1,637	6,347
	<u>104,557</u>	<u>241,505</u>	<u>762,566</u>	<u>567,042</u>	<u>1,675,670</u>
<b>Analysis by fund</b>					
Unrestricted funds	104,557	241,505	767,742	553,654	1,667,458
Restricted funds	-	-	(5,176)	13,388	8,212
	<u>104,557</u>	<u>241,505</u>	<u>762,566</u>	<u>567,042</u>	<u>1,675,670</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Grants payable

Current financial year

	Discipleship 2023 £	Mission 2023 £	Partnership 2023 £	Property 2023 £	2023 £
Grants to institutions:					
Roker URC	-	9,000	-	-	9,000
Northgate URC Darlington	-	-	-	150,603	150,603
Manse Repair and Maintenance Annual Grants	-	-	-	11,110	11,110
Faith in the Community	-	36,000	-	-	36,000
West End URC	-	-	-	35,348	35,348
St Aidan's URC, Hexham	-	-	-	3,000	3,000
St George's URC, High Heaton	-	-	3,553	-	3,553
Keld Resource Centre	-	31,800	-	-	31,800
St Columba's URC, Billingham	-	21,995	-	-	21,995
Sunderland Connect Network	-	20,000	-	-	20,000
Redcar URC	-	9,869	-	10,000	19,869
St Andrew's URC, Kenton	-	-	-	9,961	9,961
Guisborough URC	-	-	-	10,650	10,650
Horsley URC	-	-	-	10,000	10,000
Holy Island Mission Project	-	10,000	-	-	10,000
Grindon Church Community Project	-	-	-	8,919	8,919
Church Action in Poverty North East	-	5,635	-	-	5,635
Church of the Good Shepherd	-	-	-	5,000	5,000
Wooler URC	-	-	-	5,000	5,000
St Cuthbert's LEP, Heaton	-	-	-	4,500	4,500
Trinity Church, Ashington	-	-	-	4,425	4,425
Rothbury URC	-	-	-	4,224	4,224
Low Row Church	-	-	-	3,138	3,138
St Andrew's Church, Crook	-	-	1,000	-	1,000
Christ Church, Stanley	-	-	800	-	800
Less grants no longer required	-	(12,527)	-	(22,107)	(34,634)
Minor institutional grants	20	-	9,076	-	9,096
	20	131,772	14,429	253,771	399,992
Grants to individuals	9,210	7,229	1,000	-	17,439
	9,230	139,001	15,429	253,771	417,431

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

Discipleship

Discipleship grants are awarded for specific developments and projects which strengthen individual or group faith experience.

Mission

Mission grants are awarded to fund events and projects central to the company's purpose including promoting evangelism and church growth.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Grants payable

(Continued)

Partnership

Partnership grants are awarded to support joint working with ecumenical, community and global partners.

Property

Property grants are awarded to support local churches in funding proper care of their properties.

Prior financial year

	Discipleship 2022 £	Mission 2022 £	Partnership 2022 £	Property 2022 £	2022 £
Grants to institutions:					
Roker URC	-	9,000	-	134,860	143,860
Northgate URC Darlington	-	-	-	127,380	127,380
Great Bavington URC	-	-	-	21,998	21,998
Robert Stewart Memorial Church	-	-	-	14,403	14,403
Flodden Eco Museum	-	-	-	10,000	10,000
St Aidan's URC, Hexham	-	-	-	10,000	10,000
St George's URC, Heaton	-	-	3,400	2,800	6,200
Stockton Road URC	-	8,467	-	-	8,467
Elsdon Avenue Church	-	7,305	-	-	7,305
Sunderland Connect Network	-	7,000	-	-	7,000
St George's URC, Hartlepool	-	-	-	5,512	5,512
St Andrew's URC, Kenton	-	-	-	3,015	3,015
Denewell Avenue URC	-	2,673	-	-	2,673
St George's URC, Morpeth	-	2,500	-	-	2,500
Heaton Churches Together	-	2,000	-	-	2,000
Trinity Church, Gosforth	-	-	-	1,970	1,970
Trinity Church, Ashington	-	1,812	-	-	1,812
Rothbury URC	-	-	-	1,326	1,326
St Andrew's Church, Crook	-	-	1,000	-	1,000
Less grants no longer required	-	(7,062)	(22,360)	(18,522)	(47,944)
Minor institutional grants	-	9,632	10,770	-	20,402
	-	43,327	(7,190)	314,742	350,879
Grants to individuals	6,326	-	72	-	6,398
	6,326	43,327	(7,118)	314,742	357,277

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Support costs	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	333,344	-	333,344	318,235	-	318,235
Depreciation	23,678	-	23,678	24,217	-	24,217
Office & executive	62,479	-	62,479	54,013	-	54,013
Office staff costs	7,480	-	7,480	6,701	-	6,701
Field Team costs	6,737	-	6,737	4,541	-	4,541
Audit fees	-	7,200	7,200	-	6,000	6,000
Sundry expenses	-	236	236	-	347	347
	<u>433,718</u>	<u>7,436</u>	<u>441,154</u>	<u>407,707</u>	<u>6,347</u>	<u>414,054</u>
Analysed between Charitable activities	<u>433,718</u>	<u>7,436</u>	<u>441,154</u>	<u>407,707</u>	<u>6,347</u>	<u>414,054</u>
<b>Basis of allocation</b>				<b>Office &amp; executive</b>	<b>Office staff</b>	<b>Field Team</b>
				<b>%</b>	<b>%</b>	<b>%</b>
Discipleship				25	19	27
Mission				25	19	29
Partnership				25	35	44
Property				25	27	-
				<u>100</u>	<u>100</u>	<u>100</u>

Support and governance costs are allocated as an approximation of average working time for staff costs, and equally between all categories for the running costs of the Synod Office and the Synod Executive Committee.

Governance costs includes payments to the auditors of £6,000 (2022: £5,000) for audit fees and £1,200 (2022: £1,000) for non audit services.

9 Other expenditure

	Restricted funds 2023	Restricted funds 2022
Monies paid to investors	<u>70,473</u>	<u>90,357</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Gain/(loss) on revaluation of investments	898,920	223,218	1,122,138	(1,314,591)	(1,582,506)
Gain/(loss) on sale of investments	28,344	-	28,344	(23,780)	(23,780)
	<u>927,264</u>	<u>223,218</u>	<u>1,150,482</u>	<u>(1,338,371)</u>	<u>(1,606,286)</u>

11 Net movement in funds

2023  
£

2022  
£

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	7,200	6,000
Depreciation of owned tangible fixed assets	39,098	39,637
	<u>46,298</u>	<u>45,637</u>

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Directors

None of the Directors (or any persons connected with them) received remuneration during the year (2022: none), but 5 of them were reimbursed a total of £776 travelling and other expenses (2022: 6 were reimbursed £659).

The treasurer received an annual honorarium of £3,098 (2022: £2,842) being 10% of a minister's stipend in recognition of the additional work carried out by him.

14 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Head count	13	13
Full-time equivalent	10	8
	<u>23</u>	<u>21</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	275,275	258,320
Social security costs	25,287	22,490
Other pension costs	69,975	74,355
	<u>370,537</u>	<u>355,165</u>

Key management are considered to be the Directors of the Trust, none of whom received any remuneration this year or in the previous year.

There were no employees whose annual remuneration was more than £60,000.

15 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Loans £	Property improvements £	Total £
<b>Cost</b>					
At 1 January 2023	762,450	36,172	225,983	206,034	1,230,639
Additions	226,000	3,710	-	-	229,710
Disposals	-	(1,149)	-	-	(1,149)
At 31 December 2023	<u>988,450</u>	<u>38,733</u>	<u>225,983</u>	<u>206,034</u>	<u>1,459,200</u>
<b>Depreciation and impairment</b>					
At 1 January 2023	120,588	31,649	-	61,809	214,046
Depreciation charged in the year	15,420	3,075	-	20,603	39,098
Eliminated in respect of disposals	-	(575)	-	-	(575)
At 31 December 2023	<u>136,008</u>	<u>34,149</u>	<u>-</u>	<u>82,412</u>	<u>252,569</u>
<b>Carrying amount</b>					
At 31 December 2023	<u>852,442</u>	<u>4,584</u>	<u>225,983</u>	<u>123,622</u>	<u>1,206,631</u>
At 31 December 2022	<u>641,862</u>	<u>4,523</u>	<u>225,983</u>	<u>144,225</u>	<u>1,016,593</u>

Freehold properties comprised in the total above are functional assets and managed by the Trust. Loans relate to properties for the purpose of providing houses for some ministers, retired ministers and their spouses. These properties are managed by the United Reformed Church Retired Ministers' Housing Society Limited.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Investment property

	<b>2023</b>
	<b>£</b>
<b>Fair value</b>	
At 1 January 2023 and 31 December 2023	336,300

Blyth URC, was obtained in 2009 and included at a valuation of £210,000 derived from the market value as calculated by an independent valuer. An updated valuation was obtained during 2018 and property is now valued at £155,000.

Also included in the fair value is Berwick Church which is currently being leased by the Spittal Improvement Trust and is valued at £181,300.

17 Fixed asset investments

	Common investment fund	Traidcraft Investment	Total £
<b>Cost or valuation</b>			
At 1 January 2023	11,177,517	1,506	11,179,023
Additions	1,166,076	-	1,166,076
Valuation changes	1,122,138	-	1,122,138
Disposals	(1,278,114)	(1,506)	(1,279,620)
	<u>12,187,617</u>	<u>-</u>	<u>12,187,617</u>
At 31 December 2023			
<b>Carrying amount</b>			
At 31 December 2023	<u>12,187,617</u>	<u>-</u>	<u>12,187,617</u>
At 31 December 2022	<u>11,177,517</u>	<u>1,506</u>	<u>11,179,023</u>

18 Financial instruments

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	2,739,950	1,755,000

19 Debtors

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	16,049	44,541
Prepayments and accrued income	5,509	21,350
	<u>21,558</u>	<u>65,891</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

<b>19</b>	<b>Debtors</b>	<b>(Continued)</b>	
		<b>2023</b>	<b>2022</b>
	Amounts falling due after more than one year:	£	£
	Other debtors	37,782	38,782
		<u>          </u>	<u>          </u>
	<b>Total debtors</b>	<u>59,340</u>	<u>104,673</u>
<b>20</b>	<b>Current asset investments</b>	<b>2023</b>	<b>2022</b>
		£	£
	Assets held for sale	2,739,950	1,755,000
		<u>          </u>	<u>          </u>
<b>21</b>	<b>Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
		£	£
	Other creditors	20,283	5,545
	Accruals and deferred income	47,910	40,707
		<u>          </u>	<u>          </u>
		<u>68,193</u>	<u>46,252</u>
<b>22</b>	<b>Provisions for liabilities</b>	<b>2023</b>	<b>2022</b>
		£	£
	Grant provisions	253,199	394,357
	Pension provisions	400,000	400,000
		<u>          </u>	<u>          </u>
		<u>653,199</u>	<u>794,357</u>
	<b>Movements on provisions:</b>		
		<b>Grant</b>	<b>Pension</b>
		<b>provisions</b>	<b>provisions</b>
		£	£
	At 1 January 2023	394,357	400,000
	Reversal of provision	(34,286)	-
	Utilisation of provision	(360,071)	(400,000)
	Additional provisions in the year	253,199	400,000
		<u>          </u>	<u>          </u>
	At 31 December 2023	<u>253,199</u>	<u>400,000</u>
		<u>          </u>	<u>          </u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

(Continued)

22 Provisions for liabilities

Included in the above grants are amounts which are expected to be paid after more than one year totalling £113,092 (2022: £56,000).

Grants are normally awarded with a maximum contribution towards costs and a time frame to be claimed. If the grant is underspent or not claimed within the allotted time frame, the unclaimed grant provision is reversed.

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

23 Endowment funds

Current financial year

At 1 January 2023	At 31 December 2023
£	£

Permanent endowments

178,578	178,578
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Prior financial year

At 1 January 2022	At 31 December 2022
£	£

Permanent endowments

178,578	178,578
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THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Restricted funds

Current financial year

	Balance at 1 January 2023 £	Incoming resources £	Movement in funds		Gains and losses £	Balance at 31 December 2023 £
			Resources expended £	Transfers £		
Dales fund	44,387	-	-	-	3,939	48,326
Ministry & mission fund	125,997	58,996	(73,176)	-	10,188	122,005
Moderator's benevolent fund	1,399	-	(1,060)	1,000	-	1,339
Mozambique partnership fund	18,099	512	-	-	1,620	20,231
Mozambique project fund	915	26	-	-	82	1,023
Students' fund	9,146	-	-	-	812	9,958
Pulpit supply fund	187	-	-	(187)	-	-
Trust capital funds	1,125,917	31,359	(45,882)	-	98,372	1,209,766
Church funds	1,060,805	12,022	(68,659)	128,291	108,205	1,240,664
Northerly Synods Listening and Reconciliation Fund	29,102	-	-	-	-	29,102
Safeguarding fund	650	-	-	-	-	650
Charity Collections fund	-	185	-	-	-	185
Northerly Synods general fund	810	-	(531)	-	-	279
	<u>2,417,414</u>	<u>103,100</u>	<u>(189,308)</u>	<u>129,104</u>	<u>223,218</u>	<u>2,683,528</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Restricted funds

(Continued)

Prior financial year

	Movement in funds					Balance at 1 January 2023 £
	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	
Dales fund	49,714	-	-	-	(5,327)	44,387
Ministry & mission fund	106,811	17,348	16,616	-	(14,778)	125,997
Moderator's benevolent fund	471	-	(72)	1,000	-	1,399
Mozambique partnership fund	19,313	858	-	-	(2,072)	18,099
Mozambique project fund	997	25	-	-	(107)	915
Northumberland project fund	4,344	-	-	(3,911)	(433)	-
Students' fund	10,244	-	-	-	(1,098)	9,146
Pulpit supply fund	-	-	(2,313)	2,500	-	187
Trust capital funds	1,600,092	31,028	(21,845)	(355,538)	(127,820)	1,125,917
Church funds	854,199	28,745	(90,357)	384,498	(116,280)	1,060,805
Northerly Synods Listening and Reconciliation Fund	29,102	-	-	-	-	29,102
Safeguarding fund	650	-	-	-	-	650
Charity Collections fund	1,408	-	(598)	-	-	-
Northerly Synods general fund	-	-	-	-	-	810
	<u>2,677,345</u>	<u>78,004</u>	<u>(98,569)</u>	<u>28,549</u>	<u>(267,915)</u>	<u>2,417,414</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Unrestricted funds

Current financial year

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
General funds	868,138	314,322	(583,598)	12,994	46,493	658,349
General reserve	2,008,870	460,583	(712,760)	216,817	213,700	2,187,210
Property valuations	1,056,759	-	(9,420)	-	220,000	1,267,339
Manse fund	5,097,853	1,381,342	(58,120)	(230,024)	192,361	6,383,412
Property fund	1,365,383	249,089	(314,756)	(178,048)	136,184	1,257,852
Mission Fund	544,422	-	(229,916)	106,828	117,229	538,563
C&Y Strategy	796,533	-	(56,675)	(14,306)	-	725,552
Dr Brand Legacy	13,767	1,028	-	-	1,297	16,092
Minsters' Pension Fund	43,365	-	-	(43,365)	-	-
Retired Ministers' Housing	44,085	-	(44,085)	-	-	-
Revenue Fund	-	16,309	-	-	-	16,309
	<u>11,839,175</u>	<u>2,422,673</u>	<u>(2,009,330)</u>	<u>(129,104)</u>	<u>927,264</u>	<u>13,050,678</u>

Prior financial year

	At 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2022
	£	£	£	£	£	£
General funds	1,100,112	318,077	(474,698)	20,531	(95,884)	868,138
General reserve	2,439,780	58,444	(581,463)	368,085	(275,976)	2,008,870
Property valuations	1,072,179	-	(15,420)	-	-	1,056,759
Manse fund	5,515,656	603,392	(19,992)	(400,980)	(600,223)	5,097,853
Property fund	1,434,817	604,880	(429,779)	(53,391)	(191,144)	1,365,383
Mission Fund	598,507	-	(88,085)	207,531	(173,531)	544,422
C&Y Strategy	868,351	-	(58,021)	(13,797)	-	796,533
Dr Brand Legacy	14,684	696	-	-	(1,613)	13,767
Minsters' Pension Fund	243,978	-	-	(200,613)	-	43,365
Retired Ministers' Housing	-	-	-	44,085	-	44,085
	<u>13,288,064</u>	<u>1,585,489</u>	<u>(1,667,458)</u>	<u>(28,549)</u>	<u>(1,338,371)</u>	<u>11,839,175</u>
	<u>13,288,064</u>	<u>1,585,489</u>	<u>(1,667,458)</u>	<u>(28,549)</u>	<u>(1,338,371)</u>	<u>11,839,175</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 26 Nature and purpose of funds

##### ***General fund***

This fund is unrestricted, and was set up by Trust resolution in 2009, and designated for the day-to-day running of the Northern Synod. It was originally formed by combining various designated funds and is funded from investment income and property sales. This asset is represented by pooled investments and cash and office furniture and fittings.

##### ***General reserve fund***

This fund is unrestricted, and consists of all the undesignated monies of the Synod. This asset is represented by pooled investments and cash.

##### ***Property valuations fund***

This fund is unrestricted, and was set up in 2009. This asset is represented solely by property.

##### ***Manse fund***

This fund is unrestricted, and was set up in 2006, and is funded from the sale of manses and retired ministers' houses. This asset is represented by pooled investments and cash. The Manse Fund is designated for making grants to churches and expenses incurred by the Trust in respect of manses.

##### ***Property fund***

This fund is unrestricted, and was set up by Trust resolution in 2009 and is designated for making grants to churches and expenses incurred by the Trust in respect of property matters. It is funded from the sale of churches and halls and is represented by pooled investments and cash.

##### ***Mission fund***

This fund is unrestricted, and was set up by Trust resolution in 2009. This fund is designated for the provision of grants for small church/community projects and longer term projects which will require more substantial funding. The fund is a combination of the Development Fund and a legacy received, and is now funded from the sales of properties. This asset is represented by pooled investments and cash.

##### ***Dr Brand legacy fund***

This fund is unrestricted and arises from legacy income and is represented by pooled investments and cash. Dr James Brand left a legacy to the Presbytery of Newcastle in the 1960s. The Trust/Synod inherited it among the assets of the Districts of Newcastle and Durham & Teesside in 2008.

##### ***C&Y Strategy Fund***

This fund is designated and is available for a children and youth work strategy agreed in 2021. This fund is designated from the Mission fund therefore will not receive any investment income.

##### ***Retired Minister's Housing Fund***

This fund is unrestricted and is designated for retired ministers' housing purposes. It arises from 15% of manse sales and is represented by pooled investments and cash.

##### ***Ministers' pension fund***

This fund is unrestricted and is designated for contributing to the deficit on the URC ministers' pension fund. It arises from the sale of churches and is represented by pooled investments and cash.

##### ***Revenue fund***

This fund is unrestricted and represents investment income to be distributed to funds

##### ***Dales fund***

The Dales Fund is restricted and is used to support rural ministry and properties in Swaledale. It is represented by pooled investments and cash.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 26 Nature and purpose of funds

(Continued)

##### ***Ministry and mission fund***

This fund is restricted, and was set up in 1992, for the sole purpose of meeting ministry and mission commitments as necessary. It arises from accumulated surpluses and transfers from the Lancashire Congregational Union and North Tyne fund. Contributions from and to ecumenical partners are posted through this fund. This asset is represented by pooled investments and cash.

##### ***Moderator's benevolent fund***

This fund is restricted, and was set up in 1996 for the sole purpose of making discretionary grants to individuals. It arises from donations received by the Moderator and by transfers from reserves. This asset is represented by one designated bank account and cash.

##### ***Mozambique partnership fund***

This fund is restricted and was created in 2010 to sustain the partnership between Northern Synod and the Igreja Presbiteriana de Moçambique. The fund is supported by general donations from individuals and the General Reserve Fund. The asset is represented by pooled investments and cash.

##### ***Mozambique project fund***

This fund was established in 2010 and is restricted. The fund was set up to collect donations from individuals, to support specific projects relating to the Partnership in Mozambique. The asset is represented by pooled investments and cash.

##### ***Students' fund***

The Students' Fund was transferred from Newcastle Presbytery and is restricted to provide book grants to ministerial students. The asset is represented by pooled investments and cash.

##### ***Pulpit supply fund***

This fund is restricted and was set up in 2011 to collect contributions from local churches and pay preaching fees and expenses in Northumberland. This asset is represented by pooled investments and cash.

##### ***Trust capital funds***

These funds are restricted and arose from the sale of properties, and have been designated by Synod resolution for specific churches. These assets are represented by pooled investments and cash.

##### ***Church funds***

These funds are restricted and are held on behalf of local churches. These assets are represented by pooled investments and cash.

##### ***Northerly Synods Listening and Reconciliation Fund***

This fund is restricted and was set up in 2017. This fund will manage the grant received for this project in the five Northerly Synods and is represented by cash.

##### ***Charity Collections***

This fund is restricted and was set up in 2019 to hold monies collected for specific charities.

##### ***Safeguarding Fund***

This fund is restricted and was set up to hold a grant of £2,000 received from URC London.

##### ***Northerly Synods General Fund***

This fund is restricted and was set up to hold funds from the five Northerly Synods. This fund is managed by Northern Synod.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

27 Analysis of net assets between funds

Current financial year

	Unrestricted 2023 £	Restricted 2023 £	Endowed 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Tangible assets	1,056,631	-	150,000	1,206,631
Investment properties	336,300	-	-	336,300
Investments	9,519,025	2,668,592	-	12,187,617
Current assets/(liabilities)	2,791,921	14,936	28,578	2,835,435
Provisions	(653,199)	-	-	(653,199)
	<u>13,050,678</u>	<u>2,683,528</u>	<u>178,578</u>	<u>15,912,784</u>

Prior financial year

	Unrestricted 2022 £	Restricted 2022 £	Endowed 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	866,593	-	150,000	1,016,593
Investment properties	336,300	-	-	336,300
Investments	8,775,807	2,403,216	-	11,179,023
Current assets/(liabilities)	2,654,832	14,198	28,578	2,697,608
Long term liabilities	-	-	-	-
Provisions	(794,357)	-	-	(794,357)
	<u>11,839,175</u>	<u>2,417,414</u>	<u>178,578</u>	<u>14,435,167</u>

28 Contingent liabilities

An actuarial review of the Ministers' Pension Fund has been completed and the Synod has committed £1.2m for the period 2022 to 2024, with another £1.8m in principle for 2025 through to 2030 to the deficit recovery plan. A total commitment of £3m. This commitment has been made in conjunction with all other Synods throughout the country. Due to the structure of the national church and ministerial appointments there is no legal obligation for the Trust to do this, but all Synods were approached and there is wide acceptance that there is a moral obligation at the Synod level and that such support does fall within the charitable purposes of the Trust.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 29 Operating lease commitments

##### Lessor

The company owns two investment property for rental purposes.

