

# UNITED REFORMED CHURCH TRUST

England & Wales - Charity number 1133373

## Details

---

**Other names** URCT

**Status** Registered

**Legal form** Previously excepted

**Company number** [00135934](#)

**Registered** 2009-12-22

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

## Contact

---

**Address** United Reformed Church  
86 Tavistock Place  
London  
WC1H 9RT

**Phone** 02079162020

**Email** [urctrust@urc.org.uk](mailto:urctrust@urc.org.uk)

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

## Activities

---

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

**Activities:** The provision of public worship in viable congregations through England, Wales and Scotland carried out through faithful ordained and lay ministry in our churches. Our main charitable activities are: ministry, education & learning, youth & children's work and mission. This latter includes: supporting local community service, and fostering ecumenical and interfaith relationships at all levels.

## Classification

---

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, 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, The General Public/mankind

## Geography

---

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

## Finances

---

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£24,364,000	£24,654,000	£133,352,000	68
2023-12-31	£28,694,000	£26,641,000	£131,174,000	69
2022-12-31	£29,352,000	£29,290,000	£124,207,000	70
2021-12-31	£34,087,000	£24,078,000	£136,629,000	87
2020-12-31	£23,254,000	£22,923,000	£101,040,000	106

## Trustees

Name	Role	Appointed
Clifford Neil Patten		2018-09-18
DAVID LATHBURY		2018-09-21
David Greatorex		2020-09-15
Dr Stephen John Thompson		2022-09-13
Rev JULIAN JAMES MACRO		2021-12-07
Rev James Breslin		2020-09-15
Rev Nicholas Mark		2020-09-15
Rev Sarah Moore		2024-12-03
Revd Dr John Paul Bradbury		2020-09-15
Robert Alan Yates		2023-09-12

**UNITED REFORMED CHURCH TRUST**

England & Wales - Charity number 1133373

---

# Accounts

---



*The*  
**United  
Reformed  
Church**

**TRUSTEES'  
REPORT  
AND FINANCIAL  
STATEMENTS  
2024**

(A company limited by guarantee, number 135934,  
Registered Charity No. 1133373)

**UNITED REFORMED CHURCH TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024**

**CONTENTS**

	Page
Trustees' Report.....	1
Reference and administrative information .....	1
Structure, governance and management.....	3
Objectives and activities.....	4
Strategic Report.....	5
Statement of Trustees' responsibilities.....	18
Independent Auditors' Report.....	19
Consolidated and Trust Statement of Financial Activities .....	23
Consolidated and Trust Balance Sheets .....	24
Consolidated Statement of Cash Flows .....	25
Notes to the financial statements .....	26-49
Five year summary.....	50

# UNITED REFORMED CHURCH TRUST

(A company limited by guarantee, number 135934, Registered Charity number 1133373)

## TRUSTEES' REPORT

(Incorporating the Report of the Directors)

The United Reformed Church Trust ("the charitable company") is the corporate charity trustee of the funds of the General Assembly of the United Reformed Church ("URC") and is responsible for reporting its financial activities. The directors, who are also trustees of the charitable company, submit their report and the audited consolidated financial statements for the year ended 31 December, 2024, which incorporate the funds of the General Assembly of the United Reformed Church.

## REFERENCE AND ADMINISTRATIVE INFORMATION

**Corporate Trustee Registered Office:** 86 Tavistock Place, London WC1H 9RT

### Directors

The directors who served during the year and to the date of this report, unless otherwise indicated, were as follows:

Name	Ex officio	Appt/Resigned
Ms Catriona Wheeler (Chair)		Resigned Chair 05/12/24, Board May 2025
The Revd Nick Mark (Chair)	Designated Safeguarding Trustee; appointed Chair 05/12/24	
Dr Stephen Thompson (Deputy Chair)		
Alan Yates	Honorary Treasurer of the URC	
The Revd Dr John Bradbury	General Secretary	
The Revd James Breslin		
The Revd Dr Michael Hopkins		Resigned 7/05/24
Mrs Victoria James	Chief Operating Officer	Resigned 31/01/25
Mr Clifford Patten		
Mr David Greatorex		
Mr David Lathbury		
The Revd John Macaulay		
The Revd Julian Macro		
The Revd Sarah Moore	Clerk of General Assembly	Appointed 1/10/24

**Secretary:** Ms Sandi Hallam-Jones

Most of the directors are appointed as members of the charitable company by the General Assembly of the URC and then as directors by the company under the provisions of its Articles of Association, to serve for up to four years (with a possibility of renewal for one further period of four years), having been nominated through the representative processes of the Church.

There are four directors who serve ex officio, their appointment or election to their positions having followed nomination. The directors receive no remuneration but may be reimbursed their expenses of attending meetings.

Most newly appointed directors are already familiar with many aspects of their role through serving on Assembly committees or synod bodies, but they are provided with relevant documentation and encouraged to sign up to receiving regular information from sources such as the Charity Commission. Training is provided via general external courses and events

## TRUSTEES' REPORT CONTINUED

where possible, and training is given in conjunction with quarterly meetings in specific areas of governance as needs arise, to assist in the performance of their duties.

### **United Reformed Church Resources Committee**

Finance committee continued its work until General Assembly 2024, at which point the Resources Committee came into being bringing together the work of the Finance Committee and 3 other committees (Communications, Church House Management Group and the Human Resources Advisory Group). The Resources Committee is a Committee of General Assembly but also has delegated authority from the URC Trust specifically relating to matters of finance, employment and property).

Convenor: The Revd Michael Hopkins

Deputy Convenor: Mr Tim Llewelyn

Secretary: Mrs Victoria James (Chief Operating Officer)

URC Treasurer: Mr Alan Yates

Deputy Treasurer: Mr Vaughan Griffiths,

Chief Finance Officer: Mr John Samson

Members: Mrs Jane Humphreys, Ms Joana Marfoh, The Revd Nick Mark, Mrs Lisa McAvoy, Mr Steve Tringham

### **Others with governance responsibilities within the Church**

General Assembly Moderator: The Revd Tim Meadows

Immediate Past Moderator – The Revd Tessa Henry-Robinson

Business Committee Convenor – The Revd Mark Robinson

Deputy General Secretary, Discipleship – The Revd Adrian Bulley (until August 2024) and The Revd Jenny Mills (from August 2024).

Deputy General Secretary, Mission – The Revd Philip Brooks

The Chief Operating Officer – Victoria James

Deputy Treasurer – Vaughan Griffiths

The key management personnel of the charity are the members of the General Secretariat which is made up of the General Secretary, two Deputy General Secretaries and the Chief Operating Officer.

## TRUSTEES' REPORT CONTINUED

### Trustees of subsidiary charity at the date of this report:

#### United Reformed Church Retired Ministers' Housing Society Limited

(Exempt charity, registered under Co-operative and Community Benefit Societies Act 2014, number 15986R)

Chair: Mr John Delahunty

Secretary: Irmani Smallwood – Interim CEO.

The Board (appointed for a renewable term of three years): Mr Richard Abraham, The Revd Geoff Felton. The Revd Nicola Furley-Smith, My Gary Goggins, Mr David Greateorex, The Revd Dr Carla Grosch-Miller, The Revd Dr Michael Jagessar, Mrs Victoria James, Mr Clifford Patten, The Revd Paul Whittle, Mr Alan Yates,

#### Legal Advisers

Slater Heelis Solicitors  
Lloyds Bank Buildings  
16 School Road, Sale  
Chester M33 7XP

Anthony Collins Solicitors  
134 Edmund Street  
Birmingham  
B3 2ES

#### Actuaries

Aon Hewitt Limited  
Carnegie House  
Peterborough Road  
Harrow  
Middlesex HA1 2AJ

#### Independent Auditors

Moore Kingston Smith LLP  
Chartered Accountants and Statutory Auditors  
9 Appold Street  
London EC1M 7AD

#### Bankers

HSBC Bank plc  
City of London Corporate Banking Centre  
60 Queen Victoria Street  
London EC4N 4TR

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### The company

The General Assembly of the URC in 2006 appointed the United Reformed Church Trust, the charitable company, as the corporate trustee of its funds. Following consultation with the Charity Commission in December 2009 the charitable company adopted new memorandum and articles and was registered as a Charity. The memorandum and articles were revised further in 2013.

### Church Governance

The governing body of the URC is the General Assembly. The authority under which the General Assembly acts was given by the resolutions passed at the Uniting Assemblies of 1972, 1981 and 2000; and the United Reformed Church Acts 1972, 1981 and 2000 enabled those resolutions to be given legal effect in relation to the finance and property of the Church. These Acts of Parliament together with the Basis, Structure and Rules of Procedure for the time being of the URC (as contained in sections A - C of the Manual of the URC) contain the foundation documents of the Church, known as the Scheme of Union.

Each General Assembly appoints members to Assembly Executive, although those appointed to represent synods are nominated by the synods concerned. The purpose of Assembly Executive is to enable the Church to deal with important issues that cannot wait until the next General Assembly.

### Charitable Assets

The charitable assets of the URC are held by the charitable company as charity trustee. It manages those assets and applies them in accordance with General Assembly resolutions for the work of the URC, and ensures they are expended in a compliant fashion.

### Employees

## TRUSTEES' REPORT CONTINUED

There is a commitment by the URC to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, gender reassignment, sexual orientation, religious beliefs, colour, ethnic or national origin, age, marital status or disability. The Trustees are updated on all employment policies at least annually, but more frequently if the circumstances require it.

Employees are provided with information on matters of concern to them, and the Church consults them regularly, so that their views can be considered when making decisions likely to affect their interests. Employee involvement is encouraged, for example by a staff association and periodic staff meetings for employed team members. These help create a common awareness of the charity's priorities and of the financial and economic factors affecting it.

### **Remuneration**

Remuneration of lay key management personnel is set in the same way as that of other equivalent staff and is overseen by the Remuneration Committee, as a sub-committee of Resources Committee. All ministers, whether in Assembly-appointed roles or in pastorate ministry, are paid the same basic stipend.

The pay of lay staff is assessed by the Remuneration Committee when a post is created, having regard to comparable posts in the charity sector and among Church bodies in particular; it is then reviewed and confirmed by the Resources Committee. Any reassessment of a post's remuneration is by the same process.

The stipend level is reviewed annually by a sub-committee of Ministries Committee having regard to a formula, based on inflation. A recommendation is then made to the Resources Committee. Similarly, the Remuneration Committee considers any annual increase for lay salaries, taking account of the recommendations regarding stipends, external data and benchmarking against other faith organisations.

The work of these two groups in terms of remuneration of lay staff and ministers is reviewed by Resources Committee each year and by the URC Trust in the budget setting process before final confirmation by Assembly Executive on behalf of the Church.

## **OBJECTIVES AND ACTIVITIES**

The charitable objects of the Charitable company are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church.

- **Public benefit**

Having regard to the guidance published by the Charity Commission, the Charitable company provides public benefit by carrying out its objectives and by advancing the charitable purposes of the funds that it holds as charity trustee. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. In addition, the Church at General Assembly level acts as an umbrella resource body for the 13 National and Provincial Synods and approximately 1,240 local churches, whose charitable assets are held by separate charities and/or charitable trust companies.

- **Worship and partnership**

The URC is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the three nations of England, Scotland and Wales. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have over three hundred shared congregations. It also takes new forms through the 'Fresh Expressions' initiative offering Christian worship, teaching, fellowship and service in non-traditional venues and styles. We have a number of 'pioneer ministers', developing pastoral and worshipping communities outside the usual frameworks of church tradition and habit.

- **Discipleship & Mission**

A suite of discipleship resources and courses seek to assist individuals and churches in

## TRUSTEES' REPORT CONTINUED

developing their discipleship practices. Alongside this, preaching of the Gospel, pastoral care for, and building up of, communities by ministers, lay preachers and Church Related Community Workers (CRCWs) continue as key vehicles for increasing the effectiveness of local witness and service. The Commitment for Life programme continues to encourage churches to pray and campaign for the eradication of global poverty.

### Subsidiary charity

#### **The United Reformed Church Retired Ministers' Housing Society Limited's (RMHS)**

objects are for the benefit of the community to advance the Christian religion in accordance with the principles, usages and the Scheme of Union of the URC, in particular by providing for retired ministers and widow/ers or civil partners of ministers of the United Reformed Church who are in need, for various reasons, housing and associated amenities, or assistance to enable them to provide this for themselves.

Memorandum of Understanding and Service Level Agreements are being finalised to clarify the relationship and interdependencies as well as services provided by the URC Trust and the Church to the RMHS and vice versa.

## STRATEGIC REPORT

### Achievements and Performance

It is acknowledged that all that is achieved through General Assembly decision making and the implementation of those decisions through the team working from the Offices of Assembly, is only possible through the Ministry and Mission contributions. This represents huge generosity and commitment from local churches and synods. The trustees are grateful for this.

General Assembly met from 12<sup>th</sup>-15<sup>th</sup> July 2024 and Assembly Executive met from 9<sup>th</sup>-11<sup>th</sup> February and online on 26 November 2024. These important meetings of the Councils of the church have continued to address key strategic and missional matters for the Church, work which the charitable funds of the URC enable.

The **Church Life Review** is ongoing and has moved at pace in 2024 which has been an exploratory phase involving extensive consultation in key areas. This has placed the Church in a strong position to move forward in the following key areas: -

- a) An exploratory consultation event demonstrated that there is an energy and willingness to establish well-resourced support services so that we are coordinating consistent support for local churches, including the use of a Resources Portal. It is expected that this will ultimately cover finance, property, compliance, health and safety, human resources, payroll, IT.
- b) After effective and broad consultation, a working group has explored in detail different models of resources sharing which will be key to enabling the other aspects of the Church Life Review.

For the other aspects of the Church Life Review relating to lay work and new worshipping communities, a conference, 'Conversations at the Crossroads' was held in January 2025, which is covered in more detail in the Future Developments section.

The Church Life Review also prompted a review of governance to ensure that the structures and approach in the Councils of the Church are of an appropriate size for the denomination. This work has involved developments which improve risk management and therefore are relevant to the URC Trust as the developments assist the Trustees in fulfilling their responsibilities. Key aspects of these governance developments have been: -

- a) A Conflicts of Interests Statement was adopted by General Assembly with policies and procedures for all General Assembly Committees. The URC Trust also adopted an updated Conflicts of Interest Policy. The nature of the Church structures means that there is a complexity to Conflicts of Interest management and this was therefore a key development in 2024.

## TRUSTEES' REPORT CONTINUED

- b) All General Assembly Committees now have Terms of Reference which means there is greater clarity and transparency about the delegated authority levels which exist throughout the Councils of the Church. This has also enabled a more robust process for consulting with the Trust prior to decisions being taken by the Councils of the Church.
- c) The Resources Committee was formed in July 2024 which, as noted above, is a Committee of General Assembly but also has delegated authority from the URC Trust on matters relating to finance, employment, and central properties. This committee has taken over the work of 4 Committees (Human Resources Advisory Group, Church House Management Group, Communications and Finance) which is enabling a more coordinated and strategic approach.
- d) A new safer recruitment process is in place for all volunteer appointments into the governance structures of the URC Trust and the Councils of the Church.
- e) A new Nominations Committee with updated terms of Reference was formed in July 2024. This committee oversees the safer recruitment process and is committed to ensuring that all the decision-making bodies are diverse and representative of the Church.
- f) A review of our risk management process which will be implemented in 2025.

Ecumenism has always been key in the life of the United Reformed Church. In 2024, we have built stronger relationships with our Methodist colleagues and are committed to ways in which we can work together operationally. In 2024, we employed a Buildings and Facilities Manager who works across the URC and Methodist office buildings in London (such arrangements are supported and managed through a Memorandum of Understanding and Service Level Agreement). We remain open to other opportunities where they achieve effective economies of scale or serve the significant number of local churches which are Methodist/URC Local Ecumenical Partnerships.

As is noted earlier in the report, the charitable assets of the URC are held by the charitable company as charity trustee. It manages those assets and applies them as directed by General Assembly for the work of the URC, and ensures they are expended in a compliant fashion. As such the work of the Committees is relevant to the URC Trust. The achievements and performance of the different committees can be summarised as follows:-

- **Children & Youth**

For 2024 the Children and Youth theme was Story, Story, Story. Every church received a resource book full of engaging ideas for all ages, and a free Holiday Club 'Sparks and Stories' was offered, supported by small grants for local churches. The weekly free online resource Faith Adventures was developed to include an accompanying youth resource.

URC Children saw the creation of two sets of Prayer Prompt Cards for 4-8s and 8-12s; and the first Children's Workers Conference. A new family Advent resource was created, along with church resources, and 5,000 packs distributed. URC Youth held Youth Assembly (alongside the Youth Leaders' Gathering) at Whitemoor Lakes for the last time, set up a review of the Youth Exec, and promoted the SCM Honest Church campaign. We also ran the Youth Venue at Greenbelt Festival for the third time.

We continue to host the Youth Ministry Roundtable, and CTBI have agreed to adopt this as a formal ecumenical network. Out of this has grown plans for a residential for young adults. With Children's Ministry Network we have been working hard to create new training courses. We helped launch Intergenerate UK as a new network for this area of ministry.

## TRUSTEES' REPORT CONTINUED

We offered Godly Play, Youth Mental Health First Aid, Makaton, Widget and Youthscape Essentials training courses, monthly 'Talking About' sessions and a set of conversation starter materials on disability awareness.

- **Education & Learning (E and L)**

There has been a lot of work to develop quality opportunities for learning to everyone in the URC as they walk the Jesus Way and share the love of God through their lives. We built on the positive relationships with the Resource Centres For Learning (RCLs) and the Training and Development Officers' Network (TDOs) and have created a Transitional Forum to help joined up thinking between learning in the synods and the RCLs. The RCL Principals with the Secretaries for Ministries and E and L created a document clearly setting out the expectations of what was required for initial ministerial formation (EM1). This clarity on expectations was well received and enables parity across the institutions.

We have continued to offer Discipleship Development Grants and this has seen imaginative and creative opportunities and events being offered for people in synods and local churches, giving encouragement to others to explore new ways of doing things. Learning for the whole people of God is our focus and ensuring people know what is on offer is important. The Lay Preacher Advocates have begun work on developing a Lay Learning Gateway so all opportunities can be found in one place on the website. This is an exciting piece of work in progress and continues the emphasis on making learning accessible for all. The development of two new Stepwise streams is almost complete.

The E and L committee decided that current learning opportunities emanating from Church House such as Stepwise (the URC's Discipleship Development Programme), the Church Leadership Programme and the management of the URC Learning Hub could be better offered through our RCLs, and began putting plans in place for that transfer. E and L also worked closely with Ministries to eliminate the duplication in relation to ministerial formation. From the Academic Year 2024/25, the Secretary for Ministries took over responsibility for Education for Ministry (EM) 1, 2 and 3, and all training for accredited ministries.

Additionally, there has been a consultative exercise with the RCLs to explore how issues of funding can be addressed long term. There is more detail in the future developments section.

- **Ministries**

The committee is concerned with the specific recognised and accredited ministries which provide leadership for the Church, including Church Related Community Work, Eldership, Lay preaching including Assembly Accredited Lay Preachers and Locally Recognised Worship Leaders, Lay Pioneering and the Ministry of Word and Sacraments, but also recognises that each of these has a duty to enable discipleship in others. Recognising the challenges of our demography, we continue to work with our Synods developing strategies that use our ministers most effectively in providing leadership in local churches. To this end, in 2024, General Assembly agreed to a new lay ministry of Elders in Local Leadership. In 2025, as part of a collaboration with the Education and Learning Committee, the Children's and Youth Work Committee and the Worship, Faith and Order Committee, Ministries is looking at a new commissioned ministry of Children's and Youth Workers. Ministries continues to look at other forms of ministry that can be funded by the M&M fund.

- **Safeguarding**

The safeguarding central team worked collaboratively with other departments across the denomination on several areas this year including Ministries and Children and

## TRUSTEES' REPORT CONTINUED

Youth, where our work overlaps and joined up working has the best outcome. This has included areas such as training, policy development and team meetings.

We added the role of Case Work Supervisor to the team in 2024 which has had the benefit of being able to support synod safeguarding officers who work in isolation in synods to have someone central to support them and ensure compliance across the denomination. The engagement with this role has been variable from synod to synod but all know that the role is there for their support.

The team continued to keep abreast of changes in legislation and lessons learnt from reviews from other faith organisations, which are discussed at the Safeguarding Committee and recommendations are brought for changes needed as the URC. We also continue to use the data collected from the Annual Church Safeguarding Returns to shape our agenda on safeguarding.

- **Mission**

Once again there was a large presence at the Greenbelt faith festival at Boughton House, near Kettering. The URC provided an affordable café venue, with music and talks to explain the ethos of the denomination. An online service was held from Greenbelt in conjunction with the online congregation of yoURChurch.

The URC responds to issues of public policy and social justice through its shared involvement with the ecumenical Joint Public Issues Team (JPIT). In 2024 the team focused on supporting churches and congregations in the context of a general election year.

Following on from the 2022 official recognition of our historic involvement in the transatlantic slave trade in the form of a formal apology, the denomination delivered anti-racist training to key groups across the URC. Global and Intercultural Ministries continued to focus on racial justice – within the URC, ecumenically, and in wider society. As part of the Legacies of Slavery work, a pilgrimage to Jamaica was organised in which the written apology was handed over in person. Other global work mainly focused on the Partners in Mission Programme, supporting individuals from overseas serving in the URC, and being sent by the URC to serve in partner contexts.

Mission staff continued to support the work of synod mission enablers and pioneer ministers, especially in the light of an Assembly Executive resolution to offer a pioneer minister to each Synod with the aim of creating new worship communities in the URC.

Commitment for Life is the URC's global justice programme. We partner with Christian Aid and Global Justice Now. We enable local congregations to deepen their prayer, insight and advocacy for global justice. In 2024 the programme continued to focus on three partner regions: Zimbabwe, Bangladesh, and Israel and the occupied Palestinian territory, but added to that we had specific appeals during the year for Gaza and Myanmar which attracted vital donations to these war-torn regions.

Mission staff members continued to develop good ecumenical and interfaith relations. There was a major report to General Assembly with accompanying resolutions on the Gaza crisis. We have supported our global ecumenical partners, Council for World Mission, Communion of Protestant Churches in Europe, World Council of Reformed Churches and World Council of Churches. Once again there were several events linking the URC with partner churches in the Pfalz region of Germany.

- **Equalities**

Much of the work of the committee is in the promotion and encouragement of inclusion, equality and diversity within the denomination. This is achieved through established links with the other Assembly committees as well as by being alert to the work undertaken on Assembly's behalf by bodies such as the JPIT and by members of staff but particularly the work around racial justice and intercultural ministry.

## TRUSTEES' REPORT CONTINUED

In 2024 the committee has continued to explore ways to support members of the Trans community within and across the church. New resources will be available to churches and synods in 2025. Another area of focus in 2024 has been to support churches in providing good and appropriate information on their websites about building accessibility.

**Communication** is key when there is much activity in the life of the church but also as a consequence of the amount of change and therefore different channels are used by the Communications team who work from the Offices of General Assembly. They also seek to highlight mission and evangelism activities undertaken by local churches and to celebrate these. We were once again able to deliver the Community Project Awards in 2024 with Congregational, now awarding £9,000 in prizes to projects.

The denomination has previously made a bold commitment to achieve **net zero** by 2030 and while this was driven by the Mission Committee, it must be addressed throughout the Church for it to be achieved. The church continually looks for ways of reducing its carbon footprint and actively recycles wherever possible. It also encourages individual churches to be as 'green' as possible and promotes the Eco-Church award scheme. Throughout the governance structure of the Church we continued to embrace online meetings where possible to reduce our carbon footprint. Where in person gatherings are necessary, we have robust policies about modes of transport to be followed.

### STREAMLINED ENERGY AND CARBON REPORTING

This report represents the greenhouse gas ("GHG") emission quantified by the business for the financial year ending 31 December 2024.

The report has been prepared under the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, under which we are required to disclose our UK Energy use and associated GHG emissions. Specifically, we are required to report UK energy usage and emission derived from purchased electricity, gas and transport.

<b>UK GHG emissions:</b>	<b>2024</b>	<b>2023</b>
	(Kgs CO <sub>2</sub> e)	(Kgs CO <sub>2</sub> e)
Scope 1	-	-
Scope 2 – Location-based	26,346	30,679
Scope 2 – Market-based	-	-
Scope 3	45,500	47,450
Total Location-based emissions	<u>71,846</u>	<u>78,129</u>
Kgs CO <sub>2</sub> e / employee	1.21	1.33
<b>Energy consumed in UK operations:</b>	<b>2024</b>	<b>2023</b>
	(kWh)	(kWh)
Fuel combustion: natural gas	-	-
Purchased electricity	127,245	148,157
	<u>127,245</u>	<u>148,157</u>

### Methodology

The report has been prepared in reference to the GHG Protocol Corporate Standard. An 'operational control' approach has been used to define the GHG emissions boundary. This approach captures emissions associated with the operation of all buildings and business travel, to the extent required under the reporting scope. It includes the business travel of staff in respect of the Retired Ministers' Housing Society, URC staff and central appointments, but

## TRUSTEES' REPORT CONTINUED

excludes travel by volunteers. It also excludes the building costs of synod offices, local church buildings, minister manses and homes provided for retired ministers.

Emissions have been calculated using the conversion factors published by the UK Government on 8 July 2024.

There are no material omission from the mandatory reporting scope.

### Energy efficiency initiatives

The Church has taken steps to improve the energy efficiency of its operations and reduce its carbon footprint. The actions taken include:

- Encouraging online committee meetings where possible
- Limiting international travel
- Using trains instead of flights for travel into Europe

Additionally, the Retired Ministers' Housing Society have embarked on a project to improve the energy efficient ratings of its properties.

### Resourcing the work of the United Reformed Church

All the above must be set in the context of the financial resources of the URC, which continue to be carefully managed in an uncertain economic climate. Detail of the latest year is given in the financial review below, broader trends also need to be considered. Among these are:

- Giving to central funds of the URC from our local churches and synods dropped by £100k in 2024.
- The investments of the URC continued to produce a steady income stream and the accounts show investment income of £2,332k (which included income from mixed motive investment property). There was modest growth in investment values and the accounts reflect an unrealised gain on our investments of £1,680k for the year, an increase of about 2.7%.
- The valuation of the Ministers' Pension Fund at 1 January 2024 reflected a surplus of £4.6m and the new Schedule of contributions signed in November 2024 noted that no further deficit contributions were required at this point. For FRS102 purposes, the fund showed a surplus of £29.3m at 31 December 2024. This surplus has not been recognised in the accounts as there is no unconditional right to that surplus. Work to achieve a buy-out of the pension scheme is progressing well with the aim to achieve this in the first half of 2026.
- The United Reformed Church Final Salary Scheme saw the liabilities decrease by £1.1 million while asset values decreased by £2.9 million. The scheme remained in surplus for FRS 102 purposes amounting to £1,688k.

### Managing the Assets

#### Investments & Investment Policy

The charitable company acts as corporate charity trustee of the central funds of the United Reformed Church. The powers of investment are given under the memorandum and articles of association of the charitable company. The Investment Committee of the Church, which reports to the charitable company, keeps under review the investment policy and monitors the performance of the fund managers. All investments are held in pooled funds that aim to comply with the ethical policies agreed by the Church through its General Assembly.

The Investment Committee continued to monitor the investments throughout 2024.

#### Properties

The charitable company is responsible for the management of the properties included in its balance sheet.

## Risk Management

The charitable company continues to monitor the risks with which the central administration of the Church is faced. The risks which are deemed as having the highest impact and likelihood are given particular attention.

There are areas of risk which are constant areas of attention: Those risks fall broadly into three areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters
- risks associated with societal changes, the general economic situation and consequent reduction in resource.
- risks associated with governance when the work of the General Assembly committees are so interconnected and interdependent.

Reputational matters are taken very seriously and the Church has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the communications department who will advise on its handling or, if the matter is particularly sensitive, will handle it directly. The General Secretary is made aware of all issues and will intervene personally if appropriate.

The Church continues to closely monitor the level of M&M giving and regularly discusses with the synods the outlook for this giving. The Church also monitors the number of stipendiary ministers and controls the number of new ministers coming into service through Certificates of Eligibility. There is also a review currently going on to reduce the costs of the General Assembly Office to help reduce deficits.

The safeguarding of children and adults at risk is seen as a key responsibility of the Church. *Good Practice 6* was launched in October 2023 and is now well embedded in the life of the Church. Local churches are required to report annually on safeguarding matters to their synod's safeguarding officer. A Safeguarding Advisor at the Offices of Assembly, together with the synods' own safeguarding officers, is available to offer advice and guidance to churches. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

Further details about safeguarding are to be found in the 'Safeguarding' section on page 8.

The Business Committee was given a new remit during 2023 and this enables an increased overview of the work of General Assembly committees. This changed remit alongside the work which is ongoing in relation to the Church Life Review play a significant role in managing the governance related risks.

There are specific areas of risk which are the focus of work for 2025 and these include:-

- Reducing the overall financial deficit which will involve numerous strands of work
- Developing a new approach to ministerial discipline

## Future Developments

The work on Governance will continue in 2025. This is relevant from a risk management perspective but is also necessary to improve coordination to bring efficiencies and to better release energy and resources for mission and evangelism. There is an expectation that we will have brought our legal services in house in 2025, and that this role will be supported by a Head of Governance Services. A key area of their work will be a new Ministerial Discipline Process. At Assembly Executive in February 2025 it was agreed that a working group would continue to engage with Ed Morgan KC as they prepare new rules and processes for a revised procedure. It is anticipated that the new process will be implemented in 2025.

## TRUSTEES' REPORT CONTINUED

We will continue to refine the structure of the General Assembly Committees. The principles of this were agreed at Assembly Executive in February 2025 and will come to General Assembly in July 2025 to be implemented thereafter. This will make the decision-making processes more efficient and will require a smaller volunteer base. It is anticipated this will also bring improvements in risk management. Alongside this work on the Committees of General Assembly, we will also explore the URC Trust becoming a Charitable Incorporated Organisation, with a view to that coming into effect in 2026.

With the planned changes to the General Assembly Committee structure and the changes the Church Life Review will bring, it is right that the staff structures and associated roles are reviewed. As well as this strategic need there is also a financial driver. The restructure was announced to the staff team at the end of February 2025 and it is anticipated that formal redundancy consultations will take place during May and June 2025. Any changes will therefore take effect before the end of 2025.

Following the risk management review in 2023 and 2024, training will be offered to all General Assembly committee convenors and secretaries to equip them in following the developed approach and to support the envisaged committee changes.

It was noted above that safeguarding is an area of continual development which is essential to our risk management. Such development will continue in 2025 with a denomination wide quality audit tool and an updated safeguarding training matrix. The current strategic safeguarding plan concludes in 2025 and a working group is looking at the development of a new plan.

As the URC continues to seek to be meaningfully intergenerational, work continues to support the discipleship of children and young adults. Plans for 2025 include Junction 25 ecumenical weekend for 18-25s, first Youth Assembly at a new venue, new residential for 11-14s, launch of Children's Ministry Essentials training, resources to support baptism and communion, resources to foster creative connections with 18-25s, further development of intergenerational focus, and taking proposals for a new formal ministry to General Assembly.

A significant focus of 2025 will be strategic and operational work that will help address the financial deficit. This work will be in the following areas:-

- General Assembly to set priorities which will shape activity and resource allocation. This will also assist the Trustees in fulfilling their duties.
- A review of staffing levels and structures
- Implementation of a budget management policy
- Examining the ministerial and lay education needs to enable us to address the funding levels provided to the RCLs.
- Service Level Agreements with RMHS and Westminster College.
- The Ministerial Pension Scheme which was closed to future accrual in February 2023, is anticipated to move to buy in with an insurer in 2025 and then to buy out in 2026.

### **Section 172 of the Companies Act**

In summary, as required by Section 172 of the 2006 Companies Act, the Directors must act in a way they consider, in good, faith, would be most likely to promote the success of the charitable company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

## TRUSTEES' REPORT CONTINUED

- the likely consequences of any decision in the long term
- the interests of the charitable company's employees
- the need to foster the charitable company's business relationships with suppliers, customers and others
- the impact of the charitable company's operations on the community and environment
- the desirability of the charitable company maintaining a reputation for high standards of business conduct and
- the need to act fairly as between members of the charitable company.

