

Charlty 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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<b>Investment managers</b>	CCLA Investment Management Limited One Angel Lane, London, EC4R 3AB
<b>Property consultants</b>	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

## 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 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 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

Rev. 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.

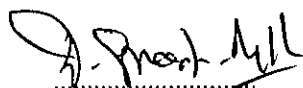
### Auditor

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 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: 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>		 2,316,252	 229,767	 -	 2,546,019	 1,323,335
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

		Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
	Notes				
<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.



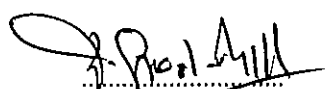
# THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

## BALANCE SHEET

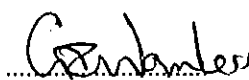
AS AT 31 DECEMBER 2021

	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><u>16,143,987</u></u>		<u><u>13,597,968</u></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

---

#### 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 2021 £	Restricted funds 2021 £	Total Unrestricted funds 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 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 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
	<u>2,286</u>	<u>60,406</u>	<u>37,583</u>	<u>213,858</u>	<u>314,133</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>318,646</u>

# 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

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
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

	Office & executive %	Office staff %	Resource staff %
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	<u>8</u>	<u>7</u>

# 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
	<u>296,202</u>	<u>281,657</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.

#### 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)
At 31 December 2021	<u>947,450</u>	<u>34,113</u>	<u>225,983</u>	<u>206,034</u>	<u>1,413,580</u>
<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)
At 31 December 2021	<u>108,868</u>	<u>28,035</u>	<u>-</u>	<u>41,206</u>	<u>178,109</u>
<b>Carrying amount</b>					
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>
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>

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

	2021 £
<b>Fair value</b>	
At 1 January 2021 and 31 December 2021	<u>155,000</u>

# 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

	Common investment fund	Traidcraft Investment	Total £
<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
	<hr/>	<hr/>	<hr/>
At 31 December 2021	12,720,095	1,506	12,721,601
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 31 December 2021	12,720,095	1,506	12,721,601
	<hr/>	<hr/>	<hr/>
At 31 December 2020	10,798,210	1,506	10,799,716
	<hr/>	<hr/>	<hr/>

#### 16 Financial instruments 2021 £ 2020 £

<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	1,659,250	1,236,353
	<hr/>	<hr/>

#### 17 Debtors 2021 £ 2020 £

<b>Amounts falling due within one year:</b>		
Other debtors	116,857	42,577
Prepayments and accrued income	33,639	25,155
	<hr/>	<hr/>
	150,496	67,732
	<hr/>	<hr/>

<b>Amounts falling due after more than one year:</b>	<b>2021</b> £	<b>2020</b> £
Other debtors	24,000	24,000
	<hr/>	<hr/>
<b>Total debtors</b>	<b>174,496</b>	<b>91,732</b>
	<hr/>	<hr/>

**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

	Balance at 1 January 2021	Incoming resources	Movement in funds			Balance at 31 December 2021
	£	£	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

	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	300,396	(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 1 January 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2021
	£	£	£	£	£	£
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**

	<b>Movement in funds</b>				
	<b>Balance at 1 January 2020</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Revaluations, gains and losses</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Church extension fund	-	-	-	-	-
Dales fund	41,893	-	-	-	2,469
Ministry & mission fund	137,180	-	(38,856)	1,960	6,584
Moderator's benevolent fund	7,465	-	(3,434)	-	-
Mozambique partnership fund	15,602	498	-	(300)	933
Mozambique project fund	491	45	-	300	31
Northumberland project fund	3,660	-	-	-	216
Students' fund	9,091	-	(352)	-	515
Pulpit supply fund	5	-	(25)	20	-
Trust capital funds	849,775	34,147	(54,911)	470,329	75,981
Church funds	732,477	43,780	(42,656)	-	42,493
Northerly Synods Listening and Reconciliation Fund	34,449	-	(2,567)	-	-
Safeguarding fund	-	2,000	(500)	-	-
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	-	-	-	-
Investment properties	938,390	-	150,000	1,088,390
Investments	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.