Rental income earned during the year for one property was £13,500 (2022: £10,875). The property has a committed tenant until 2042.

Another rental income amount of £4,583 was received for the property acquired in the prior year. The property has a committed tenant until 31 January 2028.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2023	2022
	£	£
Within one year	18,500	13,500
Between two and five years	69,417	54,000
In over five years	189,000	189,000
	<u>276,917</u>	<u>256,500</u>

#### 30 Related party transactions

There were no disclosable related party transactions during the year (2022: none).

#### 31 Properties vested in the company as custodian trustee

A comprehensive list of properties vested in the company is available on request to the URC Northern Synod Office.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

32 Cash generated from operations	2023	2022
	£	£
Surplus/(deficit) for the year	1,477,617	(1,708,820)
Adjustments for:		
Investment income recognised in statement of financial activities	(367,036)	(377,347)
Loss on disposal of tangible fixed assets	575	-
Gift of property	(1,609,950)	(1,195,000)
(Gain)/loss on disposal of investments	(28,344)	23,780
Fair value gains and losses on investments	(1,122,138)	1,582,506
Depreciation and impairment of tangible fixed assets	39,098	39,637
Investment fee rebate reinvested	(16,309)	(39,929)
Movements in working capital:		
Decrease in debtors	45,333	69,823
Increase in creditors	21,941	4,833
Increase/(decrease) in provisions	(141,158)	77,794
<b>Cash absorbed by operations</b>	<b>(1,700,371)</b>	<b>(1,522,723)</b>

33 Analysis of changes in net funds

The charity had no material debt during the year.

34 Retirement benefit schemes

**Final salary (defined benefit) pension scheme**

During the year, the Trust contributed £68,921 (2022: £74,331) to The United Reformed Church Final Salary Scheme, a pension scheme principally for lay staff which is administered by TPT Retirement Solutions Trust (formerly The Pensions Trust). The scheme is a defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities - each member in the scheme pays a common contribution rate.

Triennial actuarial valuations of the Final Salary scheme are performed by a professionally qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September 2020 when the scheme had a surplus of £2,689,000. The assumptions underlying that valuation include:

Discount Rate:	1.4% pa
Pensionable earnings growth:	2.5% for three years, 2.75% thereafter
Price Inflation and pension increase:	2.55%
Retirement age (active members):	65, with maximum commutation

The scheme was closed to future accrual on 28 February 2023.

A new defined contribution scheme administered by Aon Master Trust was set up and staff were moved into this scheme on 1 March 2023. The Trust contributed £54,191 into this scheme during the year.



**THE UNITED REFORMED CHURCH ( NORTHERN PROVINCE) TRUST LTD.**

England & Wales - Charity number 1132154

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# Accounts

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Charity Registration No. 1132154

Company Registration No. 134549 (England and Wales)

**THE UNITED REFORMED CHURCH  
(NORTHERN PROVINCE) TRUST LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors</b>	Mr K. Anderson (from 15 October 2022) Ms J.W. Barr Mr W. Duncan Dr H.J. Finlayson (until 31 December 2022) Revd. D. Grosch-Miller (until 31 December 2022) Ms C. Hogg Mr P.B. Matthew (until 31 December 2022) Revd A.D. McGougan (from 19 March 2022) Mr C. Randle (from 15 October 2022) Ms M.I. Shepherd (from 30 June 2022 until 12 April 2023) Mr G.I. Wanless
<b>Convenor</b>	Revd. D. Grosch-Miller
<b>Treasurer</b>	Mr G.I. Wanless
<b>Secretary</b>	Mr W. Duncan
<b>Trust officer</b>	Mr A. Atkinson
<b>Finance officer</b>	Ms H.E. Hogg
<b>Charity number</b>	1132154
<b>Company number</b>	134549
<b>Registered office</b>	4 College Lane, Newcastle upon Tyne, NE1 8JJ
<b>Auditor</b>	Sumer Auditco Limited The Beehive Beehive Ring Road, Gatwick, RH6 0PA
<b>Bankers</b>	Bank of Scotland Plc PO Box 1000, BX2 1LB  Lloyds Bank plc PO Box 1000, BX1 1LT  Kingdom Bank Media House, Padge Road, Beeston, Nottingham, NG9 2RS  Virgin Money plc 132-134 Northumberland Street, Newcastle upon Tyne, NE1 7DG  Moneywise Credit Union 187-189 Shields Road, Newcastle upon Tyne, NE6 1DP
<b>Legal advisors</b>	Sintons LLP The Cube, Barrack Road, NE4 6DB

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Investment managers**

CCLA Investment Management Limited  
One Angel Lane, London, EC4R 3AB

### **Property consultants**

Sanderson Weatherall LLP (to 5 April 2022)  
Central Square South, Orchard Street, Newcastle upon Tyne, NE1 3AZ

Howard Litchfield Partnership (from 5 April 2022)  
Liddon House, Belmont Business Park, Durham DH1 1TW

Gritstone Project Management Ltd (from 1 January 2022)  
17 Lily Crescent, Jesmond, Newcastle upon Tyne, NE2 2SP

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Directors present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by 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)" (effective 1 January 2019).

#### **Objectives and activities**

The Company's objectives are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages and the Basis of Union of the United Reformed Church. In pursuit of this, the Company acts as trustee, holding monies, investments and properties for these purposes and for local churches.

The Company supports the Northern Synod's vision, to enable local churches to be lively, informed and be effective in being the church in their local setting and Synod to be an expression of the Church at regional level, in the light of the five marks of mission (tell, teach, tend, transform and treasure). The Company provides financial, advisory and technical support to assist churches in the Synod.

#### **Public benefit**

The Company is aware of the Charity Commission's guidance on public benefit. This requirement is met by enabling local churches to provide their services to the general public.

#### **Activities**

The Company carries out its work under 4 headings and illustrative examples of activity in 2019 are given below.

- *1. Discipleship* - supporting Christian spirituality, nurture, lay and ministerial education, development and training.

This is a cornerstone of Synod activity and the Trust assists this by funding courses, sponsoring events, and offering grants for specific developments and projects which strengthen individual or group faith experience. Growing Leader courses continue throughout the Synod and increases capacity for leadership development. Through the Ministries and Development Committee, the Trust have been able to offer support for lay people attending courses on baptism and communion and acquiring skills and knowledge of Zoom.

- *2. Mission* - promoting evangelism, mission, church growth, outreach and racial justice.

This is central to the Company's purposes. Specific examples include, supporting church related community work, chaplaincies and local churches with projects and events. Grants are awarded for ministry in local ecumenical partnerships. Through the work of the Mission Enabler, the Trust can support the mission and outreach of local churches. Synod continues to explore new ways of being church.

- *3. Partnership* - supporting joint working with ecumenical, community and global partners.

The Company supports the Synod's partnership with the Presbyterian Church of Mozambique. Collaboration with Northern Synods continues and funding is available to assist with joint working on projects and events.

- *4. Property* - providing and managing housing for ministers, retired ministers and their widow(er)s or former civil partners and supporting local churches in proper care of their properties.

Property issues are considered by the Trust's Manse and Property sub-committees. Both committees initiate a schedule of surveys to assess the condition of property and subsequent maintenance requirements. Financial support for building preservation is made available through grants.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Company continues to seek sustainable and responsible ways to fulfil Synod's aspirations and making resources available to assist with developing new forms of ministry. It also recognises the potential benefits of employing people to support churches in their work.

The Trust has continued to participate in planning for the Synod's future as and when asked to do so.

The key issue remaining to the Trust is tackling how to use resources to support churches, which might involve employing more lay people, whilst maintaining its charitable duty to achieve best value for its investments.

#### *Grant-making*

Much of the Company's work is achieved through making grants (in 2022, some £357,277), which are given to churches and other bodies as well as individuals, in accordance with published policies for the following purposes:

- Repair, maintenance and improvement of church and manse buildings
- Mission, outreach and fresh expressions of church
- Lay and ministerial education and learning
- Travel to events for young people
- Small welfare benevolences are also given.

#### *Staffing and Volunteers*

The work of the Company is carried out by volunteers (mainly the Directors) who receive expenses, as well as by two members of paid staff, who are responsible to the Board and refer to Directors or Officers when major decisions are needed. The work of the other staff is directed by the Synod.

No honoraria are paid to Directors of the Board, except for the Treasurer who, in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

Volunteers donated an estimated 700 hours' work in total during the year, which is difficult to value in financial terms. The Board takes the view that the Company is not excessively dependent on any one individual.

Volunteers support the Trust directly through their roles as Directors, and others offer their time and help to subgroups and committees. The role of volunteers in furthering church activities is extensive and without it the churches' effectiveness will be limited. The Synod has recognised that volunteers require support, and this is reflected in the Synod Way Forward.

#### **Achievements and performance**

*Discipleship* – (£104,557) Discipleship grants are awarded for specific developments and projects which strengthen individual or group faith experience. There was a significant Synod-wide event held at Beamish this year, which was well received by all who attended. During the year a number of courses were held to refresh, and train anew, lay leaders in Baptism, Presiding at Communion and acquiring skills of using Zoom.

*Mission* – (£241,505) Mission continued to be supported during 2022 and included grants to Great Bravington United Reformed Church towards various repairs, redecoration and the improvement of ventilation, Trinity LEP, Gosforth to pay for loft insulation at the manse, St George's, High Heaton, for Manse fence repairs and costs and Roker United Reformed Church, towards property improvements at the church. Emergency loans were available to be applied for by any Church who felt because of either COVID-19 or the steep increase in utility costs, they were in financial hardship. Small mission grants were awarded, helping churches to benefit local communities and support to the Staying Alive initiative in Newcastle.

*Partnerships* – (£762,566) Costs relating to ecumenical ministries were shared during 2022, and resources were also shared with poorer synods in the United Reformed Church through the Resource Sharing process. Support grants continue to be awarded to local churches where required. The Board is also apprised of and involved with collaborative arrangements between other synods in Northern Britain. These are intended to provide efficiency gains and put in place supportive and constructive working partnerships. The Safeguarding Advisor is continuing to work with Synod, Trust and local churches to review and strengthen systems across all parts of the Synod. Pulpit supply continues to be subsidised by the Trust for churches in Northumberland. Liaising with Solicitors regarding church investment funds is ongoing throughout the year.

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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*Property* – (£567,042) The Company continued to maintain the properties for which it is directly responsible and ensured professional advice on legal and property matters for local churches. Church surveys were carried out throughout the year and grants were awarded for church and manse repairs and improvements totaling £314,742 during 2022.

Goals achieved in 2022 include:

- Increase board membership to ten. Briefly reached 11 before dropping back to eight
- Appoint a new convenor
- Review synod surveyors'/architects' appointment
- Review discretionary investment manager's appointment
- Complete the reform of the investment pool. New subaccounts were set up from the start of 2023
- Complete manse policy. Adopted by Synod in October 2022
- Responded to Church Life Review process
- Develop support for churches on property. Property Management Consultant engaged

Goals still in progress and carried forward to 2023 include:

- Complete the update of data protection practice
- Ongoing discussion of financial strategy
- Work towards net zero carbon
- Complete the volunteer handbook

#### **Financial review**

During the year, total funds decreased by £1,708,820 (2021: an increase of £2,546,019) to £14,435,167. The decrease in funds is largely due to decreases in the valuation of our investments of £1,606,286 (see note 10).

#### **Income**

Investment income of £365,826 was pleasing to note (2021: £354,185). Included in other income (note 5) is £1,195,000 for church properties handed over to the Trust for sale, an decrease in 2022 of £744,785.

#### **Expenditure**

There were no exceptional items of expenditure during 2022 other than at the year end a provision of £400,000 was made in respect of a payment to the URC Ministers' Pension Fund. This has been included in note 21.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### *Reserves Policy*

The Balance Sheet on page 13 shows the disposition of the various funds totaling £14,435k as at 31 December 2022 (2021: £16,144k). The term "reserves" describes that part of a charity's funds that are freely available. Some of the funds are invested in property or restricted in use. The unrestricted fund net assets readily available are £10,973k (2021: £12,203k). The Director's review the policy annually and have taken a risk-based approach to setting a reserves target.

The main financial risks that the Director's feel need to be covered are:

- possible future lump sum contributions required to be made to either of the pension funds (current commitment £3m over 10 years),
- an increased rate of support to Churches in relation to their Ministry and Mission Fund commitments as per the newly agreed Synod Assessment process (currently running at circa £300k per year) and
- possible legal action against the Synod/Trust requiring lump sum pay outs.

Based on these risks, the Directors feel that they should aim to maintain reserves at a level between £7m to £8m.

The current level of reserves held is in excess of the target level, however with the uncertainty around the performance of investments due to the impact of the possible support for ministers' welfare, energy improvements, world-wide market instability and rampant inflation, the Directors were satisfied that this was appropriate.

The Directors will review the policy annually.

#### *Investment Policy*

The majority of the available funds of the Company are invested through its nominees, primarily the CCLA (Churches, Charities and Local Authorities) Investment Management Ltd, one of the largest Charity Fund Managers in the UK. The financial policy of the company is to maximise the total return whilst maintaining a steady income by which the financial requirements of the company can be met. The portfolio is highly diversified with investment in both UK and overseas equities. CCLA operates an active ethical policy based not only on the types of activity engaged in by companies in which the fund invests, but also on active engagement over issues such as good governance and management, and good environmental policies.

It is not felt that this policy is having any detrimental effect on income or capital; the fund has returns that compare well with other investment vehicles, and performance is monitored at meetings of the investment sub-committee, which are held twice yearly. The current target is a total return of inflation plus 5% over the long term, in the COIF Charities Ethical Investment Fund. This would include the provision of a reliable income stream that maintained its real value over time. It aims to control volatility to 75% of that of the UK equity market.

#### *Risk Management*

The Directors are responsible for assessing the major risks to which the Company is exposed, and for establishing systems to mitigate those risks. The Trust maintains a risk register and considers external and internal risks to which the Company is exposed. The Trust undertakes a formal review of the risks to which it is exposed each year.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### *Factors Affecting Performance*

The Company's ability to achieve its objectives depends on several factors, not necessarily within its control, such as performance of investments, and the effective coordinated work of professional advisors. In 2022 there were no significant factors of this type.

Other factors of which the Trust is cognisant of include the reduction in volunteers across the Synod and in churches which can cause them to close. This in turn may mean the Synod having to make up a shortfall on their in-year M&M contributions. Some remaining churches will have high maintenance costs. All these issues have been considered by the Trust and Synod when developing future plans.

#### *Plans for the Future*

The Company plans to continue its work for the foreseeable future.

The Company has agreed in principle to support the Synod and Trustees recognise their important role in assisting the implementation of the Synod's future strategy.

The Board reflects a broad range of professional experience within private, statutory and voluntary organisations, and of course extensive involvement with ministry and churches all of which will be drawn upon to steer the Company through the changes in the Synod which lies ahead.

Goals for 2023 include:

- Increase board membership to ten: Trust Secretary
- Appoint convenors to Property and Manse Subcommittees: Trust Secretary
- Appoint directors to Property and Manse Subcommittees: Trust Secretary
- Review synod legal advisors' appointment: Board
- Complete the update of data protection practice: Trust Officer
- Migrate to adopting the Church House database: Synod Operations Coordinator
- Implement manse strategy: Manse Subcommittee
- Respond to Church Life Review process: Convenor, Trust Secretary, Treasurer, Moderator
- Conduct on HR review, including appointment of new Synod Clerk: HR Subcommittee
- Complete volunteer handbook: HR Subcommittee

#### **Structure, governance and management**

The United Reformed Church (Northern Province) Trust Limited (formerly known as the Durham and Northumberland Congregational Union (Incorporated)) was incorporated in England & Wales in 1914. It is a private charitable company, limited by guarantee. It is governed by its Memorandum & Articles of Association, adopted in revised form on 4 August 2009, which confer various powers, including powers to hold, maintain and administer property, money and investments; to buy and sell property and investments; and to take over any assets legally transferred to the Company.

#### *Directors/Trustees*

The Directors who served during the year were:

Mr K. Anderson (from 15 October 2022)

Ms J.W. Barr

Mr W. Duncan

Dr H.J. Finlayson (until 31 December 2022)

Revd. D. Grosch-Miller (until 31 December 2022)

Ms C. Hogg

Mr P.B. Matthew (until 31 December 2022)

Revd A.D. McGougan (from 19 March 2022)

Mr C. Randle (from 15 October 2022)

Ms M.I. Shepherd (from 30 June 2022 until 12 April 2023)

Mr G.I. Wanless

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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Most of the Directors give their time voluntarily and receive no benefits from the Company. Any expenses reclaimed from the Company are set out in note 11 to the financial statements. The exception is Mr G.I.Wanless who, as treasurer and in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

The Directors are appointed by the United Reformed Church Northern Synod, and the officers are appointed by the Board. A balanced Board is sought, with a mixture of experience, gender, and geographic spread. Where vacancies are identified, nominations are sought either by direct approach or advertisement amongst the 61 churches of the Synod. Under the United Reformed Church Acts 1972-2000, all members and Directors must also be members of a local church or ecumenical area of the United Reformed Church, and for this reason no candidates are sought outside the churches of the Northern Synod.

Upon appointment, all Directors are provided with an induction pack explaining the work of the Company and including the Charity Commission's leaflet *The Essential Trustee: what you need to know*. Further training is provided during the year on a range of relevant topics.

The Board meets five times a year and receives reports, sets policies and takes major financial decisions. Subcommittees deal with investments, staff remuneration, denominational Ministry & Mission Fund assessments, church and manse properties, and human resources. Small grant applications are considered by subcommittees, with larger ones referred to the Board. Investments are monitored regularly, with quarterly reports from the Investment Managers. Periodic condition survey reports are received from the Property Consultants on local church properties.

All decisions are taken by simple majority, with the Convenor having a casting vote. The Board may make decisions by agreement of two Directors, on straightforward, non-controversial matters. The day-to-day running of the Company's affairs is carried out by two members of office staff, who are responsible to the Board. The Finance Officer and Trust Officer support the day to day working of the Trust Company. Their tasks are operational in nature and they work within parameters defined by their role descriptions. The Trust Officer supports the Trust with administrative and legal support with policy decisions referred to the Board.

The Trust has a remuneration policy to provide effective stewardship of resources as well as being objective and transparent so that salary levels are perceived as being fair and rational. The salaries of lay staff employed by the Trust are assessed when a new post is created. This is carried out by members of the Human Resources sub-committee. In making a recommendation of an appropriate salary level account is taken of:

- Levels of remuneration for posts of comparable responsibility within the not-for-profit sector in the North East of England
- Salaries being paid by the URC and other denominations across the United Kingdom.

The proposed salary and its rationale are then discussed with the Remuneration sub-committee and the outcome recommended to the Trust. Salaries of lay staff are reviewed annually to reflect changes in the level of responsibility and increases in the cost of living which have occurred in the last 12 months. In exceptional circumstances a bonus payment may be recommended by the Remuneration sub-committee to reflect the performance of duties well in excess of what might normally be expected of the post-holder.

#### *Relations with other Parties*

The Company carries out its activities in concert with and in support of the United Reformed Church Northern Synod, an unregistered unincorporated charitable association.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **Statement of Directors' responsibilities**

The directors, who also act as trustees for the charitable activities of The United Reformed Church (Northern Province) Trust Limited, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

A resolution proposing that Sumer Auditco Limited be reappointed as auditor of the company will be put at a Board Meeting.

#### **Disclosure of information to auditor**

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Directors' report was approved by the Board of Directors.