To achieve these aims, the Directors are kept informed of the long-term ambitions and needs of the Church as expressed by General Assembly and Assembly Executive and take this into consideration when making decisions. The Church has a Resources Committee and Remuneration Committee that attend to employee interests and pertinent matters from these are brought to the attention of the Directors. The Church has a policy of paying all suppliers in a timely manner with invoices and expense claims generally settled within a week of receipt. The Directors are guided by the Church's environmental policies and wherever possible, will ensure that their decisions are made within this framework. The Church's reputation is a high priority for the Directors and they seek to ensure that no decisions are made which would adversely affect this. They are kept up to date with guidance for charity trustees and training is provided in areas where this is deemed necessary. Furthermore, the Church's legal advisor attends the Directors' meetings and provides input into discussions where legal issues are involved.

### Financial Review

The financial statements show the consolidated income, expenditure, assets and liabilities of those trusts and other funds that the charitable company administers and holds as charity trustee for the benefit of the URC under the overall authority of the General Assembly. These represent the assets of the URC that the charitable company manages on its behalf and applies towards its charitable purposes. They include the United Reformed Church Retired Ministers' Housing Society Limited (RMHS).

The Resources Committee of the Church is responsible for the general financial oversight of funds administered for the benefit of the URC, its long-term financial planning, and the preparation and control of its budget under the authority of Assembly Executive, General Assembly and the charitable company. The Committee ensures that proper procedures are in place for the maintenance of accounting records, controlling and monitoring the budgetary process, and the preparation of financial statements in compliance with applicable United Kingdom law and accounting standards. To this end the Committee meets with the auditors at least once a year. The Committee may take such decisions with regard to the finances of the Church as are necessary within the policies set by the General Assembly.

### Reserves Policy

The Consolidated Balance Sheet on page 24 shows the disposition of the various charity funds totalling £133,394 as at 31 December 2024 (2023: £131,174). The term "reserves" describes that part of a charity's income funds that is freely available. Much of the funds are invested in property or restricted in use. The unrestricted fund net assets readily available are £16,347k (2023: £14,212k). The Resources Committee reviews the policy annually and have taken a risk-based approach to setting a reserves target. The Committee felt that the main risks facing the trust related to income from church and synod giving not reaching the budgeted level and, although none are known of at the moment, the possibility of a legal claim arising which would create a financial cost to the church. In addition, it was felt prudent to have reserves to cover at least 6 months expenditure.

The Committee also considered the guarantee to the ministers' pension fund (see notes 22 to 23) but felt that the risk of this now being called up was minimal. The restricted reserves held in the Pension Deficit Fund (see note 21) were considered sufficient to cover any liabilities that may arise in respect of the pension fund.

Based on the assessment above, the Committee felt that the Trust should aim to maintain its reserves of at least £12.5m.

## TRUSTEES' REPORT CONTINUED

The current level of reserves held is well above this target level. With the Church Life Review likely to make significant changes to how the church operates, there is likely to be a need to use some of the reserves to implement the changes, but as yet, it is difficult to estimate what form this would take and the level of funding needed.

### Grant making

Grants are made on the recommendation of the relevant committee. Each application is assessed on its individual merits.

### 2024 Financial Results

The results for 2024 are set out in more detail in the Consolidated Statement of Financial Activities on page 22. This shows that there was, overall, an increase in funds in the year of £2,220k. The following table shows the breakdown of the results for 2024 compared with those for the previous year.

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Ministry and Mission Fund contributions	16,216	16,316
Donations, grants and legacies	2,533	7,593
Income from charitable activities	1,022	816
Investment income	2,332	2,210
Other income	2,261	1,759
<b>Total income</b>	<b>24,364</b>	<b>28,694</b>
Expenditure:		
Charitable activities	24,654	26,641
Total expended	24,654	26,641
Net (expense)/income from operating activities	(290)	2,053
Gains on investment assets	1,638	4,910
Net income	1,348	6,963
Actuarial (loss)/gain on pension schemes	833	4
	2,181	6,967

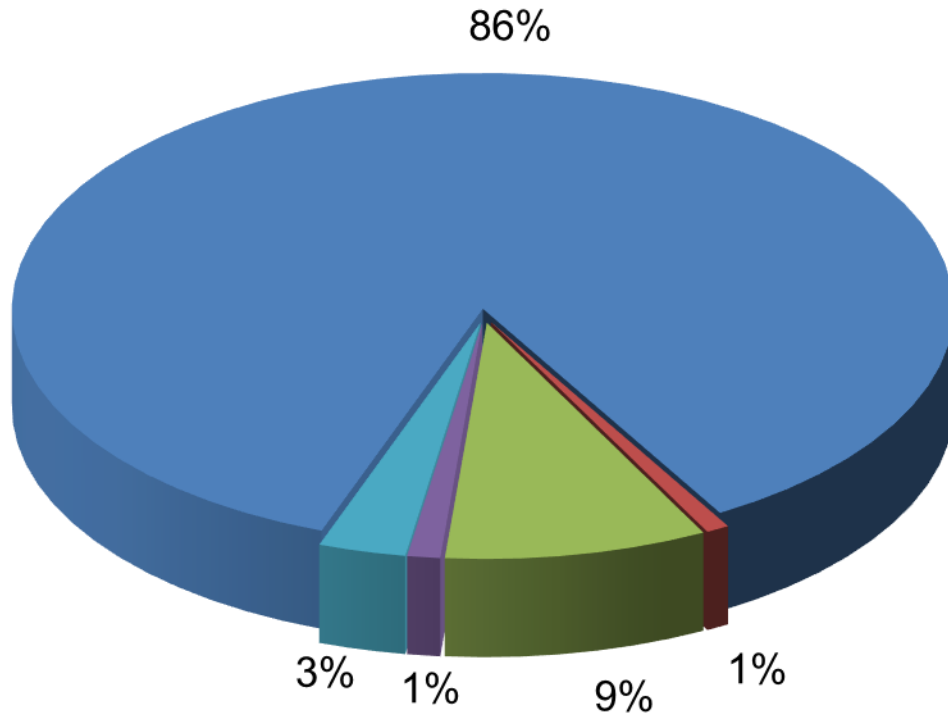
### Ministry and Mission Fund contributions

The pie chart on page 15 gives a visual picture of total unrestricted income, showing that 86% of our unrestricted income comes from Ministry and Mission Fund contributions, which totalled just over £16.2 million. We are extremely grateful for the faithful and regular giving that this represents, enabling the Church to support ministry and mission across our three nations, and sustain the major way in which all members of the Church fund, in partnership, all our work for the kingdom of God. The pie chart of total unrestricted expenditure on page 16 shows that 80% of our unrestricted expenditure, totalling £16.0 million is used to provide ministry and a further 9% (£1.8 million) is used to provide financial resources to train and equip people for ministry.

### Donations, grants and legacies

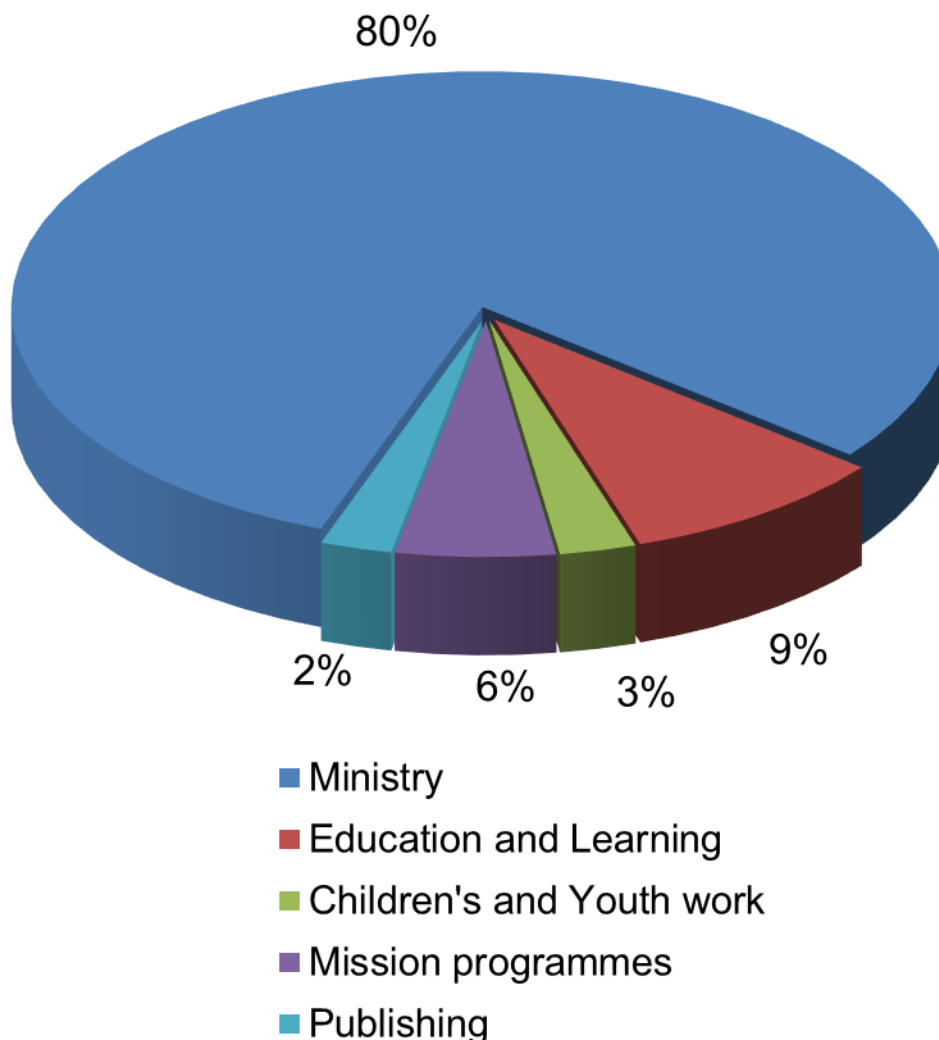
We are very grateful for regular grants from a number of trusts, detailed in note 2 to the financial statements, as well as for many other donations. Apart from general donations the Trust received donations totalling just over £1.4 million from the synods towards helping pay the deficit contribution to the Ministers' Pension Fund. Commitment for Life donations from churches and individuals decreased from £267k to £231k. Legacies bequeathed for general purposes are held in a separate designated Legacy Fund, available for projects not covered by regular budgets. As at 31 December 2024 the balance in this fund stood at £728k (2023: £672K). Grants paid from this fund totalled £82k in 2024 (2023: £101k) with a further £166k included in creditors having been committed for future payment.

## Unrestricted Income - £18.8m Year ended 31 December 2024



- Ministry and Mission Fund contributions
- Donations, grants and legacies
- Investment income
- Income from charitable activities
- Other income

## Unrestricted Expenditure - £19.9m Year ended 31 December 2024



### Investment income

In 2024 investment income showed an increase of 5.5%. The total was £2,332k in 2024 compared to £2,210k in 2023. Total investment income includes rental income on the mixed motive property.

### Income from charitable activities

This income includes rental from the retired ministers' housing properties, and from sales of publications and subscriptions to *Reform* magazine.

### Other income

Most of this income of £2,261k (2023: £1,759k) represents net gains from sales of housing properties when they fall vacant. £432k (2023: £258k) came from selling properties for ministers in central roles and £1,694k (2023: £1,456k) came from selling homes for retired ministers. The proceeds of the latter are used to acquire properties for retiring ministers or sometimes for rehousing them in later years. In 2024, 6 properties were bought and 19 were sold.

### Expenditure on Charitable activities

These costs are analysed in note 5 on page 30 and include a share of support costs.

## TRUSTEES' REPORT CONTINUED

Ministry: £19,996k. The maintenance of ministry is the most important charge on the Church's resources. This sum pays for the stipends, social security and pension costs of our stipendiary ministers and CRCWs (who averaged 302 in number over the year) and includes all costs of the Synod Moderators. The total also includes costs relating to safeguarding.

Education and Learning: £2,067k. The considerable commitment of resources to training ministers has continued. This sum includes our support for our RCLs, which reflects their wider role in providing learning opportunities for the whole Church, as well as direct support of those training for ministry. Other costs relate to ongoing lay development, including the Stepwise programme.

Mission Programmes: £1,479k. The Mission Committee and team continue to progress longer-term strategies, including the Commitment for Life programme and have continued to support the Joint Public Issues Team and various interdenominational and interfaith organisations.

Children's and Youth Work: £570k. Children & Youth Work continued to run Youth Assembly and a variety of programmes.

Publishing: £545k. The department continues to publish *Reform*, the denomination's magazine. They also run the on-line bookshop which offers a wide variety of book, merchandise and URC branded items. The denomination continued to help with their websites through iChurch.

### **Gains on investment assets**

The change in investment values from the beginning to end of the year, broken down by fund, is shown in the Summary of Fund Movements in note 19. Most of the funds are invested with CCLA and the investment committee continues to monitor their performance and press on ethical issues where needed. In monetary terms, investments increased by £1.6 million during the year with markets faring relatively well. There was a slight net upward revaluation of £40k on the investment property. Investment gains and losses over time are shown in the five year summary on page 50.

### **Actuarial gains on pension obligations**

The URC has obligations to two defined benefit pension schemes (see notes 22 to 24). Both funds were showing surplus positions for FRS102 purposes as at 31 December 2024. These surpluses have not been recognised in these accounts. Both pension schemes were closed to future accrual at the end of February 2023.

### **The United Reformed Church Ministers' Pension Fund (MPF)**

The Trust is required to take full account of any actuarial losses of the MPF. An increase in the discount factor resulted in the pension liabilities in 2024 decreasing by £21.5m while the fund's diversified investments decreased in value by just under £10m. The asset portfolio has been largely de-risked, and the fund now shows a surplus of £29.4m using the FRS102 basis of valuation, but because the Trust does not have an unconditional right to the surplus, this has not been recognised. The Church made the required deficit contributions to fund up to November 2024 when the new Schedule of Contributions from the triennial valuation of the fund at 1 January 2024 noted that deficit contributions are no longer needed at this stage.

The United Reformed Church Final Salary Scheme (FSS), which is mainly for lay staff, reported a decrease in the surplus of £1,842k. This was mainly due to a decrease in the scheme assets. The scheme remains in a net asset position in this scheme but because the Trust does not have an unconditional right to the surplus, this has not been recognised.

More details are given in notes 22 to 24 to the financial statements on pages 42 to 45.

## TRUSTEES' REPORT CONTINUED

### STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The directors of the charitable company are responsible for preparing the Trustees' Report and the financial statements.

Company law requires the charitable company to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the charitable company is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The charitable company is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and the funds it is responsible for and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the charitable company is aware:

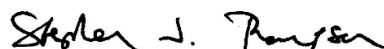
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the charitable company has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### CONCLUSION

The company by its directors has approved this Report. Those wanting more information or explanations about any aspect of the Church's finances are encouraged to address their enquiries to the Treasurer.

Signed on behalf of the directors of the charitable company



Dr Stephen Thompson

Deputy Chair

22 September 2025

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH TRUST LIMITED**

### **Opinion**

We have audited the financial statements of United Reformed Church Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Group and Parent Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 group's and the parent charitable company's affairs as at 31 December 2024 and of the group's 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 charitable company 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 trustees' 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 group's and parent charitable company'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 trustees 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 trustees are responsible for the other information contained in 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 there is 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.

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

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have 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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group and parent charitable company'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 trustees either intend to liquidate the group or parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### **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 which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

Andrew Stickland (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

30 September 2025

9 Appold Street  
London  
EC2A 2AP

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000	2024 Total funds £'000	2024 Trust Only £'000	2023 Total funds £'000
<b>Donations and legacies</b>								
Ministry and Mission Fund contributions	2(a)	16,216	0	0	0	16,216	16,216	16,316
Grants receivable	2(b)	142	0	0	0	142	142	155
Legacies		0	169	562	0	731	169	650
Commitment for Life donations		0	0	231	0	231	231	267
Other donations	2(c)	8	0	1,417	4	1,429	1,424	6,521
		150	169	2,210	4	2,533	1,966	7,593
<b>Charitable activities</b>								
Ministry	3	0	0	809	0	809	0	598
Education and Learning		2	0	0	0	2	2	2
Children's and Youth work		30	0	0	0	30	30	25
Mission programmes		0	0	0	0	0	0	1
Publishing		181	0	0	0	181	181	190
		213	0	809	0	1,022	213	816
<b>Other trading activities</b>								
Investment income	4	0	0	0	0	0	0	0
		1,699	34	599	0	2,332	2,332	2,210
<b>Other income</b>								
Gains on sale of properties		432	0	1,694	0	2,126	432	1,714
Other income		134	0	1	0	135	134	45
		566	0	1,695	0	2,261	566	1,759
<i>Total income and endowments</i>		18,844	203	5,313	4	24,364	21,293	28,694
<b>Expenditure on:</b>								
<b>Raising funds:</b>								
Trading expenditure		0	0	0	0	0	0	0
<b>Charitable activities</b>								
Ministry	5	15,990	273	3,733	0	19,996	18,059	21,675
Education and Learning		1,839	30	198	0	2,067	2,067	2,452
Children's and Youth work		523	6	41	0	570	570	556
Mission programmes		1,094	16	369	0	1,479	1,479	1,457
Publishing		491	8	46	0	545	544	501
Other expenditure		0	0	0	0	0	0	0
		19,937	333	4,387	0	24,657	22,719	26,641
<i>Total expended</i>		19,937	333	4,387	0	24,657	22,719	26,641
<b>Surplus from charitable and trading activities</b>		(1,093)	(130)	926	4	(293)	(1,426)	2,053
<b>Net gains/ (Loss)on investment assets</b>		437	36	331	834	1,638	1,638	4,910
<i>Net income</i>		(656)	(94)	1,257	838	1,345	212	6,963
<b>Transfers between funds</b>								
Actuarial gains/(losses) on pension schemes	22	1,605	(1,792)	187	0	0	0	0
		0	0	833	0	833	833	4
<i>Net movement in funds</i>		949	(1,886)	2,277	838	2,178	1,045	6,967
<b>Reconciliation of Funds</b>								
Total funds brought forward		27,336	4,115	67,139	32,584	131,174	90,957	124,207
<b>Total funds carried forward</b>		28,285	2,229	69,416	33,422	133,352	92,002	131,174

All amounts relate to continuing operations.

There is no material difference between the net incoming resources stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

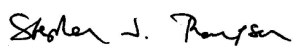
The Companies Act income and expenditure account has been included in note 32.

The notes on pages 24 to 46 form an integral part of these financial statements.

## CONSOLIDATED AND TRUST BALANCE SHEETS AS AT 31 DECEMBER 2024

		<i>Consolidated</i>	<i>Consolidated</i>	<i>Trust</i>	<i>Trust</i>
	Note	2024	2023	2024	2023
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	11	252	235	252	235
Tangible assets	11				
Houses for retired ministers		40,879	39,972	446	347
Houses for serving ministers		9,236	8,200	9,236	8,200
Other properties		1,949	2,603	1,949	2,603
Total properties		52,064	50,775	11,631	11,150
Cars and equipment		69	74	69	74
		52,385	51,084	11,952	11,459
<b>Investments and loans</b>					
Mixed motive investment property	12	2,105	2,105	2,105	2,105
Mixed use investment property	12a	800	728	800	728
Investments	13	61,626	59,432	61,626	59,432
Programme-related investments	14	244	244	244	244
Loans, excluding inter-fund loans	15	584	191	3,434	4,042
		65,359	62,700	68,209	66,551
<b>Current assets</b>					
Stock		-	-	-	-
Debtors	16	2,606	5,136	2,633	5,497
Bank balances and money on call		15,811	16,158	11,809	10,944
		18,417	21,294	14,442	16,441
<b>Current liabilities</b>	17	(1,280)	(1,542)	(1,072)	(1,132)
Net current assets		17,137	19,752	13,370	15,309
Total assets less current liabilities		134,881	133,536	93,531	93,319
Defined benefit pension scheme liability	22-24	(4)	(4)	(4)	(4)
Other pension obligations	23	(1,525)	(2,358)	(1,525)	(2,358)
<b>Net assets including pension liability</b>		<u>133,352</u>	<u>131,174</u>	<u>92,002</u>	<u>90,957</u>
<b>Unrestricted income funds</b>					
General reserves		20,215	19,703	20,215	19,703
Revaluation reserve - investments		6,380	5,698	6,380	5,698
Revaluation reserve - property		1,694	1,939	1,694	1,939
Designated funds		2,229	4,115	2,229	4,115
Total unrestricted income funds before pension reserve		30,518	31,455	30,518	31,455
Pension reserve		(4)	(4)	(4)	(4)
<b>Restricted income funds</b>		69,416	67,139	28,066	26,922
<b>Capital funds</b>		33,422	32,584	33,422	32,584
<b>TOTAL FUNDS</b>	19-20	<u>133,352</u>	<u>131,174</u>	<u>92,002</u>	<u>90,957</u>

Approved by the Trustees on 22 September 2025 and signed on their behalf by:



Dr Stephen Thompson  
Deputy Chair



Alan Yates  
Treasurer

United Reformed Church Trust is a company limited by guarantee, number 135934, and Registered Charity number 1133373.

The notes on pages 24 to 46 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>		
Net income/(expenditure) before other recognised gains and losses (see pg 21)	1,345	6,963
<b>Adjustments for:</b>		
Decrease/(increase) in debtors	2,530	(2,051)
Decrease/(increase) in creditors	(262)	(27)
Loss/(gain) on investment assets	(1,638)	(4,910)
Profit on sale of tangible fixed assets	(2,125)	(1,714)
Depreciation and impairment	80	88
Other investment income	(2,332)	(2,210)
Cash endowment received	(4)	(4)
Difference between pension contributions and actuarial cost	-	(4)
<b>Cash flows generated from operations</b>	<u>(3,751)</u>	<u>(10,832)</u>
<b>Cash flows from investing activities</b>		
Payments to acquire tangible fixed assets	(5,011)	(3,823)
Payments to acquire intangible fixed assets	(45)	(67)
Receipts from sales of tangible fixed assets	5,172	3,332
Receipts from sales of fixed asset investments	-	60
Loans and advances made to ministers	(20)	(26)
Loan made to Westminster College	(395)	-
Loans repaid by ministers	17	17
Loans repaid by churches	5	11
Investment income	2,332	2,210
	2,055	1,714
<b>Cash flows from financing</b>		
Addition to capital endowment	4	4
<b>Net increase (decrease) in Cash (note 28)</b>	<u>(347)</u>	<u>(2,151)</u>

The notes on pages 26 to 49 form an integral part of these financial statements.

## NOTE 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)) and the Companies Act 2006. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April, 2005 which has since been withdrawn.

United Reformed Church Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

A separate Cash Flow Statement has not been presented for United Reformed Church Trust itself because it has made use of the exemptions afforded by Section 408 of the Companies Act 2006.

The presentation currency is pounds sterling and unless otherwise stated, figures are rounded to the nearest thousand (£000).

### **Going concern**

The directors have considered possible events and conditions that might cast significant doubt on the ability of the Trust to continue as a going concern. The directors have made their assessment for a period of at least one year from the date of approval of these financial statements. In particular they have considered the Trust's forecasts and projections and have considered the longer term impact of the economic challenges and the diminishing giving to M&M on the viability of the Trust. In 2024, a request was made to synods to help top up the Ministry and Mission Fund contributions and maintain this at the 2023 level. The synods responded well to this request and M&M levels were just about maintained. The synods have indicated that they will be able to continue at this level for 2025. The 1 January 2024 valuation of the Ministers' Pension Fund reflected that contributions to the costs of the fund (amounting to £337k in 2024) are no longer required. Furthermore, in early 2025 the General Secretariat embarked on a major staff restructuring exercise which should result in significant savings. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below:

### **(i) Scope**

The consolidated financial statements show the combined income, expenditure, assets and liabilities of the charitable funds administered by the Trust for the purposes of the United Reformed Church under the overall authority of the General Assembly, and include the total financial operations of the United Reformed Church Retired Ministers' Housing Society Limited ("the society"). The society is a separate exempt charity registered under the Co-operative and Community Benefit Societies Act 2014. It is accounted for as a separate fund and branch of the Church in accordance with the SORP, and details are also given to reflect its legal status as a subsidiary charity.

### **(ii) Classification of funds**

Unrestricted income funds may be spent generally for furthering the religious and charitable work of the Church.

Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received. However, if the purpose is one that forms part of the Church's regular expenditure and the income of the funds are fully spent each year, the restriction has no practical effect and funds with such restrictions are treated as unrestricted.

Capital funds (i.e. endowments) include some permanent endowments that are required to be retained but the income from these funds can be spent for the benefit of the Church subject, in certain cases, to specific restrictions contained in the original endowment. Other capital funds (i.e. expendable endowments) may be converted to income at the discretion of the trustees.

The main funds included in these financial statements, and their classification, are shown in notes 18 to 21.

## NOTES TO THE FINANCIAL STATEMENTS

### (iii) Income

All incoming resources including voluntary income, income from activities for raising funds and investment income, is recognised in the SOFA when there is legal entitlement to the income, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### a. Donations and legacies

Donations and legacies are accounted for on a receivable basis. In accordance with this policy, legacies are included when advice has been received from the personal representative of an estate that payment will be made or property transferred and the amount can be measured reliably. Gifts in kind are included within income at the value to the charity at the date of the gift. The value of services provided by volunteers has not been included.

#### b. Grants receivable

Incoming grants are accounted for on a receivable basis. Incoming resources from grants, where there are service or performance deliverables required as conditions of the terms of the grant, are accounted for as the charity earns the right to payment through its performance, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably and it is not deferred.

#### c. Ministry and Mission Fund contributions, investment income and other income

Ministry and Mission Fund contributions, investment income, income from charitable activities and other incoming resources are accounted for on a receivable basis. Contributions to the fund, based on local church pledges, are agreed annually in advance with each synod; amounts received in excess of, or shortfalls from the agreed contributions, are accounted for in the year.

#### d. Gains and losses on investments

Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

### (iv) Expenditure

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Any irrecoverable VAT is included with the costs to which it relates. Directly attributable costs are allocated to the main charitable activities; details are shown in notes 5 to 8. The support costs, including governance costs, included in note 7 relate to the whole of the charity's activities and a proportion of these costs is allocated to expenditure headings on a basis that is consistent with the use of the resources. Outgoing grants are accounted for on a payable basis. Grants payable are included in the Statement of Financial Activities when approved and this has been communicated to the applicant. The value of such grants unpaid at the end of the year is accrued.

### (v) 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.

### (vi) Pensions

The Church operated a funded defined benefit pension scheme for ministers and Church Related Community Workers (CRCWs) receiving a stipend, known as The United Reformed Church Ministers' Pension Fund. The assets of the scheme are managed independently of the Church. Pension costs are assessed in accordance with the advice of an independent qualified actuary. This scheme was closed to future accrual on 28 March 2023.

The Church, together with most synod trusts, also used The United Reformed Church Final Salary Scheme, a multi-employer defined benefit scheme operated by TPT Retirement Solutions Trust, an independent pension provider to the not-for-profit sector. It provides trustee and asset management services, and pension costs are assessed in accordance with the advice of an independent qualified actuary. This scheme was also closed to future accrual on 28 February 2023.

For both schemes, under FRS102 paragraph 28 – 'Retirement benefits' – the amounts charged to expenditure are the current service costs, interest costs and expenses, which are included within charitable expenditure. Actuarial gains and losses are recognised immediately and disclosed in the Statement of Financial Activities.

## NOTES TO THE FINANCIAL STATEMENTS

The assets of the pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each year end. The resulting defined benefit asset or liability is presented separately after other net assets on the Balance Sheet except where the scheme is in surplus and there is no unconditional right to that surplus. In this situation the scheme surplus is recognised at nil value in accordance with FRS102.

### **(vii) Intangible and tangible fixed assets**

Intangible and tangible fixed assets having an initial cost of £1,000 or less are written off on acquisition. Assets having an initial cost greater than £1,000 are stated at cost when purchased and at valuation when received in specie. Property repairs are normally written off when incurred. Many properties used as houses for retired ministers are owned jointly with tenants or synods of the United Reformed Church. The value in the Balance Sheet of such properties is the cost (less any impairment charged) to the charity of the charity's share in the property.

Properties are maintained in a state of sound repair. The Finance Committee considers whether any impairment is necessary considering the lives of the properties and their residual value. Any material deficit between the anticipated recoverable amount of freehold property and its carrying value shown in the financial statements is recognised in the Statement of Financial Activities. Depreciation is no longer charged on these properties on grounds of materiality. The value of land is not depreciated.

Depreciation is charged as a percentage of cost as follows:

Improvements to property with limited life	5 % pa
Cars, computers and photocopiers	25 % pa
Intangible assets, other furniture and equipment	10 % pa

Further details are given in note 11.

### **(viii) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

### **(ix) Mixed motive investment properties**

Mixed motive investment property comprises the portion of United Reformed Church House that is let on a commercial basis to other charities. It is recognised at fair value and is not depreciated.

### **(x) Mixed-use investment properties**

Mixed use investment property comprises the portion of United Reformed Church House that is let on a commercial basis for residential purposes. It is recognised at fair value and is not depreciated.

### **(xi) Investments**

Listed securities are included at market value at the Balance Sheet date. Unlisted securities are stated at cost as there is no readily ascertainable market price.

### **(xii) Programme-related investments**

Programme-related investments comprise investments in entities whose aims are aligned to the charitable objectives of the trust and are shown at cost.

### **(xiii) Concessionary loans**

Loans to advance the Church's charitable purposes are held within fixed assets and are stated at original cost and subsequently adjusted for any repayments or impairment.

### **(xiv) Financial instruments**

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

### **(xv) Critical accounting judgements and estimation**

Significant areas of judgement in applying accounting policies are as follows:

- Provision is made for retirement obligations where advice is taken from independent actuaries
- Valuation of mixed motive and mixed use investments where use has been made of relevant market indices to update the formal valuations obtained in previous years
- Recoverability of concessionary loans based on management's assessment of recovery
- Impairment of houses held for serving and retired ministers

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 2 VOLUNTARY INCOME**

(a)

<b>Synods</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Northern	844	906
North Western	1,380	1,430
Mersey	857	855
Yorkshire	669	714
East Midlands	830	906
West Midlands	1,586	1,461
Eastern	1,918	1,819
South Western	998	1,115
Wessex	1,773	1,851
Thames North	1,991	1,929
Southern	2,369	2,339
Wales	466	473
Scotland	535	518
	<b>16,216</b>	<b>16,316</b>

**(b) Grants Receivable**

The Church receives income from a number of trusts. The significant ones are described below.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Congregational Memorial Hall Trust ("CMHT")	57	115
Council for World Mission	65	40
Other grants	20	-
	<b>142</b>	<b>155</b>

**Congregational Memorial Hall Trust**

The United Reformed Church has a 70% interest in distributions from this Trust. In 2010 the trust distributed a share of half of its assets by way of a donation totalling £3,658k of investments. Income from the investments has replaced most of the grant. In 2024, the CMHT embarked on a project to relocate its library, consequently there was less available for distribution by way of grants.

**Council for World Mission**

The grants noted above were received to cover the costs of 2 South Korean ministers working for the URC.

**(c) Donations**

	<b>2024</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Other donations received	1,429	6,521

Included above are £1,374k (2023: £6,108K) received from synods as a contribution towards the pension fund deficit (see note 21).

**NOTE 3 INCOME FROM CHARITABLE ACTIVITIES**

These comprise:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Retired Ministers' Housing rents	807	592
Publication and resource sales	120	100
Reform magazine - subscriptions and advertising	53	91
Other programmes - fees, grants and sales	42	33
	<b>1,022</b>	<b>816</b>

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 4 INVESTMENT INCOME**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Unitised funds	1,831	1,793
Interest on short-term investment and bank deposits	342	260
Rental income	159	157
	<b>2,332</b>	<b>2,210</b>

**NOTE 5 ANALYSIS OF EXPENDITURE**

The amount spent on charitable activities, including support costs, is summarised as follows:

<b>2024</b>	<b>Direct programme expenditure</b>	<b>Grant funding (note 6)</b>	<b>Support costs (note 7)</b>	<b>2024 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ministry	16,793	595	2,608	19,996
Education and Learning	1,309	395	363	2,067
Children's and Youth work	332	22	216	570
Mission programmes	656	512	311	1,479
Publishing	384	-	161	545
	<b>19,474</b>	<b>1,524</b>	<b>3,659</b>	<b>24,657</b>

<b>2023</b>	<b>Direct programme expenditure</b>	<b>Grant funding (note 6)</b>	<b>Support costs (note 7)</b>	<b>2023 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ministry	18,591	894	2,188	21,675
Education and Learning	1,145	452	855	2,452
Children's and Youth work	303	2	252	556
Mission programmes	642	336	479	1,457
Publishing	299	-	203	501
	<b>20,980</b>	<b>1,684</b>	<b>3,977</b>	<b>26,641</b>

**NOTE 6 ANALYSIS OF GRANTS**

<b>2024</b>	<b>Grants to individuals</b>	<b>Grants to institutions</b>	<b>2024 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Pension grants	277	-	277
Welfare and other ministry grants	287	19	306
Student maintenance and training	315	36	351
Local churches - mission and facilities	8	279	287
Chaplaincies	-	9	9
Ecumenical church bodies	-	14	14
Commitment for Life programme	3	233	236
Other programmes	2	42	44
	<b>892</b>	<b>632</b>	<b>1,524</b>

<b>2023</b>	<b>Grants to individuals</b>	<b>Grants to institutions</b>	<b>2023 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Pension grants	292	-	292
Welfare and other ministry grants	296	19	315
Student maintenance and training	378	28	406
Local churches - mission and facilities	15	328	343
Chaplaincies	-	9	9
Ecumenical church bodies	2	-	2
Commitment for Life programme	1	215	216

## NOTES TO THE FINANCIAL STATEMENTS

Other programmes	2	99	101
	986	698	1,684

Major grants to institutions in the year (included above) were:

<u>Organisation</u>	<u>Type</u>	<u>2024</u> <u>£'000</u>	<u>2023</u> <u>£'000</u>
Christian Aid	Commitment for Life	173	213
Global Justice Now	Commitment for Life	12	15

### NOTE 7 SUPPORT COSTS

Support costs comprise the premises costs of United Reformed Church House, and the staff and office costs in respect of: Central Secretariat (including Human Resources), Finance, Communications and Information Technology, and governance costs. These costs have been apportioned across the areas of charitable activity on the basis and in the amounts shown below.

	<u>Premises</u> <u>costs</u> <u>£'000</u>	<u>Computer</u> <u>costs</u> <u>£'000</u>	<u>Staff and</u> <u>office</u> <u>costs</u> <u>£'000</u>	<u>2024</u> <u>Total</u> <u>£'000</u>	<u>2023</u> <u>Total</u> <u>£'000</u>
Basis of apportionment	Area	Staff	Actual costs		
Ministry	80	82	2,446	2,608	2,188
Education and Learning	72	21	270	363	855
Children's and Youth work	88	72	56	216	252
Mission	96	72	143	311	479
Publishing	80	21	60	161	203
	416	268	2,975	3,659	3,977

### NOTE 8 GOVERNANCE COSTS

Governance costs are included in support costs and total £633k (2023: £423k). This figure includes the remuneration of the auditors, amounting to £51k (2023: £50k) of which £36k relates to the audit of the Trust which includes an over accrual of £1k and the balance of £15k relates to the audits of its subsidiary charity. Other services provided by the auditors amounts to £19k.

### NOTE 9 NOTIFIED LEGACIES

The Trust received notification of 1 (2023: nil) legacy (2023: nil) that has not been included in the financial statements because the conditions for recognition have not yet been met. The amount the notified legacy may be is dependant on the value of the shares in a particular company. The company is in the process of bidding for a government contract which, if successful will mean a legacy of around £500k. If the bid is unsuccessful, then the company will be worth very little and the legacy is likely to be an insignificant amount. It is not certain when the result of the bid will be known.

### NOTE 10 STIPEND AND SALARY COSTS

During the year the following stipend and salary costs were incurred:

## NOTES TO THE FINANCIAL STATEMENTS

		<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>
Ministers and CRCWs: 302 (2023: 314)	Gross stipends	9,144	9,159
	Social security costs	934	909
	Other pension costs	3,202	6,518
		13,280	16,586

All stipend costs above are included within the costs of Ministry

Lay staff: 68 (2023: 69)	Gross salaries	2,688	2,540
	Social security costs	256	238
	Other pension costs	399	394
	Redundancy costs	19	-
		3,362	3,172

Salary costs have been apportioned as follows:

Ministry	1,947	1,701
Education and Learning	245	300
Children's and Youth work	263	246
Mission programmes	403	451
Publishing	504	474
	3,362	3,172

The minister and staff numbers shown represent the average for the year. They include staff working at Church House in London.

During 2024, one (2023: two) employee received emoluments, excluding employer pension contributions greater than £60,000 but less than £69,999, two (2023: nil) employees greater than £70,000 but less than £79,999 and one (2023: nil) employee greater than £80,000 but less than £89,999.

Key management personnel are the General Secretary, the Deputy General Secretary Discipleship, the Deputy General Secretary Mission and the Chief Operating Officer ('COO'). The post of the COO is filled by a lay person while the other 3 posts are filled by ministers. The total of employee benefits paid to key management personnel in 2024 was £303k (2023: £294k).

In addition, a great amount of time, the value of which it is impossible to reflect in these financial statements, is donated by thousands of volunteers throughout the United Kingdom.

Individuals acting as a director for the company received no remuneration in respect of their services as director, other than the reimbursement of travel expenses to 6 individuals during the year ended 31 December 2024 totalling £1,841 (2023: 9 individuals totalling £1,824)

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 11**

**TANGIBLE & INTANGIBLE FIXED ASSETS**

(a) Consolidated:

	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible Fixed assets £'000	Computer Software £'000
<b>Cost</b>						
At 1 January, 2024	40,275	8,240	2,847	269	51,631	289
Additions	2,972	2,017	-	22	5,011	45
Reclassified as Investment Property	-	-	(673)	-	(673)	-
Disposals	(2,093)	(995)	-	(74)	(3,162)	-
At 31 December, 2024	41,154	9,262	2,174	217	52,807	334
<b>Accumulated depreciation and impairment</b>						
At 1 January, 2024	303	40	244	195	782	54
Charge for year	-	-	26	26	52	28
Reclassified as Mixed Motive	-	-	(45)	-	(45)	-
Disposals	(28)	(14)	-	(73)	(115)	-
At 31 December, 2024	275	26	225	148	674	82
<b>Net book value</b>						
At 31 December, 2024	40,879	9,236	1,949	69	52,133	252
At 31 December, 2023	39,972	8,200	2,603	74	50,849	235

Of the land and buildings included above, £4,198k (2023: £4,206k) are leasehold. At 31 December 2024, 250 (2023: 271) houses were owned for housing retired ministers and 16 (2023: 17) houses for serving ministers. Although the total market value of all properties is not practicable to quantify, it is considerably in excess of the carrying value shown above. Other properties include premises improvements at United Reformed Church House and the Yardley Hastings Centre. At the Yardley Hastings property, the local church continues to use part of the premises and the remainder is leased to a local charity under a long-term lease. The URCT's interest in the property, has been transferred to Investment property and revalued to market value.

**NOTES TO THE FINANCIAL STATEMENTS**

**(b) Trust:**

	<b>Houses for retired ministers £'000</b>	<b>Houses for serving ministers £'000</b>	<b>Other properties £'000</b>	<b>Cars and equipment £'000</b>	<b>Total Tangible fixed assets £'000</b>	<b>Computer software £'000</b>
<b>Cost</b>						
At 1 January 2024	369	8,240	2,847	269	11,725	289
Additions	99	2,017	-	22	2,138	45
Reclassified as Mixed Motive	-	-	(673)	-	(673)	-
Disposals	-	(995)	-	(74)	(1,069)	-
At 31 December 2024	468	9,262	2,174	217	12,121	334
<b>Accumulated depreciation and impairment</b>						
At 1 January 2024	22	40	244	195	501	54
Charge for year	-	-	26	26	52	28
Reclassified as Mixed Motive	-	-	(45)	-	(45)	-
Disposals	-	(14)	-	(73)	(87)	-
At 31 December 2024	22	26	225	148	421	82
<b>Net book value</b>						
At 31 December 2024	446	9,236	1,949	69	11,700	252
At 31 December 2023	347	8,200	2,603	74	11,224	235

**NOTE 12**

**MIXED MOTIVE INVESTMENT PROPERTY**

	<b>Consolidated</b>		<b>Trust</b>	
	<b>2024 £'000</b>	<b>2023 £'000</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
<b>Fixed asset investments</b>				
Carrying value at beginning of year	2,105	2,222	2,105	2,222
Net gains/(losses) on revaluation	-	(117)	-	(117)
Carrying value at end of year	2,105	2,105	2,105	2,105

Mixed motive investment property consists of the second floor of URC Church House which is rented out on a commercial let to another charity. The second floor of URC Church House was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed motive investment property at 31 December 2024 was calculated using rental yields.

**NOTE 12a MIXED-USE INVESTMENT PROPERTY**

	Consolidated		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	728	856	728	856
Net gains/(losses) on revaluation	72	(128)	72	(128)
Carrying value at end of year	800	728	800	728

Mixed use investment property consists of the third floor of URC Church House which is rented out on a commercial let for residential purposes. The property was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed use investment property at 31 December, 2024 was calculated using rental yields.

**NOTE 13 INVESTMENTS**

	Consolidated and Trust			
	Unitised funds £'000	Property £'000	Total 2024 £'000	Total 2023 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	59,432	-	59,432	54,336
Additions	220	-	220	-
Reclassified from fixed assets	-	628	628	-
Sales proceeds	(220)	-	(220)	(59)
Net gains/(losses) on revaluation	1,608	(42)	1,566	5,155
Carrying value at end of year	61,040	586	61,626	59,432

	Consolidated and Trust			
	Unitised funds £'000	Property £'000	Total 2024 £'000	Total 2023 £'000
Investments comprise units in UK based Common Investment Funds at market value, as follows:				
COIF Charities Ethical Investment Fund	60,019	-	60,019	58,407
COIF Charities Property Fund	1,021	-	1,021	1,025
Investment Property	-	586	586	-
	61,040	586	61,626	59,432
Investments at book cost	34,016	628	34,644	33,972

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Included within investments held in the COIF Charities Ethical Investment Fund is £5,427k held to meet the 'other pension obligation' as set out in note 23.

Investment properties comprises the portion of the buildings at Yardley Hastings URC which are rented out on a commercial let to another charity.

Financial assets measured at fair value are £61,626k.

## NOTE 14 PROGRAMME-RELATED INVESTMENTS

Programme-related investments are investments made in pursuit of the Trust's charitable purposes, the primary motivation for which is not financial but to further our objectives and programme. The principal programme-related investment is £200k as a Founder Member of Luther King House Educational Trust, which owns the property that houses our resource centre for learning at Northern College. Smaller investments are held in Oikocredit and the Churches' Mutual Credit Union. These smaller investments held as social investments and are held at cost and not revalued.

## NOTE 15 CONCESSIONARY LOANS

	Consolidated		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
External loans comprise:				
To ministers	49	46	49	46
To Churches	140	145	140	145
To Westminster College	395	-	395	-
Inter-fund concessionary loans	-	-	2,850	3,851
	584	191	3,434	4,042

Loans to ministers are generally interest free and repayable over 3 to 5 years. Movements on the loan balances were as follows:

	Consolidated		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Balance at 1 January	46	37	46	37
Repaid in the year	(17)	(17)	(17)	(17)
Advanced in the year	20	26	20	26
Balance at 31 December	49	46	49	46

Loans to churches comprises a long term loan to the Synod of Wales in respect of the Glamorgan Chaplaincy and loans from the Church Building Fund to local churches. The loan to the Glamorgan Chaplaincy is interest free and is repayable if the chaplaincy is wound up. The loans from the Church Building Fund are repayable over 8 years and interest is charged using the CCLA Charities Deposit Fund deposit rate.

The loan to Westminster College carries interest at the CCLA Charities Deposit Fund deposit rate. Under the terms of the loan, the URCT can waive the interest payable without prejudicing its right to charge interest in the future. The URCT agreed to waive the interest charge for 2024. Westminster College can repay the loan in whole or part at any time. The URCT can call up the loan after giving 1 year's notice.

Inter-fund concessionary loans represent the long-term indebtedness of the United Reformed Church Retired Ministers' Housing Society Limited to the Church. Loans have been made available for the purchase of properties, for as long as they are required, to enable the Society to fulfil its objectives.

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 16 DEBTORS**

	Consolidated		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Debtors comprise:				
Amounts owed by group undertakings	-	-	199	-
Other debtors	1,711	4,330	1,688	4,733
Prepayments and accrued income	895	806	746	764
	2,606	5,136	2,633	5,497
Financial assets measured at amortised cost*	2,152	4,312	2,328	4,189

**NOTE 17 CREDITORS: amounts falling due within one year**

	Consolidated		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current liabilities comprise:				
Sums held for synods and congregations	52	50	-	-
Other creditors including taxation and social security	1,117	1,229	971	921
Accruals	111	263	101	211
	1,280	1,542	1,072	1,132
Financial liabilities measured at amortised cost*	1,186	1,261	990	903

\* Amortised cost is the historical cost of an asset or liability, adjusted for how it's been used or changed over time.

**Movements in deferred income**

	Consolidated		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Balance at 1 January	-	33	-	33
Transferred to income	-	(33)	-	(33)
Balance at 31 December	-	-	-	-

**NOTE 18 UNRESTRICTED FUNDS**

The Ministry and Mission Fund is the general fund of the Church through which the bulk of income and expenditure, covered by the annual budget agreed by the Trustee and presented to Assembly Executive, is passed. Associated with it are two capital funds, Maintenance of the Ministry and Ministerial Training, the whole of whose income each year is transferred to the Ministry and Mission Fund, which is responsible for meeting ministry and training costs. These funds include £19m held as capital, most having been gifted by other trusts. These funds are invested and the income is used as intended. The capital is expendable by decision of the Trustee.

**NOTE 19 SUMMARY OF FUND MOVEMENTS**

**2024 Fund Movements**

	Funds at 1 Jan 2024 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 2024 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	27,336	18,316	(19,937)	2,133	437	-	28,285
Ministerial Training Fund	-	37	-	(37)	-	-	-
Ministerial Training Fund	-	491	-	(491)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>27,336</b>	<b>18,844</b>	<b>(19,937)</b>	<b>1,605</b>	<b>437</b>	<b>-</b>	<b>28,285</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	671	137	(83)	3	-	-	728
Discipleship Development Fund	971	61	(93)	(7)	32	-	964
Church Life Review Fund	683	5	(155)	-	4	-	537
Churches Energy Crisis Fund	1,790	-	(2)	(1,788)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>4,115</b>	<b>203</b>	<b>(333)</b>	<b>(1,792)</b>	<b>36</b>	<b>-</b>	<b>2,229</b>
<b>RESTRICTED FUNDS (note 21)</b>							
Church Buildings Fund	5,335	154	(145)	2	135	-	5,481
Retired Ministers' Housing Fund	5,478	9	(27)	-	-	-	5,460
Welfare Fund	24	8	-	-	-	-	32
Retired Ministers' Funds	2,076	159	(278)	13	124	833	2,927
Legacies of Slavery Commitment For Life Fund	-	-	-	250	-	-	250
Retired Ministers' Housing Fund	-	230	(184)	(46)	-	-	-
Pension Deficit Fund	8,389	1,374	(1,600)	-	-	-	8,163
Other Funds	5,623	308	(218)	(32)	72	-	5,753
<b>Total Trust Funds</b>	<b>26,925</b>	<b>2,242</b>	<b>(2,452)</b>	<b>187</b>	<b>331</b>	<b>833</b>	<b>28,066</b>
Retired Ministers' Housing Society	40,214	3,071	(1,935)	-	-	-	41,350
<b>Total Consolidated Funds</b>	<b>67,139</b>	<b>5,313</b>	<b>(4,387)</b>	<b>187</b>	<b>331</b>	<b>833</b>	<b>69,416</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	7,251	-	-	-	188	-	7,439
Ministerial Training Fund	2,010	-	-	-	49	-	2,059
Church Buildings Funds	16,560	-	-	-	437	-	16,997
Retired Ministers' Housing Funds	184	-	-	-	(10)	-	174
Welfare Funds	391	-	-	-	-	-	391
Retired Ministers' Funds	1,058	-	-	-	29	-	1,087
Other Funds	388	-	-	-	11	-	399
Other Funds	4,742	4	-	-	130	-	4,876
<b>Consolidated &amp; Trust</b>	<b>32,584</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>834</b>	<b>-</b>	<b>33,422</b>

Transfers between funds generally represents use of restricted funds to cover items of expenditure in the general funds that fall within the objects of the specific restricted fund.

## NOTES TO THE FINANCIAL STATEMENTS

### 2023 Fund Movements

	Funds at 1 Jan 2023 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 2023 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	27,839	18,088	(19,535)	(4)	944	4	27,336
Ministerial Training Fund	-	36	-	(36)	-	-	-
	-	478	-	(478)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>27,839</b>	<b>18,602</b>	<b>(19,535)</b>	<b>(518)</b>	<b>944</b>	<b>4</b>	<b>27,336</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	1,089	169	(102)	(485)	-	-	671
Discipleship Development Fund	934	30	(81)	(1)	89	-	971
Church Life Review Fund (previously the Annenberg Fund)	180	5	(1)	485	14	-	683
Churches Energy Crisis Fund	2,000	-	(210)	-	-	-	1,790
<b>Consolidated &amp; Trust</b>	<b>4,203</b>	<b>204</b>	<b>(394)</b>	<b>(1)</b>	<b>103</b>	<b>-</b>	<b>4,115</b>
<b>RESTRICTED FUNDS (note 21)</b>							
Church Buildings Fund	4,812	147	(65)	2	439	-	5,335
Retired Ministers' Housing Fund	5,489	9	(20)	-	-	-	5,478
Welfare Fund	16	8	-	-	-	-	24
Retired Ministers' Funds	1,794	157	(292)	12	405	-	2,076
Commitment For Life Fund	-	269	(215)	(54)	-	-	-
Pension Deficit Fund	6,481	6,108	(4,700)	500	-	-	8,389
Other Funds	5,103	261	(153)	59	353	-	5,623
<b>Total Trust Funds</b>	<b>23,695</b>	<b>6,959</b>	<b>(5,445)</b>	<b>519</b>	<b>1,197</b>	<b>-</b>	<b>26,925</b>
Retired Ministers' Housing Society	38,556	2,925	(1,267)	-	-	-	40,214
<b>Total Consolidated Funds</b>	<b>62,251</b>	<b>9,884</b>	<b>(6,712)</b>	<b>519</b>	<b>1,197</b>	<b>-</b>	<b>67,139</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	6,639	-	-	-	612	-	7,251
Ministerial Training Fund	1,870	-	-	-	140	-	2,010
Church Buildings Funds	15,199	-	-	-	1,361	-	16,560
Retired Ministers' Housing Funds	184	-	-	-	-	-	184
Welfare Funds	391	-	-	-	-	-	391
Retired Ministers' Funds	963	-	-	-	95	-	1,058
Other Funds	353	-	-	-	35	-	388
	4,315	4	-	-	423	-	4,742
<b>Consolidated &amp; Trust</b>	<b>29,914</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>2,666</b>	<b>-</b>	<b>32,584</b>

**Designated funds:** Income from unrestricted legacies is put into the Legacy Fund. Grants are made from the fund to churches and synods for mission focussed projects. The Discipleship Development Fund resulted from the sale of the Windermere Centre in 2017. It is used to give grants to help develop lay people for work in the church. The Churches Energy Crisis fund was set up late in 2022 in response to rising energy prices. The aim of the fund is to give financial support to churches struggling with these increases. In 2024 it was agreed at General Assembly to return these funds to general funds as the expected need did not arise.

**NOTE 20 ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUNDS**

**2024 Analysis**

**ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2024
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	252	-	-	-	252
Property	10,747	-	40,434	884	52,065
Cars and equipment	69	-	-	-	69
Investments	13,905	983	14,547	32,435	61,870
Mixed motive/use properties	2,905	-	-	-	2,905
External loans	443	-	141	-	584
Inter fund loans	199	-	(199)	-	-
Net current assets	13,346	(116)	3,906	-	17,136
Pension reserve	(4)	-	(1,525)	-	(1,529)
Inter fund balances	(13,577)	1,362	12,112	103	-
<b>Net assets</b>	<b>28,285</b>	<b>2,229</b>	<b>69,416</b>	<b>33,422</b>	<b>133,352</b>

**ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2024
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	252	-	-	-	252
Property	10,748	-	-	884	11,632
Cars and equipment	69	-	-	-	69
Investments	13,905	983	14,547	32,435	61,870
Mixed motive/use properties	2,905	-	-	-	2,905
External loans	443	-	2,991	-	3,434
Net current assets	13,544	(116)	(59)	-	13,369
Pension reserve	(4)	-	(1,525)	-	(1,529)
Inter fund balances	(13,577)	1,362	12,112	103	-
<b>Net assets</b>	<b>28,285</b>	<b>2,229</b>	<b>28,066</b>	<b>33,422</b>	<b>92,002</b>

**2023 ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2023
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	235	-	-	-	235
Property	9,737	-	40,107	931	50,775
Cars and equipment	74	-	-	-	74
Investments	13,540	1,147	13,388	31,601	59,676
Mixed motive/use properties	2,833	-	-	-	2,833
External loans	47	-	144	-	191
Inter fund loans	944	-	(944)	-	-
Net current assets	14,536	(163)	5,378	-	19,751
Pension reserve	(4)	-	(2,358)	-	(2,362)
Inter fund balances	(14,606)	3,131	11,424	52	1
<b>Net assets</b>	<b>27,336</b>	<b>4,115</b>	<b>67,139</b>	<b>32,584</b>	<b>131,174</b>

**2023 ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST**

## NOTES TO THE FINANCIAL STATEMENTS

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2023
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	235	-	-	-	235
Property	9,737	-	483	931	11,151
Cars and equipment	74	-	-	-	74
Investments	13,540	1,147	13,388	31,601	59,676
Investment properties	2,833	-	-	-	2,833
External loans	47	-	3,994	-	4,041
Net current assets	15,480	(163)	(9)	-	15,308
Pension reserve	(4)	-	(2,358)	-	(2,362)
Inter fund balances	(14,606)	3,131	11,424	52	1
<b>Net assets</b>	<b>27,336</b>	<b>4,115</b>	<b>26,922</b>	<b>32,584</b>	<b>90,957</b>

### NOTE 21 RESTRICTED FUNDS

#### (a) Church Buildings Fund

This fund may be used in the upkeep and repair of the buildings of the local churches of the United Reformed Church and the maintenance of the services therein; in the improvement and extension of the buildings of such churches; and in the provision and erection of buildings for use for the purposes of such churches or as residences for ministers of the United Reformed Church. Both grants and loans are available for these purposes; notes 6 and 15 give some details.

#### (b) Retired Ministers' Housing Funds and Retired Ministers' Housing Society

The whole of these funds is utilised by the RMHS Board in providing accommodation for ministers and ministers' widow/ers or civil partners in their retirement. Income in 2024 included £5k from donations and £457k from legacies. Most of the remaining income arises from the profit on the sale of houses, the proceeds of which were largely re-invested in further house purchases. The indebtedness of the Society to the other funds of the Church is included in the Trust Balance Sheet and notes 15 to 17 as inter-fund loans and balances; note 26 gives information on its future commitments.

#### (c) Welfare Fund

This fund can be used to relieve cases of need among ministers of the United Reformed Church, their spouses and other dependants. Regular uses have been to provide a grant on the death of a minister to the surviving spouse, to provide a grant at Christmas to widow/ers of United Reformed Church ministers, counselling costs and assistance with medical costs. Surplus income of certain other funds is transferred to this fund.

#### (d) Retired Ministers' Fund and Retired Ministers' Aid Fund

These funds are used to supplement the pensions paid to ministers and ministers' widow/ers, principally by upgrading the pensions of former ministers of the Congregational Church and the Churches of Christ and the widow/ers of such ministers to a level of the pension that would have been paid if the minister's service had been to the former Presbyterian Church, and also to pay certain ill-health early retirement pensions. The balances shown for these funds are after deducting the actuarially assessed cost of the Church's constructive obligation to continue making these payments, totalling £1,525k (note 23).

#### (e) Commitment for Life Fund

This programme involves substantial sums of money being collected through the Church and Society office and disbursed for Christian Aid programmes and other purposes. The balance held at the year end represents sums received, which had not yet been allocated.

#### (f) Pension Deficit Fund

During 2021 the synods pledged various amounts to help with the payment of deficit contributions to the Ministers' Pension Fund. A restricted fund was set up to collect these contributions and to pay them over to the Pension Fund when required by the agreed schedule of contributions. Any excess monies in the fund once the deficit has been paid off will be returned to the synods in the proportion in which they contributed.

#### (g) Other funds

There are some fifty other funds in the care of United Reformed Church Trust, covering many different activities relating to the Church centrally, and some to the wider parts of the United Reformed Church.

## NOTES TO THE FINANCIAL STATEMENTS

Most of their income is earned from investments, and expenditure is in accordance with their various specific purposes.

### NOTE 22 PENSION OBLIGATIONS

The United Reformed Church has obligations for two pension funds: United Reformed Church Ministers' Pension Fund (MPF), and the United Reformed Church Final Salary Scheme (FSS). Both schemes were closed to future accrual on 28 February 2023. The net assets are not recognised in the balance sheet. Details of each scheme are set out in notes 23 and 24 below.

### NOTE 23 THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Up until 28 February 2023, pensions for most ministers were provided by The United Reformed Church Ministers' Pension Fund. The Fund is a defined benefit pension scheme and the assets are invested and managed by an independent trustee. The scheme was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme (note 25) has been set up for ministers. The new pension fund is administered by Aon MasterTrust.

Triennial actuarial valuations of the pension scheme are performed by a qualified actuary. The actuarial valuation at 1 January, 2024 was formally agreed on 12 November, 2024. The fund's assets are now in surplus on a technical provision basis by £2,042k.

**a) Contributions:**

No contributions in relation to pensionable pay were made in 2024. Deficit funding contributions of £1.6m were made up to the date that the new Schedule of Contributions was signed.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	2024	2023
Discount rate at year end	5.50%	4.55%
Future stipend increases	2.90%	2.80%
Future pension increases (RPI up to 5%)	3.20%	3.15%
Future deferred pension revaluation (CPI)	3.00%	2.95%
Life expectancy of male pensioners (age 65)	22.1	23.7
Life expectancy at female pensioners (age 65)	23.2	25.3

**b) The amounts recognised in the Balance Sheet are as follows:**

	2024 Value at 31 Dec £'000	2023 Value at 31 Dec £'000
Present value of obligations	(110,238)	(134,060)
Fair value of plan assets	139,625	149,596
Adjustment to reflect asset limit	(29,387)	(15,536)
Pension asset/(liability)	-	-

**c) The charge to the Statement of Financial Activities for the year comprised:**

	2024 £'000	2023 £'000
<b>Charitable activities</b>		
Current service cost	-	381

## NOTES TO THE FINANCIAL STATEMENTS

Administrative expenses	828	427
Total operating charge	828	808

### Actuarial gains/(losses) on pension schemes)

Asset losses/(gains) arising during the year	9,253	(1,081)
Liability losses/(gains) arising during the year	(21,577)	4,277
	(12,324)	3,196
Change in effect of the asset ceiling	13,096	1,329
Other comprehensive loss	(772)	(4,525)
<b>Total loss/(gain) recognised in the Statements of Financial Activities</b>	<b>-</b>	<b>-</b>

#### d) Change in defined benefit obligation:

	2024	2023
	£'000	£'000
Opening defined benefit obligation	134,060	131,614
Service cost (incl. employee contributions)	-	537
Interest expense on DBO	5,916	6,127
Actuarial (gains)/losses on liabilities	(21,577)	4,277
Benefits paid	(8,161)	(8,495)
Closing defined benefit obligation	110,238	134,060

#### e) Change in fair value of plan assets:

	2024	2023
	£'000	£'000
Opening fair value of plan assets	149,596	145,108
Interest income on assets	6,671	6,840
Actuarial gains (losses)	(9,253)	1,081
Contributions by employer	1,600	5,333
Contributions by employees	-	156
Administrative expenses	(828)	(427)
Benefits paid	(8,161)	(8,495)
Closing fair value of plan assets	139,625	149,596

#### f) Future employer contributions:

Based on the results of the triennial valuation of the fund as at 1 January 2024, no further contributions to the fund are required at this stage.

#### g) Breakdown of plan assets:

The major categories of plan assets as a percentage of total plan assets are as follows:

	2024	2023
	Asset allocation	Asset allocation
	%	%
Equities	-	29
Property	13	12
Bonds	87	59

#### h) Five year comparison

The amounts for the current and previous four years are as follows:

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000

## NOTES TO THE FINANCIAL STATEMENTS

Defined benefit obligation	(110,238)	(134,060)	(131,614)	(194,278)	(194,227)
Plan assets	139,625	149,596	145,108	189,675	173,426
Unrecognised surplus/(Recognised deficit)	29,387	15,536	13,494	(4,603)	(20,801)

### Other pension obligations

SORP 2015 requires that constructive obligations, although not legally binding, be recognised on a charity's balance sheet. United Reformed Church Trust considers that it has a long-term constructive obligation in respect of:

a) the pension supplements it pays to former ministers of the Congregational Church and the Churches of Christ and the widow/ers of those ministers, in order to bring their pension to the level of the pension that would have been paid if the minister's service had been to the former Presbyterian Church. An independent actuarial assessment of the net present value of these future payments was obtained at as at 31 December 2024, using comparable assumptions as for FRS102 section 28 calculations; this reflected a decrease of £833k in the value of the obligation which has been reflected in the Statement of Financial Activities. The total obligation value (£1,525k) has been deducted from the total of restricted Fund included in the Balance Sheet. Included within restricted fund investments is £5,427k held to meet this obligation, and;

b) other pension grants, principally for ill-health early retirement until 2004.

## NOTE 24 THE UNITED REFORMED CHURCH FINAL SALARY SCHEME

Up until 28 February 2023, the United Reformed Church contributed to a staff pension scheme known as the "Final Salary" scheme; this too is a defined benefit scheme, which is administered by TPT Retirement Solutions. The United Reformed Church is the principal employer in the scheme, and eleven synods and Northern College are participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities – each employer paid a common contribution rate. The information below is provided by the principal employer in respect of the whole scheme as required by FRS102.

Triennial actuarial valuations of the whole Final Salary scheme are performed by a qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September, 2022, when the scheme had a surplus of £1,446k. For the purpose of these financial statements, the actuary has updated that valuation at 31 December, 2024 using assumptions that are consistent with the requirements of FRS102.

The scheme was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme has been set up for lay staff. The pension fund is administered by Aon MasterTrust.