**A.D. McGougan**  
**Director (Convenor)**

Dated: 29 August 2023

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### Opinion

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Limited (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### **Capability of the audit in detecting irregularities, including fraud**

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr Stephen Slater (Senior Statutory Auditor)**  
**for and on behalf of Sumer Auditco Limited**  
**Statutory Auditor**  
**The Beehive Beehive Ring Road**  
**Gatwick**  
**RH6 0PA**

Date: 11 September 2023

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

### Current financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and legacies	3	696	17,641	-	18,337	9,098
Investments	4	317,052	60,295	-	377,347	369,317
Other income	5	1,267,741	68	-	1,267,809	2,070,806
<b>Total income</b>		<u>1,585,489</u>	<u>78,004</u>	<u>-</u>	<u>1,663,493</u>	<u>2,449,221</u>
<b>Expenditure on:</b>						
Charitable activities	6	1,667,458	8,212	-	1,675,670	1,320,397
Other expenditure	9	-	90,357	-	90,357	52,931
<b>Total resources expended</b>		<u>1,667,458</u>	<u>98,569</u>	<u>-</u>	<u>1,766,027</u>	<u>1,373,328</u>
Net gains/(losses) on investments	10	(1,338,371)	(267,915)	-	(1,606,286)	1,470,126
<b>Net (outgoing)/incoming resources before transfers</b>		<u>(1,420,340)</u>	<u>(288,480)</u>	<u>-</u>	<u>(1,708,820)</u>	<u>2,546,019</u>
Gross transfers between funds		(28,549)	28,549	-	-	-
<b>Net movement in funds</b>		<u>(1,448,889)</u>	<u>(259,931)</u>	<u>-</u>	<u>(1,708,820)</u>	<u>2,546,019</u>
Fund balances at 1 January 2022		<u>13,288,064</u>	<u>2,677,345</u>	<u>178,578</u>	<u>16,143,987</u>	<u>13,597,968</u>
<b>Fund balances at 31 December 2022</b>		<u><u>11,839,175</u></u>	<u><u>2,417,414</u></u>	<u><u>178,578</u></u>	<u><u>14,435,167</u></u>	<u><u>16,143,987</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and legacies	3	3,896	5,202	-	9,098
Investments	4	308,742	60,575	-	369,317
Other income	5	2,050,556	20,250	-	2,070,806
<b>Total income</b>		<u>2,363,194</u>	<u>86,027</u>	<u>-</u>	<u>2,449,221</u>
<b>Expenditure on:</b>					
Charitable activities	6	1,238,308	82,089	-	1,320,397
Other expenditure	9	-	52,931	-	52,931
<b>Total resources expended</b>		<u>1,238,308</u>	<u>135,020</u>	<u>-</u>	<u>1,373,328</u>
Net gains/(losses) on investments	10	1,191,366	278,760	-	1,470,126
<b>Net (outgoing)/incoming resources before transfers</b>		<u>2,316,252</u>	<u>229,767</u>	<u>-</u>	<u>2,546,019</u>
Gross transfers between funds		(76,290)	76,290	-	-
<b>Net movement in funds</b>		<u>2,239,962</u>	<u>306,057</u>	<u>-</u>	<u>2,546,019</u>
Fund balances at 1 January 2021		<u>11,048,102</u>	<u>2,371,288</u>	<u>178,578</u>	<u>13,597,968</u>
<b>Fund balances at 31 December 2021</b>		<u><u>13,288,064</u></u>	<u><u>2,677,345</u></u>	<u><u>178,578</u></u>	<u><u>16,143,987</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		1,016,593		1,235,471
Investment properties	15		336,300		155,000
Investments	16		11,179,023		12,721,601
			<u>12,531,916</u>		<u>14,112,072</u>
<b>Current assets</b>					
Debtors falling due after one year	18	38,782		24,000	
Debtors falling due within one year	18	65,891		150,496	
Investments	19	1,755,000		1,659,250	
Cash at bank and in hand		884,187		956,151	
			<u>2,743,860</u>	<u>2,789,897</u>	
<b>Creditors: amounts falling due within one year</b>	20	(46,252)		(41,419)	
Net current assets			<u>2,697,608</u>	<u>2,748,478</u>	
<b>Total assets less current liabilities</b>			<u>15,229,524</u>	<u>16,860,550</u>	
<b>Provisions for liabilities</b>	21		(794,357)		(716,563)
<b>Net assets</b>			<u>14,435,167</u>	<u>16,143,987</u>	
<b>Capital funds</b>					
Endowment funds			178,578		178,578
<b>Income funds</b>					
Restricted funds	23		2,417,414		2,677,345
Unrestricted funds	22		11,839,175		13,288,064
			<u>14,435,167</u>	<u>16,143,987</u>	

The financial statements were approved by the Directors on 29 August 2023

G.I. Wanless  
Trustee

A.D. McGougan  
Trustee

Company Registration No. 134549

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	29	(1,522,722)		(941,205)	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,059)		(4,243)	
Purchase of investments		-		(400,000)	
Proceeds from disposal of investments		1,075,470		1,299,638	
Investment income received		377,347		369,317	
<b>Net cash generated from investing activities</b>			1,450,758		1,264,712
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(71,964)		323,507
Cash and cash equivalents at beginning of year			956,151		632,644
<b>Cash and cash equivalents at end of year</b>			884,187		956,151

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Charity information

The United Reformed Church (Northern Province) Trust Limited is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office is 4 College Lane, Newcastle upon Tyne, NE1 8JJ.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

#### 1.3 Charitable funds

Transfers to and from the General reserve fund to designated funds are made in accordance with the annual budget and in accordance with need. Funds are closed when the purpose for which they were created comes to an end, or it is otherwise resolved to discontinue them.

Details of the nature and purpose of each fund are explained in note 24. Designated funds are determined by the Board.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income arising on endowed funds is treated as an addition to the endowment.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is accounted for on an accruals basis. Grants payable are voluntary payments to individuals, local URC churches or other organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff and governance costs which support the charity and its activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold properties have been brought into the financial statements at the value at which they had previously been included in the accounts of the Northern Synod in 2009. Properties brought in after this date are valued at market value on donation or purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	25% straight line
Loans	No depreciation
Property improvements	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

##### **1.11 Provisions**

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

##### **1.12 Employee 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.13 Retirement benefits**

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

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

##### **Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2 Critical accounting estimates and judgements

(Continued)

##### Key sources of estimation uncertainty

##### Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

##### Valuation of investment property

As described in note 16 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Sanderson Weatherall, Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

#### 3 Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	696	17,641	18,337	3,841	5,142
Legacies receivable	-	-	-	55	-
Grants receivable	-	-	-	-	60
	<u>696</u>	<u>17,641</u>	<u>18,337</u>	<u>3,896</u>	<u>5,202</u>
	<u><u>696</u></u>	<u><u>17,641</u></u>	<u><u>18,337</u></u>	<u><u>3,841</u></u>	<u><u>5,142</u></u>
<b>Donations and gifts</b>					
Contributions from local churches	696	293	989	3,841	-
M&M contributions	-	17,348	17,348	-	5,142
	<u>696</u>	<u>17,641</u>	<u>18,337</u>	<u>3,841</u>	<u>5,142</u>
	<u><u>696</u></u>	<u><u>17,641</u></u>	<u><u>18,337</u></u>	<u><u>3,841</u></u>	<u><u>5,142</u></u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 4 Investments

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Rental income	10,875	-	10,875	15,000	-	15,000
Income from listed investments	305,531	60,295	365,826	293,633	60,552	354,185
Interest receivable	646	-	646	109	23	132
	<u>317,052</u>	<u>60,295</u>	<u>377,347</u>	<u>308,742</u>	<u>60,575</u>	<u>369,317</u>

Rental income from investment properties is accounted for under income from investments.

#### 5 Other income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Properties held for resale	1,195,000	-	1,195,000	1,939,785	-	1,939,785
Other income	60,494	68	60,562	68,754	-	68,754
Rental income	12,247	-	12,247	16,657	-	16,657
Northerly Synods Contribution to Clerk Salary	-	-	-	25,360	-	25,360
Monies received from investors	-	-	-	-	20,250	20,250
	<u>1,267,741</u>	<u>68</u>	<u>1,267,809</u>	<u>2,050,556</u>	<u>20,250</u>	<u>2,070,806</u>

Church properties handed over to the Trust for resale during 2022 are shown under properties held for resale. Properties that remain unsold have been included as current assets in assets held for sale, valued at expected sale value.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**6 Charitable activities**

	<b>Discipleship 2022 £</b>	<b>Mission 2022 £</b>	<b>Partnership 2022 £</b>	<b>Property 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Staff costs	-	36,930	-	-	36,930	10,684
Direct activities	5,120	65,758	622,261	174,270	867,409	618,878
	<u>5,120</u>	<u>102,688</u>	<u>622,261</u>	<u>174,270</u>	<u>904,339</u>	<u>629,562</u>
Grant funding of activities (see note 7)	6,326	43,327	(7,118)	314,742	357,277	318,646
Share of support costs (see note 8)	91,676	94,055	145,583	76,393	407,707	365,953
Share of governance costs (see note 8)	1,435	1,435	1,840	1,637	6,347	6,236
	<u>104,557</u>	<u>241,505</u>	<u>762,566</u>	<u>567,042</u>	<u>1,675,670</u>	<u>1,320,397</u>
<b>Analysis by fund</b>						
Unrestricted funds	104,557	241,505	767,742	553,654	1,667,458	1,238,308
Restricted funds	-	-	(5,176)	13,388	8,212	82,089
	<u>104,557</u>	<u>241,505</u>	<u>762,566</u>	<u>567,042</u>	<u>1,675,670</u>	<u>1,320,397</u>

**For the year ended 31 December 2021**

	<b>Discipleship £</b>	<b>Mission £</b>	<b>Partnership £</b>	<b>Property £</b>	<b>Total 2021 £</b>
Staff costs	-	10,684	-	-	10,684
Direct activities	2,994	14,367	466,410	135,107	618,878
	<u>2,994</u>	<u>25,051</u>	<u>466,410</u>	<u>135,107</u>	<u>629,562</u>
Grant funding of activities (see note 7)	3,239	60,406	41,143	213,858	318,646
Share of support costs (see note 8)	125,929	56,332	100,103	83,589	365,953
Share of governance costs (see note 8)	1,559	1,559	1,559	1,559	6,236
	<u>133,721</u>	<u>143,348</u>	<u>609,215</u>	<u>434,113</u>	<u>1,320,397</u>
<b>Analysis by fund</b>					
Unrestricted funds	133,602	143,348	555,773	405,585	1,238,308
Restricted funds	119	-	53,442	28,528	82,089
	<u>133,721</u>	<u>143,348</u>	<u>609,215</u>	<u>434,113</u>	<u>1,320,397</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 7 Grants payable

	Discipleship 2022 £	Mission 2022 £	Partnership 2022 £	Property 2022 £	2022 £
Grants to institutions:					
Roker URC	-	9,000	-	134,860	143,860
Northgate URC Darlington	-	-	-	127,380	127,380
Great Bavington URC	-	-	-	21,998	21,998
Robert Stewart Memorial Church	-	-	-	14,403	14,403
Flodden Eco Museum	-	-	-	10,000	10,000
St Aidan's URC, Hexham	-	-	-	10,000	10,000
St George's URC, Heaton	-	-	3,400	2,800	6,200
Stockton Road URC	-	8,467	-	-	8,467
Elsdon Avenue Church	-	7,305	-	-	7,305
Sunderland Connect Network	-	7,000	-	-	7,000
St George's URC, Hartlepool	-	-	-	5,512	5,512
St Andrew's URC, Kenton	-	-	-	3,015	3,015
Denewell Avenue URC	-	2,673	-	-	2,673
St George's URC, Morpeth	-	2,500	-	-	2,500
Heaton Churches Together	-	2,000	-	-	2,000
Trinity Church, Gosforth	-	-	-	1,970	1,970
Trinity Church, Ashington	-	1,812	-	-	1,812
Rothbury URC	-	-	-	1,326	1,326
St Andrew's Church, Crook	-	-	1,000	-	1,000
Less grants no longer required	-	(7,062)	(22,360)	(18,522)	(47,944)
Minor institutional grants	-	9,632	10,770	-	20,402
	-	43,327	(7,190)	314,742	350,879
Grants to individuals	6,326	-	72	-	6,398
	6,326	43,327	(7,118)	314,742	357,277

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

#### Discipleship

Discipleship grants are awarded for specific developments and projects which strengthen individual or group faith experience.

#### Mission

Mission grants are awarded to fund events and projects central to the company's purpose including promoting evangelism and church growth.

#### Partnership

Partnership grants are awarded to support joint working with ecumenical, community and global partners.

#### Property

Property grants are awarded to support local churches in funding proper care of their properties.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**7 Grants payable**

**(Continued)**

**For the year ended 31 December 2021**

	Discipleship 2021 £	Mission Partnership 2021 £	Property 2021 £	2021 £
Grants to institutions:				
St Cuthbert's Centre, Holy Island	-	-	62,500	62,500
Northgate URC Darlington	-	-	53,057	53,057
St Columba's URC, North Shields	-	-	29,763	29,763
St Columba's URC, Billingham	-	-	23,814	23,814
NECAT	-	16,464	-	16,464
Bethel URC, Chester-le-Street	-	4,789	7,510	12,299
Northumbrian Industrial Mission	-	10,500	-	10,500
St James's URC, Newcastle	-	-	10,000	10,000
Keld Resource Centre	-	-	10,000	10,000
Bellingham URC	-	-	5,300	5,300
Trinity Church, Gosforth	-	5,000	-	5,000
Wooler URC	-	5,000	-	5,000
Roker URC	-	-	4,827	4,827
Falstone & Kielder Church	-	-	4,800	4,800
St Andrew's URC, Kenton	-	4,571	-	4,571
St James's URC, Alnwick	-	4,453	-	4,453
Rothbury URC	-	4,401	-	4,401
Newcastle Central & East Methodist Circuit	-	-	3,730	3,730
Great Bavington URC	-	-	2,985	2,985
Trinity Church, Ashington	-	-	1,960	1,960
Jesmond URC	-	-	1,887	1,887
St George's URC, Hartlepool	-	-	1,825	1,825
Wark LEP	-	-	1,080	1,080
St Andrew's Dawson Street, Crook LEP	-	-	1,000	1,000
Less grants no longer required	-	(54)	-	(54)
Minor institutional grants	2,286	5,282	25,403	32,971
	<u>2,286</u>	<u>60,406</u>	<u>37,583</u>	<u>213,858</u>
Grants to individuals	953	-	3,560	4,513
	<u>3,239</u>	<u>60,406</u>	<u>41,143</u>	<u>213,858</u>
	<u><u>3,239</u></u>	<u><u>60,406</u></u>	<u><u>41,143</u></u>	<u><u>213,858</u></u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	318,235	-	318,235	285,518	-	285,518
Depreciation	24,217	-	24,217	23,043	-	23,043
Office & executive	54,013	-	54,013	50,441	-	50,441
Office staff costs	6,701	-	6,701	4,897	-	4,897
Field Team costs	4,541	-	4,541	2,054	-	2,054
Audit fees	-	6,000	6,000	-	6,000	6,000
Sundry expenses	-	347	347	-	236	236
	<u>407,707</u>	<u>6,347</u>	<u>414,054</u>	<u>365,953</u>	<u>6,236</u>	<u>372,189</u>
Analysed between Charitable activities	<u>407,707</u>	<u>6,347</u>	<u>414,054</u>	<u>365,953</u>	<u>6,236</u>	<u>372,189</u>

#### Basis of allocation

	Office & executive	Office staff	Field Team
	%	%	%
Discipleship	25	19	27
Mission	25	19	29
Partnership	25	35	44
Property	25	27	-
	<u>100</u>	<u>100</u>	<u>100</u>

Support and governance costs are allocated as an approximation of average working time for staff costs, and equally between all categories for the running costs of the Synod Office and the Synod Executive Committee.

Governance costs includes payments to the auditors of £5,000 (2021: £5,000) for audit fees and £1,000 (2021: £1,000) for non audit services.

#### 9 Other expenditure

	Restricted funds	Restricted funds
	2022	2021
Monies paid to investors	90,357	52,931
	<u>90,357</u>	<u>52,931</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 10 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted 2022 £	Restricted funds 2021 £	Total 2021 £
Gain/(loss) on revaluation of investments	(1,314,591)	(267,915)	(1,582,506)	1,226,366	278,760
Gain/(loss) on sale of investments	(23,780)	-	(23,780)	(35,000)	-
	<u>(1,338,371)</u>	<u>(267,915)</u>	<u>(1,606,286)</u>	<u>1,191,366</u>	<u>278,760</u>
	<u><u>(1,338,371)</u></u>	<u><u>(267,915)</u></u>	<u><u>(1,606,286)</u></u>	<u><u>1,191,366</u></u>	<u><u>278,760</u></u>

#### 11 Directors

None of the Directors (or any persons connected with them) received remuneration during the year (2021: none), but 6 of them were reimbursed a total of £659 travelling and other expenses (2021: 4 were reimbursed £131). Retiring trustees received a non-monetary gift totalling £220.

The treasurer received an annual honorarium of £2,842 (2021: £2,760) being 10% of a minister's stipend in recognition of the additional work carried out by him.

#### 12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 13 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Head count	13	15
Full-time equivalent	8	8
	<u>8</u>	<u>8</u>

#### Employment costs

	2022 £	2021 £
Wages and salaries	258,320	215,404
Social security costs	22,490	17,899
Other pension costs	74,355	62,899
	<u>355,165</u>	<u>296,202</u>
	<u><u>355,165</u></u>	<u><u>296,202</u></u>

Key management are considered to be the Directors of the Trust, none of whom received any remuneration this year or in the previous year.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 13 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

#### 14 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Loans	Property improvements	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	947,450	34,113	225,983	206,034	1,413,580
Additions	-	2,059	-	-	2,059
Transfer to investment property	(185,000)	-	-	-	(185,000)
	<u>762,450</u>	<u>36,172</u>	<u>225,983</u>	<u>206,034</u>	<u>1,230,639</u>
<b>Depreciation and impairment</b>					
At 1 January 2022	108,868	28,035	-	41,206	178,109
Depreciation charged in the year	15,420	3,614	-	20,603	39,637
Transfer to investment property	(3,700)	-	-	-	(3,700)
	<u>120,588</u>	<u>31,649</u>	<u>-</u>	<u>61,809</u>	<u>214,046</u>
<b>Carrying amount</b>					
At 31 December 2022	<u>641,862</u>	<u>4,523</u>	<u>225,983</u>	<u>144,225</u>	<u>1,016,593</u>
At 31 December 2021	<u>838,582</u>	<u>6,078</u>	<u>225,983</u>	<u>164,828</u>	<u>1,235,471</u>

Freehold properties comprised in the total above are functional assets and managed by the Trust. Loans relate to properties for the purpose of providing houses for some ministers, retired ministers and their spouses. These properties are managed by the United Reformed Church Retired Ministers' Housing Society Limited.

#### 15 Investment property

	2022 £
<b>Fair value</b>	
At 1 January 2022	155,000
Transfers from freehold land and buildings	181,300
	<u>336,300</u>
At 31 December 2022	<u>336,300</u>

Blyth URC, was obtained in 2009 and included at a valuation of £210,000 derived from the market value as calculated by an independent valuer. An updated valuation was obtained during 2018 and property is now valued at £155,000.

Also included in the fair value is Berwick Church which is currently being leased by the Spittal Improvement Trust and is valued at £181,300.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16 Fixed asset investments

	Common investment fund	Traidcraft Investment	Total £
<b>Cost or valuation</b>			
At 1 January 2022	12,720,095	1,506	12,721,601
Additions	39,928	-	39,928
Valuation changes	(1,582,506)	-	(1,582,506)
	<u>11,177,517</u>	<u>1,506</u>	<u>11,179,023</u>
At 31 December 2022	11,177,517	1,506	11,179,023
<b>Carrying amount</b>			
At 31 December 2022	<u>11,177,517</u>	<u>1,506</u>	<u>11,179,023</u>
At 31 December 2021	<u>12,720,095</u>	<u>1,506</u>	<u>12,721,601</u>

#### 17 Financial instruments

	2022 £	2021 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	1,755,000	1,659,250
	<u>1,755,000</u>	<u>1,659,250</u>

#### 18 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Other debtors	44,541	116,857
Prepayments and accrued income	21,350	33,639
	<u>65,891</u>	<u>150,496</u>
	2022 £	2021 £
<b>Amounts falling due after more than one year:</b>		
Other debtors	38,782	24,000
	<u>38,782</u>	<u>24,000</u>
<b>Total debtors</b>	<u>104,673</u>	<u>174,496</u>

#### 19 Current asset investments

	2022 £	2021 £
Assets held for sale	1,755,000	1,659,250
	<u>1,755,000</u>	<u>1,659,250</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 20 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	5,545	610
Accruals and deferred income	40,707	40,809
	<u>46,252</u>	<u>41,419</u>

#### 21 Provisions for liabilities

	2022 £	2021 £
Grant provisions	394,357	316,563
Pension provisions	400,000	400,000
	<u>794,357</u>	<u>716,563</u>

#### Movements on provisions:

	Grant provisions £	Pension provisions £	Total £
At 1 January 2022	316,563	400,000	716,563
Additional provisions in the year	393,338	400,000	793,338
Reversal of provision	(47,946)	-	(47,946)
Utilisation of provision	(267,598)	(400,000)	(667,598)
	<u>394,357</u>	<u>400,000</u>	<u>794,357</u>

Included in the above grants are amounts which are expected to be paid after more than one year totalling £56,000 (2021: £83,874).

Grants are normally awarded with a maximum contribution towards costs and a time frame to be claimed. If the grant is underspent or not claimed within the allotted time frame, the unclaimed grant provision is reversed.

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**22 Unrestricted funds**

	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2022
	£	£	£	£	£	£
General fund	1,100,112	318,077	(474,698)	20,531	(95,884)	868,138
General reserve	2,439,780	58,444	(581,463)	368,085	(275,976)	2,008,870
Property valuations	1,072,179	-	(15,420)	-	-	1,056,759
Manse fund	5,515,656	603,392	(19,992)	(400,980)	(600,223)	5,097,853
Property fund	1,434,817	604,880	(429,779)	(53,391)	(191,144)	1,365,383
Mission fund	598,507	-	(88,085)	207,531	(173,531)	544,422
Dr Brand Legacy	14,684	696	-	-	(1,613)	13,767
C&Y Strategy	868,351	-	(58,021)	(13,797)	-	796,533
Ministers' Pension	243,978	-	-	(200,613)	-	43,365
Retired Ministers' Housing	-	-	-	44,085	-	44,085
	<u>13,288,064</u>	<u>1,585,489</u>	<u>(1,667,458)</u>	<u>(28,549)</u>	<u>(1,338,371)</u>	<u>11,839,175</u>

**For the year ended 31 December 2021**

General fund	915,103	333,231	(424,161)	179,011	96,928	1,100,112
General reserve	2,467,258	70,680	(421,603)	16,888	306,557	2,439,780
Property valuations	906,299	185,000	(19,120)	-	-	1,072,179
Manse fund	4,226,319	1,049,927	(21,861)	(255,936)	539,707	5,515,656
Property fund	1,258,443	723,515	(268,369)	(368,719)	67,447	1,434,817
Mission fund	1,262,935	-	(76,992)	(766,065)	178,629	598,507
Dr Brand Legacy	11,745	841	-	-	2,098	14,684
C&Y Strategy	-	-	(6,202)	874,553	-	868,351
Ministers' Pension	-	-	-	243,978	-	243,978
	<u>11,048,102</u>	<u>2,363,194</u>	<u>(1,238,308)</u>	<u>(76,290)</u>	<u>1,191,366</u>	<u>13,288,064</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**23 Restricted funds**

	Balance at 1 January 2022 £	Incoming resources £	Movement in funds			Balance at 31 December 2022 £
			Resources expended £	Transfers £	Revaluations, gains and losses £	
Dales fund	49,714	-	-	-	(5,327)	44,387
Ministry & mission fund	106,811	17,348	16,616	-	(14,778)	125,997
Moderator's benevolent fund	471	-	(72)	1,000	-	1,399
Mozambique partnership fund	19,313	858	-	-	(2,072)	18,099
Mozambique project fund	997	25	-	-	(107)	915
Northumberland project fund	4,344	-	-	(3,911)	(433)	-
Students' fund	10,244	-	-	-	(1,098)	9,146
Pulpit supply fund	-	-	(2,313)	2,500	-	187
Trust capital funds	1,600,092	31,028	(21,845)	(355,538)	(127,820)	1,125,917
Church funds	854,199	28,745	(90,357)	384,498	(116,280)	1,060,805
Northerly Synods Listening and Reconciliation Fund	29,102	-	-	-	-	29,102
Safeguarding fund	650	-	-	-	-	650
Charity Collections fund	1,408	-	(598)	-	-	810
	<u>2,677,345</u>	<u>78,004</u>	<u>(98,569)</u>	<u>28,549</u>	<u>(267,915)</u>	<u>2,417,414</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**23 Restricted funds**

**(Continued)**

For the year ended 31 December 2021

	Movement in funds					Balance at 1 January 2022 £
	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
Dales fund	44,362	-	-	-	5,352	49,714
Ministry & mission fund	106,868	5,142	(20,521)	1,267	14,055	106,811
Moderator's benevolent fund	4,031	-	(3,560)	-	-	471
Mozambique partnership fund	16,733	540	-	-	2,040	19,313
Mozambique project fund	867	25	-	-	105	997
Northumberland project fund	3,876	-	-	-	468	4,344
Students' fund	9,254	-	(119)	-	1,109	10,244
Pulpit supply fund	-	-	(290)	290	-	-
Trust capital funds	1,375,321	38,526	(52,571)	74,733	164,083	1,600,092
Church funds	776,094	41,794	(55,237)	-	91,548	854,199
Northerly Synods Listening and Reconciliation Fund	31,882	-	(2,780)	-	-	29,102
Safeguarding fund	2,000	-	(1,350)	-	-	650
Charity Collections fund	-	-	-	-	-	1,408
Northerly Synods general fund	-	-	1,408	-	-	-
	<u>2,371,288</u>	<u>86,027</u>	<u>(135,020)</u>	<u>76,290</u>	<u>278,760</u>	<u>2,677,345</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 24 Nature and purpose of funds

##### ***General fund***

This fund is unrestricted, and was set up by Trust resolution in 2009, and designated for the day-to-day running of the Northern Synod. It was originally formed by combining various designated funds and is funded from investment income and property sales. This asset is represented by pooled investments and cash and office furniture and fittings.