### a) Contributions:

No contributions in relation to pensionable pay were made in 2024.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

## NOTES TO THE FINANCIAL STATEMENTS

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Discount rate at year end	5.54%	4.77%	4.98%
Inflation (RPI)	3.14%	3.04%	3.12%
Inflation (CPI)	2.79%	2.62%	2.81%
Earnings growth	3.00%	2.62%	2.62%
Future deferred pension revaluation (CPI)	2.5%	2.5%	2.50%
Life expectancy in years of males retiring in 2020 (age 65)	21.0	21.0	21.3
Life expectancy in years of females retiring in 2020 (age 65)	23.4	23.3	23.4
Life expectancy in years of males retiring in 2040 (age 65)	22.6	22.6	22.6
Life expectancy in years of females retiring in 2040 (age 65)	24.8	24.8	24.6

**b) The amounts recognised at 31 December in the Balance Sheet are as follows:**

	<b>2024 £'000</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Present value of obligations	(23,509)	(24,588)	(23,300)
Fair value of plan assets	25,197	28,118	27,792
Adjustment to reflect asset limit	(1,688)	(3,530)	(4,492)
Pension asset/(liability)	-	-	-

**c) The charge to the Statement of Financial Activities for the year comprised:**

	<b>2024 £'000</b>	<b>2023 £'000</b>
<b>Charitable activities</b>		
Current service cost	-	88
Administrative expenses	151	150
Net interest (credit)/cost:	-	-
Total operating charge	151	238

**Actuarial gains/(losses) on pension schemes**

Asset gains/(losses) arising during the year	(3,082)	(56)
Liability gains/(losses) arising during the year	3,123	(1,124)
Effect of asset limit	(41)	1,180
	-	-

**d) Change in defined benefit obligation:**

	<b>2024 £'000</b>	<b>2023 £'000</b>
Opening defined benefit obligation	24,588	23,300
Current service cost (inc. contributions by plan participants)	-	94
Interest expense on DBO	1,147	1,134
Actuarial losses/(gains) on liabilities	(1,114)	1,226
Benefits paid and death in service premiums	(1,112)	(1,166)
Closing defined benefit obligation	23,509	24,588

**e) Change in fair value of plan assets:**

	<b>2024 £'000</b>	<b>2023 £'000</b>
Opening fair value of plan assets	28,118	27,792
Interest income on assets	1,314	1,360
Expenses	(151)	(150)
Actuarial gains (losses)	(3,082)	(56)
Contributions by employers	110	332
Contributions by plan participants	-	6

## NOTES TO THE FINANCIAL STATEMENTS

Benefits paid	(1,112)	(1,166)
Closing fair value of plan assets	25,197	28,118

**f) Future employer contributions:**

As the scheme has closed to future accrual, there are no further contributions expected to be made by the employer.

**g) Breakdown of plan assets:**

The major categories of plan assets are as follows:

	2023 £'000	2023 £'000	2022 £'000
Equity-Type assets	11,359	12,422	10,723
Fixed Interest Bonds	3,350	292	2,536
LDI	7,876	12,181	11,833
Property	-	1,910	2,162
Cash and Liquid Alternatives	2,612	1,313	538
Total assets	25,197	28,118	27,792

Certain members of the Final Salary scheme have also made additional voluntary contributions to the 'Growth Plan', a multi-employer funded pension plan operated by TPT Retirement Solutions. Certain past contributions to this plan entitle the members to either a defined pension or a guaranteed capital sum to be converted into an annuity at retirement. During the year, the Church triggered the Growth Plan debt. As a result a payment of £49k was made to the scheme. This covered approximately 90% of the debt. A liability of £4k is still held on the balance sheet in respect of the balance due once the final sums have been calculated. Once the final balance has been paid, there will be no further debt to this scheme.

### **NOTE 25                      DEFINED CONTRIBUTION PENSION SCHEME**

During the year ended 31 December 2024, the Church contributed £2,003k (2023: £1,836k) to a defined contribution pension scheme for ministers and lay staff. Of this £1,604k (2023: £1,336k) related to ministers and £399k (2023: £500k) related to lay staff.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 26 COMMITMENTS

At 31 December, 2024 the Retired Ministers' Housing Society had entered into 0 uncompleted contracts to purchase properties (2023: 1 for £410k). There were no properties for which approval for purchase had been given (2023: 2), but for which no contract had been signed by 31 December 2024. The Society was aware of 2 ministers who were looking for properties at the year end.

The Church is committed, through the United Reformed Church Retired Ministers' Housing Society Limited and other earmarked funds, to providing housing for retired ministers. Owing to the many unknown variables which would be involved in calculating the value of this long-term liability, no provision is included in the Balance Sheet.

These variables include the number of ministers requiring assistance from the Society and the level of contributions able to be made by individual ministers towards the cost of their homes. During 2024 £2,873k was spent on acquiring housing for retired ministers, £1,042k on repairing and maintaining existing properties and profits of £1,694k were earned from the sale of homes no longer required. Exercises have been undertaken periodically by the Society's management committee to collect information to assist more accurate long-term planning; these have confirmed a continuing need for assistance in the short to medium term. Future cash flow is kept under continuous review, and recent years have seen the Society become cash flow positive. This trend is expected to continue for the medium to long term.

The Trust entered into a legal Guarantee on 21 July, 2010, under which it guarantees future contributions by the Church to the United Reformed Church Ministers' Pension Fund, as set out in the Schedule of Contributions in force from time to time up to an aggregate maximum amount of £24 million, using assets available for this purpose.

### NOTE 27 CONTINGENT LIABILITIES

We have been notified by the trustee of the United Reformed Church Final Salary Pension Scheme that they performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The trustee has determined that it is prudent to follow best practice and seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved until 2026 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but as the Court direction is pending, it is not possible to calculate the impact of this issue with any accuracy at this time. Therefore, no adjustment has been made in these financial statements in respect of this issue.

### NOTE 28 CASH FLOW INFORMATION

#### Reconciliation of net cash flow to movement in net cash funds

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
(Decrease)/Increase in cash in the period	(347)	(2,151)
Net cash funds at 1 January	16,158	18,309
Net cash funds at 31 December	<u>15,811</u>	<u>16,158</u>

Net cash funds are represented by bank balances and money on call, as shown on the Consolidated Balance Sheet. Of the total, £11,809k is shown on the Trust Balance Sheet.

### NOTE 29 RELATED PARTY TRANSACTIONS

During the year the United Reformed Church Trust recharged salary and staff costs amounting to £547k (2023: £305k) to the United Reformed Church Retired Ministers' Housing Society Limited.

### NOTE 30 LEASE COMMITMENTS

## NOTES TO THE FINANCIAL STATEMENTS

At 31 December, 2024 the trust had future minimum Lease payments under non-cancellable operating leases as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Due within 1 year	12	12
Due in more than 1 year but less than 5 years	29	30
Due in more than 5 years	-	6
<b>Total</b>	<b>41</b>	<b>48</b>

### NOTE 31 LEASES RECEIVABLE

At 31 December, 2024 the principal future minimum lease payments receivable under non-cancellable leases are as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Due within 1 year	95	95
Due in more than 1 year but less than 5 years	166	261
<b>Total</b>	<b>261</b>	<b>356</b>

### NOTE 32 SUBSIDIARY UNDERTAKINGS

The United Reformed Church Retired Ministers' Housing Society Limited ('RMHS') is an exempt charity registered under the Co-operative and Community Benefit Societies Act 2014, number 15986R. Under the rules of the Society, which were revised by agreement of the RMHS Board in 2019, the United Reformed Church Trust has the power to appoint a majority of the directors. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

Their financial results were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Income	3,070	2,925
Expenditure	(1,937)	(1,267)
Net income	1,133	1,658
Total net assets	41,350	40,217

### NOTE 33 CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Gross income from continuing operations	22,238	26,980
Net gains on disposal of fixed assets	2,126	1,714
Total income	24,364	28,694
Total expenditure	(24,657)	(26,641)
Net (expenditure)/income for year	(293)	2,053

### NOTE 34 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER, 2023

## NOTES TO THE FINANCIAL STATEMENTS

					2023	2023	2022	
	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000	Total funds £'000	Trust Only £'000	Total funds £'000
<b>Donations and legacies</b>								
Ministry and Mission Fund contributions	2(a)	16,316	0	0	0	16,316	16,316	16,685
Grants receivable	2(b)	155	0	0	0	155	155	175
Legacies		0	170	480	0	650	171	568
Commitment for Life donations		0	0	267	0	267	267	259
Other donations	2(c)	10	0	6,507	4	6,521	6,122	4,493
		165	170	7,254	4	7,593	6,715	5,495
<b>Charitable activities</b>								
Ministry	3	6	0	592	0	598	6	483
Education and Learning		2	0	0	0	2	2	2
Children's and Youth work		25	0	0	0	25	25	15
Mission programmes		1	0	0	0	1	2	8
Publishing		190	0	0	0	190	190	197
		224	0	592	0	816	225	705
<b>Investment income</b>	4	1,594	34	582	0	2,210	2,210	2,006
<b>Other income</b>								
Gains on sale of properties		258	0	1,456	0	1,714	258	4,384
Other income		45	0	0	0	45	45	77
		303	0	1,456	0	1,759	303	4,461
<i>Total income and endowments</i>		18,602	204	9,884	4	28,694	25,769	29,352
<b>Expenditure on:</b>								
<b>Charitable activities</b>								
Ministry	5	15,816	323	5,536	0	21,675	20,407	23,595
Education and Learning		1,906	40	506	0	2,452	2,452	2,879
Children's and Youth work		453	7	96	0	556	556	534
Mission programmes		960	17	480	0	1,457	1,457	1,717
Publishing		400	7	94	0	501	501	565
Other expenditure		0	0	0	0	0	0	0
		19,535	394	6,712	0	26,641	25,373	29,290
<i>Total expended</i>		19,535	394	6,712	0	26,641	25,373	29,290
<b>Surplus from charitable and trading activities</b>		(933)	(190)	3,172	4	2,053	396	62
<b>Net gains/ (Loss) on investment assets</b>		944	103	1,197	2,666	4,910	4,910	(8,041)
<i>Net income</i>		11	(87)	4,369	2,670	6,963	5,306	(7,979)
<b>Transfers between funds</b>		(518)	(1)	519	0	0	0	0
<b>Actuarial gains/(losses) on pension schemes</b>	22	4	0	0	0	4	4	3,368
<i>Net movement in funds</i>		(503)	(88)	4,888	2,670	6,967	5,310	(4,611)
<b>Reconciliation of Funds</b>								
Total funds brought forward		27,839	4,203	62,251	29,914	124,207	85,647	128,818
<b>Total funds carried forward</b>		27,336	4,115	67,139	32,584	131,174	90,957	124,207

## NOTES TO THE FINANCIAL STATEMENTS

### FIVE YEAR SUMMARY (unaudited)

	2020 (Restated) £'000	2021 (Restated) £'000	2022 £'000	2023 £'000	2024 £'000
<b>INCOME AND EXPENDITURE ACCOUNTS</b>					
<b>Income</b>					
Ministry and Mission Fund contributions	17,908	17,204	16,685	16,316	16,216
Investment income	1,899	1,896	2,006	2,194	2,332
Income from charitable activities	610	744	705	816	1,022
Grants receivable	279	162	175	155	142
Legacies	339	80	568	650	731
Donations	345	9,509	4,752	6,788	1,660
Other income	397	3,105	4,461	1,759	2,261
	21,777	32,700	29,352	28,678	24,364
<b>Expenditure</b>					
Ministry	17,220	18,665	23,595	21,668	19,996
Education & Learning	1,840	1,890	2,879	2,451	2,067
Children's and Youth work	353	337	534	556	570
Mission programmes	1,282	1,353	1,717	1,456	1,479
Support activities (incl. publishing)	411	426	565	501	545
Trading activities	20	13	-	-	-
	21,126	22,684	29,290	26,632	24,657
<b>Net income</b>	<b>651</b>	<b>10,016</b>	<b>62</b>	<b>2,046</b>	<b>(293)</b>
<b>Investment gains</b>	<b>3,490</b>	<b>7,683</b>	<b>(8,041)</b>	<b>4,910</b>	<b>1,638</b>
Actuarial gains/(losses)	(10,174)	17,669	3,368	-	833
<b>Net increase/(decrease) in funds</b>	<b>(6,033)</b>	<b>35,368</b>	<b>(4,611)</b>	<b>6,956</b>	<b>2,178</b>
<b>CASH FLOW STATEMENTS</b>					
<b>Cash required for investment in</b>					
Houses for retired ministers	948	(3,151)	(4,055)	(31)	(805)
Other properties	499	2,339	(2,196)	473	611
Cars and equipment	91	90	116	116	78
Loans to churches and ministers	13	47	(10)	(2)	393
	1,551	(675)	(6,145)	556	277
<b>Source of cash</b>					
Net incoming/(outgoing) resources for the year (see above)	331	10,009	3,438	2,053	(308)
Adjustment for items not resulting in a cash movement, for returns on investments, and for capital receipts	(21)	(2,578)	(6,730)	(3,712)	234
	310	7,431	(3,292)	(1,659)	(74)
Net increase in capital	4	5	4	4	4
Net decrease/(increase) in investments	0	(93)	0	60	0
Decrease/(increase) in bank balances	1,237	(8,018)	(2,857)	2,151	347
	1,551	(675)	(6,145)	556	277

## NOTES TO THE FINANCIAL STATEMENTS

### FIVE YEAR SUMMARY continued

	2020 (Restated) £'000	2021 (Restated) £'000	2022 £'000	2023 £'000	2024 £'000
<b>BALANCE SHEETS (Consolidated)</b>					
<b>Fixed assets</b>					
Tangible assets					
Houses for retired ministers	39,979	39,334	38,278	39,972	40,879
Houses for serving ministers	5,517	8,622	7,736	8,200	9,236
Other properties	8,297	8,193	2,620	2,603	1,949
Cars, equipment and intangibles	434	393	265	317	321
	54,227	56,542	48,899	51,092	52,385
Investment Properties	3,078	3,427	3,078	2,833	2,905
Long term investments (incl.programme-related)	56,525	64,196	54,578	59,676	61,870
Loans to churches and ministers	155	202	192	191	584
	113,985	124,367	106,747	113,792	117,744
<b>Net current assets/(liabilities)</b>					
Current assets					
Debtors	3,338	4,819	3,085	5,120	2,606
Bank balances and money on call	8,245	16,263	18,309	16,158	15,810
	11,583	21,082	21,394	21,278	18,416
less : current liabilities	1,298	1,844	1,569	1,540	1,280
	10,285	19,238	19,825	19,738	17,136
<b>Net assets excluding pension liability</b>	124,270	143,605	126,572	133,530	134,880
Defined benefit pension scheme liability	(20,872)	(4,618)	(8)	(8)	(4)
Other pension obligations	(2,358)	(2,358)	(2,358)	(2,358)	(1,525)
<b>Net assets including pension liability</b>	101,040	136,629	124,206	131,164	133,351
Unrestricted income funds	9,824	28,776	27,838	27,326	28,285
Designated funds	1,664	1,722	4,203	4,115	2,229
Restricted income funds	58,312	70,840	62,251	67,139	69,416
Capital funds	31,240	35,291	29,914	32,584	33,422
<b>Total funds</b>	101,040	136,629	124,206	131,164	133,352

### NON-FINANCIAL STATISTICS

(from URC Year Book)

	2020	2021	2022	2023	2024
Members	43,208	40,024	36,986	41,786	40,938
Stipendiary ministers	364	334	316	301	280
Non-stipendiary ministers	62	56	60	60	57
Church Related Community Workers	15	14	16	15	14
Churches	1,331	1,284	1,242	1,198	1,172
Retired ministers	857	844	843	835	824
Ministry and Mission contribution per member	£414	£430	£451	£390	£396

**UNITED REFORMED CHURCH TRUST**

England & Wales - Charity number 1133373

---

# Accounts

---



*The*  
**United  
Reformed  
Church**

**TRUSTEES'  
REPORT  
AND FINANCIAL  
STATEMENTS  
2023**

(A company limited by guarantee, number 135934,  
Registered Charity No. 1133373)

**UNITED REFORMED CHURCH TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2023**

**CONTENTS**

	Page
Trustees' Report .....	1
Reference and administrative information .....	1
Structure, governance and management .....	3
Objectives and activities.....	4
Strategic Report .....	5
Statement of Trustees' responsibilities .....	16
Independent Auditors' Report .....	17
Consolidated and Trust Statement of Financial Activities .....	21
Consolidated and Trust Balance Sheets.....	22
Consolidated Statement of Cash Flows.....	23
Notes to the financial statements.....	24-47
Five year summary .....	48

# UNITED REFORMED CHURCH TRUST

(A company limited by guarantee, number 135934, Registered Charity number 1133373)

## TRUSTEES' REPORT

(Incorporating the Report of the Directors)

The United Reformed Church Trust ("the charitable company") is the corporate charity trustee of the funds of the General Assembly of the United Reformed Church ("URC") and is responsible for reporting its financial activities. The directors, who are also trustees of the charitable company, submit their report and the audited consolidated financial statements for the year ended 31 December, 2023, which incorporate the funds of the General Assembly of the United Reformed Church.

## REFERENCE AND ADMINISTRATIVE INFORMATION

**Corporate Trustee Registered Office:** 86 Tavistock Place, London WC1H 9RT

### Directors

The directors who served during the year and to the date of this report, unless otherwise indicated, were as follows:

Name	Ex officio	Appt/Resigned
Alan Yates	Honorary Treasurer of the URC	Appointed 12th September 2023
Dr Stephen Thompson		
Mr Clifford Patten		
Mr David Greatorex		
Mr David Lathbury		
Mr Ian Hardie		Resigned 31st August 2023
Mrs Jane Baird	Deputy General Secretary, Administration & Resources	Resigned 31st August 2023
Ms Catriona Wheeler (Chair)		
Revd John Macaulay		
Revd Julian Macro		
The Revd Dr John Bradbury	General Secretary	
The Revd Dr Michael Hopkins	Clerk of the General Assembly	
The Revd James Breslin		
The Revd Nick Mark	Designated Safeguarding Trustee	
Mrs Victoria James	Chief Operating Officer	Appointed 12th September 2023

**Secretary:** Ms Sandi Hallam-Jones

Most of the directors are appointed as members of the charitable company by the General Assembly of the URC and then as directors by the company under the provisions of its Articles of Association, to serve for up to four years (with a possibility of renewal for one further period of four years), having been nominated through the representative processes of the Church. There are six directors who serve ex officio, their appointment or election to their positions also having followed nomination. The directors receive no remuneration but may be reimbursed their expenses of attending meetings.

Most newly appointed directors are already familiar with many aspects of their role through serving on Assembly committees or synod bodies, but they are provided with relevant documentation and encouraged to sign up to receiving regular information from sources such as the Charity Commission. Training is provided via general external courses and events where possible, and training is given in conjunction with quarterly meetings in specific areas of governance as needs arise, to assist in the performance of their duties.

## TRUSTEES' REPORT CONTINUED

### Trustees of subsidiary charities at the date of this report:

#### **United Reformed Church Retired Ministers' Housing Society Limited**

(Exempt charity, registered under Co-operative and Community Benefit Societies Act 2014, number 15986R)

Chair: The Revd Nigel Appleton

Secretary: Ms Chuka Agbasiere

The Board (appointed for a renewable term of three years): The Revd Dr John Bradbury, The Revd Sian Collins, The Revd Nicola Furley-Smith, Mr David Greatorex, The Revd Carla Grosch-Miller, The Revd Michael Jagessar, Mrs Victoria James, Mr Malcolm Lindo, Mr Clifford Patten, Mr Peter West, The Revd Paul Whittle, Mr Alan Yates.

#### **Others with charity governance responsibilities**

General Assembly Moderator: The Revd Tessa Henry-Robinson

Immediate Past Moderators – The Revd Fiona Bennett

Business Committee Convenor – The Revd Mark Robinson

Deputy General Secretary, Discipleship – The Revd Adrian Bulley

Deputy General Secretary, Mission – The Revd Philip Brooks

The key management personnel of the charity are the members of the General Secretariat: the General Secretary, two Deputy General Secretaries and the Chief Operating Officer.

#### **Assembly Executive**

The ex officio members of the charitable company, the Chair of trustees, the Deputy Treasurer, Vaughan Griffiths, and the others listed immediately above are members of Assembly Executive by virtue of the offices that they hold. Other members are the other convenors of the General Assembly Standing committees, URC Youth representatives, Synod Moderators and three representatives from each synod. These are listed below, as of December 2022. Convenors: Mrs Sarah Lane Cawte, The Revd Naison Hove, The Revd Roger Jones, Mrs Helen Lidgett, The Revd Mark Robinson, The Revd Paul Robinson, The Revd Dr Robert Pope, The Revd Dr Peter Stevenson; The Revd Mary Thomas, Mr Alan Yates.

URC Youth representatives: Ms Jo Harris (Moderator), Miss Philipa Osei (Moderator elect), Miss Laura Everard.

Synod Moderators and representatives:

- 1 Northern: The Revd David Herbert, Mrs Melanie Campbell, The Revd Joan Grindrod-Helmn, Maureen Shepherd
- 2 North Western: Mr Tim Hopley, The Revd Martyn Coe, The Revd Jonnie Hill, The Revd Alison Termie
- 3 Mersey: The Revd Geoffrey Felton, Mrs Rita Griffiths, Mr Paul Franklin, The Revd Dr Nick Jones
- 4 Yorkshire: The Revd Jamie Kissack, Mr Daniel Raddings, Mr Tim Crossley, The Revd Fran Kissack
- 5 East Midlands: The Revd Geoffrey Clarke, Mr David Greatorex, The Revd Camilla Veitch, The Revd Martin Ferris
- 6 West Midlands: The Revd Steve Faber, Mr Steve Powell, The Revd Elaine Hutchinson, Mrs Rachel Wakeman
- 7 Eastern: The Revd Lythan Nevard, The Revd David Coaker, Mr Richard Lewney, The Revd Anne Sardeson
- 8 South Western: The Revd Ruth Whitehead, Ms Rachel Leach, The Revd Dr Hazel Starrit, Ms Ann Marie Trubic
- 9 Wessex: The Revd Graham Hoslett, Ms Karen Bell, The Revd Timothy Clarke, Mr Clive Snashall
- 10 Thames North: The Revd George Watt, The Revd Sally Thomas, Ms Ola Lawal, Ms Nneoma Chima
- 11 Southern: The Revd Bridget Banks, Miss Pam Tolhurst, The Revd Kim Plumpton, The Revd Russell Furley-Smith
- 12 Wales: The Revd Simon Walkling, Mrs Adella Pritchard, Ms Martha McInnes, The Revd Martin Spain
- 13 Scotland: The Revd Paul Whittle, Miss Myra Rose, Dr Ewen Harley, The Revd Janet Adamson

## **United Reformed Church Finance Committee**

Convenor: Mr Alan Yates

Chief Finance Officer: Mr John Samson

The Revd Simon Copley, Mr Vaughan Griffiths (Deputy Treasurer), Mrs Denise Harman, Mrs Jane Humphreys, Mrs Victoria James, Ms Joana Marfoh, Mr William Potter, The Revd Wilbert Sayimani, Mr Gordon Wanless, Mrs Catriona Wheeler

### **Legal Advisers**

Slater Heelis Solicitors  
Lloyds Bank Buildings  
16 School Road, Sale  
Chester M33 7XP

Anthony Collins Solicitors  
134 Edmund Street  
Birmingham  
B3 2ES

### **Actuaries**

Aon Hewitt Limited  
Carnegie House  
Peterborough Road  
Harrow  
Middlesex HA1 2AJ

### **Independent Auditors**

Moore Kingston Smith LLP  
Chartered Accountants and Statutory Auditors  
9 Appold Street  
London EC1M 7AD

### **Bankers**

HSBC Bank plc  
City of London Corporate Banking Centre  
60 Queen Victoria Street  
London EC4N 4TR

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **The company**

The General Assembly of the URC in 2006 appointed the United Reformed Church Trust, the charitable company, as the corporate trustee of its funds. Following consultation with the Charity Commission in December 2009 the charitable company adopted new memorandum and articles and was registered as a Charity. The memorandum and articles were revised further in 2013.

### **Church Governance**

The governing body of the URC is the General Assembly. The authority under which the General Assembly acts was given by the resolutions passed at the Uniting Assemblies of 1972, 1981 and 2000; and the United Reformed Church Acts 1972, 1981 and 2000 enabled those resolutions to be given legal effect in relation to the finance and property of the Church. These Acts of Parliament together with the Basis, Structure and Rules of Procedure for the time being of the URC (as contained in sections A - C of the Manual of the URC) contain the foundation documents of the Church, known as the Scheme of Union. Each General Assembly appoints members to Assembly Executive, although those appointed to represent synods are nominated by the synods concerned. The names of members of Assembly Executive are listed above. The purpose of Assembly Executive is to enable the Church, in its General Assembly, to take a more comprehensive view of the activity and policy of the Church, to decide more carefully about priorities and to encourage the outreach of the Church to the community.

### **Charitable Assets**

The charitable assets of the URC, are held by the charitable company as charity trustee. It manages those assets and applies them as directed by General Assembly for the work of the URC, and ensures they are expended in a compliant fashion.

### **Employees**

There is a commitment by the URC to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, gender reassignment, sexual orientation, religious beliefs, colour, ethnic or national origin, age, marital status or disability.

## TRUSTEES' REPORT CONTINUED

The Trustees are updated on all employment policies as least annually, but more frequently if the circumstances require it.

Employees are provided with information on matters of concern to them, and the Church consults them regularly, so that their views can be considered when making decisions likely to affect their interests. Employee involvement is encouraged, for example by a staff association and periodic staff meetings for employed team members. These help create a common awareness of the charity's priorities and of the financial and economic factors affecting it.

### **Remuneration**

Remuneration of key management personnel is set in the same way as that of other equivalent staff and is overseen by the Remuneration Committee. All ministers, whether in Assembly appointed roles or in pastorate ministry, are paid the same basic stipend

#### *New Posts:*

The pay of lay staff is assessed when a post is created, by the Human Resources Advisory Group having regard to comparable posts in the charity sector and among Church bodies in particular; it is then reviewed and confirmed by the Remuneration Committee. Any reassessment of a post's remuneration is by the same process.

#### *Annual Cost of Living Rises:*

The stipend level is reviewed annually by a sub-committee of Ministries Committee having regard to a formula, based on inflation. A recommendation is then made to the finance committee. Similarly, the Remuneration Committee considers any annual increase for lay salaries, taking account of the recommendations regarding stipends, external data and benchmarking against other faith organisations.

The work of these two groups in terms of remuneration of lay staff and ministers is reviewed by Finance committee each year and confirmed by the Church.

## **OBJECTIVES AND ACTIVITIES**

The charitable objects of the Charitable company are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church.

- **Public benefit**

Having regard to the guidance published by the Charity Commission, the Charitable company provides public benefit by carrying out its objectives and by advancing the charitable purposes of the funds that it holds as charity trustee. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. In addition, the Church at General Assembly level acts as an umbrella resource body for the 13 National and Provincial Synods and approximately 1,240 local churches, whose charitable assets are held by separate charities and/or charitable trust companies.

- **Worship and partnership**

The URC is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the three nations of England, Scotland and Wales. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have over three hundred shared congregations. It also takes new forms through the 'Fresh Expressions' initiative offering Christian worship, teaching, fellowship and service in non-traditional venues and styles. We have a number of 'pioneer ministers', developing pastoral and worshipping communities outside the usual frameworks of church tradition and habit.

- **Walking the Way**

During 2017 the URC launched *Walking the Way, Living the Life of Jesus Today*, an emphasis on personal and corporate discipleship. It offers a framework within which much of the denomination's planning takes place and includes Stepwise, a lay development

## TRUSTEES' REPORT CONTINUED

programme, as well as the advocacy of resources such as Holy Habits which are all intended to assist growth in discipleship practices. Alongside this, preaching of the Gospel, pastoral care for, and building up of, communities by ministers, lay preachers and Church Related Community Workers (CRCWs) will continue to operate. The denomination's 10 priorities for mission, as well as the Local Mission and Ministry Review process, through which the synods challenge and support their churches, are key vehicles for increasing the effectiveness of local witness and service. The Commitment for Life programme continues to encourage churches to pray and campaign for the eradication of global poverty. While the initiative continued, the Walking the Way Steering Group has been disbanded.

### Subsidiary charity

The **United Reformed Church Retired Ministers' Housing Society Limited's** (RMHS) objects are for the benefit of the community to advance the Christian religion in accordance with the principles, usages and the Scheme of Union of the URC, in particular by providing for retired ministers and widow/ers or civil partners of ministers of the United Reformed Church who are in need for various reasons, housing and associated amenities, or assistance to enable them to provide this for themselves. Memorandum of Understanding and Service Level agreements are being finalised in order to clarify the relationship and interdependencies as well as services provided by the URCT and the Church to the RMHS and vice versa.

## STRATEGIC REPORT

### Achievements and Performance

The charitable funds of the United Reformed Church are used to fund the work carried out through councils and committees of the United Reformed Church, and a detailed review of their work is incorporated in the *Book of Reports* to the Church's General Assembly, which met in hybrid form from 30<sup>th</sup> June to 3<sup>rd</sup> July 2023. The *Book of Reports* to the July 2023 General Assembly will cover the second half of the year 2022. We report below on that work and on the specific activities of the URC, whose work is supported by the charitable assets of the United Reformed Church held and applied by the charity trustee.

Post Covid lockdown, many churches have settled into providing online/or in-person worship. The many committees of the denomination have conducted their business through a mixture of online platforms and in-person meetings. Most of the committees are looking to a hybrid of online in-person meetings going forward as this not only saves time and money but is also a more climate friendly way of meeting.

The Assembly Executive met online on 28 November 2023.

The positive response by General Assembly to the Church Life Review work has been a key achievement for 2023 as it sets a course (which will be outlined in more detail in the future work) for significant change in terms of governance and the Church's approach to committee decision making. All of which underpin the work of the Charity. Key aspects relate to a more refined governance structures proportionate to the size of the organisation, improved compliance with adopting safer recruitment principles to all our volunteer roles across the Church and Charity as well as ways of supporting the church at local level to flourish.

Many churches are still recovering financially post Covid and this continues to impact the local churches' ability to make regular payments into the Ministry and Mission ("M&M") Nevertheless, we have seen a positive response following the communications about the budget for 2024. The trustees are extremely grateful for the efforts of all involved for the generosity and commitment to M&M which enables the activities of the Church to continue.

Pensions:

The URC has obligations to two defined benefit pension schemes (see notes 22 to 24). Both funds are showing surplus positions for FRS 102 purposes as at 31 December 2022. These surpluses have not been recognised in these accounts. Both pension schemes were closed to future accrual at the end of February 2023.

## **Committee work**

### **Children's and Youth Work**

For 2023 our theme was Love Is, and worship resources for all ages were sent to all URC churches. Linked Holiday Club resources were produced and grants offered to churches running holiday clubs. We assisted with the service to mark the 50th anniversary of the URC. Staffing remained stable over the year. The third URC Youth Intern was recruited and started in August. We support URC Youth Executive and ran URC Youth Assembly, with the second Youth Leaders' Gathering alongside this. We ran the Youth Venue at Greenbelt Festival for the second year, recruiting a team of volunteers and offering a diverse programme. We trialed a new Young Leaders training programme. We joined a Tri-nation youth event.

In partnership with Commitment for Life we published a resource for 5-14 year olds about Zimbabwe (Go with Greta). We offered training to children's and youth workers using Youthscape Essentials, Youth Mental Health First Aid, Makaton, Widget, a series of monthly Talking About sessions and some wider resilience for churches sessions in partnership with Education and Learning. We promoted the Lundie Award and received a fresh selection of nominations for children and young people playing their part in the mission of God; and a number of churches completed the Children and Youth Friendly Church scheme. We launched Faith Adventures for Children Together, a free weekly resource for children's work, and plan to extend this for young people aged 11-14 in 2024.

In partnership with Bible Society we ran workshops for grandparents. In partnership with the Quakers, we launched a conversation starter bank of resources to help churches consider Where Are the Young People? In partnership with Australian colleagues we created Regenerational, a resource to help churches become more intergenerational. We created a family Advent resource (3,500 packs) to support local churches in mission. General Assembly passed three resolutions recognising children's, youth and family work as ministry and we are working on proposals to establish this for General Assembly 2024.

### **Communications**

The work of the URC Communications Team continues to be wide-ranging and busy. The team currently provides press releases and statements for media enquiries; media training for church leaders; editing and designing Reform magazine; managing the subscriptions for Reform magazine, writing and curating content for the URC website; writing and delivering News Update, the URC's biggest email, distributed to more than 15,000 people each month; content for multiple social media channels; design and production for hundreds of leaflets, books and resources; running the URC bookshop, delivering tens of thousands of items in 2023; graphical, editorial and technical support at national and regional events, including Synods and General Assembly; managing the URC's presence at the Christian Resources Exhibitions; video content; content for the URC Daily Devotions and related worship resources; the iChurch website service for local churches; editing and copywriting; helping to maintain the URC archive; assisting the URC History Society and other groups within the URC, such as GEAR and Free to Believe; delivering creative solutions to anyone in the URC who needs them. In addition to this business-as-usual work, the team helped to deliver the rail-strike delayed anniversary service and Open Church House event events for the URC's 50th anniversary; the 2023 Community Awards with Congregational; the annual Prayer Handbook, Full to the Brim, the second under with Editors Sue McCoan and Stephen Ansa-Addo; kits for Advent to engage with families connected to our churches and much more.