##### ***General reserve fund***

This fund is unrestricted, and consists of all the undesignated monies of the Synod. This asset is represented by pooled investments and cash.

##### ***Property valuations fund***

This fund is unrestricted, and was set up in 2009. This asset is represented solely by property.

##### ***Manse fund***

This fund is unrestricted, and was set up in 2006, and is funded from the sale of manses and retired ministers' houses. This asset is represented by pooled investments and cash. The Manse Fund is designated for making grants to churches and expenses incurred by the Trust in respect of manses.

##### ***Property fund***

This fund is unrestricted, and was set up by Trust resolution in 2009 and is designated for making grants to churches and expenses incurred by the Trust in respect of property matters. It is funded from the sale of churches and halls and is represented by pooled investments and cash.

##### ***Mission fund***

This fund is unrestricted, and was set up by Trust resolution in 2009. This fund is designated for the provision of grants for small church/community projects and longer term projects which will require more substantial funding. The fund is a combination of the Development Fund and a legacy received, and is now funded from the sales of properties. This asset is represented by pooled investments and cash.

##### ***Dr Brand legacy fund***

This fund is unrestricted and arises from legacy income and is represented by pooled investments and cash. Dr James Brand left a legacy to the Presbytery of Newcastle in the 1960s. The Trust/Synod inherited it among the assets of the Districts of Newcastle and Durham & Teesside in 2008.

##### ***C&Y Strategy Fund***

This fund is designated and is available for a children and youth work strategy agreed in 2021. This fund is designated from the Mission fund therefore will not receive any investment income.

##### ***Ministers' pension fund***

This fund is unrestricted and is designated for contributing to the deficit on the URC ministers' pension fund. It arises from the sale of churches and is represented by pooled investments and cash.

##### ***Dales fund***

The Dales Fund is restricted and is used to support rural ministry and properties in Swaledale. It is represented by pooled investments and cash.

##### ***Ministry and mission fund***

This fund is restricted, and was set up in 1992, for the sole purpose of meeting ministry and mission commitments as necessary. It arises from accumulated surpluses and transfers from the Lancashire Congregational Union and North Tyne fund. Contributions from and to ecumenical partners are posted through this fund. This asset is represented by pooled investments and cash.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 24 Nature and purpose of funds

(Continued)

##### ***Moderator's benevolent fund***

This fund is restricted, and was set up in 1996 for the sole purpose of making discretionary grants to individuals. It arises from donations received by the Moderator and by transfers from reserves. This asset is represented by one designated bank account and cash.

##### ***Mozambique partnership fund***

This fund is restricted and was created in 2010 to sustain the partnership between Northern Synod and the Igreja Presbiteriana de Moçambique. The fund is supported by general donations from individuals and the General Reserve Fund. The asset is represented by pooled investments and cash.

##### ***Mozambique project fund***

This fund was established in 2010 and is restricted. The fund was set up to collect donations from individuals, to support specific projects relating to the Partnership in Mozambique. The asset is represented by pooled investments and cash.

##### ***Northumberland project fund***

This fund is restricted and was set up for the sole purpose of making grants for suitable projects in North Northumberland. This donation was received from Chatton United Reformed Church on closure of the church during 2016. The fund is to be held for a period of 5 years. The asset is represented by pooled investments and cash.

##### ***Students' fund***

The Students' Fund was transferred from Newcastle Presbytery and is restricted to provide book grants to ministerial students. The asset is represented by pooled investments and cash.

##### ***Pulpit supply fund***

This fund is restricted and was set up in 2011 to collect contributions from local churches and pay preaching fees and expenses in Northumberland. This asset is represented by pooled investments and cash.

##### ***Trust capital funds***

These funds are restricted and arose from the sale of properties, and have been designated by Synod resolution for specific churches. These assets are represented by pooled investments and cash.

##### ***Church funds***

These funds are restricted and are held on behalf of local churches. These assets are represented by pooled investments and cash.

##### ***Northerly Synods Listening and Reconciliation Fund***

This fund is restricted and was set up in 2017. This fund will manage the grant received for this project in the five Northerly Synods and is represented by cash.

##### ***Safeguarding Fund***

This fund is restricted and was set up to hold a grant of £2,000 received from URC London.

##### ***Northerly Synods General Fund***

This fund is restricted and was set up to hold funds from the five Northerly Synods. This fund is managed by Northern Synod.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 25 Analysis of net assets between funds

##### Current financial year

	Unrestricted 2022 £	Restricted 2022 £	Endowed 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	866,593	-	150,000	1,016,593
Investment properties	336,300	-	-	336,300
Investments	8,775,807	2,403,216	-	11,179,023
Current assets/(liabilities)	2,654,832	14,198	28,578	2,697,608
Provisions	(794,357)	-	-	(794,357)
	<u>11,839,175</u>	<u>2,417,414</u>	<u>178,578</u>	<u>14,435,167</u>

##### Prior financial year

	Unrestricted 2021 £	Restricted 2021 £	Endowed 2021 £	Total 2021 £
Fund balances at 31 December 2021 are represented by:				
Tangible assets	1,085,471	-	150,000	1,235,471
Investment properties	155,000	-	-	155,000
Investments	10,030,978	2,690,623	-	12,721,601
Current assets/(liabilities)	2,710,818	9,082	28,578	2,748,478
Long term liabilities	22,360	(22,360)	-	-
Provisions	(716,563)	-	-	(716,563)
	<u>13,288,064</u>	<u>2,677,345</u>	<u>178,578</u>	<u>16,143,987</u>

#### 26 Contingent liabilities

An actuarial review of the Ministers' Pension Fund has been completed and the Synod has committed £1.2m for the period 2022 to 2024, with another £1.8m in principle for 2025 through to 2030 to the deficit recovery plan. A total commitment of £3m. This commitment has been made in conjunction with all other Synods throughout the country. Due to the structure of the national church and ministerial appointments there is no legal obligation for the Trust to do this, but all Synods were approached and there is wide acceptance that there is a moral obligation at the Synod level and that such support does fall within the charitable purposes of the Trust.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 27 Operating lease commitments

##### Lessor

The company owns an investment property for rental purposes. Rental income earned during the year was £10,875. The property has a committed tenant until 2042.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2022 £	2021 £
Within one year	13,500	15,000
Between two and five years	256,500	30,000
	<u>270,000</u>	<u>45,000</u>

#### 28 Related party transactions

There were no disclosable related party transactions during the year (2021: none).

#### 29 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(1,708,820)	2,546,019
Adjustments for:		
Investment income recognised in statement of financial activities	(377,347)	(369,317)
Loss on disposal of investments	23,780	35,000
Gift of property	(1,195,000)	(1,939,785)
Investment fee rebate reinvested	(39,929)	(16,762)
Fair value gains and losses on investments	1,582,506	(1,505,126)
Depreciation and impairment of tangible fixed assets	39,637	42,162
Movements in working capital:		
Decrease/(increase) in debtors	69,823	(82,764)
Increase in creditors	4,834	10,468
Increase in provisions	77,794	338,900
	<u>(1,522,722)</u>	<u>(941,205)</u>

#### 30 Properties vested in the company as custodian trustee

A comprehensive list of properties vested in the company is available on request to the URC Northern Synod Office.

#### 31 Analysis of changes in net funds

The charity had no debt during the year.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 32 Retirement benefit schemes

##### Final salary (defined benefit) pension scheme

The Trust contributes to a lay staff pension scheme known as the 'Final Salary' scheme, which is administered by TPT Retirement Solutions (formerly The Pensions Trust). This is operated as a defined benefit scheme but the Trust is not the only participating employer in the scheme and is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate.

The Trust contributed 22.8% (2021: 22.8%) of basic salary in respect of members of the Final Salary scheme, amounting to £74,331 (2021: £62,899).

Triennial actuarial valuations of the Final Salary scheme are performed by a professionally qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September 2020 when the scheme had a surplus of £2,689,000. The assumptions underlying that valuation include:

Discount Rate:	1.4% pa
Pensionable earnings growth:	2.5% for three years, 2.75% thereafter
Price Inflation and pension increase:	2.55%
Retirement age (active members):	65, with maximum commutation

Contributions by members is currently 7.5% of pensionable salary and a salary sacrifice arrangement was made available for members in the scheme.

The scheme was closed to future accrual on 28th February 2023. A new defined contribution scheme has been set up and staff will be moved to this scheme.

**THE UNITED REFORMED CHURCH ( NORTHERN PROVINCE) TRUST LTD.**

England & Wales - Charity number 1132154

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# Accounts

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Charity Registration No. 1132154

Company Registration No. 134549 (England and Wales)

**THE UNITED REFORMED CHURCH  
(NORTHERN PROVINCE) TRUST LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors</b>	Ms J.W. Barr Mr W. Duncan Dr H.J. Finlayson Revd. D. Grosch-Miller Ms C. Hogg Mr J.C. Kennedy (until 22 June 2021) Mr P.B. Matthew Revd A.D McGougan (19 March 2022 onwards) Ms M.I. Shepherd (30 June 2022 onwards) Ms J.R. Tomlin (until 31 December 2021) Mr G.I Wanless
<b>Convenor</b>	Revd. D. Grosch-Miller
<b>Treasurer</b>	Mr G.I. Wanless
<b>Secretary</b>	Mr W. Duncan
<b>Trust officer</b>	Mr A. Atkinson
<b>Finance officer</b>	Ms H.E. Hogg
<b>Charlty number</b>	1132154
<b>Company number</b>	134549
<b>Registered office</b>	4 College Lane, Newcastle upon Tyne, NE1 8JJ
<b>Auditor</b>	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG
<b>Bankers</b>	Bank of Scotland Plc PO Box 1000, BX2 1LB  Lloyds Bank plc PO Box 1000, BX1 1LT  Kingdom Bank Media House, Padge Road, Beeston, Nottingham, NG9 2RS  Virgin Money plc 132-134 Northumberland Street, Newcastle upon Tyne, NE1 7DG  Moneywise Credit Union 187-189 Shields Road, Newcastle upn Tyne, NE6 1DP
<b>Legal advisors</b>	Sintons LLP The Cube, Barrack Road, NE4 6DB

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Investment managers**

CCLA Investment Management Limited  
One Angel Lane, London, EC4R 3AB

### **Property consultants**

Sanderson Weatherall LLP (to 5 April 2022)  
Central Square South, Orchard Street, Newcastle upon Tyne, NE1 3AZ

Howard Litchfield Partnership (from 5 April 2022)  
Liddon House, Belmont Business Park, Durham DH1 1TW

Gritstone Project Management Ltd (from 1 January 2022)  
17 Lily Crescent, Jesmond, Newcastle upon Tyne, NE2 2SP

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The Directors present their annual report and financial statements for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by 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)" (as amended for accounting periods commencing from 1 January 2016)

#### **Objectives and activities**

The Company's objectives are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages and the Basis of Union of the United Reformed Church. In pursuit of this, the Company acts as trustee, holding monies, investments and properties for these purposes and for local churches.

The Company supports the Northern Synod's vision, to enable local churches to be lively, informed and be effective in being the church in their local setting and Synod to be an expression of the Church at regional level, in the light of the five marks of mission (tell, teach, tend, transform and treasure). The Company provides financial, advisory and technical support to assist churches in the Synod.

#### **Public benefit**

The Company is aware of the Charity Commission's guidance on public benefit. This requirement is met by enabling local churches to provide their services to the general public.

#### **Activities**

The Company carries out its work under 4 headings and illustrative examples of activity in 2019 are given below.

- *1. Discipleship* - supporting Christian spirituality, nurture, lay and ministerial education, development and training.

This is a cornerstone of Synod activity and the Trust assists this by funding courses, sponsoring events, and offering grants for specific developments and projects which strengthen individual or group faith experience. Growing Leader courses continue throughout the Synod and increases capacity for leadership development. Through the Ministries and Development Committee, the Trust have been able to offer support for lay people attending courses on baptism and communion and acquiring skills and knowledge of Zoom.

- *2. Mission* - promoting evangelism, mission, church growth, outreach and racial justice.

This is central to the Company's purposes. Specific examples include, supporting church related community work, chaplaincies and local churches with projects and events. Grants are awarded for ministry in local ecumenical partnerships. Through the work of the Mission Enabler, the Trust can support the mission and outreach of local churches. Synod continues to explore new ways of being church.

- *3. Partnership* - supporting joint working with ecumenical, community and global partners.

The Company supports the Synod's partnership with the Presbyterian Church of Mozambique. Collaboration with Northerly Synods continues and funding is available to assist with joint working on projects and events.

- *4. Property* - providing and managing housing for ministers, retired ministers and their widow(er)s or former civil partners and supporting local churches in proper care of their properties.

Property issues are considered by the Trust's Manse and Property sub-committees. Both committees initiate a schedule of surveys to assess the condition of property and subsequent maintenance requirements. Financial support for building preservation is made available through grants.

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The Company continues to seek sustainable and responsible ways to fulfil Synod's aspirations and making resources available to assist with developing new forms of ministry. It also recognises the potential benefits of employing people to support churches in their work.

The Trust has continued to participate in planning for the Synod's future as and when asked to do so.

The key issue remaining to the Trust is tackling how to use resources to support churches, which might involve employing more lay people, whilst maintaining its charitable duty to achieve best value for its investments.

#### *Grant-making*

Much of the Company's work is achieved through making grants (in 2021, some £318,646), which are given to churches and other bodies as well as individuals, in accordance with published policies for the following purposes:

- Repair, maintenance and improvement of church and manse buildings
- Mission, outreach and fresh expressions of church
- Lay and ministerial education and learning
- Travel to events for young people
- Small welfare benevolences are also given.

#### *Staffing and Volunteers*

The work of the Company is carried out by volunteers (mainly the Directors) who receive expenses, as well as by two members of paid staff, who are responsible to the Board and refer to Directors or Officers when major decisions are needed. The work of the other staff is directed by the Synod.

No honoraria are paid to Directors of the Board, except for the Treasurer who, in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

Volunteers donated an estimated 700 hours' work in total during the year, which is difficult to value in financial terms. The Board takes the view that the Company is not excessively dependent on any one individual.

Volunteers support the Trust directly through their roles as Directors, and others offer their time and help to subgroups and committees. The role of volunteers in furthering church activities is extensive and without it the churches' effectiveness will be limited. The Synod has recognised that volunteers require support, and this is reflected in the Synod Way Forward.

#### **Achievements and performance**

*Discipleship* – (£133,721) As might be expected, COVID-19 has had a significant effect on events that had been planned. During the year a number of online courses were held to refresh, and train anew, lay leaders in Baptism, Presiding at Communion and acquiring skills of using Zoom.

*Mission* – (£143,348) Mission continued to be supported during 2021 and included grants to Roker URC for damp remediation works, Redcar Mission House to bring the building up to scratch, St George's United Reformed Church for installing a separate heating system in the meeting room at the church in York Road, Holy Island Mission Project towards the refurbishment of St Cuthbert's Centre, Keld Resource Centre Ltd towards the repair and restoration of the former school building at Keld, St Columba's United Reformed Church towards roof and stonework repairs at the church. Emergency loans were available to be applied for by any Church who felt because of COVID-19 they were in financial hardship. Small mission grants were awarded, helping churches to benefit local communities and support to the Staying Alive initiative in Newcastle.

*Partnerships* – (£609,215) Costs relating to ecumenical ministries were shared during 2021, and resources were also shared with poorer synods in the United Reformed Church through the Resource Sharing process. Support grants continue to be awarded to local churches where required. The Board is also apprised of and involved with collaborative arrangements between other synods in Northern Britain. These are intended to provide efficiency gains and put in place supportive and constructive working partnerships. The Safeguarding Advisor is continuing to work with Synod, Trust and local churches to review and strengthen systems across all parts of the Synod. Pulpit supply continues to be subsidised by the Trust for churches in Northumberland. Liaising with Solicitors regarding church investment funds is ongoing throughout the year.

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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*Property* – (£434,113) The Company continued to maintain the properties for which it is directly responsible and ensured professional advice on legal and property matters for local churches. Church surveys were carried out throughout the year and grants were awarded for church and manse repairs and improvements totalling £213,858 during 2021.

Goals achieved in 2021 include:

- Review of insurance brokers
- Review of auditors
- Review of HR
- A skills audit had been completed

Goals still in progress and carried forward to 2022 include:

- Review of surveyors/architects
- Complete the reform of the investment pool
- Complete the update of data protection practice
- Ongoing discussion of financial strategy

#### **Financial review**

During the year, total funds increased by £2,546,019 (2020: an increase of £1,323,335 ) to £16,143,987. The increase in funds is largely due to increases in the valuation of our investments of £1,505,126 (see note 10) and reduced expenditure across the year.

#### **Income**

Investment income of £354,185 was pleasing to note. Included in other income (note 5) is £1,939,785 for church properties handed over to the Trust for sale, an increase in 2021 of £828,432.

#### **Expenditure**

There were no exceptional items of expenditure during 2021 other than at the year end a provision of £400,000 was made in respect of a payment to the URC Ministers' Pension Fund. This has been included within direct charitable activities 'Partnership' - see notes 6, 20 and 25.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### *Reserves Policy*

The Balance Sheet on page 14 shows the disposition of the various funds totalling £16,144k as at 31 December 2021 (2020: £13,598k). The term "reserves" describes that part of a charity's funds that are freely available. Some of the funds are invested in property or restricted in use. The unrestricted fund net assets readily available are £12,216k (2020: £10,142k). The Director's review the policy annually and have taken a risk-based approach to setting a reserves target.

The main financial risks that the Director's feel need to be covered are:

- possible future lump sum contributions required to be made to either of the pension funds (current commitment £3m over 10 years),
- an increased rate of support to Churches in relation to their Ministry and Mission Fund commitments as per the newly agreed Synod Assessment process (currently running at circa £300k per year) and
- possible legal action against the Synod/Trust requiring lump sum pay outs.

Based on these risks, the Directors feel that they should aim to maintain reserves at a level between £7m to £8m.

The current level of reserves held is in excess of the target level, however with the uncertainty around the performance of investments due to the impact of the COVID-19 situation, world-wide market instability and rampant inflation, the Directors were satisfied that this was appropriate.

The Directors will review the policy annually.

#### *Investment Policy*

The majority of the available funds of the Company are invested through its nominees, primarily the CCLA (Churches, Charities and Local Authorities) Investment Management Ltd, one of the largest Charity Fund Managers in the UK. The financial policy of the company is to maximise the total return whilst maintaining a steady income by which the financial requirements of the company can be met. The portfolio is highly diversified with investment in both UK and overseas equities. CCLA operates an active ethical policy based not only on the types of activity engaged in by companies in which the fund invests, but also on active engagement over issues such as good governance and management, and good environmental policies.

It is not felt that this policy is having any detrimental effect on income or capital; the fund has returns that compare well with other investment vehicles, and performance is monitored at meetings of the investment sub-committee, which are held twice yearly. The current target is a total return of inflation plus 5% over the long term, in the COIF Charities Ethical Investment Fund. This would include the provision of a reliable income stream that maintained its real value over time. It aims to control volatility to 75% of that of the UK equity market.

#### *Risk Management*

The Directors are responsible for assessing the major risks to which the Company is exposed, and for establishing systems to mitigate those risks. The Trust maintains a risk register and considers external and internal risks to which the Company is exposed. The Trust undertakes a formal review of the risks to which it is exposed each year.

The Directors carried out a comprehensive review of risks due to a new template being received from Church House, which focused on identifying risks of future factors impairing the Trust's ability to fulfil its purposes, identifying suitable mitigations and not focusing on issues which are being actively managed.

The Directors will continue to review and monitor risks, and the adequacy of the systems in place to reduce them.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **COVID-19 risk**

The ongoing COVID-19 pandemic continues to generate a significant level of uncertainty in the global economy. The Directors will regularly assess the likely effects on the Trust's operations in an attempt to mitigate the risk as far as possible.

#### *Factors Affecting Performance*

The Company's ability to achieve its objectives depends on several factors, not necessarily within its control, such as performance of investments, and the effective coordinated work of professional advisors. In 2020 there were no significant factors of this type.

Other factors of which the Trust is cognisant of include the reduction in volunteers across the Synod and in churches which can cause them to close. This in turn may mean the Synod having to make up a shortfall on their in-year M&M contributions. Some remaining churches will have high maintenance costs. All these issues have been considered by the Trust and Synod when developing future plans.

#### *Plans for the Future*

The Company plans to continue its work for the foreseeable future.

The Company has agreed in principle to support the Synod and Trustees recognise their important role in assisting the implementation of the Synod's future strategy.

The Board reflects a broad range of professional experience within private, statutory and voluntary organisations, and of course extensive involvement with ministry and churches all of which will be drawn upon to steer the Company through the changes in the Synod which lies ahead.

Goals for 2022 include:

- Increase board membership to ten
- Appoint a new convenor
- Review discretionary investment manager's appointment
- Complete manse policy
- Respond to Synod deployment policy
- Respond to Church Life Review process
- Work towards net zero carbon
- Complete the volunteer handbook
- Develop support for churches on property

#### **Structure, governance and management**

The United Reformed Church (Northern Province) Trust Limited (formerly known as the Durham and Northumberland Congregational Union (Incorporated)) was incorporated in England & Wales in 1914. It is a private charitable company, limited by guarantee. It is governed by its Memorandum & Articles of Association, adopted in revised form on 4 August 2009, which confer various powers, including powers to hold, maintain and administer property, money and investments; to buy and sell property and investments; and to take over any assets legally transferred to the Company.

#### *Directors/Trustees*

The Directors who served during the year were:

Ms J.W.Barr

Dr H.J.Finlayson

Revd. D.Grosch-Miller

Ms C.Hogg

Mr J.C.Kennedy

Mr P.B.Matthew

Ms J.R.Tomlin

Mr W. Duncan

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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Most of the Directors give their time voluntarily and receive no benefits from the Company. Any expenses reclaimed from the Company are set out in note 10 to the financial statements. The exception is Mr G.I.Wanless who, as treasurer and in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

The Directors are appointed by the United Reformed Church Northern Synod, and the officers are appointed by the Board. A balanced Board is sought, with a mixture of experience, gender, and geographic spread. Where vacancies are identified, nominations are sought either by direct approach or advertisement amongst the 61 churches of the Synod. Under the United Reformed Church Acts 1972-2000, all members and Directors must also be members of a local church or ecumenical area of the United Reformed Church, and for this reason no candidates are sought outside the churches of the Northern Synod.

Upon appointment, all Directors are provided with an induction pack explaining the work of the Company and including the Charity Commission's leaflet *The Essential Trustee: what you need to know*. Further training is provided during the year on a range of relevant topics.

The Board meets five times a year and receives reports, sets policies and takes major financial decisions. Subcommittees deal with investments, staff remuneration, denominational Ministry & Mission Fund assessments, church and manse properties, and human resources. Small grant applications are considered by subcommittees, with larger ones referred to the Board. Investments are monitored regularly, with quarterly reports from the Investment Managers. Periodic condition survey reports are received from the Property Consultants on local church properties.

All decisions are taken by simple majority, with the Convenor having a casting vote. The Board may make decisions by agreement of two Directors, on straightforward, non-controversial matters. The day-to-day running of the Company's affairs is carried out by two members of office staff, who are responsible to the Board. The Finance Officer and Trust Officer support the day to day working of the Trust Company. Their tasks are operational in nature and they work within parameters defined by their role descriptions. The Trust Officer supports the Trust with administrative and legal support with policy decisions referred to the Board.

The Trust has a remuneration policy to provide effective stewardship of resources as well as being objective and transparent so that salary levels are perceived as being fair and rational. The salaries of lay staff employed by the Trust are assessed when a new post is created. This is carried out by members of the Human Resources sub-committee. In making a recommendation of an appropriate salary level account is taken of:

- Levels of remuneration for posts of comparable responsibility within the not-for-profit sector in the North East of England
- Salaries being paid by the URC and other denominations across the United Kingdom.

The proposed salary and its rationale are then discussed with the Remuneration sub-committee and the outcome recommended to the Trust. Salaries of lay staff are reviewed annually to reflect changes in the level of responsibility and increases in the cost of living which have occurred in the last 12 months. In exceptional circumstances a bonus payment may be recommended by the Remuneration sub-committee to reflect the performance of duties well in excess of what might normally be expected of the post-holder.

#### *Relations with other Parties*

The Company carries out its activities in concert with and in support of the United Reformed Church Northern Synod, an unregistered unincorporated charitable association.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Statement of Directors' responsibilities

The directors, who also act as trustees for the charitable activities of The United Reformed Church (Northern Province) Trust Limited, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

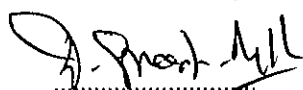
#### Auditor

A resolution proposing that RMT Accountants & Business Advisors Ltd be reappointed as auditor of the company will be put at a Board Meeting.

#### Disclosure of Information to auditor

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Directors' report was approved by the Board of Directors.



.....  
D. Grosch-Miller  
Director (Convenor)

Dated: 7<sup>th</sup> Dec 2021

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### Opinion

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Limited (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Directors' report.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### Capability of the audit in detecting Irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

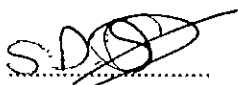
Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Stephen Slater (Senior Statutory Auditor)  
for and on behalf of RMT Accountants & Business Advisors Ltd  
Statutory Auditor  
Gosforth Park Avenue  
Newcastle upon Tyne  
NE12 8EG

Date: 7/9/2022

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

### Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and legacies	3	3,896	5,202	-	9,098	88
Investments	4	308,742	60,575	-	369,317	349,438
Other income	5	2,050,556	20,250	-	2,070,806	1,161,522
<b>Total income</b>		<b>2,363,194</b>	<b>86,027</b>	<b>-</b>	<b>2,449,221</b>	<b>1,511,048</b>
<b>Expenditure on:</b>						
Charitable activities	6	1,238,308	82,089	-	1,320,397	796,217
Other expenditure	9	-	52,931	-	52,931	64,078
<b>Total resources expended</b>		<b>1,238,308</b>	<b>135,020</b>	<b>-</b>	<b>1,373,328</b>	<b>860,295</b>
Net gains/(losses) on investments	10	1,191,366	278,760	-	1,470,126	672,582
<b>Net incoming resources before transfers</b>		<b>2,316,252</b>	<b>229,767</b>	<b>-</b>	<b>2,546,019</b>	<b>1,323,335</b>
Gross transfers between funds		(76,290)	76,290	-	-	-
<b>Net movement in funds</b>		<b>2,239,962</b>	<b>306,057</b>	<b>-</b>	<b>2,546,019</b>	<b>1,323,335</b>
Fund balances at 1 January 2021		11,048,102	2,371,288	178,578	13,597,968	12,274,633
<b>Fund balances at 31 December 2021</b>		<b>13,288,064</b>	<b>2,677,345</b>	<b>178,578</b>	<b>16,143,987</b>	<b>13,597,968</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST  
LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

Prior financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and legacies	3	88	-	-	88
Investments	4	291,997	57,441	-	349,438
Other income	5	1,138,243	23,279	-	1,161,522
<b>Total Income</b>		<b>1,430,328</b>	<b>80,720</b>	<b>-</b>	<b>1,511,048</b>
<b>Expenditure on:</b>					
Charitable activities	6	695,572	100,645	-	796,217
Other expenditure	9	-	42,656	21,422	64,078
<b>Total resources expended</b>		<b>695,572</b>	<b>143,301</b>	<b>21,422</b>	<b>860,295</b>
Net gains/(losses) on investments	10	543,360	129,222	-	672,582
<b>Net incoming resources before transfers</b>		<b>1,278,116</b>	<b>66,641</b>	<b>(21,422)</b>	<b>1,323,335</b>
Gross transfers between funds		(472,309)	472,309	-	-
<b>Net movement in funds</b>		<b>805,807</b>	<b>538,950</b>	<b>(21,422)</b>	<b>1,323,335</b>
Fund balances at 1 January 2020		10,242,295	1,832,338	200,000	12,274,633
<b>Fund balances at 31 December 2020</b>		<b>11,048,102</b>	<b>2,371,288</b>	<b>178,578</b>	<b>13,597,968</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

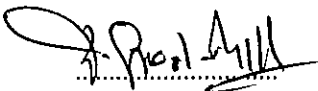
# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

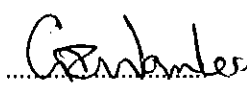
## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		1,235,471		1,088,390
Investment properties	14		155,000		155,000
Investments	15		12,721,601		10,799,716
			<u>14,112,072</u>		<u>12,043,106</u>
<b>Current assets</b>					
Debtors falling due after one year	17	24,000		24,000	
Debtors falling due within one year	17	150,496		67,732	
Investments	18	1,659,250		1,236,353	
Cash at bank and in hand		956,151		632,644	
		<u>2,789,897</u>		<u>1,960,729</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(41,419)</u>		<u>(28,204)</u>	
Net current assets			<u>2,748,478</u>		<u>1,932,525</u>
<b>Total assets less current liabilities</b>			<u>16,860,550</u>		<u>13,975,631</u>
<b>Provisions for liabilities</b>	20		<u>(716,563)</u>		<u>(377,663)</u>
<b>Net assets</b>			<u>16,143,987</u>		<u>13,597,968</u>
<b>Capital funds</b>					
Endowment funds			178,578		178,578
<b>Income funds</b>					
Restricted funds	22		2,677,345		2,371,288
Unrestricted funds	21		13,288,064		11,048,102
			<u>16,143,987</u>		<u>13,597,968</u>

The financial statements were approved by the Directors on 7<sup>th</sup> Sep 2021

  
D. Grosch-Miller  
Trustee

  
G.I. Wanless  
Trustee

Company Registration No. 134549

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST  
LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	28		(941,205)		(761,447)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,243)		(79,230)	
Proceeds on disposal of tangible fixed assets		-		35,806	
Purchase of investments		(400,000)		(100,000)	
Proceeds on disposal of investments		1,299,638		800,422	
Investment income received		369,317		349,438	
<b>Net cash generated from Investing activities</b>			1,264,712		1,006,436
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			323,507		244,989
Cash and cash equivalents at beginning of year			632,644		387,655
<b>Cash and cash equivalents at end of year</b>			956,151		632,644

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Charity Information

The United Reformed Church (Northern Province) Trust Limited is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office is 4 College Lane, Newcastle upon Tyne, NE1 8JJ.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This includes taking into account the potential impact of COVID-19 to ensure that cashflow is positively managed and the impact to the Trust's operations are mitigated. The Directors have concluded that the going concern assumption is appropriate in preparing these financial statements.

#### 1.3 Charitable funds

Transfers to and from the General reserve fund to designated funds are made in accordance with the annual budget and in accordance with need. Funds are closed when the purpose for which they were created comes to an end, or it is otherwise resolved to discontinue them.

Details of the nature and purpose of each fund are explained in note 23. Designated funds are determined by the Board.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income arising on endowed funds is treated as an addition to the endowment.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.5 Resources expended

Expenditure is accounted for on an accruals basis. Grants payable are voluntary payments to individuals, local URC churches or other organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff and governance costs which support the charity and its activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold properties have been brought into the financial statements at the value at which they had previously been included in the accounts of the Northern Synod in 2009. Properties brought in after this date are valued at market value on donation or purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	25% straight line
Loans	No depreciation
Property Improvements	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

##### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

#### 1.12 Employee 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

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

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **Critical judgements**

#### **Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2 Critical accounting estimates and Judgements**

**(Continued)**

**Key sources of estimation uncertainty**

**Determining residual values and useful economic lives of tangible fixed assets**

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

**Valuation of investment property**

As described in note 16 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Sanderson Weatherall, Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total Unrestricted funds	
	2021	2021	2021	2020
	£	£	£	£
Donations and gifts	3,841	5,142	8,983	-
Legacies receivable	55	-	55	88
Grants receivable	-	60	60	-
	<u>3,896</u>	<u>5,202</u>	<u>9,098</u>	<u>88</u>
<b>Donations and gifts</b>				
Contributions from local churches	3,841	-	3,841	-
M&M contributions	-	5,142	5,142	-
	<u>3,841</u>	<u>5,142</u>	<u>8,983</u>	<u>-</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**4 Investments**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Rental income	15,000	-	15,000	15,000	-	15,000
Income from listed investments	293,633	60,552	354,185	276,921	57,428	334,349
Interest receivable	109	23	132	76	13	89
	<u>308,742</u>	<u>60,575</u>	<u>369,317</u>	<u>291,997</u>	<u>57,441</u>	<u>349,438</u>

Rental income from investment properties is accounted for under income from investments.

**5 Other Income**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Properties held for sale	1,939,785	-	1,939,785	1,111,353	-	1,111,353
Other income	68,754	-	68,754	11,364	279	11,643
Rental income	16,657	-	16,657	15,526	-	15,526
Northerly Synods Contribution to Clerk Salary	25,360	-	25,360	-	2,000	2,000
Monies received from investors	-	20,250	20,250	-	21,000	21,000
	<u>2,050,556</u>	<u>20,250</u>	<u>2,070,806</u>	<u>1,138,243</u>	<u>23,279</u>	<u>1,161,522</u>

Church properties handed over to the Trust for sale during 2021 are shown under properties held for resale. Properties that remain unsold have been included as current assets in assets held for sale, valued at expected sale value.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	Discipleship 2021 £	Mission 2021 £	Partnership 2021 £	Property 2021 £	Total 2021 £	Total 2020 £
Staff costs	-	10,684	-	-	10,684	-
Direct activities	2,994	14,367	466,410	135,107	618,878	213,182
	2,994	25,051	466,410	135,107	629,562	213,182
Grant funding of activities (see note 7)	3,239	60,406	41,143	213,858	318,646	214,656
Share of support costs (see note 8)	125,929	56,332	100,103	83,589	365,953	362,189
Share of governance costs (see note 8)	1,559	1,559	1,559	1,559	6,236	6,190
	133,721	143,348	609,215	434,113	1,320,397	796,217
<b>Analysis by fund</b>						
Unrestricted funds	133,602	143,348	555,773	405,585	1,238,308	695,572
Restricted funds	119	-	53,442	28,528	82,089	100,645
	133,721	143,348	609,215	434,113	1,320,397	796,217

For the year ended 31 December 2020

	Discipleship £	Mission £	Partnership £	Property £	Total 2020 £
Direct activities	3,760	6,163	54,745	148,514	213,182
Grant funding of activities (see note 7)	5,142	57,871	39,337	112,306	214,656
Share of support costs (see note 8)	119,113	51,346	112,913	78,817	362,189
Share of governance costs (see note 8)	1,350	1,275	1,894	1,671	6,190
	129,365	116,655	208,889	341,308	796,217
<b>Analysis by fund</b>					
Unrestricted funds	129,013	116,655	163,506	286,398	695,572
Restricted funds	352	-	45,383	54,910	100,645
	129,365	116,655	208,889	341,308	796,217

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Grants payable

	Discipleship 2021 £	Mission 2021 £	Partnership 2021 £	Property 2021 £	2021 £
Grants to institutions:					
St Cuthbert's Centre, Holy Island	-	-	-	62,500	62,500
Northgate URC Darlington	-	-	-	53,057	53,057
St Columba's URC, North Shields	-	-	-	29,763	29,763
St Columba's URC, Billingham	-	-	-	23,814	23,814
NECAT	-	16,464	-	-	16,464
Bethel URC, Chester-le-Street	-	4,789	-	7,510	12,299
Northumbrian Industrial Mission	-	10,500	-	-	10,500
St James's URC, Newcastle	-	-	-	10,000	10,000
Keld Resource Centre	-	-	-	10,000	10,000
Bellingham URC	-	-	5,300	-	5,300
Trinity Church, Gosforth	-	5,000	-	-	5,000
Wooler URC	-	5,000	-	-	5,000
Roker URC	-	-	-	4,827	4,827
Falstone & Kielder Church	-	-	4,800	-	4,800
St Andrew's URC, Kenton	-	4,571	-	-	4,571
St James's URC, Alnwick	-	4,453	-	-	4,453
Rothbury URC	-	4,401	-	-	4,401
Newcastle Central & East Methodist Circuit	-	-	-	3,730	3,730
Great Bavington URC	-	-	-	2,985	2,985
Trinity Church, Ashington	-	-	-	1,960	1,960
Jesmond URC	-	-	-	1,887	1,887
St George's URC, Hartlepool	-	-	-	1,825	1,825
Wark LEP	-	-	1,080	-	1,080
St Andrew's Dawson Street, Crook LEP	-	-	1,000	-	1,000
Less grants no longer required	-	(54)	-	-	(54)
Minor institutional grants	2,286	5,282	25,403	-	32,971
	2,286	60,406	37,583	213,858	314,133
Grants to individuals	953	-	3,560	-	4,513
	3,239	60,406	41,143	213,858	318,646

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**7 Grants payable**

**(Continued)**

For the year ended 31 December 2020

	Discipleship 2020 £	Mission 2020 £	Partnership 2020 £	Property 2020 £	2020 £
Grants to institutions:					
St Cuthbert's Centre, Holy Island	-	50,000	-	62,500	112,500
Horsley URC	-	-	-	26,978	26,978
Roker URC	-	9,000	-	16,679	25,679
Bellingham URC	-	-	14,903	-	14,903
Falstone & Kielder Church	-	-	13,357	-	13,357
Newcastle City Centre Chaplaincy	-	10,000	-	-	10,000
Gateshead Group	-	-	-	5,700	5,700
Connect Network Sunderland	-	5,000	-	-	5,000
Renew NE	-	5,000	-	-	5,000
Crookham URC	-	-	3,400	-	3,400
Wark LEP	-	-	3,217	-	3,217
St Andrew's Church, Crook	-	2,000	1,000	-	3,000
Denewell Avenue URC	-	-	-	2,246	2,246
Jesmond URC	-	1,746	-	-	1,746
Trinity Church, Ashington	-	-	-	1,000	1,000
Ponteland URC and Wideopen URC	-	850	-	-	850
Northallerton URC	-	667	-	-	667
Less grants no longer required	-	(26,392)	-	(2,797)	(29,189)
Minor institutional grants	768	-	26	-	794
					-
	768	57,871	35,903	112,306	206,848
Grants to individuals	4,374	-	3,434	-	7,808
	5,142	57,871	39,337	112,306	214,656

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

**Discipleship**

Discipleship grants are awarded for specific developments and projects which strengthen individual or group faith experience.

**Mission**

Mission grants are awarded to fund events and projects central to the company's purpose including promoting evangelism and church growth.

**Partnership**

Partnership grants are awarded to support joint working with ecumenical, community and global partners.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**7 Grants payable**

**(Continued)**

Property

Property grants are awarded to support local churches in funding proper care of their properties.

Commitments

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

**8 Support costs**

	<b>Support costs</b>	<b>Governance costs</b>	<b>2021</b>	<b>Support costs</b>	<b>Governance costs</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	285,518	-	285,518	261,657	-	261,657
Depreciation	23,043	-	23,043	24,421	-	24,421
Office & executive	50,441	-	50,441	69,397	-	69,397
Office staff costs	4,897	-	4,897	3,642	-	3,642
Resource staff costs	2,054	-	2,054	3,072	-	3,072
Audit fees	-	6,000	6,000	-	6,000	6,000
Sundry expenses	-	236	236	-	190	190
	<u>365,953</u>	<u>6,236</u>	<u>372,189</u>	<u>362,189</u>	<u>6,190</u>	<u>368,379</u>
Analysed between						
Charitable activities	<u>365,953</u>	<u>6,236</u>	<u>372,189</u>	<u>362,189</u>	<u>6,190</u>	<u>368,379</u>

**Basis of allocation**

	<b>Office &amp; executive</b>	<b>Office staff</b>	<b>Resource staff</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Discipleship	25	21	77
Mission	25	17	3
Partnership	25	31	20
Property	25	31	-
	<u>100</u>	<u>100</u>	<u>100</u>

Support and governance costs are allocated as an approximation of average working time for staff costs, and equally between all categories for the running costs of the Synod Office and the Synod Executive Committee.

Governance costs includes payments to the auditors of £5,000 (2020: £5,000) for audit fees and £1,000 (2020: £1,000) for non audit services.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**9 Other expenditure**

	Restricted funds 2021	Total 2021	Restricted funds 2020	Endowment funds 2020	Total 2020
Net loss on disposal of tangible fixed assets	-	-	-	21,422	21,422
Monies paid to investors	52,931	52,931	42,656	-	42,656
	<u>52,931</u>	<u>52,931</u>	<u>42,656</u>	<u>21,422</u>	<u>64,078</u>

**10 Net gains/(losses) on investments**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Revaluation of investments	1,226,366	278,760	1,505,126	543,360	129,222	672,582
Gain/(loss) on sale of investments	(35,000)	-	(35,000)	-	-	-
	<u>1,191,366</u>	<u>278,760</u>	<u>1,470,126</u>	<u>543,360</u>	<u>129,222</u>	<u>672,582</u>

**11 Directors**

None of the Directors (or any persons connected with them) received remuneration during the year (2020: none), but 4 of them were reimbursed a total of £131 travelling and other expenses (2020: 4 were reimbursed £266).

The treasurer received an annual honorarium of £2,760 being 10% of a minister's stipend in recognition of the additional work carried out by him.

**12 Employees**

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Head count	15	12
Full-time equivalent	8	7

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**12 Employees** (Continued)

Employment costs	2021	2020
	£	£
Wages and salaries	215,404	186,337
Social security costs	17,899	16,267
Other pension costs	62,899	59,053
	296,202	261,657
	296,202	261,657

Key management are considered to be the Directors of the Trust, none of whom received any remuneration this year or in the previous year.

There were no employees whose annual remuneration was more than £60,000.

**13 Tangible fixed assets**

	Freehold land and buildings	Fixtures and fittings	Loans	Property Improvements	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2021	762,450	49,215	225,983	206,034	1,243,682
Additions	185,000	4,243	-	-	189,243
Disposals	-	(19,345)	-	-	(19,345)
	947,450	34,113	225,983	206,034	1,413,580
	947,450	34,113	225,983	206,034	1,413,580
<b>Depreciation and impairment</b>					
At 1 January 2021	89,749	44,940	-	20,603	155,292
Depreciation charged in the year	19,119	2,440	-	20,603	42,162
Eliminated in respect of disposals	-	(19,345)	-	-	(19,345)
	108,868	28,035	-	41,206	178,109
	108,868	28,035	-	41,206	178,109
<b>Carrying amount</b>					
At 31 December 2021	838,582	6,078	225,983	164,828	1,235,471
	838,582	6,078	225,983	164,828	1,235,471
At 31 December 2020	672,701	4,275	225,983	185,431	1,088,390
	672,701	4,275	225,983	185,431	1,088,390

Freehold properties comprised in the total above are functional assets and managed by the Trust. Loans relate to properties for the purpose of providing houses for some ministers, retired ministers and their spouses. These properties are managed by the United Reformed Church Retired Ministers' Housing Society Limited.