### **Education and Learning**

Education and Learning (E and L) in the URC is overseen by the Team in Church House, the Resource Centres for Learning (RCLs) and the Synods through the Training and Development Officers+ Network (TDO+ Network). In 2023 we have all worked hard to foster relationships as new people have come into post and also to work out what we can do together, more effectively. The meetings and conversations have led to exciting possibilities including the revising of the Education for Ministry 2 programme for new Ministers which will be implemented,

## TRUSTEES' REPORT CONTINUED

from September 2024, by the RCLs and TDO Network with support from the Children and Youth Development Officers+ Team. This increased cooperation will have a positive impact on the Education and Learning that is open to both lay and ordained people of all ages within the URC. Opportunities are offered online, in person at an RCL or at a Synod event which will be more locally accessed. It is this diversity of opportunity which encourages more people to focus on their discipleship development, through what is offered.

In 2023, alongside Children and Youth under the URC Training umbrella, we offered online sessions focusing on Resilience; these were well attended and much appreciated sessions and more are planned for 2024. Online learning, offered through the URC Learning Hub, including the URC Discipleship Development Programme Stepwise and other resources are available to help people develop their faith or to support them in specific roles. Two new Stepwise streams are being developed and we continue to encourage people to access this learning that is non-accredited and non-assessed and so open to all. Stepwise streams, with added resources, are also used by some Synods as means to support training to become a Locally Recognised Worship Leader. Lifelong learning for all is the main focus of our work and we seek to continue to both offer and develop new ways of learning. One resource that was developed on the Hub in 2023 is the Conversation Starters. Currently we have two such resources: 'Vocation and Call' and 'Where are the Young People'; both are freely accessible on the URC Learning Hub and the one about the young people was developed with the Quakers.

As we develop learning opportunities we are aware that this may need funding, and finance has been a focus of our work as we endeavour to support learning whilst appreciating the need for good stewardship. We continue to offer lay Discipleship Development Grants and this year the Committee also agreed to support anyone becoming an Assembly Accredited Lay Pioneer with a £300 per annum grant to support their continued learning; currently any Assembly Accredited Lay Preachers can access this grant and, with the URC focus on pioneering and new ways of being church, it was felt that supporting those in such lay posts would be beneficial. As reported last year, the conversations with the RCLs around funding and financial support have continued. The good relationships that have been fostered have meant that open discussions and closer collaboration have happened. This work is ongoing.

This work is also affected by the news that the E and L Team reduces further as the Revd David Salisbury (currently Stepwise and Digital Learning Programme Manager) was nominated to the role of Moderator of the Synod of Wales and moved on in January 2024. This move gives E and L the opportunity to consider where learning emanates from and how closer working relationships with both the RCLs and TDO+ Network can be further enhanced.

Finally, in a bid to share more widely all that we are doing, E and L produced our own bi-monthly Newsletter and this has been a great success. Anyone can register to receive it and it shares news and opportunities across and beyond the URC. This ensures that people can know more about E and L in the URC and understand more about our work and our intention to support those in local churches and communities in all their learning.

### **Equalities**

The remit of the Equalities committee is 'to remind the United Reformed Church that equality is enshrined in its theology, life and work and to challenge the practice of the URC where appropriate.' Much of the work of the committee is in the promotion and encouragement of inclusion, equality and diversity within the denomination. This is achieved through established links with the other Assembly committees as well as by being alert to the work undertaken on Assembly's behalf by bodies such as the Joint Public Issues Team (JPIT) and by members of staff but particularly the work around racial justice and intercultural ministry. In 2023 the committee has worked with Global and Intercultural Ministries in the development of Anti-racist Training for the whole church. We've also done work, which is ongoing, in discovering ways to support members of the Trans community within the church. The committee is able to remind other committees of their responsibilities regarding equality and diversity and seeks to identify new methods and encourage the use of technologies that will enable participation by all.

## TRUSTEES' REPORT CONTINUED

Following General Assembly in 2023, we will be looking to develop our approach to Equality Diversity and Inclusion which will link to the work of the Equalities Committee but also seek to ensure we are more coordinated in our approach across the denomination.

### Ministries

The committee is concerned with the specific recognised ministries which provide leadership for the Church, including Church Related Community Work, Eldership, Lay preaching including Assembly Accredited Lay Preachers and Locally Recognised Worship Leaders, Lay Pioneering and the Ministry of Word and Sacraments, but also recognises that each of these has a duty to enable discipleship in others. Recognising the challenges of our demography, we continue to work with our Synods developing strategies that use our ministers most effectively in providing leadership in local churches. In 2024 Ministries will bring a new lay ministry of Elders in Local Leadership to General Assembly. Ministries continues to look at other forms of ministry that can be funded by the M&M fund.

### Mission

The Mission Department continued to assist the URC's long-term focus on whole-of-life discipleship. A major feature of 2023 was the postponed celebration service at Westminster Central Hall for the URC's 50<sup>th</sup> Anniversary.

Once again there was a large presence at the Greenbelt faith festival at Boughton House, near Kettering. The URC was responsible for the youth provision at the festival and provided an affordable café venue, with music and talks to explain the ethos of the denomination. The theme of 'Revolted Christians' reflected our advocacy work and was a nod to our history of dissent. An online service was held from Greenbelt in conjunction with the newly formed online congregation of yoURChurch.

The United Reformed Church responds to issues of public policy and social justice through its shared involvement with the ecumenical Joint Public Issues Team (JPIT). In 2023 the team focused on the cost of living crisis and its continuing advocacy for a fairer and more compassionate asylum system.

The Mission Department continued its work relating to the denomination's commitment to achieve net zero by 2030.

Following on from the 2022 official recognition of our historic involvement in the transatlantic slave trade in the form of a formal apology, the denomination committed itself to introducing anti-racist training.

Mission staff continued to support the work of synod mission enablers and pioneer ministers. The new training course, called the Newbegin Pioneering Hub completed its first year of operation. This is a programme to equip lay people in our churches for the work of fresh expressions and pioneering.

Global and Intercultural Ministries continued to focus on racial justice – within the URC, ecumenically, and in wider society. Its Legacies of Slavery work facilitated the move to formal apology already noted. Global work mainly focused on the Partners in Mission Programme, supporting individuals from overseas serving in the URC, and being sent by the URC to serve in partner contexts.

Commitment for Life is the URC's global justice programme. We partner with Christian Aid and Global Justice Now. We enable local congregations to deepen their prayer, insight and advocacy for global justice. In 2023 the programme continued to focus on three partner regions: Zimbabwe, Bangladesh, and Israel and the occupied Palestinian territory.

The URC's ecumenical work was strengthened by a resolution to increase the number of ministers available to local ecumenical partnerships. Our General Secretary currently serves as President of the Communion of Protestant Churches in Europe. Once again there were several events linking the URC with partner churches in the Pfalz region of Germany. The URC continues to be committed to interfaith work. The General Assembly Moderator attended an educational visit organised by the Council of Christians and Jews to Auschwitz.

### Safeguarding

2023 saw a far more settled year for the staffing of the Central Safeguarding Team with Emma Pearce moving from the Ministries team to work fulltime for the Safeguarding team as the Assistant Administrator, but bringing with her ministries work related to Ministers DBS checks.

## TRUSTEES' REPORT CONTINUED

Behind schedule, due to the change in personnel within the team over the last two years, Good Practice 5 was reviewed and relaunched as Good Practice 6 - Safeguarding for Everyone. It was launched officially at a Safeguarding Symposium in October 2023 which was attended by almost 300 people. The cost of the proof reading, printing and postage were more than budgeted for both due to the delay in the review, general costs rising and sending all churches a paper copy, going forward it has been decided that GP6 is the last version to be printed and sent out to churches.

The much-awaited Case Management system was introduced in September 2023 and feedback from those that are using both in Synods and within the central team is positive and it will most definitely make for a much more robust, professional and consistent recording system across the denomination.

### **CO2 Emissions**

The church continually looks for ways of reducing its carbon footprint and actively recycles wherever possible. It also encourages individual churches to be as 'green' as possible and promotes the Eco-Church award scheme.

A carbon emissions figure has been calculated for the central functions of the church based on electricity usage at Church House along with car and air miles travelled by officers and staff. In 2023 it was calculated that the central church's carbon emissions amounted to approximately 82.66 tonnes (2022: 74.79 tonnes). Average emission rates have been used in calculating this figure. The total includes use of 148,157 kWh (2022: 157,657 kWh) of energy used which has been converted to CO2 emission using an average rate. This works out at approximately 1.33 tonnes (2022: 1.07 tonnes) per employee. The increases in the figures reflects more travel being done in a post-Covid environment.

### **Resourcing the work of the United Reformed Church**

All the above must be set in the context of the financial resources of the United Reformed Church, which continue to be carefully managed in an uncertain economic climate. Detail of the latest year is given in the financial review below, broader trends also need to be considered. Among these are:

- Giving to central funds of the United Reformed Church from our local churches dropped by £369k in 2023.
- The investments of the United Reformed Church continued to produce a steady income stream and the accounts show investment income of £2,210k (which includes income from mixed motive investment property). Investment values recovered somewhat in 2023 after 2022's drop showing a gain on investments of £4,910k.
- The liabilities of the Ministers' Pension Fund rose by just over £2.4m from 2022, largely as a result of a slightly reduced discount rate. This was offset by a growth in the assets of the fund which grew by £4.5m. The fund continues to reflect a surplus for FRS 102 purposes which amounted to £15.5m at the end of 2023. The next formal triennial valuation of the fund is due in 2024.
- The United Reformed Church Final Salary Scheme saw the liabilities increasing by £1.3 million while asset values increased by just £326k. The scheme remained in surplus for FRS 102 purposes amounting to £3,530k. This surplus has not been recognised in the accounts as there is no unconditional right to that surplus.

### **Managing the Assets**

#### **Investments & Investment Policy**

The charitable company acts as corporate charity trustee of the central funds of the United Reformed Church. The powers of investment are given under the memorandum and articles of association of the charitable company. The Investment Committee of the Church, which reports to the charitable company, keeps under review the investment policy and monitors the performance of the fund managers. All investments are held in pooled funds that aim to comply with the ethical policies agreed by the Church through its General Assembly.

The Investment Committee continued to monitor the investments throughout 2023.

## TRUSTEES' REPORT CONTINUED

### Properties

The charitable company is responsible for the management of the properties included in its balance sheet.

### Risk Management

The charitable company continues to monitor the risks with which the central administration of the Church is faced. During 2023 the risk register process was updated for all the main committees of the church. This process concentrated on identifying risks as opposed to issues and also helped committees focus on what mitigation procedures were in place. The results of this procedure have been collated and were presented to the charitable company.

The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into three areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with societal changes, the general economic situation and consequent reduction in resource.
- Risks associated with governance when the work of the General Assembly committees are so interconnected and interdependent.

Reputational matters are taken very seriously and the Church has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the communications department who will advise on its handling or, if the matter is particularly sensitive, will handle it directly. The General Secretary is made aware of all issues and will intervene personally if appropriate.

The safeguarding of children and adults at risk is seen as a key responsibility of the Church. *Good Practice 5*, the denomination's safeguarding policy was issued during 2019. Work has been done to update this and *Good Practice 6* was launched in October 2023. Local churches are required to report annually on safeguarding matters to their synod's safeguarding officer. A Safeguarding Advisor at Church House, together with the synods' own safeguarding officers, is available to offer advice and guidance to churches. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

Further details about safeguarding are to be found in the 'Safeguarding' section on page 8.

The 'cost of living crisis' has had some impact M&M income as well as the cost base of the Church. However, the shortfall from giving by churches was made up by generous giving from some synods. This risk to income remains a challenge and synods have been asked to top up the M&M giving from churches to keep the income at the 2023 levels if possible. This risk continues to be closely monitored.

The Business Committee was given a new remit during 2023 and this enables an increased overview of the work of General Assembly committees. This changed remit alongside the work which is ongoing in relation to the Church Life Review play a significant role in managing the governance related risks.

### Future Developments

The first phase of the Church Life Review work was presented as planned to General Assembly in 2023. The recommendations as to next steps were welcomed by General Assembly. The church, and therefore the charity in overseeing its funds, is at the start of an important journey of change. During 2024 we will adopt a new approach to how we fill volunteer positions, seeking to ensure that the size of our governance structure and the number of roles is proportionate to the size of the denomination. We will also be adopting safer recruitment principles to all volunteer appointments and The Church Life Review Group's work to conduct a thorough review of the life of the United Reformed Church has been progressing well. The group will present the early results of its work to General Assembly at the end of June 2024. Part of its work concerns a forensic examination of the income, expenditure and assets of the 14 Trusts that hold the majority of the URC's assets and expend the majority of its expenditure. These are the 13 synods, and

## TRUSTEES' REPORT CONTINUED

the General Assembly. It is hoped that this examination will lead to clarity over where economies of scale might be made through more collaborative working and allow us to determine where and how we are best able to invest in the development of the ministry and mission work of the United Reformed Church.

The Deputy General Secretary for Admin and Resources, Mrs Jane Baird, retired at the end of June 2023. After much discussion it was decided to rename the post Chief Operating Officer and Mrs Victoria James has been appointed in the role. Mrs James started on a part time basis at the start of the year and became full time from the beginning of April 2023.

### **Section 172 of the Companies Act**

In summary, as required by Section 172 of the Companies Act, the Directors must act in a way they consider, in good, faith, would be most likely to promote the success of the charitable company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the charitable company's employees
- the need to foster the charitable company's business relationships with suppliers, customers and others
- the impact of the charitable company's operations on the community and environment
- the desirability of the charitable company maintaining a reputation for high standards of business conduct and
- the need to act fairly as between members of the charitable company.

To achieve these aims, the Directors are kept informed of the long-term ambitions and needs of the Church as expressed by General Assembly and Assembly Executive and take this into consideration when making decisions. The Church has a Human Resources Advisory Group and Remuneration Committee that attend to employee interests and pertinent matters from these are brought to the attention of the Directors. The Church has a policy of paying all suppliers in a timely manner with invoices and expense claims generally settled within a week of receipt. The Directors are guided by the Church's environmental policies and wherever possible, will ensure that their decisions are made within this framework. The Church's reputation is a high priority for the Directors and they seek to ensure that no decision are made which would adversely affect this. They are kept up to date with guidance for charity trustees and training is provided in areas where this is deemed necessary. Furthermore, the Church's legal advisor attends the Directors' meetings and provides input into discussions where legal issues are involved.

### **Financial Review**

The financial statements show the consolidated income, expenditure, assets and liabilities of those trusts and other funds that the charitable company administers and holds as charity trustee for the benefit of the United Reformed Church under the overall authority of the General Assembly. These represent the assets of the United Reformed Church that the charitable company manages on its behalf and applies towards its charitable purposes. They include the United Reformed Church Retired Ministers' Housing Society Limited (RMHS), which is an exempt charity providing housing and associated amenities for needy persons who are retired ministers or widow/ers or civil partners of ministers of the United Reformed Church.

The Finance Committee of the Church is responsible for the general financial oversight of funds administered for the benefit of the United Reformed Church, its long-term financial planning, and the preparation and control of its budget under the authority of Assembly Executive, General Assembly and the charitable company. The Committee ensures that proper procedures are in place for the maintenance of accounting records, controlling and monitoring the budgetary process, and the preparation of financial statements in compliance with applicable United Kingdom law and accounting standards. To this end the Committee meets with the auditors at least once a year. The Committee may take such decisions with regard to the finances of the Church as are necessary within the policies set by the General Assembly.

## TRUSTEES' REPORT CONTINUED

### Reserves Policy

The Consolidated Balance Sheet on page 22 shows the disposition of the various charity funds totalling £131,173 as at 31 December 2023 (2022: £124,207k). The term "reserves" describes that part of a charity's income funds that is freely available. Much of the funds are invested in property or restricted in use.

The unrestricted fund net assets readily available are £14,212k (2022: £19,416k).

The Finance Committee reviews the policy annually and have taken a risk-based approach to setting a reserves target. The main financial risks that the Committee felt needed to be covered were the call up of the guarantee to the pension funds (see notes 22 to 23), possible future lump sum contributions required to be made to either of the pension fund, a possible drop in excess of the usual rate in giving to Ministry and Mission Fund and possible legal action against the church requiring lump sum pay outs. Based on these risks, the Committee felt that the Trust should aim to maintain its reserves at a level between £16.45m and £16.7m.

While the current level of reserves held is below this target level, the Committee felt that risk of the pension guarantee being called up was significantly diminished by the closure of the scheme to future accrual and the move in early 2023 to de-risk the Ministers' Pension Fund's investment portfolio. Work is also being done ensure a buy out of the pension scheme within the next 2 years and that would negate the need for the guarantee. Based on this, the Committee were content with the current level of reserves.

### Grant making

Grants are made on the recommendation of the relevant committee. Each application is assessed on its individual merits.

### 2023 Financial Results

The results for 2023 are set out in more detail in the Consolidated Statement of Financial Activities on page 21. This shows that there was, overall, an increase in funds in the year of £6,967k. The following table shows the breakdown of the results for 2023 compared with those for the previous year.

	<b>2023</b>	2022
	<b>£000</b>	£000
Ministry and Mission Fund contributions	16,316	16,685
Donations, grants and legacies	7,593	5,495
Income from charitable activities	816	705
Investment income	2,210	2,006
Other income	1,759	4,461
<b>Total income</b>	<b>28,694</b>	<b>29,352</b>
Expenditure:		
Charitable activities	26,641	29,290
<b>Total expended</b>	<b>26,641</b>	<b>29,290</b>
Net income from operating activities	2,053	62
Gains/(loss) on investment assets	4,910	(8,041)
Net (expense)/income	6,963	(7,979)
Actuarial (loss)/gain on pension schemes	4	3,368
	<b>6,967</b>	<b>(4,611)</b>

### Ministry and Mission Fund contributions

The pie chart on page 13 gives a visual picture of total unrestricted income, showing that 88% of our unrestricted income comes from Ministry and Mission Fund contributions, which totalled just over £16.3 million. We are extremely grateful for the faithful and regular giving that this represents, enabling the Church to support ministry and mission across our three nations, and sustain the major way in which all members of the Church fund, in partnership, all our work for the kingdom of God. The pie chart of total unrestricted expenditure on page 14 shows that 81% of our

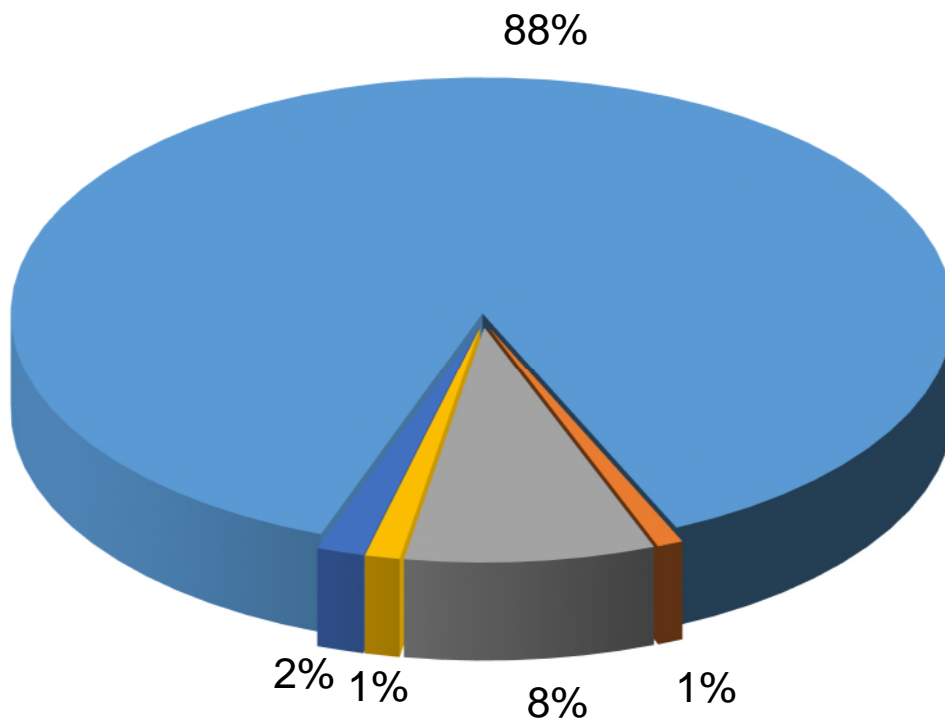
## TRUSTEES' REPORT CONTINUED

unrestricted expenditure, totalling £15.8 million is used to provide ministry and a further 10% (£1.9 million) is used to provide financial resources to train and equip people for ministry.

### Donations, grants and legacies

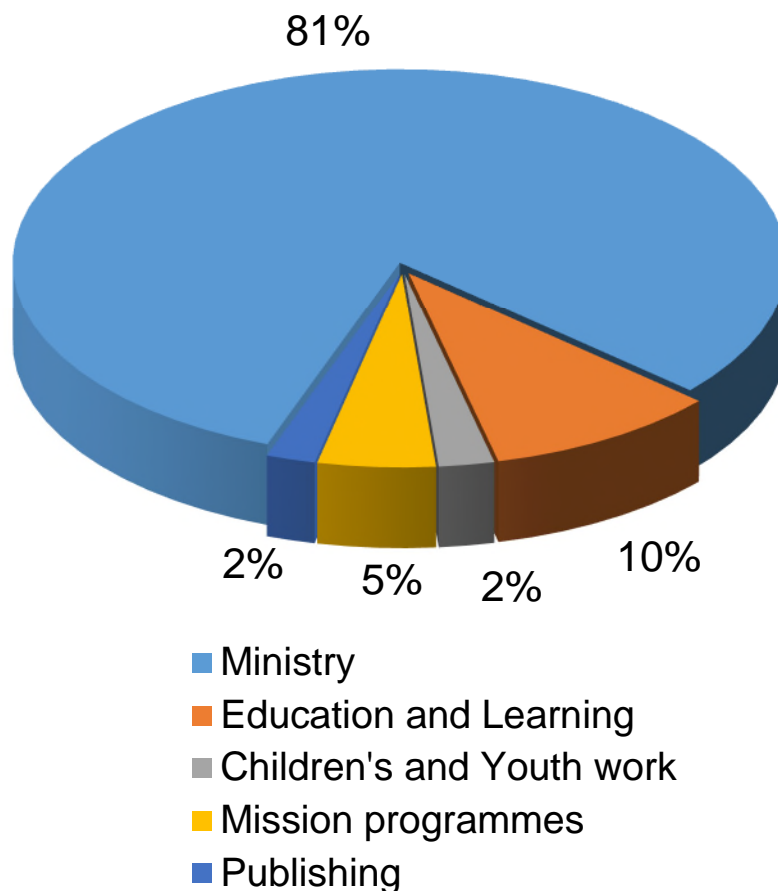
We are very grateful for regular grants from a number of trusts, detailed in note 2 to the financial statements, as well as for many other donations. Apart from general donations the Trust received donations totalling just over £6.1 million from the synods towards helping pay the deficit contribution to the Ministers' Pension Fund. Commitment for Life donations from churches and individuals were up on the 2023 level, increasing from £259 to £267. Legacies bequeathed for general purposes are held in a separate designated Legacy Fund, available for projects not covered by regular budgets. During the year, General Assembly agreed to re-purpose half of the fund to create the Church Life Review Fund. The balance in this fund is now £672k (2022: £1,089k). Grants paid from this fund totalled £101k in 2023 (2022: £24k) with a further £163k included in creditors having been committed for future payment.

### Unrestricted Income - £18.6m Year ended 31 December 2023



- Ministry and Mission Fund contributions
- Donations, grants and legacies
- Investment income
- Income from charitable activities
- Other income

## Unrestricted Expenditure - £19.5m Year ended 31 December 2023



### Investment income

In 2023 investment income showed an increase of 10% due mainly to higher interest rates. The total was £2,210 in 2023 compared to £2,006k in 2022. Total investment income includes rental income on the mixed motive property.

### Income from charitable activities

This income includes rental from the retired ministers' housing properties, and from sales of publications and subscriptions to *Reform* magazine.

### Other income

Most of this income (£1,759k) represents net gains from sales of housing properties when they fall vacant. £258k came from selling properties for ministers in central roles and £1,456k came from selling homes for retired ministers. The proceeds of the latter are used to acquire properties for retiring ministers or sometimes for rehousing them in later years. In 2023, 9 properties were bought and 14 were sold.

### Unrestricted Expenditure – Charitable activities

These costs are analysed in note 5 on page 28 and include a share of support costs.

**Ministry:** £15,816k. The maintenance of ministry is the most important charge on the Church's resources. This sum pays for the stipends, social security and pension costs of our stipendiary ministers and CRCWs (who averaged 314 in number over the year) and includes all costs of the Synod Moderators. The total also includes costs relating to retired ministers of supplementing pensions and maintaining housing.

**Education and Learning:** £1,906k. The considerable commitment of resources to training ministers has continued. This sum includes our support for our Resource Centres for Learning, which reflects their wider role in providing learning opportunities for the whole Church, as well

## TRUSTEES' REPORT CONTINUED

as direct support of those training for ministry. Other costs relate to ongoing lay development, including the Stepwise programme.

Children's and Youth Work: £453k. Children & Youth Work continued to run Youth Assembly and a variety of programmes.

Mission Programmes: £960k. The Mission Committee and team continue to progress longer-term strategies, including the Commitment for Life programme and have continued to support the Joint Public Issues Team and various interdenominational and interfaith organisations.

Publishing: £400k. The department continues to publish *Reform*, the denomination's magazine. They also run the on-line bookshop which offers a wide variety of book, merchandise and URC branded items. The denomination continued to subsidise the iChurch website support.

### **Gains on investment assets**

The change in investment values from the beginning to end of the year, broken down by fund, is shown in the Summary of Fund Movements in note 19. After the downturn in 2002 with fears around the War in Ukraine, the markets saw some recovery in 2023, although still ended the year below the level at the start of 2022. Most of the funds are invested with CCLA and the investment committee continues to monitor their performance and press on ethical issues where needed. In monetary terms, investments increased by £5 million during the year. There was a downward revaluation of £245k on the investment property. Investment gains and losses over time are shown in the five year summary on page 48.

### **Actuarial gains on pension obligations**

The Trust is required to take full account of actuarial losses arising each year in the United Reformed Church Ministers' Pension Fund (MPF). A lower discount factor saw the pension liabilities in 2023 rise by just over £2m while the fund's diversified investments increased in value by £5m. A large portion of the rise in the value of assets was attributed to the recovery of the fund's bond portfolio. The overall net actuarial gain for the year was £2m. As the fund now shows a surplus using the FRS102 basis of valuation, the amount of the actuarial gains recognised in the Statement of Financial Activities was limited to the value of the deficit shown at the start of the year. The Church continued to make the required deficit contributions to fund the deficit mainly from contributions from synods to the Pension Deficit Fund, a restricted fund within these accounts. The MPF was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme was started.

The United Reformed Church Final Salary Scheme (FSS), which is mainly for lay staff, reported an actuarial loss of £962k mainly due to an increase in the scheme liabilities. The scheme remains in a net asset position in this scheme but because the Trust does not have an unconditional right to the surplus, this has not been recognised.

More details are given in notes 22 to 24 to the financial statements on pages 40 to 44.

## TRUSTEES' REPORT CONTINUED

### STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The directors of the charitable company are responsible for preparing the Trustees' Report and the financial statements.

Company law requires the charitable company to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the charitable company is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The charitable company is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and the funds it is responsible for and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the charitable company is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the charitable company has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### CONCLUSION

The company by its directors has approved this Report. Those wanting more information or explanations about any aspect of the Church's finances are encouraged to address their enquiries to the Treasurer.

Signed on behalf of the directors of the charitable company



Catriona Wheeler

16 May 2023

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH TRUST

## Opinion

We have audited the financial statements of United Reformed Church Trust for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of 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 group's and the parent charitable company's affairs as at 31 December 2023 and of the group and parent charitable company's 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 charitable company 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 trustees 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 charitable company'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 trustees 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 trustees are responsible for the other information. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group and parent charitable company'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 group or parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

#### **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 which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

Andrew Stickland (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

05 June 2024

9 Appold Street  
London  
EC2A 2AP

**CONSOLIDATED & TRUSTS' STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2023**

						2023	2023	2022
	Note	Unrestricted	Designated	Restricted	Capital Funds	Total	Trust	Total
		£'000	£'000	£'000	£'000	funds	Only	funds
						£'000	£'000	£'000
<b>Donations and legacies</b>								
Ministry and Mission Fund contributions	2(a)	16,316	0	0	0	16,316	16,316	16,685
Grants receivable	2(b)	155	0	0	0	155	155	175
Legacies		0	170	480	0	650	171	568
Commitment for Life donations		0	0	267	0	267	267	259
Other donations	2(c)	10	0	6,507	4	6,521	6,122	4,493
		165	170	7,254	4	7,593	6,715	5,495
<b>Charitable activities</b>								
Ministry	3	6	0	592	0	598	6	483
Education and Learning		2	0	0	0	2	2	2
Children's and Youth work		25	0	0	0	25	25	15
Mission programmes		1	0	0	0	1	2	8
Publishing		190	0	0	0	190	190	197
		224	0	592	0	816	225	705
<b>Investment income</b>								
	4	1,594	34	582	0	2,210	2,210	2,006
<b>Other income</b>								
Gains on sale of properties		258	0	1,456	0	1,714	258	4,384
Other income		45	0	0	0	45	45	77
		303	0	1,456	0	1,759	303	4,461
<i>Total income and endowments</i>		18,602	204	9,884	4	28,694	25,769	29,352
<b>Expenditure on:</b>								
<b>Charitable activities</b>								
Ministry	5	15,816	323	5,536	0	21,675	20,407	23,595
Education and Learning		1,906	40	506	0	2,452	2,452	2,879
Children's and Youth work		453	7	96	0	556	556	534
Mission programmes		960	17	480	0	1,457	1,457	1,717
Publishing		400	7	94	0	501	501	565
Other expenditure		0	0	0	0	0	0	0
		19,535	394	6,712	0	26,641	25,373	29,290
<i>Total expended</i>		19,535	394	6,712	0	26,641	25,373	29,290
<b>Surplus from charitable and trading activities</b>								
		(933)	(190)	3,172	4	2,053	396	62
<b>Net gains/ (Loss) on investment assets</b>								
		944	103	1,197	2,666	4,910	4,910	(8,041)
<i>Net income</i>		11	(87)	4,369	2,670	6,963	5,306	(7,979)
<b>Transfers between funds</b>								
Actuarial gains/(losses) on pension schemes	22	(518)	(1)	519	0	0	0	0
		4	0	0	0	4	4	3,368
<i>Net movement in funds</i>		(503)	(88)	4,888	2,670	6,967	5,310	(4,611)
<b>Reconciliation of Funds</b>								
Total funds brought forward		27,839	4,203	62,251	29,914	124,207	85,647	128,818
<b>Total funds carried forward</b>		<b>27,336</b>	<b>4,115</b>	<b>67,139</b>	<b>32,584</b>	<b>131,174</b>	<b>90,957</b>	<b>124,207</b>

All amounts relate to continuing operations.

There is no material difference between the net incoming resources stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The Companies Act income and expenditure account has been included in note 33.

The notes on pages 24 to 47 form an integral part of these financial statements.