**14 Investment property**

	<b>2021</b>
	£
<b>Fair value</b>	
At 1 January 2021 and 31 December 2021	155,000
	155,000

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**14 Investment property (Continued)**

The above property, Blyth URC, was obtained in 2009 and included at a valuation of £210,000 derived from the market value as calculated by an independent valuer. An updated valuation was obtained during 2018 and property is now valued at £155,000.

**15 Fixed asset investments**

	<b>Common investment fund</b>	<b>Traidcraft Investment</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 January 2021	10,798,210	1,506	10,799,716
Additions	416,759	-	416,759
Valuation changes	1,505,126	-	1,505,126
	<u>12,720,095</u>	<u>1,506</u>	<u>12,721,601</u>
At 31 December 2021	12,720,095	1,506	12,721,601
<b>Carrying amount</b>			
At 31 December 2021	<u>12,720,095</u>	<u>1,506</u>	<u>12,721,601</u>
At 31 December 2020	<u>10,798,210</u>	<u>1,506</u>	<u>10,799,716</u>

<b>16 Financial instruments</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	1,659,250	1,236,353
	<u>1,659,250</u>	<u>1,236,353</u>

<b>17 Debtors</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Amounts falling due within one year:</b>		
Other debtors	116,857	42,577
Prepayments and accrued income	33,639	25,155
	<u>150,496</u>	<u>67,732</u>

<b>Amounts falling due after more than one year:</b>	<b>2021 £</b>	<b>2020 £</b>
Other debtors	24,000	24,000
	<u>24,000</u>	<u>24,000</u>
<b>Total debtors</b>	<u>174,496</u>	<u>91,732</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**18 Current asset investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Assets held for sale	1,659,250	1,236,353

**19 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other creditors	610	6,469
Accruals and deferred income	40,809	21,735
	<u>41,419</u>	<u>28,204</u>

**20 Provisions for liabilities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grant provisions	316,563	377,663
Pension provisions	400,000	-
	<u>716,563</u>	<u>377,663</u>

Movements on provisions:

	<b>Grant provisions</b>	<b>Pension provisions</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	377,663	-	377,663
Additional provisions in the year	281,216	400,000	681,216
Reversal of provision	(54)	-	(54)
Utilisation of provision	(342,262)	-	(342,262)
At 31 December 2021	<u>316,563</u>	<u>400,000</u>	<u>716,563</u>

Included in the above grants are amounts which are expected to be paid after more than one year totalling £83,874 (2020: £100,521).

Grants are normally awarded with a maximum contribution towards costs and a time frame to be claimed. If the grant is under spent or not claimed within the allotted time frame, the unclaimed grant provision is reversed.

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**21 Unrestricted funds - current financial year**

	Movement In funds					Balance at 31 December 2021 £
	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
General fund	915,103	333,231	(424,161)	179,011	96,928	1,100,112
General reserve	2,467,258	70,680	(421,603)	16,888	306,557	2,439,780
Property valuations	906,299	185,000	(19,120)	-	-	1,072,179
Manse fund	4,226,319	1,049,927	(21,861)	(255,936)	539,707	5,538,156
Property fund	1,258,443	723,515	(268,369)	(368,719)	67,447	1,412,317
Mission fund	1,262,935	-	(76,992)	(766,065)	178,629	598,507
Dr Brand legacy	11,745	841	-	-	2,098	14,684
C&Y Strategy	-	-	(6,202)	874,553	-	868,351
Ministers' Pension Fund	-	-	-	243,978	-	243,978
	<u>11,048,102</u>	<u>2,363,194</u>	<u>(1,238,308)</u>	<u>(76,290)</u>	<u>1,191,366</u>	<u>13,288,064</u>

**Unrestricted funds - previous financial year**

	Movement In funds					Balance at 31 December 2020 £
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
General fund	962,889	300,396	(411,956)	20,423	43,351	915,103
General reserve	2,360,036	-	(27,140)	-	134,362	2,467,258
Property valuations	932,225	-	(15,420)	-	(10,506)	906,299
Manse fund	4,178,210	291,392	(34,751)	(470,331)	261,799	4,226,319
Property fund	586,043	837,487	(142,426)	(53,062)	30,401	1,258,443
Mission fund	1,109,430	-	(51,879)	127,760	77,624	1,262,935
Dr Brand legacy	19,767	1,053	(10,000)	-	925	11,745
Synod Way Forward Fund	93,695	-	(2,000)	(97,099)	5,404	-
	<u>10,242,295</u>	<u>1,430,328</u>	<u>(695,572)</u>	<u>(472,309)</u>	<u>543,360</u>	<u>11,048,102</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Restricted funds

	Movement in funds					Balance at 31 December 2021 £
	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
Dales fund	44,362	-	-	-	5,352	49,714
Ministry & mission fund	106,868	5,142	(20,521)	1,267	14,055	106,811
Moderator's benevolent fund	4,031	-	(3,560)	-	-	471
Mozambique partnership fund	16,733	540	-	-	2,040	19,313
Mozambique project fund	867	25	-	-	105	997
Northumberland project fund	3,876	-	-	-	468	4,344
Students' fund	9,254	-	(119)	-	1,109	10,244
Pulpit supply fund	-	-	(290)	290	-	-
Trust capital funds	1,375,321	38,526	(52,571)	74,733	164,083	1,600,092
Church funds	776,094	41,794	(55,237)	-	91,548	854,199
Northerly Synods Listening and Reconciliation Fund	31,882	-	(2,780)	-	-	29,102
Safeguarding fund	2,000	-	(1,350)	-	-	650
Northerly Synods general fund	-	-	1,408	-	-	1,408
	<u>2,371,288</u>	<u>86,027</u>	<u>(135,020)</u>	<u>76,290</u>	<u>278,760</u>	<u>2,677,345</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Restricted funds

(Continued)

Previous financial year

	Movement In funds					Balance at 31 December 2020 £
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
Church extension fund	-	-	-	-	-	-
Dales fund	41,893	-	-	-	2,469	44,362
Ministry & mission fund	137,180	-	(38,856)	1,960	6,584	106,868
Moderator's benevolent fund	7,465	-	(3,434)	-	-	4,031
Mozambique partnership fund	15,602	498	-	(300)	933	16,733
Mozambique project fund	491	45	-	300	31	867
Northumberland project fund	3,660	-	-	-	216	3,876
Students' fund	9,091	-	(352)	-	515	9,254
Pulpit supply fund	5	-	(25)	20	-	-
Trust capital funds	849,775	34,147	(54,911)	470,329	75,981	1,375,321
Church funds	732,477	43,780	(42,656)	-	42,493	776,094
Northerly Synods						
Listening and Reconciliation Fund	34,449	-	(2,567)	-	-	31,882
Safeguarding fund	-	2,000	(500)	-	-	2,000
Charity Collections fund	250	250	(500)	-	-	-
	<u>1,832,338</u>	<u>80,720</u>	<u>(143,801)</u>	<u>472,309</u>	<u>129,222</u>	<u>2,371,288</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 23 Nature and purpose of funds

##### **General fund**

This fund is unrestricted, and was set up by Trust resolution in 2009, and designated for the day-to-day running of the Northern Synod. It was originally formed by combining various designated funds and is funded from investment income and property sales. This asset is represented by pooled investments and cash and office furniture and fittings.

##### **General reserve fund**

This fund is unrestricted, and consists of all the undesignated monies of the Synod. This asset is represented by pooled investments and cash.

##### **Property valuations fund**

This fund is unrestricted, and was set up in 2009. This asset is represented solely by property.

##### **Manse fund**

This fund is unrestricted, and was set up in 2006, and is funded from the sale of manses and retired ministers' houses. This asset is represented by pooled investments and cash.

##### **Property fund**

This fund is unrestricted, and was set up by Trust resolution in 2009 and is designated for making grants to churches and expenses incurred by the Trust in respect of property matters. It is funded from the sale of churches and halls and is represented by pooled investments and cash.

##### **Mission fund**

This fund is unrestricted, and was set up by Trust resolution in 2009. This fund is designated for the provision of grants for small church/community projects and longer term projects which will require more substantial funding. The fund is a combination of the Development Fund and a legacy received, and is now funded from the sales of properties and donations from local churches. This asset is represented by pooled investments and cash.

##### **Dr Brand legacy fund**

This fund is unrestricted and arises from legacy income and is represented by pooled investments and cash. Dr James Brand left a legacy to the Presbytery of Newcastle in the 1960s. The Trust/Synod inherited it among the assets of the Districts of Newcastle and Durham & Teesside in 2008.

##### **C&Y Strategy Fund**

This fund is designated and is available for a children and youth work strategy agreed in 2021. This fund is designated from the Mission fund therefore will not receive any investment income.

##### **Ministers' pension fund**

This fund is unrestricted and is designated for contributing to the deficit on the URC ministers' pension fund. It arises from the sale of churches and is represented by pooled investments and cash.

##### **Dales fund**

The Dales Fund is restricted and is used to support rural ministry and properties in Swaledale. It is represented by pooled investments and cash.

##### **Ministry and mission fund**

This fund is restricted, and was set up in 1992, for the sole purpose of meeting ministry and mission commitments as necessary. It arises from accumulated surpluses and transfers from the Lancashire Congregational Union and North Tyne fund. Contributions from and to ecumenical partners are posted through this fund. This asset is represented by pooled investments and cash.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 23 Nature and purpose of funds

(Continued)

##### ***Moderator's benevolent fund***

This fund is restricted, and was set up in 1996 for the sole purpose of making discretionary grants to individuals. It arises from donations received by the Moderator. This asset is represented by one designated bank account and cash.

##### ***Mozambique partnership fund***

This fund is restricted and was created in 2010 to sustain the partnership between Northern Synod and the Igreja Presbiteriana de Moçambique. The fund is supported by general donations from individuals and the General Reserve Fund. The asset is represented by pooled investments and cash.

##### ***Mozambique project fund***

This fund was established in 2010 and is restricted. The fund was set up to collect donations from individuals, to support specific projects relating to the Partnership in Mozambique. The asset is represented by pooled investments and cash.

##### ***Northumberland project fund***

This fund is restricted and was set up for the sole purpose of making grants for suitable projects in North Northumberland. This donation was received from Chatton United Reformed Church on closure of the church during 2016. The fund is to be held for a period of 5 years. The asset is represented by pooled investments and cash.

##### ***Students' fund***

The Students' Fund was transferred from Newcastle Presbytery and is restricted to provide book grants to ministerial students. The asset is represented by pooled investments and cash.

##### ***Pulpit supply fund***

This fund is restricted and was set up in 2011 to collect contributions from local churches and pay preaching fees and expenses in Northumberland. This asset is represented by pooled investments and cash.

##### ***Trust capital funds***

These funds are restricted and arose from the sale of properties, and have been designated by Synod resolution for specific churches. These assets are represented by pooled investments and cash.

##### ***Church funds***

These funds are restricted and are held on behalf of local churches. These assets are represented by pooled investments and cash.

##### ***Northerly Synods Listening and Reconciliation Fund***

This fund is restricted and was set up in 2017. This fund will manage the grant received for this project in the five Northerly Synods and is represented by cash.

##### ***Safeguarding Fund***

This fund is restricted and was set up to hold a grant of £2,000 received from URC London.

##### ***Northerly Synods General Fund***

This fund is restricted and was set up to hold funds from the five Northerly Synods. This fund is managed by Northern Synod.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**24 Analysis of net assets between funds**

**Current financial year**

	Unrestricted 2021 £	Restricted 2021 £	Endowed 2021 £	Total 2021 £
Fund balances at 31 December 2021 are represented by:				
Tangible assets	1,085,471	-	150,000	1,235,471
Investment properties	155,000	-	-	155,000
Investments	10,030,978	2,690,623	-	12,721,601
Current assets/(liabilities)	2,710,818	9,082	28,578	2,748,478
Long term liabilities	22,360	(22,360)	-	-
Provisions	(716,563)	-	-	(716,563)
	<u>13,288,064</u>	<u>2,677,345</u>	<u>178,578</u>	<u>16,143,987</u>

**Prior financial year**

	Unrestricted 2020 £	Restricted 2020 £	Endowed 2020 £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible assets	938,390	-	150,000	1,088,390
Investment properties	155,000	-	-	155,000
Investments	8,445,765	2,353,951	-	10,799,716
Current assets/(liabilities)	1,875,430	28,517	28,578	1,932,525
Long term liabilities	(366,483)	(11,180)	-	(377,663)
	<u>11,048,102</u>	<u>2,371,288</u>	<u>178,578</u>	<u>13,597,968</u>

**25 Contingent liabilities**

An actuarial review of the Ministers' Pension Fund has been completed and the Synod has committed £1.2m for the period 2022 to 2024, with another £1.8m in principle for 2025 through to 2030 to the deficit recovery plan. A total commitment of £3m. This commitment has been made in conjunction with all other Synods throughout the country. Due to the structure of the national church and ministerial appointments there is no legal obligation for the Trust to do this, but all Synods were approached and there is wide acceptance that there is a moral obligation at the Synod level and that such support does fall within the charitable purposes of the Trust.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 26 Operating lease commitments

##### Lessor

The company owns an investment property for rental purposes. Rental income earned during the year was £15,000. The property has a committed tenant until 2024.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2021	2020
	£	£
Within one year	15,000	15,000
Between two and five years	30,000	45,000
	<u>45,000</u>	<u>60,000</u>

#### 27 Related party transactions

There were no disclosable related party transactions during the year (2020: none).

#### 28 Cash generated from operations

	2021	2020
	£	£
Surplus for the year	2,546,019	1,323,335
Adjustments for:		
Investment income recognised in statement of financial activities	(369,317)	(349,438)
(Gain)/loss on disposal of tangible fixed assets	-	21,422
Loss on disposal of investments	35,000	-
Gift of property	(1,939,785)	(1,111,353)
Investment fee rebate reinvested	(16,762)	(14,806)
Fair value gains and losses on investments	(1,505,126)	(672,582)
Depreciation and impairment of tangible fixed assets	42,162	39,841
Movements in working capital:		
(Increase) in debtors	(82,764)	(35,721)
Increase/(decrease) in creditors	10,468	(3,771)
Increase in provisions	338,900	41,624
<b>Cash absorbed by operations</b>	<u>(941,205)</u>	<u>(761,449)</u>

#### 29 Analysis of changes in net funds

The charity had no debt during the year.

#### 30 Properties vested in the company as custodian trustee

A comprehensive list of properties vested in the company is available on request to the URC Northern Synod Office.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 31 Retirement benefit schemes

##### **Final salary (defined benefit) pension scheme**

The Trust contributed £62,899 (2020: £59,053) to The United Reformed Church Final Salary Scheme, a pension scheme principally for lay staff which is administered by TPT Retirement Solutions (formerly The Pensions Trust). The scheme is a defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities – each member in the scheme pays a common contribution rate.

The most recent formal actuarial review of the scheme was at September 2019 when the scheme had a surplus of £2,689,000. The assumptions underlying that valuation include:

Discount Rate:	1.4% pa
Pensionable earnings growth:	2.5% for three years, 2.75% thereafter
Price Inflation and pension increase:	2.55%
Retirement age (active members):	65, with maximum commutation

It has recently been decided at National level that a new Defined Contribution scheme will be introduced. It is intended that this will be from the 1st January 2023.

**THE UNITED REFORMED CHURCH ( NORTHERN PROVINCE) TRUST LTD.**

England & Wales - Charity number 1132154

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# Accounts

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Charity Registration No. 1132154

Company Registration No. 134549 (England and Wales)

**THE UNITED REFORMED CHURCH  
(NORTHERN PROVINCE) TRUST LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors</b>	Ms J.W. Barr Mr W.I. Buchanan (until 23 January 2020) Dr H.J. Finlayson Mr J.C.G. Forrest (until 31 December 2020) Revd. D. Grosch-Miller Dr A. Hamnett (until 30 September 2020) Revd. A.P. Haws (until 28 May 2020) Ms C. Hogg Mr J.C. Kennedy (until 22 June 2021) Mr P.B. Matthew Ms J.R. Tomlin Mr G.I. Wanless (5 April 2020 onwards) Mr W. Duncan (1 January 2021 onwards)
<b>Convenor</b>	Revd. D. Grosch-Miller
<b>Treasurer</b>	Mr G.I. Wanless
<b>Secretary</b>	Mr W. Duncan (1 October 2020 onwards) Dr A. Hamnett (until 30 September 2020)
<b>Trust officer</b>	Mr A. Atkinson
<b>Finance officer</b>	Ms H.E. Hogg
<b>Charity number</b>	1132154
<b>Company number</b>	134549
<b>Registered office</b>	4 College Lane, Newcastle upon Tyne, NE1 8JJ
<b>Auditor</b>	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG
<b>Bankers</b>	Bank of Scotland Plc PO Box 1000, BX2 1LB  Lloyds Bank plc PO Box 1000, BX1 1LT
<b>Legal advisors</b>	Womble Bond Dickinson (UK) LLP St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX  Sintons LLP The Cube, Barrack Road, Newcastle upon Tyne, NE4 6DB
<b>Investment managers</b>	CCLA Investment Management Limited Senator House, 85 Queen Victoria Street, London, EC4V 4ET
<b>Property consultants</b>	Sanderson Weatherall LLP Central Square South, Orchard Street, Newcastle upon Tyne, NE1 3AZ

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The Directors present their report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by 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)" (as amended for accounting periods commencing from 1 January 2016)

#### **Objectives and activities**

The Company's objectives are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages and the Basis of Union of the United Reformed Church. In pursuit of this, the Company acts as trustee, holding monies, investments and properties for these purposes and for local churches.

The Company supports the Northern Synod's vision, to enable local churches to be lively, informed and be effective in being the church in their local setting and Synod to be an expression of the Church at regional level, in the light of the five marks of mission (tell, teach, tend, transform and treasure). The Company provides financial, advisory and technical support to assist churches in the Synod to reflect the United Reformed Church's Vision 2020 programme and Walking the Way (Living the life of Jesus today).

#### **Public benefit**

The Company is aware of the Charity Commission's guidance on public benefit. This requirement is met by enabling local churches to provide their services to the general public.

#### **Activities**

The Company carries out its work under 4 headings and illustrative examples of activity in 2019 are given below.

- *1. Discipleship* - supporting Christian spirituality, nurture, lay and ministerial education, development and training.

This is a cornerstone of Synod activity and the Trust assists this by funding courses, sponsoring events, and offering grants for specific developments and projects which strengthen individual or group faith experience. Growing Leader courses continue throughout the Synod and increases capacity for leadership development. Through the Ministries and Development Committee, the Trust have been able to offer support for lay people attending courses on baptism and communion and acquiring skills and knowledge of Zoom. Training for Learning and Serving has been replaced by Stepwise and consists of five streams covering vocation, faith literacy, living church in community, transforming worship and faith leadership.

- *2. Mission* - promoting evangelism, mission, church growth, outreach and racial justice.

This is central to the Company's purposes. Specific examples include, supporting church related community work, chaplaincies and local churches with projects and events. Grants are awarded for ministry in local ecumenical partnerships. Through the work of the Mission Enabler, the Trust can support the mission and outreach of local churches. Synod continues to explore new ways of being church.

- *3. Partnership* - supporting joint working with ecumenical, community and global partners.

The Company supports the Synod's partnership with the Presbyterian Church of Mozambique. Collaboration with Northern Synods continues and funding is available to assist with joint working on projects and events.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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- 4. *Property* - providing and managing housing for ministers, retired ministers and their widow(er)s or former civil partners and supporting local churches in proper care of their properties.

Property issues are considered by the Trust's Manse and Property sub-groups. Both groups initiate a schedule of surveys to assess the condition of property and subsequent maintenance requirements. Financial support for building preservation is made available through grants.

The Company continues to seek sustainable and responsible ways to fulfil Synod's aspirations and making resources available to assist with developing new forms of ministry. It also recognises the potential benefits of employing people to support churches in their work.

The Trust has continued to participate in the programme planning for the Synod Way Forward and will continue to participate in the programme and agree milestones.

The key issue remaining to the Trust is tackling how to use resources to support churches, which might involve employing more lay people, whilst maintaining its charitable duty to achieve best value for its investments.

#### *Grant-making*

Much of the Company's work is achieved through making grants (in 2020, some £214,656), which are given to churches and other bodies as well as individuals, in accordance with published policies for the following purposes:

- Repair, maintenance and improvement of church and manse buildings
- Mission, outreach and fresh expressions of church
- Lay and ministerial education and learning
- Travel to events for young people
- Small welfare benevolences are also given.

#### *Staffing and Volunteers*

The work of the Company is carried out by volunteers (mainly the Directors) who receive expenses, as well as by two members of paid staff, who are responsible to the Board and refer to Directors or Officers when major decisions are needed. Local churches contribute towards the administrative costs of those employees. The work of the other staff is directed by the Synod.

No honoraria are paid to Directors of the Board, except for the Treasurer who, in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

Volunteers donated an estimated 700 hours' work in total during the year, which is difficult to value in financial terms. The Board takes the view that the Company is not excessively dependent on any one individual.

Volunteers support the Trust directly through their roles as Directors, and others offer their time and help to subgroups and committees. The role of volunteers in furthering church activities is extensive and without it the churches' effectiveness will be limited. The Synod has recognised that volunteers require support, and this is reflected in the Synod Way Forward.

#### **Achievements and performance**

*Discipleship* – (£129,365) As might be expected, COVID-19 has had a significant effect on events that had been planned, so much so that from late March onwards no face-to-face events occurred. However prior to that Churches were invited by the Moderator to a thinking day to get together and to 'come on an adventure', to discern and explore what might be possible. During the remaining part of the year a number of online courses were held to refresh, and train anew, lay leaders in Baptism, Presiding at Communion and acquiring skills of using Zoom.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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*Mission* – (£116,655) Mission continued to be supported during 2020 and included grants to Crook Churches Together for their holiday clubs, ReNEw North East towards youth events, Northallerton Secret Garden for repairs to the tool shed roof, Roker URC to support craft sessions on-line, Newcastle City Chaplaincy, Holy Island, Jesmond URC for livestreaming equipment and Sunderland Connect Network for initial core costs. Emergency loans were available to be applied for by any Church who felt because of COVID-19 they were in financial hardship. A small grant application form/process has been developed to try and avoid unnecessary bureaucracy for churches when needing to make an approach for a small grant. Small mission grants were awarded, helping churches to benefit local communities and support to the Staying Alive initiative in Newcastle.