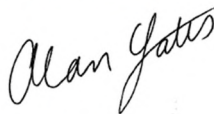
## CONSOLIDATED AND TRUST BALANCE SHEETS AS AT 31 DECEMBER 2023

	Note	Consolidated 2023 £'000	Consolidated 2022 £'000	Trust 2023 £'000	Trust 2022 £'000
<b>Fixed assets</b>					
Intangible assets	11	235	192	235	192
Tangible assets	11				
Houses for retired ministers		39,972	38,278	347	347
Houses for serving ministers		8,200	7,736	8,200	7,736
Other properties		2,603	2,620	2,603	2,620
Total properties		50,775	48,634	11,150	10,703
Cars and equipment		74	73	74	73
		51,084	48,899	11,459	10,968
<b>Investments and loans</b>					
Mixed motive investment property	12	2,105	2,222	2,105	2,222
Mixed use investment property	12a	728	856	728	856
Investments	13	59,432	54,336	59,432	54,336
Programme-related investments	14	244	242	244	242
Loans, excluding inter-fund loans	15	191	193	4,042	4,042
		62,700	57,849	66,551	61,698
<b>Current assets</b>					
Debtors	16	5,136	3,085	5,497	2,503
Bank balances and money on call		16,158	18,309	10,944	14,305
		21,294	21,394	16,441	16,808
<b>Current liabilities</b>					
Net current assets	17	(1,542)	(1,569)	(1,132)	(1,461)
		19,752	19,825	15,309	15,347
Total assets less current liabilities		133,536	126,573	93,319	88,013
Defined benefit pension scheme liability	22-24	(4)	(8)	(4)	(8)
Other pension obligations	23	(2,358)	(2,358)	(2,358)	(2,358)
<b>Net assets including pension liability</b>		<b>131,174</b>	<b>124,207</b>	<b>90,957</b>	<b>85,647</b>
<b>Unrestricted income funds</b>					
General reserves		19,703	21,153	19,703	21,153
Revaluation reserve - investments		5,698	4,160	5,698	4,160
Revaluation reserve - property		1,939	2,534	1,939	2,534
Designated funds		4,115	4,203	4,115	4,203
Total unrestricted income funds before pension reserve		31,455	32,050	31,455	32,050
Pension reserve		(4)	(8)	(4)	(8)
<b>Restricted income funds</b>		<b>67,139</b>	<b>62,251</b>	<b>26,922</b>	<b>23,691</b>
<b>Capital funds</b>		<b>32,584</b>	<b>29,914</b>	<b>32,584</b>	<b>29,914</b>
<b>TOTAL FUNDS</b>	19-20	<b>131,174</b>	<b>124,207</b>	<b>90,957</b>	<b>85,647</b>

Approved by the directors on 14 May 2024 and signed on their behalf by:



Catriona Wheeler  
Chair



Alan Yates  
Treasurer

United Reformed Church Trust is a company limited by guarantee, number 135934, and Registered Charity number 1133373.

The notes on pages 24 to 47 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>		
Net income/(expenditure) before other recognised gains and losses (see pg 21)	6,963	(4,611)
<b>Adjustments for:</b>		
Decrease/(increase) in debtors	(2,051)	2,143
Decrease/(increase) in creditors	(27)	(22)
Loss/(gain) on investment assets	(4,910)	8,049
Profit on sale of tangible fixed assets	(1,714)	(4,309)
Depreciation and impairment	88	70
Other investment income	(2,210)	(2,006)
Cash endowment received	(4)	(4)
Difference between pension contributions and actuarial cost	(4)	(4,608)
<b>Cash flows generated from operations</b>	<b>(10,832)</b>	<b>(687)</b>
<b>Cash flows from investing activities</b>		
Payments to acquire tangible fixed assets	(3,823)	(969)
Payments to acquire intangible fixed assets	(67)	(104)
Receipts from sales of tangible fixed assets	3,332	7,208
Receipts from sales of fixed asset investments	60	-
Loans and advances made to ministers	(26)	(14)
Loans repaid by ministers	17	20
Loans and advances to churches	11	4
Investment income	2,210	2,006
	1,714	8,151
<b>Cash flows from financing</b>		
Addition to capital endowment	4	4
<b>Net increase (decrease) in Cash (note 28)</b>	<b>(2,151)</b>	<b>2,857</b>

The notes on pages 24 to 47 form an integral part of these financial statements.

## NOTE 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)) and the Companies Act 2006. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April, 2005 which has since been withdrawn.

United Reformed Church Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

A separate Cash Flow Statement has not been presented for United Reformed Church Trust itself because it has made use of the exemptions afforded by Section 408 of the Companies Act 2006.

The presentation currency is pounds sterling and unless otherwise stated, figures are rounded to the nearest thousand (£000).

### **Going concern**

The directors have considered possible events and conditions that might cast significant doubt on the ability of the Trust to continue as a going concern. The directors have made their assessment for a period of at least one year from the date of approval of these financial statements. In particular they have considered the Trust's forecasts and projections and have considered the longer term impact of the cost of living crisis and the diminishing giving to M&M on the viability of the Trust. A request has been made to synods to help top up the Ministry and Mission Fund contributions and maintain this at the 2023 level. The synods are considering this request, but the general feeling is that they will be able to help in this respect. The two Defined Benefit Pension schemes have been closed to future accrual from 1 March 2023 and this will result in significant savings for the Church. The General Secretariat has been tasked with cutting the expenditure for the 2025 budget by 5%. Work is ongoing in this area. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below:

### **(i) Scope**

The consolidated financial statements show the combined income, expenditure, assets and liabilities of the charitable funds administered by the Trust for the purposes of the United Reformed Church under the overall authority of the General Assembly, and include the total financial operations of the United Reformed Church Retired Ministers' Housing Society Limited ("the society"). The society is a separate exempt charity registered under the Co-operative and Community Benefit Societies Act 2014. It is accounted for as a separate fund and branch of the Church in accordance with the SORP, and details are also given to reflect its legal status as a subsidiary charity.

### **(ii) Classification of funds**

Unrestricted income funds may be spent generally for furthering the religious and charitable work of the Church.

Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received. However, if the purpose is one that forms part of the Church's regular expenditure and the income of the funds are fully spent each year, the restriction has no practical effect and funds with such restrictions are treated as unrestricted.

Capital funds (i.e. endowments) include some permanent endowments that are required to be retained but the income from these funds can be spent for the benefit of the Church subject, in certain cases, to specific restrictions contained in the original endowment. Other capital funds (i.e. expendable endowments) may be converted to income at the discretion of the trustees.

## NOTES TO THE FINANCIAL STATEMENTS

The main funds included in these financial statements, and their classification, are shown in notes 18 to 21.

### **(iii) Income**

All incoming resources including voluntary income, income from activities for raising funds, investment income, is recognised in the SOFA when there is legal entitlement to the income, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### **a. Donations and legacies**

Donations and legacies are accounted for on a receivable basis. In accordance with this policy, legacies are included when advice has been received from the personal representative of an estate that payment will be made or property transferred and the amount can be measured reliably. Gifts in kind are included within income at the value to the charity at the date of the gift. The value of services provided by volunteers has not been included.

#### **b. Grants receivable**

Incoming grants are accounted for on a receivable basis. Incoming resources from grants, where there are service or performance deliverables required as conditions of the terms of the grant, are accounted for as the charity earns the right to payment through its performance, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably and it is not deferred.

#### **c. Ministry and Mission Fund contributions, investment income and other income**

Ministry and Mission Fund contributions, investment income, income from charitable activities and other incoming resources are accounted for on a receivable basis. Contributions to the fund, based on local church pledges, are agreed annually in advance with each synod; amounts received in excess of, or shortfalls from the agreed contributions, are accounted for in the year.

#### **d. Gains and losses on investments**

Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

### **(iv) Expenditure**

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Any irrecoverable VAT is included with the costs to which it relates. Directly attributable costs are allocated to the main charitable activities; details are shown in notes 5 to 8. The support costs, including governance costs, included in note 7 relate to the whole of the charity's activities and a proportion of these costs is allocated to expenditure headings on a basis that is consistent with the use of the resources. Outgoing grants are accounted for on a payable basis. Grants payable are included in the Statement of Financial Activities when approved and this has been communicated to the applicant. The value of such grants unpaid at the end of the year is accrued.

### **(v) 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.

### **(vi) Pensions**

The Church operated a funded defined benefit pension scheme for ministers and Church Related Community Workers (CRCWs) receiving a stipend, known as The United Reformed Church Ministers' Pension Fund. The assets of the scheme are managed independently of the Church. Pension costs are assessed in accordance with the advice of an independent qualified actuary. This scheme was closed to future accrual on 28 March 2023.

The Church, together with most synod trusts, also used The United Reformed Church Final Salary Scheme, a multi-employer defined benefit scheme operated by TPT Retirement Solutions Trust, an independent pension provider to the not-for-profit sector. It provides trustee and asset management services, and pension costs are assessed in accordance with the advice of an independent qualified actuary. This scheme was also closed to future accrual on 28 February 2023.

## NOTES TO THE FINANCIAL STATEMENTS

For both schemes, under FRS 102 paragraph 28 – ‘Retirement benefits’ – the amounts charged to expenditure are the current service costs, interest costs and expenses, which are included within charitable expenditure. Actuarial gains and losses are recognised immediately and disclosed in the Statement of Financial Activities.

The assets of the pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each year end. The resulting defined benefit asset or liability is presented separately after other net assets on the Balance Sheet except where the scheme is in surplus and there is no unconditional right to that surplus. In this situation the scheme surplus is recognised at nil value in accordance with FRS102.

### **(vii) Intangible and tangible fixed assets**

Intangible and tangible fixed assets having an initial cost of £1,000 or less are written off on acquisition. Assets having an initial cost greater than £1,000 are stated at cost when purchased and at valuation when received in specie. Property repairs are normally written off when incurred.

Many properties used as houses for retired ministers are owned jointly with tenants or synods of the United Reformed Church. The value in the Balance Sheet of such properties is the cost (less any impairment charged) to the charity of the charity’s share in the property.

Properties are maintained in a state of sound repair. The Finance Committee considers whether any impairment is necessary considering the lives of the properties and their residual value. Any material deficit between the anticipated recoverable amount of freehold property and its carrying value shown in the financial statements is recognised in the Statement of Financial Activities. Depreciation is no longer charged on these properties on grounds of materiality. The value of land is not depreciated.

Depreciation is charged as a percentage of cost as follows:

Improvements to property with limited life	5 % pa
Cars, computers and photocopiers	25 % pa
Intangible assets, other furniture and equipment	10 % pa

Further details are given in note 11.

### **(viii) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

### **(ix) Mixed motive investment properties**

Mixed motive investment property comprises the portion of United Reformed Church House that is let on a commercial basis to other charities. It is recognised at fair value and is not depreciated.

### **(x) Mixed-use investment properties**

Mixed use investment property comprises the portion of United Reformed Church House that is let on a commercial basis for residential purposes. It is recognised at fair value and is not depreciated.

### **(xi) Investments**

Listed securities are included at market value at the Balance Sheet date. Unlisted securities are stated at cost as there is no readily ascertainable market price.

### **(xii) Programme-related investments**

Programme-related investments comprise investments in entities whose aims are aligned to the charitable objectives of the trust and are shown at cost.

### **(xiii) Concessionary loans**

Loans to advance the Church’s charitable purposes are held within fixed assets and are stated at original cost and subsequently adjusted for any repayments or impairment.

### **(xiv) Financial instruments**

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

## NOTES TO THE FINANCIAL STATEMENTS

### (xv) Critical accounting judgements and estimation

Significant areas of judgement in applying accounting policies are as follows:

- Provision is made for retirement obligations where advice is taken from independent actuaries
- Valuation of mixed motive and mixed use investments where use has been made of relevant market indices to update the formal valuations obtained in previous years
- Recoverability of concessionary loans based on management's assessment of recovery
- Impairment of houses held for serving and retired ministers

## NOTE 2 VOLUNTARY INCOME

### (a)

Synods	2023 £'000	2022 £'000
Northern	906	765
North Western	1,430	1,596
Mersey	855	878
Yorkshire	714	776
East Midlands	906	953
West Midlands	1,461	1,570
Eastern	1,819	1,953
South Western	1,115	1,193
Wessex	1,851	1,884
Thames North	1,929	1,745
Southern	2,339	2,416
Wales	473	435
Scotland	518	521
	16,316	16,685

### (b) Grants Receivable

The Church receives income from a number of trusts. The significant ones are described below.

	2023 £'000	2022 £'000
Congregational Memorial Hall Trust	115	108
Council for World Mission	40	49
Other grants	-	18
	155	175

#### Congregational Memorial Hall Trust

The United Reformed Church has a 70% interest in distributions from this Trust. In 2010 the trust distributed a share of half of its assets by way of a donation totalling £3,658k of investments. Income from the investments has replaced most of the grant.

#### Council for World Mission

Further grants totalling £40k were received to cover the costs of a South Korean minister working for the URC.

### (c) Donations

	2023 £'000	2022 £'000
Other donations received	6,521	4,493

Included above are £6,108 (2022: £4,467k) received from synods as a contribution towards the pension fund deficit (see note 21).

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 3 INCOME FROM CHARITABLE ACTIVITIES**

These comprise:	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Retired Ministers' Housing rents	592	411
Publication and resource sales	100	86
Reform magazine - subscriptions and advertising	91	105
Other programmes - fees, grants and sales	33	103
	<u>816</u>	<u>705</u>

**NOTE 4 INVESTMENT INCOME**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Unitised funds	1,793	1,795
Interest on short-term investment and bank deposits	260	50
Rental income	157	161
	<u>2,210</u>	<u>2,006</u>

**NOTE 5 ANALYSIS OF EXPENDITURE**

The amount spent on charitable activities, including support costs, is summarised as follows:

<b>2023</b>	<b>Direct programme expenditure</b>	<b>Grant funding (note 6)</b>	<b>Support costs (note 7)</b>	<b>2023 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ministry	18,591	894	2,188	21,673
Education and Learning	1,145	452	855	2,452
Children's and Youth work	303	2	252	557
Mission programmes	642	336	479	1,457
Publishing	299	-	203	502
	<u>20,980</u>	<u>1,684</u>	<u>3,977</u>	<u>26,641</u>
<b>2022</b>	<b>Direct programme expenditure</b>	<b>Grant funding (note 6)</b>	<b>Support costs (note 7)</b>	<b>2022 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ministry	21,140	668	1,787	23,595
Education and Learning	1,248	548	1,083	2,879
Children's and Youth work	303	6	226	535
Mission programmes	862	259	596	1,717
Publishing	334	-	230	564
	<u>23,887</u>	<u>1,481</u>	<u>3,922</u>	<u>29,290</u>

**NOTE 6 ANALYSIS OF GRANTS**

<b>2023</b>	<b>Grants to individuals</b>	<b>Grants to institutions</b>	<b>2023 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Pension grants	292	-	292
Welfare and other ministry grants	296	19	315
Student maintenance and training	378	28	406
Local churches - mission and facilities	15	328	343
Chaplaincies	-	9	9
Ecumenical church bodies	2	-	2
Commitment for Life programme	1	215	216
Other programmes	2	99	101
	<u>986</u>	<u>698</u>	<u>1,684</u>

## NOTES TO THE FINANCIAL STATEMENTS

2022	Grants to individuals £'000	Grants to institutions £'000	2022 Total £'000
Pension grants	314	-	314
Welfare and other ministry grants	305	10	315
Student maintenance and training	492	14	506
Local churches - mission and facilities	6	50	56
Chaplaincies	-	38	38
Ecumenical church bodies	1	1	2
Commitment for Life programme	-	208	208
Other programmes	2	40	42
	1,120	361	1,481

Major grants to institutions in the year (included above) were:

<u>Organisation</u>	<u>Type</u>	<u>2023</u> <u>£'000</u>	<u>2022</u> <u>£'000</u>
Christian Aid	Commitment for Life	213	195
Global Justice Now	Commitment for Life	15	13

### NOTE 7 SUPPORT COSTS

Support costs comprise the premises costs of United Reformed Church House, and the staff and office costs in respect of: Central Secretariat (including Human Resources), Finance, Communications and Information Technology, and governance costs. These costs have been apportioned across the areas of charitable activity on the basis and in the amounts shown below.

	Premises costs £'000	Computer costs £'000	Staff and office costs £'000	2023 Total £'000	2022 Total £'000
Basis of apportionment	Area	Staff	Actual costs		
Ministry	24	42	2,122	2,188	1,787
Education and Learning	22	30	803	855	1,083
Children's and Youth work	26	70	156	252	226
Mission	31	81	367	479	596
Publishing	22	30	151	203	230
	125	253	3,599	3,977	3,922

### NOTE 8 GOVERNANCE COSTS

Governance costs are included in support costs and total £423k (2022: £344k). This figure includes the remuneration of the auditors, amounting to £50k (2022: £58k) of which £35k relates to the audit of the Trust which includes an over accrual of £1k and the balance of £15k relates to the audits of subsidiary charities. Other services provided by the auditors amounts to £18k.

### NOTE 9 NOTIFIED LEGACIES

The Trust had not received notification of any legacies (2022: nil) that has not been included in the financial statements because the conditions for recognition have not yet been met.

### NOTE 10 STIPEND AND SALARY COSTS

During the year the following stipend and salary costs were incurred:

## NOTES TO THE FINANCIAL STATEMENTS

		<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
Ministers and CRCWs: 314 (2022: 336)	Gross stipends	9,159	8,941
	Social security costs	909	953
	Other pension costs	6,518	10,050
		16,586	19,944

All stipend costs above are included within the costs of Ministry

Lay staff: 69 (2022: 70)	Gross salaries	2,540	2,272
	Social security costs	238	226
	Other pension costs	394	461
	Redundancy costs	-	8
		3,172	2,967

Salary costs have been apportioned as follows:

Ministry	1,701	1,489
Education and Learning	300	306
Children's and Youth work	246	226
Mission programmes	451	447
Publishing	474	497
	3,172	2,967

The minister and staff numbers shown represent the average for the year. They include staff working at Church House in London.

Two employees received emoluments, excluding employer pension contributions greater than £60k during 2023 (2022: Nil).

Key management personnel are the General Secretary, the Deputy General Secretary Discipleship, the Deputy General Secretary Mission and the Chief Operating Officer ('COO'). The post of the COO is filled by a lay person while the other 3 posts are filled by ministers. The total of employee benefits paid to key management personnel in 2023 was £294k (2022: £184k). Until June 2023, the Deputy General Secretary Admin & Resources was part of the Key management team. That post was discontinued after June with most of the responsibilities falling to the COO who started on a part time basis at the beginning of the year, going full time in May.

In addition, a great amount of time, the value of which it is impossible to reflect in these financial statements, is donated by thousands of volunteers throughout the United Kingdom.

Individuals acting as a director for the company received no remuneration in respect of their services as director, other than the reimbursement of travel expenses to 9 individuals during the year ended 31 December 2023 totalling £1,824 (2022: 11 individuals totalling £792)

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 11 TANGIBLE & INTANGIBLE FIXED ASSETS**

(a) Consolidated:

	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible Fixed assets £'000	Computer Software £'000
<b>Cost</b>						
At 1 January, 2023	38,608	7,776	2,838	241	49,463	222
Additions	3,302	464	9	48	3,823	67
Disposals	(1,635)	-	-	(20)	(1,655)	-
Re-classification						
At 31 December, 2023	40,275	8,240	2,847	269	51,631	289
<b>Accumulated depreciation and impairment</b>						
At 1 January, 2023	330	40	218	168	756	30
Charge for year	-	-	26	38	64	24
Disposals	(27)	-	-	(11)	(38)	-
At 31 December, 2023	303	40	244	195	782	54
<b>Net book value</b>						
At 31 December, 2023	39,972	8,200	2,603	74	50,849	235
At 31 December, 2022	38,278	7,736	2,620	73	48,707	192

Of the land and buildings included above, £4,206k (2022: £5,035k) are leasehold. At 31 December 2023, 271 (2022: 276) houses were owned for housing retired ministers and 17 (2022: 16) houses for serving ministers. Although the total market value of all properties is not practicable to quantify, it is considerably in excess of the carrying value shown above. Other properties include premises improvements at United Reformed Church House and the Yardley Hastings Centre. At the Yardley Hastings property, which has a carrying value of £628k, the local church continues to use part of the premises and the remainder is leased to a local charity under a long-term lease.

**NOTES TO THE FINANCIAL STATEMENTS**

**(b) Trust:**

	<b>Houses for retired ministers £'000</b>	<b>Houses for serving ministers £'000</b>	<b>Other properties £'000</b>	<b>Cars and equipment £'000</b>	<b>Total Tangible fixed assets £'000</b>	<b>Computer software £'000</b>
<b>Cost</b>						
At 1 January 2023	369	7,776	2,835	241	11,221	222
Additions	-	464	12	48	524	67
Disposals	-	-	-	(20)	(20)	-
Re-classification						
At 31 December 2023	369	8,240	2,847	269	11,725	289
<b>Accumulated depreciation and impairment</b>						
At 1 January 2023	21	40	215	168	444	30
Charge for year	1	-	29	38	67	24
Disposals	-	-	-	(11)	(11)	-
At 31 December 2023	22	40	244	195	500	54
<b>Net book value</b>						
At 31 December 2023	347	8,200	2,603	74	11,224	235
At 31 December 2022	347	7,736	2,620	73	10,777	192

**NOTE 12**

**MIXED MOTIVE INVESTMENT PROPERTY**

	<b>Consolidated</b>		<b>Trust</b>	
	<b>2023 £'000</b>	<b>2022 £'000</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Fixed asset investments</b>				
Carrying value at beginning of year	2,222	2,500	2,222	2,500
Net gains/(losses) on revaluation	(117)	(278)	(117)	(278)
Carrying value at end of year	2,105	2,222	2,105	2,222

Mixed motive investment property consists of the second floor of URC Church House which is rented out on a commercial let to another charity. The property was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed motive investment property at 31 December 2023 was calculated using rental yields.

**NOTE 12a MIXED-USE INVESTMENT PROPERTY**

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	856	927	856	927
Net gains/(losses) on revaluation	(128)	(71)	(128)	(71)
Carrying value at end of year	728	856	728	856

Mixed use investment property consists of the third floor of URC Church House which is rented out on a commercial let for residential purposes. The property was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed use investment property at 31 December, 2023 was calculated using rental yields.

**NOTE 13 INVESTMENTS**

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	54,336	62,036	54,336	62,036
Sales proceeds	(59)	-	(59)	-
Net gains/(losses) on revaluation	5,155	(7,700)	5,155	(7,700)
Carrying value at end of year	59,432	54,336	59,432	54,336

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investments comprise units in UK based Common Investment Funds at market value, as follows:				
COIF Charities Ethical Investment Fund	58,407	53,243	58,407	53,243
COIF Charities Property Fund	1,025	1,093	1,025	1,093
	59,432	54,336	59,432	54,336
Investments at book cost	33,972	34,013	33,972	34,013

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Included within investments held in the COIF Charities Ethical Investment Fund is £4,523k held to meet the 'other pension obligation' as set out in note 23. Financial assets measured at fair value are £59,432k.

## NOTE 14 PROGRAMME-RELATED INVESTMENTS

Programme-related investments are investments made in pursuit of the Trust's charitable purposes, the primary motivation for which is not financial but to further our objectives and programme. The principal programme-related investment is £200k as a Founder Member of Luther King House Educational Trust, which owns the property that houses our resource centre for learning at Northern College. Smaller investments are held in Oikocredit, the Churches' Mutual Credit Union and Traidcraft plc. These smaller investments held as social investments and are held at cost and not revalued.

## NOTE 15 CONCESSIONARY LOANS

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
External loans comprise:				
To ministers	46	37	46	37
To Churches	145	156	145	156
Inter-fund concessionary loans	-	-	3,851	3,849
	191	193	4,042	4,042

Loans to ministers are generally interest free and repayable over 3 to 5 years. Movement on the loan balances was as follows:

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Balance at 1 January	37	43	37	43
Repaid in the year	(17)	(20)	(17)	(20)
Advanced in the year	26	14	26	14
Balance at 31 December	46	37	46	37

Loans to churches comprises a long term loan to the Synod of Wales in respect of the Glamorgan Chaplaincy and loans from the Church Building Fund to local churches. The loan to the Glamorgan Chaplaincy is interest free and is repayable if the chaplaincy is wound up. The loans from the Church Building Fund are repayable over 8 years and interest is charged using the CCLA Charities Deposit Fund deposit rate.

Inter-fund concessionary loans represent the long-term indebtedness of the United Reformed Church Retired Ministers' Housing Society Limited to the Church. Loans have been made available for the purchase of properties, for as long as they are required, to enable the Society to fulfil its objectives.

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 16 DEBTORS**

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debtors comprise:				
Tax recoverable	-	2	-	2
Other debtors	4,330	2,197	4,733	1,769
Prepayments and accrued income	806	886	764	732
	5,136	3,085	5,497	2,503
Financial assets measured at amortised cost	4,312	2,627	4,189	2,199

**NOTE 17 CREDITORS: amounts falling due within one year**

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Current liabilities comprise:				
Amounts owed to group undertakings	-	-	-	11
Sums held for synods and congregations	50	155	-	-
Other creditors including taxation and social security	1,229	1,135	921	1,103
Accruals	263	246	211	314
Deferred income	-	33	-	33
	1,542	1,569	1,132	1,461
Financial liabilities measured at amortised cost	1,261	1,290	903	1,194

Included within Other creditors are amounts totalling £41k which are held in trust on behalf of other organisations.

Movements in deferred income	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Balance at 1 January	33	43	33	43
Received in the year	-	33	-	33
Transferred to income	(33)	(43)	(33)	(43)
Balance at 31 December	-	33	-	33

**NOTE 18 UNRESTRICTED FUNDS**

The Ministry and Mission Fund is the general fund of the Church through which the bulk of income and expenditure, covered by the annual budget agreed by the Trustee and presented to Assembly Executive, is passed. Associated with it are two capital funds, Maintenance of the Ministry and Ministerial Training, the whole of whose income each year is transferred to the Ministry and Mission Fund, which is responsible for meeting ministry and training costs. These funds include £18.6million held as capital, most having been gifted by other trusts. These funds are invested and the income is used as intended. The capital is expendable by decision of the Trustee.

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 19 SUMMARY OF FUND MOVEMENTS**

**2023 Fund Movements**

	Funds at 1 Jan 2023 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 2023 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	27,839	18,088	(19,535)	(4)	944	4	27,336
Ministerial Training Fund	-	36	-	(36)	-	-	-
	-	478	-	(478)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>27,839</b>	<b>18,602</b>	<b>(19,535)</b>	<b>(518)</b>	<b>944</b>	<b>4</b>	<b>27,336</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	1,089	169	(102)	(485)	-	-	671
Discipleship Development Fund	934	30	(81)	(1)	89	-	971
Church Life Review Fund (previously the Annenberg Fund)	180	5	(1)	485	14	-	683
Churches Energy Crisis Fund	2,000	-	(210)	-	-	-	1,790
<b>Consolidated &amp; Trust</b>	<b>4,203</b>	<b>204</b>	<b>(394)</b>	<b>(1)</b>	<b>103</b>	<b>-</b>	<b>4,115</b>
<b>RESTRICTED FUNDS (note 21)</b>							
Church Buildings Fund	4,812	147	(65)	2	439	-	5,335
Retired Ministers' Housing Fund	5,489	9	(20)	-	-	-	5,478
Welfare Fund	16	8	-	-	-	-	24
Retired Ministers' Funds Commitment For Life Fund	1,794	157	(292)	12	405	-	2,076
	-	269	(215)	(54)	-	-	-
Pension Deficit Fund	6,481	6,108	(4,700)	500	-	-	8,389
Other Funds	5,103	261	(153)	59	353	-	5,623
<b>Total Trust Funds</b>	<b>23,695</b>	<b>6,959</b>	<b>(5,445)</b>	<b>519</b>	<b>1,197</b>	<b>-</b>	<b>26,925</b>
Retired Ministers' Housing Society	38,556	2,925	(1,267)	-	-	-	40,214
<b>Total Consolidated Funds</b>	<b>62,251</b>	<b>9,884</b>	<b>(6,712)</b>	<b>519</b>	<b>1,197</b>	<b>-</b>	<b>67,139</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	6,639	-	-	-	612	-	7,251
Ministerial Training Fund	1,870	-	-	-	140	-	2,010
Church Buildings Funds	15,199	-	-	-	1,361	-	16,560
Retired Ministers' Housing Funds	184	-	-	-	-	-	184
Welfare Funds	391	-	-	-	-	-	391
Retired Ministers' Funds	963	-	-	-	95	-	1,058
Other Funds	353	-	-	-	35	-	388
	4,315	4	-	-	423	-	4,742
<b>Consolidated &amp; Trust</b>	<b>29,914</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>2,666</b>	<b>-</b>	<b>32,584</b>

Transfers between funds generally represents use of restricted funds to cover items of expenditure in the general funds that fall within the objects of the specific restricted fund.

## NOTES TO THE FINANCIAL STATEMENTS

### 2022 Fund Movements

	Funds at 1 Jan 2022 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 2022 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	28,774	19,887	(20,672)	(1,451)	(2,067)	3,368	27,839
Ministerial Training Fund	-	40	-	(40)	-	-	-
	-	480	-	(480)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>28,774</b>	<b>20,407</b>	<b>(20,672)</b>	<b>(1,971)</b>	<b>(2,067)</b>	<b>3,368</b>	<b>27,839</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	633	510	(24)	(30)	-	-	1,089
Discipleship Development Fund	1,089	29	(57)	-	(127)	-	934
Annenberg Fund	-	5	-	196	(21)	-	180
Churches Energy Crisis Fund	-	-	-	2,000	-	-	2,000
<b>Consolidated &amp; Trust</b>	<b>1,722</b>	<b>544</b>	<b>(81)</b>	<b>2,166</b>	<b>(148)</b>	<b>-</b>	<b>4,203</b>
<b>RESTRICTED FUNDS</b>							
Church Buildings Fund	5,309	148	(13)	2	(634)	-	4,812
Retired Ministers' Housing Fund	5,502	6	(19)	-	-	-	5,489
Welfare Fund	8	8	-	-	-	-	16
Retired Ministers' Funds	2,523	157	(314)	12	(584)	-	1,794
Commitment For Life Fund	5	259	(208)	(56)	-	-	-
Pension Deficit Fund	8,714	4,467	(6,700)	-	-	-	6,481
Other Funds	5,678	262	(183)	(143)	(511)	-	5,103
<b>Total Trust Funds</b>	<b>27,739</b>	<b>5,307</b>	<b>(7,437)</b>	<b>(185)</b>	<b>(1,729)</b>	<b>-</b>	<b>23,695</b>
Retired Ministers' Housing Society	36,566	3,090	(1,100)	-	-	-	38,556
<b>Total Consolidated Funds</b>	<b>64,305</b>	<b>8,397</b>	<b>(8,537)</b>	<b>(185)</b>	<b>(1,729)</b>	<b>-</b>	<b>62,251</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	7,524	-	-	-	(885)	-	6,639
Ministerial Training Fund	2,133	-	-	-	(263)	-	1,870
Church Buildings Funds	17,349	-	-	-	(2,150)	-	15,199
Retired Ministers' Housing Funds	184	-	-	-	-	-	184
Welfare Funds	391	-	-	-	-	-	391
Retired Ministers' Funds	1,100	-	-	-	(137)	-	963
Other Funds	403	-	-	-	(50)	-	353
	4,930	4	-	-	(619)	-	4,315
<b>Consolidated &amp; Trust</b>	<b>34,014</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>(4,104)</b>	<b>-</b>	<b>29,914</b>

**Designated funds:** Income from unrestricted legacies is put into the Legacy Fund. Grants are made from the fund to churches and synods for mission focussed projects. The Discipleship Development Fund resulted from the sale of the Windermere Centre in 2017. It is used to give grants to help develop lay people for work in the church. The Churches Energy Crisis fund was set up late in 2022 in response to rising energy prices. The aim of the fund is to give financial support to churches struggling with these increases.

**NOTE 20 ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUNDS**

**2023 Analysis**

**ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2023
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	235	-	-	-	235
Property	9,737	-	40,107	931	50,775
Cars and equipment	74	-	-	-	74
Investments	13,540	1,147	13,388	31,601	59,676
Investment properties	2,833	-	-	-	2,833
External loans	47	-	144	-	191
Inter fund loans	944	-	(944)	-	-
Net current assets	14,536	(163)	5,378	-	19,751
Pension reserve	(4)	-	(2,358)	-	(2,362)
Inter fund balances	(14,606)	3,131	11,424	52	1
<b>Net assets</b>	<b>27,336</b>	<b>4,115</b>	<b>67,139</b>	<b>32,584</b>	<b>131,174</b>

**ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2023
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	235	-	-	-	235
Property	9,737	-	483	931	11,151
Cars and equipment	74	-	-	-	74
Investments	13,540	1,147	13,388	31,601	59,676
Investment properties	2,833	-	-	-	2,833
External loans	47	-	3,994	-	4,041
Net current assets	15,480	(163)	(9)	-	15,308
Pension reserve	(4)	-	(2,358)	-	(2,362)
Inter fund balances	(14,606)	3,131	11,424	52	1
<b>Net assets</b>	<b>27,336</b>	<b>4,115</b>	<b>26,922</b>	<b>32,584</b>	<b>90,957</b>

**2022 Analysis**

**ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2022
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	192	-	-	-	192
Property	9,290	-	38,413	931	48,634
Cars and equipment	73	-	-	-	73
Investments	12,408	1,045	12,190	28,935	54,578
Investment properties	3,078	-	-	-	3,078
External loans	38	-	155	-	193
Inter fund loans	-	-	-	-	-
Net current assets	15,374	(28)	4,479	-	19,825
Pension reserve	(8)	-	(2,358)	-	(2,366)
Inter fund balances	(12,606)	3,186	9,372	48	-
<b>Net assets</b>	<b>27,839</b>	<b>4,203</b>	<b>62,251</b>	<b>29,914</b>	<b>124,207</b>

## NOTES TO THE FINANCIAL STATEMENTS

### ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2022
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	192	-	-	-	192
Property	9,290	-	483	931	10,704
Cars and equipment	73	-	-	-	73
Investments	12,408	1,045	12,190	28,935	54,578
Investment properties	3,078	-	-	-	3,078
External loans	37	-	4,005	-	4,042
Net current assets	15,374	(28)	-	-	15,346
Pension reserve	(7)	-	(2,358)	-	(2,365)
Inter fund balances	(12,606)	3,186	9,372	48	-
	<b>27,839</b>	<b>4,203</b>	<b>23,692</b>	<b>29,914</b>	<b>85,648</b>

## NOTE 21 RESTRICTED FUNDS

### (a) Church Buildings Fund

This fund may be used in the upkeep and repair of the buildings of the local churches of the United Reformed Church and the maintenance of the services therein; in the improvement and extension of the buildings of such churches; and in the provision and erection of buildings for use for the purposes of such churches or as residences for ministers of the United Reformed Church. Both grants and loans are available for these purposes; notes 6 and 15 give some details.

### (b) Retired Ministers' Housing Funds and Retired Ministers' Housing Society

The whole of these funds is utilised by the RMHS Board in providing accommodation for ministers and ministers' widow/ers or civil partners in their retirement. Income in 2023 included £398k from donations and £479k from legacies. Most of the remaining income arises from the profit on the sale of houses, the proceeds of which were largely re-invested in further house purchases. The indebtedness of the Society to the other funds of the Church is included in the Trust Balance Sheet and notes 15 to 17 as inter-fund loans and balances; note 26 gives information on its future commitments.

### (c) Welfare Fund

This fund can be used to relieve cases of need among ministers of the United Reformed Church, their spouses and other dependants. Regular uses have been to provide a grant on the death of a minister to the surviving spouse, to provide a grant at Christmas to widow/ers of United Reformed Church ministers, counselling costs and assistance with medical costs. Surplus income of certain other funds is transferred to this fund.

### (d) Retired Ministers' Fund and Retired Ministers' Aid Fund

These funds are used to supplement the pensions paid to ministers and ministers' widow/ers, principally by upgrading the pensions of former ministers of the Congregational Church and the Churches of Christ and the widow/ers of such ministers to a level of the pension that would have been paid if the minister's service had been to the former Presbyterian Church, and also to pay certain ill-health early retirement pensions. The balances shown for these funds are after deducting the actuarially assessed cost of the Church's constructive obligation to continue making these payments, totalling £2,358k.

### (e) Commitment for Life Fund

This programme involves substantial sums of money being collected through the Church and Society office and disbursed for Christian Aid programmes and other purposes. The balance held at the year end represents sums received, which had not yet been allocated.

### (f) Pension Deficit Fund

During 2021 the synods pledged various amounts to help with the payment of deficit contributions to the Ministers' Pension Fund. A restricted fund was set up to collect these contributions and to pay them over to the Pension Fund when required by the agreed schedule of contributions. Any excess monies in the fund once the deficit has been paid off will be returned to the synods in the proportion in which they contributed.

## NOTES TO THE FINANCIAL STATEMENTS

### (g) Other funds

There are some fifty other funds in the care of United Reformed Church Trust, covering many different activities relating to the Church centrally, and some to the wider parts of the United Reformed Church. Most of their income is earned from investments, and expenditure is in accordance with their various specific purposes.

## NOTE 22 PENSION OBLIGATIONS

The United Reformed Church has obligations for two pension funds: United Reformed Church Ministers' Pension Fund (MPF), and the United Reformed Church Final Salary Scheme (FSS). Both schemes were closed to future accrual on 28 February 2023. The actuarial gains and/or losses and the liabilities for each scheme were:

	MPF		FSS		Total	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Recognised actuarial gains/(losses)	-	(4,603)	4	7	4	(4,596)
Net scheme assets/(liabilities)	-	-	(4)	(8)	(4)	(8)

Net scheme assets are not recognised in the balance sheet. The details of each scheme are set out in notes 23 and 24 below.

## NOTE 23 THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Up until 28 February 2023, pensions for most ministers were provided by The United Reformed Church Ministers' Pension Fund. The Fund is a defined benefit pension scheme and the assets are invested and managed by an independent trustee. The scheme was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme (Note 25) has been set up for ministers. The new pension fund is administered by Aon MasterTrust.

Triennial actuarial valuations of the pension scheme are performed by a qualified actuary. The actuarial valuation at 1 January, 2021 was formally agreed on 23 March, 2022. For the purpose of these financial statements, the actuary has updated that valuation at 31 December, 2023 using assumptions that are consistent with the requirements of FRS102. The fund's assets saw some growth during the year, increasing by £4,488k. There was also an increase in the liabilities which rose by £2,446k. Overall the surplus of the fund on a technical provision basis rose by £2,042k.

### a) Contributions:

The defined benefit scheme is funded and is not contracted-out of the state scheme. Contributions in January and February 2023 totalled 41.25% of pensionable pay. From this date, the scheme closed to accrual and was replaced by a defined contribution scheme (see note 25). The church paid ordinary contributions of £624k for the two months the scheme remained open (year 2022: £4,568k) and paid deficit funding contributions of £4.7m in 2023 (2022: £6.7m). Members' contributions for the two months the scheme was open were paid at 7.5% of pensionable pay.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	2023	2022
Discount rate at year end	4.55%	4.80%
Expected return on plan assets at year end		n/a
Future stipend increases	2.80%	2.95%
Future pension increases (RPI up to 5%)	3.15%	3.35%
Future deferred pension revaluation (CPI)	2.95%	2.95%
Life expectancy of male pensioners (age 65)	23.7	23.8
Life expectancy at female pensioners (age 65)	25.3	25.3

## NOTES TO THE FINANCIAL STATEMENTS

**b) The amounts recognised in the Balance Sheet are as follows:**

	<b>2023</b>	<b>2022</b>
	<b>Value at 31 Dec</b>	<b>Value at 31 Dec</b>
	<b>£'000</b>	<b>£'000</b>
Present value of obligations	(134,060)	(131,614)
Fair value of plan assets	149,596	145,108
Adjustment to reflect asset limit	(15,536)	(13,494)
Pension asset/(liability)	-	-

**c) The charge to the Statement of Financial Activities for the year comprised:**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>		
Current service cost	381	2,982
Administrative expenses	427	351
Financing cost:		
Interest on net defined liability	-	5
Total operating charge	808	3,338
<b>Actuarial gains/(losses) on pension schemes)</b>		
Asset losses/(gains) arising during the year	(1,081)	52,703
Liability losses/(gains) arising during the year	4,277	(62,829)
	3,196	(10,126)
Change in effect of the asset ceiling	1,329	13,494
<b>Total loss/(gain) recognised in the Statements of Financial Activities</b>	<b>4,525</b>	<b>3,368</b>

**d) Change in defined benefit obligation:**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	131,614	194,278
Service cost (incl. employee contributions)	537	3,944
Interest expense on DBO	6,127	3,845
Actuarial (gains)/losses on liabilities	4,277	(62,829)
Benefits paid	(8,495)	(7,624)
Closing defined benefit obligation	134,060	131,614

**e) Change in fair value of plan assets:**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	145,108	189,675
Interest income on assets	6,840	3,840
Actuarial gains (losses)	1,081	(52,703)
Contributions by employer	5,333	11,309
Contributions by employees	156	962
Administrative expenses	(427)	(351)
Benefits paid	(8,495)	(7,624)
Closing fair value of plan assets	149,596	145,108

**f) Future employer contributions:**

The Church expects to contribute about £372k to the plan during the next accounting year to cover the fund's expenses.

## NOTES TO THE FINANCIAL STATEMENTS

**g) Breakdown of plan assets:**

The major categories of plan assets as a percentage of total plan assets are as follows:

	<b>2023</b>	<b>2022</b>
	<b>Asset</b>	<b>Asset</b>
	<b>allocation</b>	<b>allocation</b>
	<b>%</b>	<b>%</b>
Equities	29	41
Property	12	13
Bonds	59	46

**h) Five year comparison**

The amounts for the current and previous four years are as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Defined benefit obligation	(134,060)	(131,614)	(194,278)	(194,227)	165,807
Plan assets	149,596	145,108	189,675	173,426	156,426
Unrecognised surplus/(Recognised deficit)	15,536	13,494	(4,603)	(20,801)	(9,381)

**Other pension obligations**

SORP 2015 requires that constructive obligations, although not legally binding, be recognised on a charity's balance sheet. United Reformed Church Trust considers that it has a long-term constructive obligation in respect of:

- a) the pension supplements it pays to former ministers of the Congregational Church and the Churches of Christ and the widow/ers of those ministers, in order to bring their pension to the level of the pension that would have been paid if the minister's service had been to the former Presbyterian Church. An independent actuarial assessment of the net present value of these future payments was obtained at the time of the formal actuarial review as at 1 January, 2021, using comparable assumptions as for FRS 102 section 28 calculations; this value (£2,358k) has been deducted from the total of restricted Fund included in the Balance Sheet. Included within restricted fund investments is £5,281k held to meet this obligation, and;
- b) other pension grants, principally for ill-health early retirement until 2004.

## **NOTE 24 THE UNITED REFORMED CHURCH FINAL SALARY SCHEME**

**a)** Up until 28 February 2023, the United Reformed Church contributed to a staff pension scheme known as the "Final Salary" scheme; this too is a defined benefit scheme, which is administered by TPT Retirement Solutions (formerly The Pensions Trust). The United Reformed Church is the principal employer in the scheme, and eleven synods and Northern College are participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities – each employer paid a common contribution rate. The information below is provided by the principal employer in respect of the whole scheme as required by FRS102.

Triennial actuarial valuations of the whole Final Salary scheme are performed by a qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September, 2022, when the scheme had a surplus of £1,446k. For the purpose of these financial statements, the actuary has updated that valuation at 31 December, 2023 using assumptions that are consistent with the requirements of FRS102.

The scheme was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme has been set up for lay staff. The pension fund is administered by Aon MasterTrust.

## NOTES TO THE FINANCIAL STATEMENTS

### i) Contributions:

During January and February 2023 the United Reformed Church contributed 22.8% (2022: 22.8%) of basic salary in respect of members of the scheme. This figure included 3% as deficit funding. Expenses and levies with are payable as a separate lump sum. Members contributed at the rate of 7.5% (2022: 7.5%) of pensionable salary.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	2023	2022	2021
Discount rate at year end	4.77%	4.98%	1.80%
Inflation (RPI)	3.04%	3.12%	3.20%
Inflation (CPI)	2.62%	2.81%	2.85%
Earnings growth	2.62%	2.62%	2.62%
Future deferred pension revaluation (CPI)	2.5%	2.50%	2.50%
Life expectancy in years of males retiring in 2020 (age 65)	21.0	21.3	21.2
Life expectancy in years of females retiring in 2020 (age 65)	23.3	23.4	23.4
Life expectancy in years of males retiring in 2040 (age 65)	22.6	22.6	22.6
Life expectancy in years of females retiring in 2040 (age 65)	24.8	24.6	24.5

### ii) The amounts recognised at 31 December in the Balance Sheet are as follows:

	2023 £'000	2022 £'000	2021 £'000
Present value of obligations	(24,588)	(23,300)	(36,994)
Fair value of plan assets	28,118	27,792	46,764
Adjustment to reflect asset limit	(3,530)	(4,492)	(9,770)
Pension asset/(liability)	-	-	-

### iii) The charge to the Statement of Financial Activities for the year comprised:

	2023 £'000	2022 £'000
<b>Charitable activities</b>		
Current service cost	88	1,358
Administrative expenses	150	124
Net interest (credit)/cost:	-	-
Total operating charge	238	1,482
<b>Actuarial gains/(losses) on pension schemes</b>		
Asset gains/(losses) arising during the year	(56)	(20,018)
Liability gains/(losses) arising during the year	(1,124)	14,667
Effect of asset limit	1,180	5,351
	-	-

### iv) Change in defined benefit obligation:

	2023 £'000	2022 £'000
Opening defined benefit obligation	23,300	36,994
Current service cost (inc. contributions by plan participants)	94	1,358
Interest expense on DBO	1,134	702
Actuarial losses/(gains) on liabilities	1,226	(14,667)
Benefits paid and death in service premiums	(1,166)	(1,087)
Closing defined benefit obligation	24,588	23,300

### v) Change in fair value of plan assets:

	2023 £'000	2022 £'000
Opening fair value of plan assets	27,792	46,764
Interest income on assets	1,360	844
Expenses	(150)	(124)
Actuarial gains (losses)	(56)	(20,018)

## NOTES TO THE FINANCIAL STATEMENTS

Contributions by employers	332	1,380
Contributions by plan participants	6	33
Benefits paid	(1,166)	(1,087)
Closing fair value of plan assets	28,118	27,792

**vi) Future employer contributions:**

As the scheme has closed to future accrual, there are no further contributions expected to be made by the employer.

**vii) Breakdown of plan assets:**

The major categories of plan assets are as follows:

	2023	2022	2021
	£'000	£'000	£'000
Equity-Type assets	12,422	10,723	23,587
Fixed Interest Bonds	292	2,536	3,829
Index-Linked bonds	-	-	13,800
Fixed Interest Gilts	-	-	3,132
LDI	12,181	11,833	-
Property	1,910	2,162	2,082
Other	1,313	538	334
Total assets	28,118	27,792	46,764

**b)** Certain members of the Final Salary scheme have also made additional voluntary contributions to the 'Growth Plan', a multi-employer funded pension plan operated by TPT Retirement Solutions. Certain past contributions to this plan entitle the members to either a defined pension or a guaranteed capital sum to be converted into an annuity at retirement. The Church does not normally make contributions to the Growth Plan, but from 1 April, 2013 has been required to do so as a result of an actuarial deficit. The most recent formal actuarial valuation of the Growth Plan, as at 30 September, 2020, revealed a funding level of 96.2%. Its latest recovery plan includes a requirement for contributions from the Church over a period of 2.75 years from 1 April, 2022, including £4k in 2023. The Church now recognises a liability for the net present value of these future contributions, amounting to £4k at the balance sheet date (2022: £8k). The present value is calculated using a discount rate of 5.31% (2022: 4.96%), and the charge to the Statement of Financial Activities of £4k (2022: £10k) represents the finance cost of unwinding the discount rate and the effect of any changes in actuarial assumptions.

In addition, in the event of no members continuing to contribute to the Growth Plan, there is a contingent obligation of an employer debt on withdrawal in respect of certain liabilities incurred before March 2010.

### NOTE 25                      DEFINED CONTRIBUTION PENSION SCHEME

During the year ended 31 December 2023, the Church contributed £1,836k to a defined contribution pension scheme for ministers and lay staff. Of this £1,336k related to ministers and £500k related to lay staff. This was the first year that contributions were made to this scheme.

### NOTE 26                      COMMITMENTS

At 31 December, 2023 the Retired Ministers' Housing Society had entered into a contract to purchase 1 property (2022: £nil). The agreed purchase price of the property is £410k. A deposit of £40k was paid during the year and is included in the Other Debtors figure in note 5. There were 2 properties for which approval for purchase had been given (2022: none), but for which no contract had been signed by 31 December 2023. The total price offered for these 2 properties was £657k. The Society was aware of 5 further ministers who were looking for properties at the year end.

The Church is committed, through the United Reformed Church Retired Ministers' Housing Society Limited and other earmarked funds, to providing housing for retired ministers. Owing to the many

## NOTES TO THE FINANCIAL STATEMENTS

unknown variables which would be involved in calculating the value of this long-term liability, no provision is included in the Balance Sheet.

These variables include the number of ministers requiring assistance from the Society and the level of contributions able to be made by individual ministers towards the cost of their homes. During 2023 £3,301k was spent on acquiring housing for retired ministers, £555k on repairing and maintaining existing properties and profits of £1,456k were earned from the sale of homes no longer required. Exercises have been undertaken periodically by the Society's management committee to collect information to assist more accurate long-term planning; these have confirmed a continuing need for assistance in the short to medium term. Future cash flow is kept under continuous review, and recent years have seen the Society become cash flow positive. This trend is expected to continue for the medium to long term.

The Trust entered into a legal Guarantee on 21 July, 2010, under which it guarantees future contributions by the Church to the United Reformed Church Ministers' Pension Fund, as set out in the Schedule of Contributions in force from time to time up to an aggregate maximum amount of £24 million, using assets available for this purpose.

### NOTE 27 CONTINGENT LIABILITIES

We have been notified by the trustee of the United Reformed Church Final Salary Pension Scheme that they performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The trustee has determined that it is prudent to follow best practice and seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved until late 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but as the Court direction is pending, it is not possible to calculate the impact of this issue with any accuracy at this time. Therefore, no adjustment has been made in these financial statements in respect of this issue.

### NOTE 28 CASH FLOW INFORMATION

#### Reconciliation of net cash flow to movement in net cash funds

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
(Decrease)/Increase in cash in the period	(2,151)	2,857
Net cash funds at 1 January	18,309	15,452
Net cash funds at 31 December	<u>16,158</u>	<u>18,309</u>

Net cash funds are represented by bank balances and money on call, as shown on the Consolidated Balance Sheet. Of the total, £10,944k is shown on the Trust Balance Sheet.

### NOTE 29 RELATED PARTY TRANSACTIONS

During the year the United Reformed Church Trust recharged salary and staff costs amounting to £305k (2022: £319k) to the United Reformed Church Retired Ministers' Housing Society Limited.

### NOTE 30 LEASE COMMITMENTS

At 31 December, 2023 the trust had future minimum Lease payments under non-cancellable operating leases as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Due within 1 year	12	7
Due in more than 1 year but less than 5 years	30	16
Due in more than 5 years	6	-
<b>Total</b>	<u>48</u>	<u>23</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 31 LEASES RECEIVABLE

At 31 December, 2023 the principal future minimum lease payments receivable under non-cancellable leases are as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Due within 1 year	95	95
Due in more than 1 year but less than 5 years	261	356
<b>Total</b>	356	451

### NOTE 32 SUBSIDIARY UNDERTAKINGS

The United Reformed Church Retired Ministers' Housing Society Limited ('RMHS') is an exempt charity registered under the Co-operative and Community Benefit Societies Act 2014, number 15986R. Under the rules of the Society, which were revised by agreement of the RMHS Board in 2019, the United Reformed Church Trust has the power to appoint a majority of the directors. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

Their financial results were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Income	2,925	3,090
Expenditure	1,267	1,100
Net income/(expenditure)	1,658	1,990
Total net assets	40,217	38,559

### NOTE 33 CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Gross income from continuing operations	26,980	24,967
Net gains on disposal of fixed assets	1,714	4,384
Total income	28,694	29,352
Total expenditure	(26,641)	(29,294)
Net (expenditure)/income for year	2,053	58

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 34 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER, 2022**  
**CONSOLIDATED & TRUSTS' STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000	2022 Total funds £'000	2022 Trust Only £'000	Restated 2021 Total funds £'000
<b>Donations and legacies</b>								
Ministry and Mission Fund contributions	3(a)	16,685	0	0	0	16,685	16,685	17,203
Grants receivable	2(b)	175	0	0	0	175	175	162
Legacies		3	510	55	0	568	513	80
Commitment for Life donations		0	0	259	0	259	259	266
Other donations	3(c)	8	0	4,481	4	4,493	4,480	9,033
		186	510	4,795	4	5,495	5,427	9,541
<b>Charitable activities</b>								
Ministry	3	72	0	411	0	483	72	739
Education and Learning		2	0	0	0	2	2	18
Children's and Youth work		15	0	0	0	15	15	3
Mission programmes		8	0	0	0	8	8	0
Publishing		197	0	0	0	197	197	203
		294	0	411	0	705	294	963
<b>Other trading activities</b>								
Investment income	4	0	0	0	0	0	0	0
		1,392	34	580	0	2,006	2,006	1,894
<b>Other income</b>								
Gains on sale of properties		1,773	0	2,611	0	4,384	1,773	3,033
Other income		77	0	0	0	77	77	60
		1,850	0	2,611	0	4,461	1,850	3,093
<b>Total income and endowments</b>		<b>20,407</b>	<b>544</b>	<b>8,397</b>	<b>4</b>	<b>29,352</b>	<b>26,262</b>	<b>32,694</b>
<b>Expenditure on:</b>								
<b>Raising funds:</b>								
Trading expenditure		0	0	0	0	0	0	0
<b>Charitable activities</b>								
Ministry	5	16,592	66	6,937	0	23,595	22,495	18,622
Education and Learning		2,134	8	737	0	2,879	2,879	1,925
Children's and Youth work		406	1	127	0	534	534	339
Mission programmes		1,115	4	598	0	1,717	1,717	1,363
Publishing		425	2	138	0	565	565	431
Other expenditure		0	0	0	0	0	0	0
		20,672	81	8,537	0	29,290	28,190	22,680
<b>Total expended</b>		<b>20,672</b>	<b>81</b>	<b>8,537</b>	<b>0</b>	<b>29,290</b>	<b>28,190</b>	<b>22,680</b>
<b>Surplus from charitable and trading activities</b>		<b>(265)</b>	<b>463</b>	<b>(140)</b>	<b>4</b>	<b>62</b>	<b>(1,928)</b>	<b>10,014</b>
<b>Net gains / (Loss) on investment assets</b>		<b>(2,067)</b>	<b>(148)</b>	<b>(1,729)</b>	<b>(4,097)</b>	<b>(8,041)</b>	<b>(8,041)</b>	<b>7,685</b>
<b>Net income</b>		<b>(2,332)</b>	<b>315</b>	<b>(1,869)</b>	<b>(4,093)</b>	<b>(7,979)</b>	<b>(9,969)</b>	<b>17,699</b>
<b>Transfers between funds</b>		<b>(1,971)</b>	<b>2,166</b>	<b>(185)</b>	<b>(10)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Actuarial gains / (losses) on pension schemes</b>	22	<b>3,368</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,368</b>	<b>3,368</b>	<b>17,669</b>
<b>Net movement in funds</b>		<b>(935)</b>	<b>2,481</b>	<b>(2,054)</b>	<b>(4,103)</b>	<b>(4,611)</b>	<b>(6,601)</b>	<b>35,368</b>
<b>Reconciliation of Funds</b>								
Total funds brought forward		28,774	1,722	64,305	34,017	128,818	92,248	93,450
<b>Total funds carried forward</b>		<b>27,839</b>	<b>4,203</b>	<b>62,251</b>	<b>29,914</b>	<b>124,207</b>	<b>85,647</b>	<b>128,818</b>

All amounts relate to continuing operations.

There is no material difference between the net incoming resources stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The Companies Act income and expenditure account has been included in note 32.

The notes on pages 24 to 49 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### FIVE YEAR SUMMARY (unaudited)

	2019 (Restated) £'000	2020 (Restated) £'000	2021 (Restated) £'000	2022 (Restated) £'000	2023  £'000
<b>INCOME AND EXPENDITURE ACCOUNTS</b>					
<b>Income</b>					
Ministry and Mission Fund contributions	18,817	17,908	17,204	16,685	16,316
Investment income	1,833	1,899	1,896	2,006	2,194
Income from charitable activities	535	610	744	705	816
Grants receivable	244	279	162	175	155
Legacies	811	339	80	568	650
Donations	1,021	345	9,509	4,752	6,788
Other income	1,919	397	3,105	4,461	1,759
	25,180	21,777	32,700	29,352	28,678
<b>Expenditure</b>					
Ministry	17,378	17,220	18,665	23,595	21,668
Education & Learning	1,703	1,840	1,890	2,879	2,451
Children's and Youth work	385	353	337	534	556
Mission programmes	1,537	1,282	1,353	1,717	1,456
Support activities (incl. publishing)	162	411	426	565	501
Trading activities	0	20	13	0	0
Other costs	0	0	0	-	-
	21,165	21,126	22,684	29,290	26,632
<b>Net income</b>	<b>4,015</b>	<b>651</b>	<b>10,016</b>	<b>62</b>	<b>2,046</b>
<b>Investment gains</b>	<b>8,146</b>	<b>3,490</b>	<b>7,683</b>	<b>(8,041)</b>	<b>4,910</b>
Actuarial gains/(losses)	332	(10,174)	17,669	3,368	0
<b>Net increase/(decrease) in funds</b>	<b>12,493</b>	<b>(6,033)</b>	<b>35,368</b>	<b>(4,611)</b>	<b>6,956</b>
<b>CASH FLOW STATEMENTS</b>					
<b>Cash required for investment in</b>					
Houses for retired ministers	(1,417)	946	946	946	946
Other properties	(1,473)	500	553	500	500
Cars and equipment	73	92	48	48	48
Loans to churches and ministers	(18)	13	(28)	(28)	(28)
	(2,835)	1,551	1,519	1,466	1,466
<b>Source of cash</b>					
Net incoming/(outgoing) resources for the year (see above)	3,672	552	9,788	10,009	10,009
Adjustment for items not resulting in a cash movement, for returns on investments, and for capital receipts	(4,743)	(21)	(2,866)	(2,578)	(2,578)
	(1,071)	531	6,922	7,431	7,431
Net increase in capital	4	4	5	5	5
Net decrease/(increase) in investments	(646)	0	135	(93)	(93)
Decrease/(increase) in bank balances	(1,122)	1,237	(7,790)	(8,018)	(8,018)
	(2,835)	1,772	(728)	(675)	(675)

## NOTES TO THE FINANCIAL STATEMENTS

### FIVE YEAR SUMMARY continued

	2019 (Restated) £'000	2020 (Restated) £'000	2021 (Restated) £'000	2022 (Restated) £'000	2023 £'000
<b>BALANCE SHEETS (Consolidated)</b>					
<b>Fixed assets</b>					
Tangible assets					
Houses for retired ministers	38,654	39,979	39,334	38,278	39,972
Houses for serving ministers	5,021	5,517	8,622	7,736	8,200
Other properties	2,696	2,671	2,646	2,620	2,603
Cars, equipment and intangibles	147	171	195	265	317
	46,518	48,338	50,797	48,899	51,092
Investment Properties	2,695	3,078	3,427	3,078	2,833
Long term investments (incl.programme-related)	51,727	54,835	62,278	54,578	59,676
Loans to churches and ministers	142	155	202	193	191
	101,082	106,406	116,704	106,748	113,792
<b>Net current assets/(liabilities)</b>					
Current assets					
Debtors and stock	3,106	3,284	4,754	3,085	5,120
Bank balances and money on call	9,022	7,661	15,451	18,309	16,158
	12,128	10,945	20,205	21,394	21,278
less : current liabilities	1,113	673	1,116	1,569	1,540
	11,015	10,272	19,089	19,825	19,738
<b>Net assets excluding pension liability</b>	112,097	116,678	135,793	126,573	133,530
Defined benefit pension scheme liability	(9,466)	(20,872)	(4,618)	(8)	(8)
Other pension obligations	(3,150)	(2,358)	(2,358)	(2,358)	(2,358)
<b>Net assets including pension liability</b>	99,481	93,448	128,817	124,207	131,164
Unrestricted income funds	20,111	9,824	28,776	27,839	27,326
Designated funds	1,564	1,664	1,722	4,203	4,115
Restricted income funds	49,332	51,884	64,305	62,251	67,139
Capital funds	28,474	30,076	34,014	29,914	32,584
<b>Total funds</b>	99,481	93,448	128,817	124,207	131,164
<b>NON-FINANCIAL STATISTICS</b>					
(from URC Year Book)					
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2023</b>	<b>2023</b>
Members	44,788	43,208	40,024	36,986	41,786
Stipendiary ministers	377	364	334	316	301
Non-stipendiary ministers	58	62	56	60	60
Churches	1,354	1,331	1,284	1,242	1,198
Retired ministers	874	857	844	843	835
Ministry and Mission contribution per member	£420	£414	£430	£451	£390

**UNITED REFORMED CHURCH TRUST**

England & Wales - Charity number 1133373

---

# Accounts

---



*The*  
**United  
Reformed  
Church**

**TRUSTEES'  
REPORT  
AND FINANCIAL  
STATEMENTS  
2022**

(A company limited by guarantee, number 135934,  
Registered Charity No. 1133373)

**UNITED REFORMED CHURCH TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

**CONTENTS**

	Page
Trustees' Report .....	1
Reference and administrative information .....	1
Structure, governance and management .....	3
Objectives and activities .....	4
Strategic Report .....	5
Statement of Trustees' responsibilities .....	16
Independent Auditors' Report .....	17
Consolidated and Trust Statement of Financial Activities .....	21
Consolidated and Trust Balance Sheets .....	22
Consolidated Statement of Cash Flows .....	23
Notes to the financial statements .....	24
Note 1 Principal accounting policies .....	24
Note 2 Voluntary income .....	27
Note 3 Income from charitable activities .....	28
Note 4 Investment income .....	28
Note 5 Analysis of expenditure .....	28
Note 6 Analysis of grants .....	28
Note 7 Support costs .....	29
Note 8 Governance costs .....	29
Note 9 Notified legacies .....	29
Note 10 Stipend and salary costs .....	30
Note 11 Tangible fixed assets .....	31
Note 12 Mixed motive investment property .....	32
Note 12a Mixed-use investment property .....	33
Note 13 Investments .....	33
Note 14 Programme-related investments .....	34
Note 15 Concessionary loans .....	34
Note 16 Debtors .....	35
Note 17 Creditors: amounts falling due within one year .....	35
Note 18 Unrestricted funds .....	35
Note 19 Summary of fund movements .....	36
Note 20 Analysis of net assets between funds .....	38
Note 21 Restricted funds .....	39
Note 22 Pension obligations .....	40
Note 23 The United Reformed Church Ministers' Pension Fund .....	40
Note 24 The United Reformed Church Final Salary Scheme .....	42
Note 25 Commitments .....	44
Note 26 Contingent Liabilities .....	45
Note 27 Cash flow information .....	45
Note 28 Related party transactions .....	45
Note 29 Lease commitments .....	45
Note 30 Lease receivable .....	46
Note 31 Subsidiary undertakings .....	46
Note 32 Consolidated summary income and expenditure account .....	46
Note 33 Consolidated Statement of Financial Activities 2019 .....	47
Note 34 Reconciliation of previously stated 2021 Statement of Financial Activity .....	48
Note 35 Reconciliation of previously stated 2021 Balance Sheet .....	49
Five year summary .....	50

# UNITED REFORMED CHURCH TRUST

(A company limited by guarantee, number 135934, Registered Charity number 1133373)

## TRUSTEES' REPORT

(Incorporating the Report of the Directors)

The United Reformed Church Trust ("the charitable company") is the corporate charity trustee of the funds of the General Assembly of the United Reformed Church ("URC") and is responsible for reporting its financial activities. The directors, who are also trustees of the charitable company, submit their report and the audited consolidated financial statements for the year ended 31 December, 2022, which incorporate the funds of the General Assembly of the United Reformed Church.