*Partnerships* – (£208,889) Costs relating to ecumenical ministries were shared during 2020, and resources were also shared with poorer synods in the United Reformed Church through the Resource Sharing process. Support grants continue to be awarded to local churches where required. The Board is also apprised of and involved with collaborative arrangements between other synods in Northern Britain. These are intended to provide efficiency gains and put in place supportive and constructive working partnerships. The Safeguarding Advisor is continuing to work with Synod, Trust and local churches to review and strengthen systems across all parts of the Synod. Pulpit supply continues to be subsidised by the Trust for churches in Northumberland. Liaising with Solicitors regarding church investment funds is ongoing throughout the year.

*Property* – (£341,308) The Company continued to maintain the properties for which it is directly responsible and ensured professional advice on legal and property matters for local churches. Church surveys were carried out throughout the year and grants were awarded for church and manse repairs and improvements totalling £112,306 during 2020. Significant improvements to the Synod Offices were completed during the year.

Goals achieved in 2020 include:

- Review Ministry & Mission calculations
- Improvements to the Synod Office
- Review of IT Support Advisors

Goals still in progress and carried forward to 2021 include:

- Recruit one or two part-time Administrative Assistants
- Complete the reform of the investment pool
- Review of Insurance Brokers
- Review of Property Consultants
- Complete the update of data protection practice
- Complete the production of a Financial Strategy

#### **Financial review**

During the year, total funds increased by £1,323,335 (2019: an increase of £1,711,444) to £13,597,968. The increase in funds is due to increases in the valuation of our investments of £651,160 and reduced expenditure across the year.

#### **Income**

Investment income of £334,349 was pleasing to note. Included in other income (note 5) is £1,111,353 for church properties handed over to the Trust for sale, an increase in 2020 of £198,771.

#### **Expenditure**

There were no exceptional items of expenditure during 2020.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### *Reserves Policy*

The Company has a policy of maintaining sufficient reserves to provide the necessary income for the efficient running of the Synod's administration, and the provision of grants and donations to the church and to individuals in order to comply with the objects of the Trust. The Company's policy is to hold a level of reserves that will provide an income to meet its ongoing costs.

The Charity operates this policy taking note of the guidelines and recommendations contained in the Charity Commission document Charity reserves: building resilience CC19, while bearing in mind the need to raise sufficient income from its investments to meet its ongoing costs.

#### Reserves Needed

The Charity has assessed the reserves it needs using the guidance given in CC19 and the categories set out in Annex 1, A Simple approach to developing a Reserves Policy. A summary of the required reserves is as follows:

• a) To meet unforeseen emergencies and other needs	£200,000
• b) To cover unforeseen day-to-day operational costs*	£60,000
• c) Sources of income such as grants and donations not eventuating	£40,000
• d) Planned spending commitments (e.g. grants to local churches which are approved but not yet taken up)	£200,000
• e) Cover against 'troughs' in the cash budget*	£200,000

Total Reserves Needed £700,000

NB \* The estimates under b) and e) are based upon quarterly expenditure.

Whilst this figure is derived by using the guidelines set out in CC19, there was a case reported recently by a URC Synod, similar in size to Northern Synod, that it had forfeited the opportunity to receive a substantial grant because it was considered by the grant awarding body to have insufficient reserves. The Synod Trust actually held about £1.5 million in its reserves. Thus, it seems prudent for Northern Synod Trust to hold reserves in excess of £2 million to ensure it has access to grant funding as and when required.

#### Reserves Held (using CC19 guidelines)

Unrestricted funds in undesignated accounts (from note 21):

General funds	£915,104
General reserves	£2,467,257
Reserves	£3,382,361

There is no certainty as to when the designated and programme funds will be called upon, but all of these funds are active and can be called upon at any time. Also the section below relating to 'Sources of Income' applies to these funds.

#### Excess of reserves held over CC19 calculated requirements

Using the methods of calculation for required and actual reserves set out in the Charity Commission document CC19 there is a substantial excess of reserves held. The reason for this arose from the historic and present sources of the Charity's income.

#### Sources of the Charity's Income

The Charity's long-standing funds come from a combination of legacies, donations and sales of redundant properties. These funds are regarded by the Charity as having some of the character and function of Endowment Funds (as defined in CC19) though they are not designated as such. In particular, the income from investments provides a substantial portion of the Charity's total income meeting the final sentence of its Reserves Policy. Without this income the Charity could have annual deficits and its reserves could diminish at an increasing rate.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### *Investment Policy*

The majority of the available funds of the Company are invested through its nominees, primarily the CCLA (Churches, Charities and Local Authorities) Investment Management Ltd, one of the largest Charity Fund Managers in the UK. The financial policy of the company is to maximise the total return whilst maintaining a steady income by which the financial requirements of the company can be met. The portfolio is highly diversified with investment in both UK and overseas equities. CCLA operates an active ethical policy based not only on the types of activity engaged in by companies in which the fund invests, but also on active engagement over issues such as good governance and management, and good environmental policies.

It is not felt that this policy is having any detrimental effect on income or capital; the fund has returns that compare well with other investment vehicles, and performance is monitored at meetings of the investment sub-committee, which are held twice yearly. The current target is a total return of inflation plus 5% over the long term, in the COIF Charities Ethical Investment Fund. This would include the provision of a reliable income stream that maintained its real value over time. It aims to control volatility to 75% of that of the UK equity market.

#### *Risk Management*

The Directors are responsible for assessing the major risks to which the Company is exposed, and for establishing systems to mitigate those risks. The Trust maintains a risk register and considers external and internal risks to which the Company is exposed. The Trust undertakes a formal review of the risks to which it is exposed each year.

The Directors have considered 44 factors which could have a negative effect on the Company's ability to pursue its aims, both in terms of the likelihood of their occurring and the probable impact of such events. These cover governance, financial, property, office functionality, legal, human resources, and local church issues.

Significant risks identified include:

- Difficulties in appointing appropriate trustees or co-opted committee members to maintain the balance of the Trust
- Irreconcilable differences between Trust and a local church arise over trusteeship issues
- Dysfunctional board dominated by strong individuals, taking bad decisions
- Income from churches falls below levels needed by the Trust to sustain activities
- Denominational financial responsibilities have to be re-funded
- Property surveys reveal extensive and costly repairs needed to many church properties
- IT systems fail including catastrophic power failure
- Office unable to provide adequate service to Trust owing to overstretch
- Failure to adhere to legal guidelines and framework in the activities of the Trust
- HR issues involving failure to comply with legislation on the recruitment, selection and treatment of employees of Trust
- HR issues involving failure to comply with legislation on the recruitment, selection and treatment of employees of local churches part or wholly funded by Trust
- Advice on HR issues within local churches proving inadequate or misleading, and leading to difficulties with employees.

The Directors will continue to review and monitor these risks, and the adequacy of the systems in place to reduce them.

#### **COVID-19 risk**

The ongoing COVID-19 pandemic continues to generate a significant level of uncertainty in the global economy. The Directors will regularly assess the likely effects on the Trust's operations in an attempt to mitigate the risk as far as possible.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### *Factors Affecting Performance*

The Company's ability to achieve its objectives depends on several factors, not necessarily within its control, such as performance of investments, and the effective coordinated work of professional advisors. In 2020 there were no significant factors of this type.

Other factors of which the Trust is cognisant include the reduction in volunteers across the Synod and in churches which can cause them to close. This in turn reduces income from churches. Some remaining churches will have high maintenance costs. All these issues have been considered by the Trust and Synod when developing future plans.

#### *Plans for the Future*

The Company plans to continue its work for the foreseeable future.

The Company has agreed in principle to support a strategic Way Forward plan for the Synod, and Trustees recognise their important role in assisting the implementation of the Synod's future strategy.

The Board reflects a broad range of professional experience within private, statutory and voluntary organisations, and of course extensive involvement with ministry and churches all of which will be drawn upon to steer the Company through the changes in the Synod which lies ahead.

Goals for 2021 include:

- Review of board membership
- Review auditors' appointment
- Complete the update of data protection practice
- Recruit a Property Officer
- Complete strategic conversation around the Synod

#### **Structure, governance and management**

The United Reformed Church (Northern Province) Trust Limited (formerly known as the Durham and Northumberland Congregational Union (Incorporated)) was incorporated in England & Wales in 1914. It is a private charitable company, limited by guarantee. It is governed by its Memorandum & Articles of Association, adopted in revised form on 4 August 2009, which confer various powers, including powers to hold, maintain and administer property, money and investments; to buy and sell property and investments; and to take over any assets legally transferred to the Company.

#### *Directors/Trustees*

The Directors who served during the year were:

Ms J.W.Barr  
Mr W.I.Buchanan  
Dr H.J.Finlayson  
Mr J.C.G.Forrest  
Revd. D.Grosch-Miller  
Dr A.Hamnett  
Revd. A.P.Haws  
Ms C.Hogg  
Mr J.C.Kennedy  
Mr P.B.Matthew  
Ms J.R.Tomlin  
Mr G.I. Wanless

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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Most of the Directors give their time voluntarily and receive no benefits from the Company. Any expenses reclaimed from the Company are set out in note 10 to the financial statements. The exception is Mr G.I.Wanless who, as treasurer and in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

The Directors are appointed by the United Reformed Church Northern Synod, and the officers are appointed by the Board. A balanced Board is sought, with a mixture of experience, gender, and geographic spread. Where vacancies are identified, nominations are sought either by direct approach or advertisement amongst the 68 churches of the Synod. Under the United Reformed Church Acts 1972-2000, all members and Directors must also be members of a local church or ecumenical area of the United Reformed Church, and for this reason no candidates are sought outside the churches of the Northern Synod.

Upon appointment, all Directors are provided with an induction pack explaining the work of the Company and including the Charity Commission's leaflet *The Essential Trustee: what you need to know*. Further training is provided during the year on a range of relevant topics.

The Board meets five times a year and receives reports, sets policies and takes major financial decisions. Subcommittees deal with investments, staff remuneration, denominational Ministry & Mission Fund assessments, church and manse properties, and human resources. Small grant applications are considered by subcommittees, with larger ones referred to the Board. Investments are monitored regularly, with quarterly reports from the Investment Managers. Periodic condition survey reports are received from the Property Consultants on local church properties.

All decisions are taken by simple majority, with the Convenor having a casting vote. The Board may make decisions by agreement of two Directors, on straightforward, non-controversial matters. The day-to-day running of the Company's affairs is carried out by two members of office staff, who are responsible to the Board. The Finance Officer and Trust Officer support the day to day working of the Trust Company. Their tasks are operational in nature and they work within parameters defined by their role descriptions. The Trust Officer supports the Trust with administrative and legal support with policy decisions referred to the Board.

The Trust has a remuneration policy to provide effective stewardship of resources as well as being objective and transparent so that salary levels are perceived as being fair and rational. The salaries of lay staff employed by the Trust are assessed when a new post is created. This is carried out by members of the Human Resources Sub-Group. In making a recommendation of an appropriate salary level account is taken of:

- Levels of remuneration for posts of comparable responsibility within the not-for-profit sector in the North East of England
- Salaries being paid by the URC and other denominations across the United Kingdom.

The proposed salary and its rationale are then discussed with the Remuneration sub-committee and the outcome recommended to the Trust. Salaries of lay staff are reviewed annually to reflect changes in the level of responsibility and increases in the cost of living which have occurred in the last 12 months. In exceptional circumstances a bonus payment may be recommended by the Remuneration sub-committee to reflect the performance of duties well in excess of what might normally be expected of the post-holder.

#### *Relations with other Parties*

The Company carries out its activities in concert with and in support of the United Reformed Church Northern Synod, an unregistered unincorporated charitable association.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Statement of Directors' responsibilities

The directors, who also act as trustees for the charitable activities of The United Reformed Church (Northern Province) Trust Limited, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

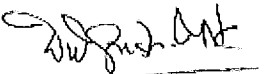
#### Auditor

A resolution proposing that RMT Accountants & Business Advisors Ltd be reappointed as auditor of the company will be put at a Board Meeting.

#### Disclosure of information to auditor

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Directors' report was approved by the Board of Directors.



**D. Grosch-Miller**  
Director (Convenor)

Dated: 31 August 2021

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### Opinion

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Limited (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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#### Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charity Law.

Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
**Mr Stephen Slater (Senior Statutory Auditor)**  
for and on behalf of RMT Accountants & Business Advisors Ltd  
Statutory Auditor  
Gosforth Park Avenue  
Newcastle upon Tyne  
NE12 8EG

Date: 20/9/21

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year		Unrestricted funds	Restricted funds	Endowment funds	Total	Total
		2020	2020	2020	2020	2019
Notes		£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and legacies	3	88	-	-	88	78,075
Investments	4	291,997	57,441	-	349,438	358,752
Other income	5	1,138,243	23,279	-	1,161,522	935,921
<b>Total income</b>		<b>1,430,328</b>	<b>80,720</b>	<b>-</b>	<b>1,511,048</b>	<b>1,372,748</b>
<b>Expenditure on:</b>						
Charitable activities	6	695,572	100,645	-	796,217	1,250,168
Other expenditure	12	-	42,656	21,422	64,078	70,805
<b>Total resources expended</b>		<b>695,572</b>	<b>143,301</b>	<b>21,422</b>	<b>860,295</b>	<b>1,320,973</b>
Net gains/(losses) on investments	11	543,360	129,222	-	672,582	1,659,669
<b>Net incoming/(outgoing) resources before transfers</b>		<b>1,278,116</b>	<b>66,641</b>	<b>(21,422)</b>	<b>1,323,335</b>	<b>1,711,444</b>
Gross transfers between funds		(472,309)	472,309	-	-	-
<b>Net movement in funds</b>		<b>805,807</b>	<b>538,950</b>	<b>(21,422)</b>	<b>1,323,335</b>	<b>1,711,444</b>
Fund balances at 1 January 2020		10,242,295	1,832,338	200,000	12,274,633	10,563,189
<b>Fund balances at 31 December 2020</b>		<b>11,048,102</b>	<b>2,371,288</b>	<b>178,578</b>	<b>13,597,968</b>	<b>12,274,633</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### Prior financial year

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
<b>Income and endowments from:</b>					
Donations and legacies	3	68,854	9,221	-	78,075
Investments	4	309,589	49,163	-	358,752
Other income	5	908,182	27,739	-	935,921
<b>Total income</b>		<b>1,286,625</b>	<b>86,123</b>	<b>-</b>	<b>1,372,748</b>
<b>Expenditure on:</b>					
Charitable activities	6	1,192,091	58,077	-	1,250,168
Other expenditure	12	-	70,805	-	70,805
<b>Total resources expended</b>		<b>1,192,091</b>	<b>128,882</b>	<b>-</b>	<b>1,320,973</b>
Net gains/(losses) on investments	11	1,382,242	277,427	-	1,659,669
<b>Net incoming/(outgoing) resources before transfers</b>		<b>1,476,776</b>	<b>234,668</b>	<b>-</b>	<b>1,711,444</b>
Gross transfers between funds		(100)	100	-	-
<b>Net movement in funds</b>		<b>1,476,676</b>	<b>234,768</b>	<b>-</b>	<b>1,711,444</b>
Fund balances at 1 January 2019		8,765,619	1,597,570	200,000	10,563,189
<b>Fund balances at 31 December 2019</b>		<b>10,242,295</b>	<b>1,832,338</b>	<b>200,000</b>	<b>12,274,633</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## BALANCE SHEET


AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		1,088,390		1,109,506
Investment properties	15		155,000		155,000
Investments	14		10,799,716		10,045,475
			<u>12,043,106</u>		<u>11,309,981</u>
<b>Current assets</b>					
Debtors falling due after one year	18	24,000		27,001	
Debtors falling due within one year	18	67,732		29,010	
Investments	16	1,236,353		889,000	
Cash at bank and in hand		632,644		387,655	
			<u>1,960,729</u>	<u>1,332,666</u>	
<b>Creditors: amounts falling due within one year</b>	19		<u>(28,204)</u>	<u>(31,975)</u>	
Net current assets			<u>1,932,525</u>	<u>1,300,691</u>	
<b>Total assets less current liabilities</b>			<u>13,975,631</u>	<u>12,610,672</u>	
<b>Provisions for liabilities</b>	20		<u>(377,663)</u>	<u>(336,039)</u>	
<b>Net assets</b>			<u><u>13,597,968</u></u>	<u><u>12,274,633</u></u>	
<b>Capital funds</b>					
Endowment funds			178,578		200,000
<b>Income funds</b>					
Restricted funds	22		2,371,288		1,832,338
Unrestricted funds			11,048,102		10,242,295
			<u>13,597,968</u>		<u>12,274,633</u>

The financial statements were approved by the Directors on 31 August 2021



D. Grosch-Miller  
Trustee



G.I. Wanless  
Trustee

Company Registration No. 134549

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27		(761,447)		(1,004,938)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(79,230)		(334,911)	
Proceeds on disposal of tangible fixed assets		35,806		-	
Purchase of investments		(100,000)		-	
Proceeds on disposal of investments		800,422		1,030,000	
Investment income received		349,438		358,752	
<b>Net cash generated from investing activities</b>			1,006,436		1,053,841
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			244,989		48,903
Cash and cash equivalents at beginning of year			387,655		338,752
<b>Cash and cash equivalents at end of year</b>			<u>632,644</u>		<u>387,655</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Charity information

The United Reformed Church (Northern Province) Trust Limited is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office is 4 College Lane, Newcastle upon Tyne, NE1 8JJ.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This includes taking into account the potential impact of COVID-19 to ensure that cashflow is positively managed and the impact to the Trust's operations are mitigated. The Directors have concluded that the going concern assumption is appropriate in preparing these financial statements.

#### 1.3 Charitable funds

Transfers to and from the General reserve fund to designated funds are made in accordance with the annual budget and in accordance with need. Funds are closed when the purpose for which they were created comes to an end, or it is otherwise resolved to discontinue them.

Details of the nature and purpose of each fund are explained in note 23. Designated funds are determined by the Board.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income arising on endowed funds is treated as an addition to the endowment.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.5 Resources expended

Expenditure is accounted for on an accruals basis. Grants payable are voluntary payments to individuals, local URC churches or other organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff and governance costs which support the charity and its activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold properties have been brought into the financial statements at the value at which they had previously been included in the accounts of the Northern Synod in 2009. Properties brought in after this date are valued at market value on donation or purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	25% straight line
Loans	No depreciation
Property improvements	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

##### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

##### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

#### 1.12 Employee 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

##### **Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

**Determining residual values and useful economic lives of tangible fixed assets**

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

**Valuation of investment property**

As described in note 16 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Sanderson & Weatherall, Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

3 Donations and legacies

	Unrestricted funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	-	68,799	9,221	78,020
Legacies receivable	88	55	-	55
	<u>88</u>	<u>68,854</u>	<u>9,221</u>	<u>78,075</u>
<b>Donations and gifts</b>				
Contributions from local churches	-	67,779	-	67,779
M&M contributions	-	-	9,221	9,221
Other	-	1,020	-	1,020
	<u>-</u>	<u>68,799</u>	<u>9,221</u>	<u>78,020</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4 Investments**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Rental income	15,000	-	15,000	15,000	-	15,000
Income from listed investments	276,921	57,428	334,349	294,454	49,152	343,606
Interest receivable	76	13	89	135	11	146
	<u>291,997</u>	<u>57,441</u>	<u>349,438</u>	<u>309,589</u>	<u>49,163</u>	<u>358,752</u>

Rental income from investment properties is accounted for under income from investments.

**5 Other income**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Properties held for sale	1,111,353	-	1,111,353	889,000	23,582	912,582
Other income	11,364	279	11,643	850	250	1,100
Rental income	15,526	-	15,526	18,332	-	18,332
Grant received	-	2,000	2,000	-	-	-
Monies received from investors	-	21,000	21,000	-	3,907	3,907
	<u>1,138,243</u>	<u>23,279</u>	<u>1,161,522</u>	<u>908,182</u>	<u>27,739</u>	<u>935,921</u>

Church properties handed over to the Trust for sale during 2020 are shown under properties held for resale. Properties that remain unsold have been included as current assets in assets held for sale, valued at expected sale value.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Discipleship	Mission Partnership	Property	Total 2020	Total 2019
	2020	2020	2020	2020	
	£	£	£	£	£
Direct activities	3,760	6,163	54,745	148,514	453,780
Grant funding of activities (see note 7)	5,142	57,871	39,337	112,306	471,530
Share of support costs (see note 8)	119,113	51,346	112,913	78,817	318,649
Share of governance costs (see note 8)	1,350	1,275	1,894	1,671	6,209
	<u>129,365</u>	<u>116,655</u>	<u>208,889</u>	<u>341,308</u>	<u>1,250,168</u>
<b>Analysis by fund</b>					
Unrestricted funds	129,013	116,655	163,506	286,398	1,192,091
Restricted funds	352	-	45,383	54,910	58,077
	<u>129,365</u>	<u>116,655</u>	<u>208,889</u>	<u>341,308</u>	<u>1,250,168</u>

For the year ended 31 December 2019

	Discipleship	Mission Partnership	Property	Total 2019
	£	£	£	£
Direct activities	10,126	13,020	215,961	453,780
Grant funding of activities (see note 7)	8,249	210,955	9,533	471,530
Share of support costs (see note 8)	103,950	42,781	104,805	318,649
Share of governance costs (see note 8)	1,552	1,552	1,552	6,209
	<u>123,877</u>	<u>268,308</u>	<u>331,851</u>	<u>1,250,168</u>
<b>Analysis by fund</b>				
Unrestricted funds	122,949	268,308	315,973	1,192,091
Restricted funds	928	-	15,878	58,077
	<u>123,877</u>	<u>268,308</u>	<u>331,851</u>	<u>1,250,168</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

	Discipleship 2020 £	Mission Partnership 2020 £	Property 2020 £	Total 2020 £	Total 2019 £
Grants to institutions:					
St Cuthbert's Centre, Holy Island	-	50,000	-	62,500	-
Horsley URC	-	-	-	26,978	-
Roker URC	-	9,000	-	16,679	10,000
Bellingham URC	-	-	14,903	-	-
Falstone & Kielder Church	-	-	13,357	-	-
Newcastle City Centre Chaplaincy	-	10,000	-	-	-
Gateshead Group	-	-	-	5,700	-
Connect Network Sunderland	-	5,000	-	-	5,000
Renew NE	-	5,000	-	-	-
Crookham URC	-	-	3,400	-	3,400
Wark LEP	-	-	3,217	-	-
St Andrew's Church, Crook	-	2,000	1,000	-	-
Denewell Avenue URC	-	-	-	2,246	-
Jesmond URC	-	1,746	-	-	-
Trinity Church, Ashington	-	-	-	1,000	-
Ponteland URC and Wideopen URC	-	850	-	-	-
Northallerton URC	-	667	-	-	35,258
Rothbury URC	-	-	-	-	100,000
Stockton Road URC	-	-	-	-	67,500
St George's URC, Hartlepool	-	-	-	-	46,000
Sunderland and Boldon Partnership	-	-	-	-	34,802
Wooler URC	-	-	-	-	30,000
Faith in the Community	-	-	-	-	30,000
Grindon Mission Project	-	-	-	-	29,917
Berwick URC	-	-	-	-	26,841
St George's URC, High Heaton	-	-	-	-	15,830
St Marks URC, Amble	-	-	-	-	7,550
St James's URC, Newcastle	-	-	-	-	6,375
Christ Church, Stanley	-	-	-	-	6,200
Diocese of Newcastle	-	-	-	-	6,000
St Andrew's, Blackhill	-	-	-	-	4,920
Heaton Churches Together	-	-	-	-	1,500
St Andrew's Dawson Street, Crook LEP	-	-	-	-	1,000
West Denton URC	-	-	-	-	800
Less grants no longer required	-	(26,392)	-	(2,797)	(17,384)
Minor institutional grants	768	-	26	-	-
Other	-	-	-	-	14,397
	768	57,871	35,903	112,306	465,906
Grants to individuals	4,374	-	3,434	-	7,808
	5,142	57,871	39,337	112,306	471,530

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

(Continued)

For the year ended 31 December 2019

	Discipleship 2019 £	Mission Partnership 2019 £	Property 2019 £	Total 2019 £
Rothbury URC	-	-	-	100,000
Stockton Road URC	-	-	-	67,500
St George's URC, Hartlepool	-	34,000	-	12,000
Northallerton URC	-	-	-	35,258
Sunderland and Boldon Partnership	-	34,802	-	-
Wooler URC	-	30,000	-	-
Faith in the Community	-	30,000	-	-
Grindon Mission Project	-	29,917	-	-
Berwick URC	-	26,841	-	-
St George's URC, High Heaton	-	3,550	-	12,280
Roker URC	-	10,000	-	-
St Marks URC, Amble	-	50	-	7,500
St James's URC, Newcastle	-	-	-	6,375
Christ Church, Stanley	-	-	-	6,200
Diocese of Newcastle	-	6,000	-	-
Connect Network Sunderland	-	5,000	-	-
St Andrew's, Blackhill	-	-	4,920	-
Crookham URC	-	-	3,400	-
Heaton Churches Together	-	1,500	-	-
St Andrew's Dawson Street, Crook LEP	-	-	1,000	-
West Denton URC	-	800	-	-
Less grants no longer required	-	(1,505)	(11,559)	(4,320)
Other	3,502	-	10,895	-
	<u>3,502</u>	<u>210,955</u>	<u>8,656</u>	<u>242,793</u>
Grants to individuals (0 grants)	<u>4,747</u>	<u>-</u>	<u>877</u>	<u>-</u>
	<u><u>8,249</u></u>	<u><u>210,955</u></u>	<u><u>9,533</u></u>	<u><u>242,793</u></u>

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

Discipleship

Discipleship grants are awarded for specific developments and projects which strengthen individual or group faith experience.

Mission

Mission grants are awarded to fund events and projects central to the company's purpose including promoting evangelism and church growth.

Partnership

Partnership grants are awarded to support joint working with ecumenical, community and global partners.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**7 Grants payable**

**(Continued)**

Property

Property grants are awarded to support local churches in funding proper care of their properties.

Commitments

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

**8 Support costs**

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	261,657	-	261,657	241,236	-	241,236
Depreciation	24,421	-	24,421	3,366	-	3,366
Office & executive	69,397	-	69,397	59,459	-	59,459
Office staff costs	3,642	-	3,642	4,939	-	4,939
Resource staff costs	3,072	-	3,072	9,649	-	9,649
Audit fees	-	6,000	6,000	-	6,000	6,000
Sundry expenses	-	190	190	-	209	209
	<u>362,189</u>	<u>6,190</u>	<u>368,379</u>	<u>318,649</u>	<u>6,209</u>	<u>324,858</u>
Analysed between						
Charitable activities	<u>362,189</u>	<u>6,190</u>	<u>368,379</u>	<u>318,649</u>	<u>6,209</u>	<u>324,858</u>

**Basis of allocation**

	Office & executive %	Office staff %	Resource staff %
Discipleship	25	17	76
Mission	25	14	3
Partnership	25	39	21
Property	25	30	-
	<u>100</u>	<u>100</u>	<u>100</u>

Support and governance costs are allocated as an approximation of average working time for staff costs, and equally between all categories for the running costs of the Synod Office and the Synod Executive Committee.

Governance costs includes payments to the auditors of £5,000 (2019: £5,000) for audit fees and £1,000 (2019: £1,000) for non audit services.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**9 Directors**

None of the Directors (or any persons connected with them) received remuneration during the year (2019: none), but 4 of them were reimbursed a total of £266 travelling and other expenses (2019: 7 were reimbursed £1,241). The treasurer received an annual honorarium of £2,760 being 10% of a minister's stipend in recognition of the additional work carried out by him.

**10 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Head count	12	11
Full-time equivalent	7	6

**Employment costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	190,700	181,709
Social security costs	16,267	15,460
Other pension costs	59,053	54,361
Apprenticeship levy	918	883
	<u>266,938</u>	<u>252,413</u>

Key management are considered to be the Directors of the Trust, none of whom received any remuneration this year or in the previous year. The treasurer received an annual honorarium of £2,760 being 10% of a minister's stipend in recognition of the additional work carried out by him.

There were no employees whose annual remuneration was £60,000 or more.

**11 Net gains/(losses) on investments**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total Unrestricted</b>		<b>Restricted</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>		<b>funds</b>	<b>Total</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Revaluation of investments	543,360	129,222	672,582	1,382,242	277,427	1,659,669

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Other expenditure

	Restricted funds 2020	Endowment funds 2020	Total 2020	Restricted funds 2019
Net loss on disposal of tangible fixed assets	-	21,422	21,422	-
Monies paid to investors	42,656	-	42,656	70,805
	<u>42,656</u>	<u>21,422</u>	<u>64,078</u>	<u>70,805</u>

13 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Loans £	Property improvements £	Total £
<b>Cost</b>					
At 1 January 2020	762,450	45,781	286,489	130,238	1,224,958
Additions	-	3,434	-	75,796	79,230
Disposals	-	-	(60,506)	-	(60,506)
At 31 December 2020	<u>762,450</u>	<u>49,215</u>	<u>225,983</u>	<u>206,034</u>	<u>1,243,682</u>
<b>Depreciation and impairment</b>					
At 1 January 2020	74,329	41,123	-	-	115,452
Depreciation charged in the year	15,420	3,817	-	20,603	39,840
At 31 December 2020	<u>89,749</u>	<u>44,940</u>	<u>-</u>	<u>20,603</u>	<u>155,292</u>
<b>Carrying amount</b>					
At 31 December 2020	<u>672,701</u>	<u>4,275</u>	<u>225,983</u>	<u>185,431</u>	<u>1,088,390</u>
At 31 December 2019	<u>688,121</u>	<u>4,658</u>	<u>286,489</u>	<u>130,238</u>	<u>1,109,506</u>

Freehold properties comprised in the total above are functional assets and managed by the Trust. Loans relate to properties for the purpose of providing houses for some ministers, retired ministers and their spouses. These properties are managed by the United Reformed Church Retired Minister's Housing Society Limited.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Fixed asset investments

	Common investment fund	Traidcraft Investment	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2020	10,043,969	1,506	10,045,475
Additions	114,803	-	114,803
Valuation changes	639,438	-	639,438
	<u>10,798,210</u>	<u>1,506</u>	<u>10,799,716</u>
At 31 December 2020	10,798,210	1,506	10,799,716
<b>Carrying amount</b>			
At 31 December 2020	<u>10,798,210</u>	<u>1,506</u>	<u>10,799,716</u>
At 31 December 2019	<u>10,043,969</u>	<u>1,506</u>	<u>10,045,475</u>

15 Investment property

	2020
	£
<b>Fair value</b>	
At 1 January 2020 and 31 December 2020	<u>155,000</u>

The above property, Blyth URC, was obtained in 2009 and included at a valuation of £210,000 derived from the market value as calculated by an independent valuer. An updated valuation was obtained during 2018 and property is now valued at £155,000.

16 Current asset investments

	2020	2019
	£	£
Assets held for sale	<u>1,236,353</u>	<u>889,000</u>

17 Financial instruments

	2020	2019
	£	£
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	<u>1,236,353</u>	<u>889,000</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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<b>18 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	42,577	19,857
Prepayments and accrued income	25,155	9,153
	<u>67,732</u>	<u>29,010</u>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>		
Other debtors	24,000	27,001
	<u>24,000</u>	<u>27,001</u>
<b>Total debtors</b>	<u>91,732</u>	<u>56,011</u>
<b>19 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other creditors	6,469	9,490
Accruals and deferred income	21,735	22,485
	<u>28,204</u>	<u>31,975</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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<b>20</b>	<b>Provisions for liabilities</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Grant provisions	377,663	336,039
		<u>          </u>	<u>          </u>
	Movements on provisions:		<b>Grant</b>
			<b>provisions</b>
			<b>£</b>
	At 1 January 2020		336,039
	Additional provisions in the year		243,844
	Reversal of provision		(29,189)
	Utilisation of provision		(173,031)
			<u>          </u>
	At 31 December 2020		377,663
			<u>          </u>

Included in the above grants are amounts which are expected to be paid after more than one year totalling £100,521 (2019: £162,194).

Grants are normally awarded with a maximum contribution towards costs and a time frame to be claimed. If the grant is under spent or not claimed within the allotted time frame, the unclaimed grant provision is reversed.

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**21 Unrestricted funds - current financial year**

	Balance at 1 January 2020	Incoming resources	Movement in funds			Balance at 31 December 2020
			Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
General fund	962,889	300,397	(411,957)	20,423	43,352	915,104
General reserve	2,360,036		(27,140)		134,362	2,467,257
Property valuations	932,225		(15,420)		(10,506)	906,299
Manse fund	4,178,210	291,392	(34,751)	(470,331)	261,799	4,226,319
Property fund	586,043	837,487	(142,426)	(53,062)	30,401	1,258,443
Mission fund	1,109,430		(51,879)	127,760	77,624	1,262,934
Dr Brand legacy	19,767	1,053	(10,000)		925	11,745
Synod Way Forward Fund	93,695		(2,000)	(97,099)	5,404	-
	<u>10,242,295</u>	<u>1,430,329</u>	<u>(695,574)</u>	<u>(472,309)</u>	<u>543,360</u>	<u>11,048,102</u>

**Unrestricted funds - previous financial year**

	Balance at 1 January 2019	Incoming resources	Movement in funds			Balance at 31 December 2019
			Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
General fund	809,770	376,272	(394,029)	42,406	128,470	962,889
General reserve	2,003,645	-	(9,576)	-	365,967	2,360,036
Property valuations	975,145	-	(15,420)	(27,500)	-	932,225
Manse fund	3,180,512	656,692	(12,350)	(202,500)	555,856	4,178,210
Property fund	480,957	252,641	(373,389)	123,736	102,098	586,043
Mission fund	1,055,123	-	(221,463)	63,758	212,012	1,109,430
Ministers' pension	163,402	-	(163,402)	-	-	-
Dr Brand legacy	15,696	1,020	-	-	3,051	19,767
Synod Way Forward Fund	81,369	-	(2,462)	-	14,788	93,695
	<u>8,765,619</u>	<u>1,286,625</u>	<u>(1,192,091)</u>	<u>(100)</u>	<u>1,382,242</u>	<u>10,242,295</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Restricted funds

Current financial year

	Balance at 1 January 2020 £	Incoming resources £	Movement in funds			Balance at 31 December 2020 £
			Resources expended £	Transfers £	Revaluations, gains and losses £	
Dales fund	41,893	-	-	-	2,469	44,362
Ministry & mission fund	137,180	-	(38,856)	1,960	6,584	106,868
Moderator's benevolent fund	7,465	-	(3,434)	-	-	4,031
Mozambique partnership fund	15,602	498	-	(300)	933	16,733
Mozambique project fund	491	45	-	300	31	867
Northumberland project fund	3,660	-	-	-	216	3,876
Student's fund	9,091	-	(352)	-	515	9,254
Pulpit supply fund	5	-	(25)	20	-	-
Trust capital funds	849,775	34,147	(54,911)	470,329	75,981	1,375,321
Church funds	732,477	43,780	(42,656)	-	42,493	776,094
Northernly Synod listening and rec fund	34,449	-	(2,567)	-	-	31,882
Charity Collections fund	250	250	(500)	-	-	-
Safeguarding fund	-	2,000	-	-	-	2,000
	<u>1,832,338</u>	<u>80,720</u>	<u>(143,301)</u>	<u>472,309</u>	<u>129,222</u>	<u>2,371,288</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Restricted funds

(Continued)

Prior financial year

	Balance at 1 January 2019 £	Incoming resources £	Movement in funds			Balance at 31 December 2019 £
			Resources expended £	Transfers £	Revaluations, gains and losses £	
Dales fund	35,298	-	-	-	6,595	41,893
Ministry & mission fund	103,721	9,221	1,948	-	22,290	137,180
Moderator's benevolent fund	8,342	-	(877)	-	-	7,465
Mozambique partnership fund	14,802	518	(2,396)	-	2,678	15,602
Mozambique project fund	660	20	(300)	-	111	491
Northumberland project fund	3,084	-	-	-	576	3,660
Student's fund	8,502	-	(928)	-	1,517	9,091
Pulpit supply fund	361	-	(456)	100	-	5
Trust capital funds	727,554	48,922	(52,582)	-	125,881	849,775
Church funds	657,440	27,192	(69,934)	-	117,779	732,477
Northernly Synod listening and rec fund	37,806	-	(3,357)	-	-	34,449
Charity Collections Fund	-	250	500	-	-	750
	<u>1,597,570</u>	<u>86,123</u>	<u>(128,882)</u>	<u>100</u>	<u>277,427</u>	<u>1,832,338</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 23 Nature and purpose of funds

##### ***General fund***

This fund is unrestricted, and was set up by Trust resolution in 2009, and designated for the day-to-day running of the Northern Synod. It was originally formed by combining various designated funds, and is now funded from contributions from local churches, investment income and property sales. This asset is represented by pooled investments and cash and office furniture and fittings.

##### ***General reserve fund***

This fund is unrestricted, and consists of all the undesignated monies of the Synod. This asset is represented by pooled investments and cash.

##### ***Property valuations fund***

This fund is unrestricted, and was set up in 2009. This asset is represented solely by property.

##### ***Manse fund***

This fund is unrestricted, and was set up in 2006, and is funded from the sale of manses and retired ministers' houses. This asset is represented by pooled investments and cash.

##### ***Property fund***

This fund is unrestricted, and was set up by Trust resolution in 2009 and is designated for making grants to churches and expenses incurred by the Trust in respect of property matters. It is funded from the sale of churches and halls and is represented by pooled investments and cash.

##### ***Mission fund***

This fund is unrestricted, and was set up by Trust resolution in 2009. This fund is designated for the provision of grants for small church/community projects and longer term Partners in Mission projects which will require more substantial funding. The fund is a combination of the Development Fund and a legacy received, and is now funded from the sales of properties and donations from local churches. This asset is represented by pooled investments and cash.

##### ***Ministers' pension fund***

This fund is unrestricted and is designated for contributing to the deficit on the URC ministers' pension fund. It arises from the sale of churches and is represented by pooled investments and cash.

##### ***Dr Brand legacy fund***

This fund is unrestricted and arises from legacy income and is represented by pooled investments and cash. Dr James Brand left a legacy to the Presbytery of Newcastle in the 1960s. The Trust/Synod inherited it among the assets of the Districts of Newcastle and Durham & Teesside in 2008.

##### ***Synod Way Forward Fund***

This fund is unrestricted and designated to manage costs relating to the Synod Way Forward. It is represented by pooled investments and cash.

##### ***Dales fund***

The Dales Fund is restricted and is used to support rural ministry and properties in Swaledale. It is represented by pooled investments and cash.

##### ***Ministry and mission fund***

This fund is restricted, and was set up in 1992, for the sole purpose of meeting ministry and mission commitments as necessary. It arises from accumulated surpluses and transfers from the Lancashire Congregational Union and North Tyne fund. Contributions from and to ecumenical partners are posted through this fund. This asset is represented by pooled investments and cash.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 23 Nature and purpose of funds

(Continued)

##### ***Moderator's benevolent fund***

This fund is restricted, and was set up in 1996 for the sole purpose of making discretionary grants to individuals. It arises from donations received by the Moderator. This asset is represented by one designated bank account and pooled investments and cash.

##### ***Mozambique partnership fund***

This fund is restricted and was created in 2010 to sustain the partnership between Northern Synod and the Igreja Presbiteriana de Moçambique. The fund is supported by general donations from individuals and the General Reserve Fund. The asset is represented by pooled investments and cash.

##### ***Mozambique project fund***

This fund was established in 2010 and is restricted. The fund was set up to collect donations from individuals, to support specific projects relating to the Partnership in Mozambique. The asset is represented by pooled investments and cash.

##### ***Northumberland project fund***

This fund is restricted and was set up for the sole purpose of making grants for suitable projects in North Northumberland. This donation was received from Chatton United Reformed Church on closure of the church during 2016. The fund is to be held for a period of 5 years. The asset is represented by pooled investments and cash.

##### ***Students' fund***

The Students' Fund was transferred from Newcastle Presbytery and is restricted to provide book grants to ministerial students. The asset is represented by pooled investments and cash.

##### ***Pulpit supply fund***

This fund is restricted and was set up in 2011 to collect contributions from local churches and pay preaching fees and expenses in Northumberland. This asset is represented by pooled investments and cash.

##### ***Trust capital funds***

These funds are restricted and arose from the sale of properties, and have been designated by Synod resolution for specific churches. These assets are represented by pooled investments and cash.

##### ***Church funds***

These funds are restricted and are held on behalf of local churches. These assets are represented by pooled investments and cash.

##### ***Northerly Synods Listening and Reconciliation Fund***

This fund is restricted and was set up in 2017. This fund will manage the grant received for this project in the five Northerly Synods and is represented by cash.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**24 Analysis of net assets between funds**

**Current financial year**

	<b>Unrestricted 2020 £</b>	<b>Restricted 2020 £</b>	<b>Endowed 2020 £</b>	<b>Total 2020 £</b>
Fund balances at 31 December 2020 are represented by:				
Tangible assets	938,390	-	150,000	1,088,390
Investment properties	155,000	-	-	155,000
Investments	8,445,765	2,353,951	-	10,799,716
Current assets/(liabilities)	1,875,430	28,517	28,578	1,932,525
Provisions	(366,483)	(11,180)	-	(377,663)
	<u>11,048,102</u>	<u>2,371,288</u>	<u>178,578</u>	<u>13,597,968</u>

**Prior financial year**

	<b>Unrestricted 2019 £</b>	<b>Restricted 2019 £</b>	<b>Endowed 2019 £</b>	<b>Total 2019 £</b>
Fund balances at 31 December 2019 are represented by:				
Tangible assets	909,506	-	200,000	1,109,506
Investment properties	155,000	-	-	155,000
Investments	8,245,237	1,800,238	-	10,045,475
Current assets/(liabilities)	1,268,591	32,100	-	1,300,691
Provisions	(336,039)	-	-	(336,039)
	<u>10,242,295</u>	<u>1,832,338</u>	<u>200,000</u>	<u>12,274,633</u>

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 25 Operating lease commitments

##### Lessor

The company owns an investment property for rental purposes. Rental income earned during the year was £15,000. The property has a committed tenant until 2024.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2020 £	2019 £
Within one year	15,000	15,000
Between two and five years	45,000	60,000
	<u>60,000</u>	<u>75,000</u>

#### 26 Related party transactions

There were no disclosable related party transactions during the year (2019: none).

#### 27 Cash generated from operations

	2020 £	2019 £
Surplus for the year	1,323,335	1,711,444
Adjustments for:		
Investment income recognised in statement of financial activities	(349,438)	(358,752)
Loss on disposal of tangible fixed assets	21,422	-
Gift of property	(1,111,353)	(889,000)
Investment fee rebate reinvested	(14,803)	(14,767)
Fair value gains and losses on investments	(672,582)	(1,659,669)
Depreciation and impairment of tangible fixed assets	39,840	18,786
Movements in working capital:		
(Increase) in debtors	(35,721)	(5,633)
(Decrease)/increase in creditors	(3,771)	7,666
Increase in provisions	41,624	184,987
<b>Cash absorbed by operations</b>	<u>(761,447)</u>	<u>(1,004,938)</u>

#### 28 Analysis of changes in net funds

The charity had no debt during the year.

# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 29 Properties vested in the company as custodian trustee

A comprehensive list of properties vested in the company is available on request to the URC Northern Synod Office.

#### 30 Retirement benefit schemes

##### Final salary (defined benefit) pension scheme

The Trust contributed £59,053 (2019: £54,361) to The United Reformed Church Final Salary Scheme, a pension scheme principally for lay staff which is administered by TPT Retirement Solutions Trust (formerly The Pensions Trust). The scheme is a defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities – each member in the scheme pays a common contribution rate.

The most recent formal actuarial review of the scheme was at September 2019 when the scheme had a surplus of £2,689,000. The assumptions underlying that valuation include:

Discount Rate:	1.4% pa
Pensionable earnings growth:	2.5% for three years, 2.75% thereafter
Price Inflation and pension increase:	2.55%
Retirement age (active members):	65, with maximum commutation

#### 31 Contingent liabilities

Discussions continue about the future funding of the URC Ministers' Pension Fund over the next 10 years as the scheme reaches maturity. An actuarial review of the scheme is currently ongoing and a deficit recovery plan will be required. It is likely that the Synod, in conjunction with all other Synods throughout the country, agree to commit some resources towards meeting this deficit. Due to the structure of the national church and ministerial appointments there is no legal obligation for the Trust but all Synods have been approached and there is wide acceptance that there is a moral obligation at the Synod level and that such support does fall within the charitable purposes of the Trust.

Whilst discussions are still ongoing and there is no binding agreement, the Trust has made an in-principle offer of £3,000,000 which would be payable over a period of 9 years commencing in 2022. This position is, however, subject to Synod ratification in October. The Trust continues to monitor and review the position to ensure that any such final commitment is affordable and does not put the financial stability of the Trust at risk.