## REFERENCE AND ADMINISTRATIVE INFORMATION

**Corporate Trustee Registered Office:** 86 Tavistock Place, London WC1H 9RT

### Directors

The directors who served during the year and to the date of this report, unless otherwise indicated, were as follows:

<u>Name</u>	<u>Ex officio</u>	<u>Appointed / Resigned</u>
Mrs Jane Baird	Deputy General Secretary, Administration & Resources	
The Revd Dr John Bradbury	General Secretary	
The Revd James Breslin		
The Revd Clare Downing		Resigned 31 August 2022
Mr David Greatorex		
Mr Ian Hardie	Honorary Treasurer	
Dr Ian Harrison		Resigned 31 August 2022
The Revd Dr Michael Hopkins	Clerk of the General Assembly	
Mr David Lathbury		
Revd John Macaulay		Appointed 15 September 2022
Revd Julian Macro		
The Revd Nick Mark		
Mrs Valerie Morrison		Resigned 31 August 2022
Mr Clifford Patten		
Mrs Margaret Thompson		Resigned 31 August 2022
Dr Stephen Thompson		Appointed 13 September 2022
Ms Catriona Wheeler (Chair)		

**Secretary:** Ms Sandi Hallam-Jones

Most of the directors are appointed as members of the charitable company by the General Assembly of the URC and then as directors by the company under the provisions of its Articles of Association, to serve for up to four years (with a possibility of renewal for one further period of four years), having been nominated through the representative processes of the Church. There are six directors who serve ex officio, their appointment or election to their positions also having followed nomination. The directors receive no remuneration but may be reimbursed their expenses of attending meetings.

Most newly appointed directors are already familiar with many aspects of their role through serving on Assembly committees or synod bodies, but they are provided with relevant documentation and encouraged to sign up to receiving regular information from sources such as the Charity Commission. Training is provided via general external courses and events where possible, and training is given in conjunction with quarterly meetings in specific areas of governance as needs arise, to assist in the performance of their duties.

## TRUSTEES' REPORT CONTINUED

### Trustees of subsidiary charities at the date of this report:

#### **United Reformed Church Retired Ministers' Housing Society Limited**

(Exempt charity, registered under Co-operative and Community Benefit Societies Act 2014, number 15986R)

Chair: The Revd Nigel Appleton

Secretary: Ms Chuka Agbasiere

The Board (appointed for a renewable term of three years): The Revd Dr John Bradbury, The Revd Nicola Furley-Smith, Mr David Greatorex, Mr Ian Hardie, Revd Michael Jagessar, Mr Malcolm Lindo, Mr Clifford Patten, The Revd Kenneth Summers, The Revd Simon Walkling, Mr Peter West, The Revd Paul Whittle.

#### **Others with charity governance responsibilities**

General Assembly Moderator: The Revd Fiona Bennett

Immediate Past Moderators – The Revd Clare Downing

Business Committee Convenor – The Revd Mark Robinson

Deputy General Secretary, Discipleship – The Revd Adrian Bulley

Deputy General Secretary, Mission – The Revd Philip Brooks

Deputy General Secretary, Admin & Resources – Mrs Jane Baird

Chief Operating Officer – Mrs Victoria James

The key management personnel of the charity are the members of the General Secretariat: the General Secretary, three Deputy General Secretaries and the Chief Operating Officer.

#### **Assembly Executive**

The ex officio members of the charitable company, the Chair of trustees, the Deputy Treasurer, Vaughan Griffiths, and the others listed immediately above are members of Assembly Executive by virtue of the offices that they hold. Other members are the other convenors of the General Assembly Standing committees, URC Youth representatives, Synod Moderators and three representatives from each synod. These are listed below, as at December 2022. Convenors: Mrs Sarah Lane Cawte, The Revd Naison Hove, The Revd Roger Jones, Mrs Helen Lidgett, The Revd Mark Robinson, The Revd Paul Robinson, The Revd Dr Robert Pope, The Revd Dr Peter Stevenson; The Revd Mary Thomas, Mr Alan Yates.

URC Youth representatives: Ms Jo Harris (Moderator), Miss Philipa Osei (Moderator elect), Miss Laura Everard.

Synod Moderators and representatives:

- 1 Northern: The Revd David Herbert, The Revd Joan Grindrod-Helmn, Maureen Sheherd
- 2 North Western: Mr Tim Hopley, Mr Mal Breeze, The Revd Martyn Coe, The Revd Jonnie Hill
- 3 Mersey: The Revd Geoffrey Felton, Mrs Rita Griffiths, Mr Paul Franklin, The Revd Dr Nick Jones
- 4 Yorkshire: The Revd Jamie Kissack, Mr Daniel Raddings, Mr Tim Crossley, The Revd Fran Kissack
- 5 East Midlands: The Revd Geoffrey Clarke, Mr David Greatorex, The Revd Camilla Veitch, The Revd Martin Ferris
- 6 West Midlands: The Revd Steve Faber, Mr Steve Powell, The Revd Elaine Hutchinson, Mrs Rachel Wakeman
- 7 Eastern: The Revd Lythan Nevard, The Revd David Coaker, Mr Richard Lewney, The Revd Anne Sardeson
- 8 South Western: The Revd Ruth Whitehead, Ms Rachel Leach, The Revd Dr Hazel Sarrit, Ms Ann Marie Trubic
- 9 Wessex: The Revd Graham Hoslett, Ms Karen Bell, The Revd Timothy Clarke, Mr Clive Snashall
- 10 Thames North: The Revd George Watt, The Revd Sally Thomas, Ms Ola Lawal, Ms Nneoma Chima
- 11 Southern: The Revd Bridget Banks, Miss Pam Tolhurst, The Revd Kim Plumpton, The Revd Russell Furley-Smith
- 12 Wales: The Revd Simon Walkling, Mrs Adella Pritchard, Ms Martha McInnes, The Revd Martin Spain
- 13 Scotland: The Revd Paul Whittle, Miss Myra Rose, Dr Ewen Harley, The Revd Janet Adamson

## **United Reformed Church Finance Committee**

Convenor: Mr Ian Hardie

Chief Finance Officer: Mr John Samson

Mrs Jane Baird, The Revd Simon Copley, Mr Vaughan Griffiths (Deputy Treasurer), Mrs Denise Harman, Mrs Jane Humphreys, Ms Joana Marfoh, Mr William Potter, The Revd Wilbert Sayimani, Mr Gordon Wanless, Mrs Catriona Wheeler

### **Legal Advisers**

Slater Heelis Solicitors  
Lloyds Bank Buildings  
16 School Road, Sale  
Chester M33 7XP

Anthony Collins Solicitors  
134 Edmund Street  
Birmingham  
B3 2ES

### **Actuaries**

Aon Hewitt Limited  
Carnegie House  
Peterborough Road  
Harrow  
Middlesex HA1 2AJ

### **Independent Auditors**

Moore Kingston Smith LLP  
Chartered Accountants and Statutory Auditors  
9 Appold Street  
London EC1M 7AD

### **Bankers**

HSBC Bank plc  
City of London Corporate Banking Centre  
60 Queen Victoria Street  
London EC4N 4TR

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **The company**

The General Assembly of the URC in 2006 appointed the United Reformed Church Trust, the charitable company, as the corporate trustee of its funds. Following consultation with the Charity Commission in December 2009 the charitable company adopted new memorandum and articles and was registered as a Charity.

### **Church Governance**

The governing body of the URC is the General Assembly. The authority under which the General Assembly acts was given by the resolutions passed at the Uniting Assemblies of 1972, 1981 and 2000; and the United Reformed Church Acts 1972, 1981 and 2000 enabled those resolutions to be given legal effect in relation to the finance and property of the Church. These Acts of Parliament together with the Basis, Structure and Rules of Procedure for the time being of the URC (as contained in sections A - C of the Manual of the URC) contain the foundation documents of the Church, known as the Scheme of Union. Each General Assembly appoints members to Assembly Executive, although those appointed to represent synods are nominated by the synods concerned. The names of members of Assembly Executive are listed above. The purpose of Assembly Executive is to enable the Church, in its General Assembly, to take a more comprehensive view of the activity and policy of the Church, to decide more carefully about priorities and to encourage the outreach of the Church to the community.

### **Charitable Assets**

The charitable assets of the URC, are held by the charitable company as charity trustee. It manages those assets and applies them as directed by General Assembly for the work of the URC, and ensures they are expended in a compliant fashion.

### Employees

There is a commitment by the URC to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, gender reassignment, sexual orientation, religious beliefs, colour, ethnic or national origin, age, marital status or disability. In respect of disabled persons, therefore, it seeks to eradicate less favourable treatment by endeavouring to identify and remove barriers to participation in employment, training, promotion, leadership and representation on church committees.

Employees are provided with information on matters of concern to them, and the Church consults them regularly, so that their views can be taken into account when making decisions likely to affect their interests. Employee involvement is encouraged, for example by a staff association at the main office, as achieving a common awareness of the charity's priorities and of the financial and economic factors affecting it plays a major role in maintaining its performance.

### Remuneration

Remuneration of key management personnel is set in the same way as that of other equivalent staff. All ministers are paid the same basic stipend, the level of which is recommended annually by a sub-committee of Ministries committee having regard to external data on pay and cost inflation, reviewed by Finance committee and confirmed by the Church. The pay of lay staff is assessed when a post is created, by a Human Resources advisory group having regard to comparable posts in the charity sector and among Church bodies in particular; it is reviewed and confirmed by a remuneration committee, which decides annual cost of living increases. Any reassessment of a post's remuneration is by the same process.

## OBJECTIVES AND ACTIVITIES

The charitable objects of the Charitable company are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church.

- **Public benefit**

Having regard to the guidance published by the Charity Commission, the Charitable company provides public benefit by carrying out its objectives and by advancing the charitable purposes of the funds that it holds as charity trustee. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. In addition, the Church at General Assembly level acts as an umbrella resource body for the 13 National and Provincial Synods and approximately 1,240 local churches, whose charitable assets are held by separate charities and/or charitable trust companies.

- **Worship and partnership**

The URC is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the three nations of England, Scotland and Wales. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have over three hundred shared congregations. It also takes new forms through the 'Fresh Expressions' initiative offering Christian worship, teaching, fellowship and service in non-traditional venues and styles. We have a number of 'pioneer ministers', developing pastoral and worshipping communities outside the usual frameworks of church tradition and habit.

- **Walking the Way**

During 2017 the URC launched *Walking the Way, Living the Life of Jesus Today*, an emphasis on personal and corporate discipleship. It offers a framework within which much of the denomination's planning takes place and includes Stepwise, a lay development programme, as well as the advocacy of resources such as Holy Habits which are all intended to assist growth in discipleship practices. Alongside this, preaching of the Gospel, pastoral care for, and building up of, communities by ministers, lay preachers and Church Related Community Workers (CRCWs) will continue to operate. The denomination's Vision2020

## TRUSTEES' REPORT CONTINUED

framework for mission, as well as the Local Mission and Ministry Review process, through which the synods challenge and support their churches, are key vehicles for increasing the effectiveness of local witness and service. The Commitment for Life programme continues to encourage churches to pray and campaign for the eradication of global poverty.

- **Subsidiary charities**

The **United Reformed Church Retired Ministers' Housing Society Limited's** objects are for the benefit of the community to advance the Christian religion in accordance with the principles, usages and the Scheme of Union of the URC, in particular by providing for retired ministers and widow/ers or civil partners of ministers of the United Reformed Church who are in need for various reasons, housing and associated amenities, or assistance to enable them to provide this for themselves.

Previously **Westminster College, Cambridge**, was accounted for as a subsidiary charity however, recent scrutiny of the relationship between the URC Trust and the College has led to the conclusion that the College does not meet the definition of a subsidiary as noted in the Charities SORP (FRS102). Accordingly, the College has not been consolidated and prior year figures have been restated to reflect this. A reconciliation of what was previously reported and the restated figures is set out in notes 34 and 35 on pages 48 and 49.

## STRATEGIC REPORT

### Achievements and Performance

The charitable funds of the United Reformed Church are used to fund the work carried out through councils and committees of the United Reformed Church, and a detailed review of their work is incorporated in the *Book of Reports* to the Church's General Assembly, which met in hybrid form from 8 to 11 July 2022. The *Book of Reports* to the July 2023 General Assembly will cover the second half of the year 2022. We report below on that work and on the specific activities of the URC, whose work is supported by the charitable assets of the United Reformed Church held and applied by the charity trustee.

Post Covid lockdown, many churches have settled into providing online/or in-person worship. The many committees of the denomination have conducted their business through a mixture of online platforms and in-person meetings. Most of the committees are looking to a hybrid of online in-person meetings going forward as this not only saves time and money but is also a more climate friendly way of meeting.

The Assembly Executive met in person in November 2022.

### Impact of Covid-19 control measures

A good number of churches rely on lettings of church buildings for a substantial portion of their income. Continued loss of income from this source means that the local churches' ability to make regular payments into the Ministry and Mission ("M&M") fund has been curtailed. Despite this the drop in income was not as severe as initially expected and the trustees are extremely grateful for the efforts of all involved to keep this giving at a level which allowed the church to still function effectively.

The full impact of the lockdowns will not be known for a year or two. However, it is expected that the URC Trust will be able to continue to operate and largely carry out its charitable aims.

Many churches have adapted to having virtual and hybrid services which have, in some cases, enabled people previously unable to attend church in person to feel part of the church community again.

The administrative staff of the charity continued to work from home until April 2022 when they moved to a hybrid and office working.

The councils of the Church met virtually and later in person and have, to a large extent, been able to conduct their business as usual.

The URC has obligations to two defined benefit pension schemes (see notes 22 to 24). Both funds are showing surplus positions for FRS 102 purposes as at 31 December 2022. These surpluses have not been recognised in these accounts. Both pension schemes were closed to future accrual at the end of February 2023.

## **Committee work**

### **Children's and Youth Work**

For 2022 our theme was Jubilee, and worship resources for all ages were sent to all URC churches. Linked Holiday Club resources were produced and grants offered to churches running holiday clubs. 50,000 copies of an all-age 'lift the flap' book 'Celebrate Together' were distributed to churches and synods to give away to mark the 50th anniversary of the URC. Staffing had been restructured following a review, and a new part-time Admin Assistant started in January, joined by a new part-time Programme Assistant in April. The second URC Youth Intern was recruited to start in August. We were delighted to be able to hold URC Youth Assembly in person, with covid protocols in place, and the first Youth Leaders' Gathering alongside this. A resolution from there was passed at General Assembly to encourage local churches to train in mental health first aid and awareness, and we offered heavily subsidised Youth MHFA training courses. CYWC brought a resolution asking the church to be consistently mindful of the voice of children and of the impact of their decisions on children and future generations. URC Children was launched at General Assembly, providing an identity, voice and focus for children aged 0-12 within the URC. Some new merchandise was created to support this. Families on Faith Adventures continued to be offered as a weekly online resource finishing in December, with a new resource to be launched in 2023. We created an Advent Resource (5,000 packs) to support local churches in missional contact with families. In partnership with Commitment for Life we published a resource for 5-14 year olds about Israel and the Occupied Palestinian Territory (Go with Greta). Free online training was offered in Makaton and Widget; Youth Work Essentials, and a monthly 'Talking about..' session offered to children's and youth workers. We took on running the Youth Venue at Greenbelt Festival, recruiting a team and offering a diverse programme. Across the year we had a monthly Lundie Award for a child or young person playing their part in the mission of God; and a number of churches completed the Children and Youth Friendly Church scheme.

### **Communications**

The work of the URC Communications Team continues to be wide-ranging and busy. The team currently provides press releases and statements for media enquiries; media training for church leaders; editing and designing Reform magazine; managing the subscriptions for Reform magazine, writing and curating content for the URC website; writing and delivering News Update, the URC's biggest email, distributed to more than 12,000 people; content for multiple social media channels; design and production for hundreds of leaflets, books and resources; running the URC bookshop, delivering more than 41,000 items in 2022; graphical, editorial and technical support at national and regional events, including Synods and General Assembly; managing the URC's presence at the Christian Resources Exhibitions; video content; content for the URC Daily Devotions and related worship resources; the iChurch website service for local churches; editing and copywriting; helping to maintain the URC archive; assisting the URC History Society and other groups within the URC, such as GEAR and Free to Believe; delivering creative solutions to anyone in the URC who needs them. In addition to this business-as-usual work, the team delivered multiple books resources and events for the URC's 50th anniversary, the culmination of which took place on April 15 with the rail-strike delayed Service of Thanksgiving and Celebration; the 2022 Community Awards with Congregational; the annual Prayer Handbook with its new Editors; books and kits for Advent and Lent to engage with families connected to our churches; digitising records from the General Assembly and the early meetings of the Mission Council; and much more.

### **Education and Learning**

2022 was the year we consolidated hybrid working. Working out what was best to keep online and what could be done better in person, now we had a greater understanding of what was possible and how to effectively run online meetings! The conversations on integration between the Resource Centres for Learning continued but did not produce the result we had thought possible and so we are focusing on what the URC requires of these places of learning, how we fund them and, for Westminster College, questions around governance structures. It is vital that the relationships that were built up during these conversations are enabled to continue to flourish and collaboration becomes more common. One area of possibility is around the

## TRUSTEES' REPORT CONTINUED

Assembly Accredited Lay Preachers' course which entered its second year, the first cohort giving glowing praise for the organization and content offered through the Northern College. Going forward it is anticipated to see how we can use expertise across the RCLs to support this particular lay learning course. The URC Learning Hub has really developed well and now hosts all the Stepwise streams (the URC Discipleship Development Programme) as well as Elders' and Safeguarding training and resources for Training and Development Officers and a Learning Review package. Our hope is to also offer more shorter 'awareness raising' courses focused on disability, anti-racism and neurodiversity. In August 2022 Anne Hewling, our Instructional Designer for Stepwise and the Hub, retired and the Education and Learning Team went through a review of responsibilities. Anne was not replaced due to awareness of the needs of our budget, but we now have one full-time Administrator and one working three days a week, as well as expanding the remit of the Stepwise Programme Manager to include Digital Learning. We are working out how to continue to offer the best we can within this more limited team. E and L Committee have committed just under £92,000 through the lay Discipleship Development fund to projects across the URC, supporting local churches and Synods in enabling lay learning and development; the projects vary greatly in scope and creativity. The Education and Learning Committee continues to seek ways to support learning and training for the whole people of God, including all ages, abilities and needs; is aware of the need to ensure we are communicating effectively and as widely as possible all about the opportunities and funding that are available; and has developed a Net Zero plan that not only considers our carbon footprint but also develops awareness of the need to offer learning opportunities around the green agenda. As ever, all we do is to serve those who are in our local churches and communities.

### **Equalities**

The remit of the Equalities committee is 'to remind the United Reformed Church that equality is enshrined in its theology, life and work and to challenge the practice of the URC where appropriate.' Much of the work of the committee is in the promotion and encouragement of equality and diversity. This is achieved through established links with the other Assembly committees as well as by being alert to the work undertaken on Assembly's behalf by bodies such as the Joint Public Issues Team (JPIT) and members of staff but particularly the work around racial justice and intercultural ministry.

The committee is able to remind committees of their responsibilities with regard to equality and diversity and seeks to identify new methods and technologies that will enable participation by all.

### **Ministries**

The committee is concerned with the specific recognised ministries which provide leadership for the Church, including church related community work, eldership, lay preaching, lay pioneering and the ministry of word and sacraments, but also recognises that each of these has a duty to enable discipleship in others. Recognising the challenges of our demography, we continue to work with our synods developing strategies that use our ministers most effectively in providing leadership in local churches. Ministries continues to look at other forms of ministry that can be funded by the M&M fund including Synod Elders in Local Leadership and Assembly Accredited Children's and Youth Workers.

### **Mission**

The Mission Department continued to assist the URC's long-term focus on whole-of-life discipleship. A major feature of 2022 was the celebration of the URC's 50<sup>th</sup> Anniversary, with resources and events delivered to mark this milestone.

One of these events was a large presence at the Greenbelt faith festival at Boughton House, near Kettering. The URC was responsible for the youth provision at the festival and provided an affordable café venue, with music and talks to explain the ethos of the denomination. The theme of 'Revolted Christians' reflected our advocacy work and was a nod to our history of dissent. An online service was held from Greenbelt to celebrate the 50<sup>th</sup> Anniversary.

The United Reformed Church responds to issues of public policy and social justice through its shared involvement with the ecumenical Joint Public Issues Team (JPIT). In 2022 the team focused on the cost of living crisis and its continuing advocacy for a fairer and more compassionate asylum system.

## TRUSTEES' REPORT CONTINUED

The Mission Department was instrumental in bringing an environmental resolution to General Assembly which commits the denomination to net zero by 2030.

Other important work to General Assembly was the recognition of our historic involvement in the transatlantic slave trade in the form of a formal apology; a renewed commitment to our ecumenical vision and the approval of a new Mission Enabling Fund.

Mission staff continued to support the work of synod mission enablers and pioneer ministers. A new training course began in September, called the Newbigin Pioneering Hub. This is a programme to equip lay people in our churches for the work of fresh expressions and pioneering.

Global and Intercultural Ministries continued to focus on racial justice – within the URC, ecumenically, and in wider society. Its Legacies of Slavery work facilitated the move to formal apology already noted. A film entitled 'Telling it as it is' was produced reflecting the everyday experience of racial discrimination in the UK. Global work mainly focused on the Partners in Mission Programme, supporting individuals from overseas serving in the URC, and being sent by the URC to serve in partner contexts.

Commitment for Life is the URC's global justice programme. We partner with Christian Aid and Global Justice Now. We enable local congregations to deepen their prayer, insight and advocacy for global justice. In 2022 the programme continued to focus on three partner regions: Zimbabwe, Bangladesh, and Israel and the occupied Palestinian territory.

The URC's ecumenical work was strengthened by the recruitment of an additional member of staff, a Mission Support Officer. The URC continues to be committed to interfaith work. One of the team members took part in the joint Rabbis and Christian Senior Leaders study tour to Israel and Palestine, organised by the Council of Christians and Jews. The Deputy General Secretary (Mission) attended the Synod of our partner churches in Germany to speak about the URC on its 50<sup>th</sup> Anniversary. Two delegates and an ecumenical observer from the URC attended the World Council of Churches Assembly in Karlsruhe, Germany. This Assembly is an important occasion for the worldwide church and is held once every seven years.

### **Safeguarding**

2022 continued to see a change and settling in of staff into roles in the safeguarding team at Church House. Sharon Barr started in February as the Designated Safeguarding Lead (DSL) 21 hours a week and this reduction in hours and change in job description enabled a 14 hour Safeguarding Policy Development Coordinator (PDC) to be recruited, Kerry Baker started in this role in July 2022. In January Carrie Kaunda started in role as the Safeguarding Training and Development Coordinator (TDC). The Assistant Administrators role has remained vacant despite two rounds of recruitment and has been covered by a temp and some additional hours being given to Carrie for admin tasks. In February 2023 Emma Pearce who worked for the Ministries team came across to the safeguarding team to take up the vacant role on a permanent basis.

The DSL this year has focused on building positive relationships and links both internally and with other denominations. The Safeguarding Advisory group was dissolved and the newly appointed Safeguarding Committee was created and she worked on the recruitment and setting up of this.

She, with the support of the TDC, led the first URC Safeguarding team away day with the national safeguarding team and Synod Safeguarding Officers (SSO) and this opportunity to learn and develop together was valued by all who attended and a second event is booked for 2023.

The Disclosure and Barring Scheme contract was renewed with DDC our current provider, however we continue to have minor concerns with the level of service they are providing and the DSL and admin staff continue to address this with them.

The TDC has producing training in line with the URC's Training Framework, this has included updating the basic training, producing the intermediate, domestic abuse, safer recruitment and elders as trustee training. Carrie facilitated a number of these courses herself and has had a high number of people accessing from across the synods. The Training Development Review Group have continued to meet and steer the training for the URC.

Since the PDC has been in post she has familiarised herself with the URC and good practice guidance and research other denominations safeguarding policy. She has consulted with SSO's, Church Safeguarding Coordinators and Synod Moderators to seek insight into how GP5

## TRUSTEES' REPORT CONTINUED

is used and has led her first Policy Review Group. The timeline for the completion of GP6 is summer 2023 with a launch event in October 2023.

In 2023 the national safeguarding team aims to:

- Host a 2-day event with SSO's
- Launch GP6 with a safeguarding symposium
- Roll out the case management system
- Review the Safeguarding Strategic Plan

### **Resourcing the work of the United Reformed Church**

All the above must be set in the context of the financial resources of the United Reformed Church, which continue to be carefully managed in an uncertain economic climate. Detail of the latest year is given in the financial review below, broader trends also need to be considered.

Among these are:

- Giving to central funds of the United Reformed Church from our local churches dropped by just over £500k in 2022.
- The investments of the United Reformed Church continued to produce a steady income stream and the accounts show investment income of £2,006k (which includes income from mixed motive investment property). Investment values fell in 2022 showing a loss on investments of £8,041k.
- The liabilities of the Ministers' Pension Fund fell by just over £60m from 2021, largely due to the increase in interest rates. The assets of the fund fell by £44m. The net result was that the fund reflected a surplus of almost £13.5m. The net surplus of the fund is not recognised for accounting purposes. The United Reformed Church Final Salary Scheme followed a similar pattern with liabilities decreasing by about £600,000 while asset values increased by just under £5m. The scheme remained in surplus for FRS 102 purposes amounting to £9.7m. This surplus has not been recognised in the accounts as there is no unconditional right to that surplus.

### **Managing the Assets**

#### **Investments & Investment Policy**

The charitable company acts as corporate charity trustee of the central funds of the United Reformed Church. The powers of investment are given under the memorandum and articles of association of the charitable company. The Investment Committee of the Church, which reports to the charitable company, keeps under review the investment policy and monitors the performance of the fund managers. All investments are held in pooled funds that aim to comply with the ethical policies agreed by the Church through its General Assembly.

The Investment Committee continued to monitor the investments throughout 2022.

#### **Properties**

The charitable company is responsible for the management of the properties included in its balance sheet.

#### **Risk Management**

The charitable company continues to monitor the risks with which the central administration of the Church is faced. During 2021 the risk register process was updated for all the main committees of the church. This process concentrated on identifying risks as opposed to issues and also helped committees focus on what mitigation procedures were in place. The results of this procedure have been collated and were presented to the charitable company. Committees are asked to regularly review their registers and the next major update to the consolidated risk register is due to take place towards the end of 2023.

The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into two areas:

## TRUSTEES' REPORT CONTINUED

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with societal changes, pandemics, the general economic situation and consequent reduction in resource.

Reputational matters are taken very seriously and the Church has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the communications department who will advise on its handling or, if the matter is particularly sensitive, will handle it directly. The General Secretary is made aware of all issues and will intervene personally if appropriate.

The safeguarding of children and adults at risk is seen as a key responsibility of the Church. *Good Practice 5*, the denomination's safeguarding policy was issued during 2019. Work is currently being done to update this and *Good Practice 6* is due to be launched in October 2023. Local churches are required to report annually on safeguarding matters to their synod's safeguarding officer. A Safeguarding Advisor at Church House, together with the synods' own safeguarding officers, is available to offer advice and guidance to churches. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

Further details about safeguarding are to be found in the 'Safeguarding' section on page 8.

The long term risks associated with the impact of Covid-19 are being monitored as these become clearer. Risks from the 'cost of living crisis' and how this will impact M&M income as well as the cost base of the Church are still being assessed as the full extent of its impact is yet to be seen. However, the Church continues to monitor developments and has curtailed expenditure wherever possible.

### Future Developments

The Church Life Review Group's work to conduct a thorough review of the life of the United Reformed Church has been progressing well. The group will present the early results of its work to General Assembly at the end of June 2023. Part of its work concerns a forensic examination of the income, expenditure and assets of the 14 Trusts that hold the majority of the URC's assets and expend the majority of its expenditure. These are the 13 synods, and the General Assembly. It is hoped that this examination will lead to clarity over where economies of scale might be made through more collaborative working and allow us to determine where and how we are best able to invest in the development of the ministry and mission work of the United Reformed Church.

The Deputy General Secretary for Admin and Resources, Mrs Jane Baird, is due to retire at the end of June 2023. After much discussion it was decided to rename the post Chief Operating Officer and Mrs Victoria James has been appointed in the role. Mrs James started on a part time basis at the start of the year and became full time from the beginning of April.

### CO2 Emissions

The church continually looks for ways of reducing its carbon footprint and actively recycles wherever possible. It also encourages individual churches to be as 'green' as possible and promotes the Eco-Church award scheme.

A carbon emissions figure has been calculated for the central functions of the church based on electricity usage at Church House along with car and air miles travelled by officers and staff. In 2022 it was calculated that the central church's carbon emissions amounted to approximately 74.79 tonnes (2021: 61.18 tonnes). Average emission rates have been used in calculating this figure. The total includes use of 157,657 kWh (2021: 173,936 kWh) of energy used which has been converted to CO2 emission using an average rate. This works out at approximately 1.07 tonnes (2021: 0.70 tonnes) per employee. The increases in the figures reflects more travel being done in a post-Covid environment.

### Section 172 of the Companies Act

In summary, as required by Section 172 of the Companies Act, the Directors must act in a way they consider, in good, faith, would be most likely to promote the success of the charitable

## TRUSTEES' REPORT CONTINUED

company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the charitable company's employees
- the need to foster the charitable company's business relationships with suppliers, customers and others
- the impact of the charitable company's operations on the community and environment
- the desirability of the charitable company maintaining a reputation for high standards of business conduct and
- the need to act fairly as between members of the charitable company.

### Financial Review

The financial statements show the consolidated income, expenditure, assets and liabilities of those trusts and other funds that the charitable company administers and holds as charity trustee for the benefit of the United Reformed Church under the overall authority of the General Assembly. These represent the assets of the United Reformed Church that the charitable company manages on its behalf and applies towards its charitable purposes. They include the United Reformed Church Retired Ministers' Housing Society Limited (RMHS), which is an exempt charity providing housing and associated amenities for needy persons who are retired ministers or widow/ers or civil partners of ministers of the United Reformed Church.

The Finance Committee of the Church is responsible for the general financial oversight of funds administered for the benefit of the United Reformed Church, its long-term financial planning, and the preparation and control of its budget under the authority of Assembly Executive, General Assembly and the charitable company. The Committee ensures that proper procedures are in place for the maintenance of accounting records, controlling and monitoring the budgetary process, and the preparation of financial statements in compliance with applicable United Kingdom law and accounting standards. To this end the Committee meets with the auditors at least once a year. The Committee may take such decisions with regard to the finances of the Church as are necessary within the policies set by the General Assembly.

### Reserves Policy

The Consolidated Balance Sheet on page 22 shows the disposition of the various charity funds totalling £124,207k as at 31 December, 2022 (2021 (restated): £128,818k). The term "reserves" describes that part of a charity's income funds that is freely available. Much of the funds are invested in property or restricted in use.

The unrestricted fund net assets readily available are £18,284k (2021 (restated): £19,150k). The Finance Committee reviews the policy annually and have taken a risk-based approach to setting a reserves target. The main financial risks that the Committee felt needed to be covered were the call up of the guarantee to the pension funds (see notes 22 to 23), possible future lump sum contributions required to be made to either of the pension fund, a possible drop in excess of the usual rate in giving to Ministry and Mission Fund and possible legal action against the church requiring lump sum pay outs. Based on these risks, the Committee felt that the Trust should aim to maintain its reserves at a level between £18.7m and £19.5m.

While the current level of reserves held is slightly below this target level, it was felt that the pension contribution costs in 2022 were higher than normal, but with the new pension scheme in place, the Trust's reserves should recover enough to be within that range fairly quickly.

### Grant making

Grants are made on the recommendation of the relevant committee. Each application is assessed on its individual merits.

## TRUSTEES' REPORT CONTINUED

### 2022 Financial Results

The results for 2022 are set out in more detail in the Consolidated Statement of Financial Activities on page 21. This shows that there was, overall, a decrease in funds in the year of £4,615k. The following table shows the breakdown of the results for 2022 compared with those for the previous year.

	<b>2022</b>	2021
<b>Voluntary income:</b>	<b>£000</b>	(Restated) £000
Ministry and Mission Fund contributions	16,685	17,203
Donations, grants and legacies	5,495	9,541
Income from charitable activities	705	963
Trading income	-	-
Investment income	2,006	1,894
Other income	4,461	3,093
<b>Total income</b>	<b>29,352</b>	<b>32,694</b>
Expenditure:		
Charitable activities	29,290	22,680
Total expended	29,290	22,680
Net income from operating activities	62	10,014
Gains/(loss) on investment assets	(8,041)	7,685
Net (expense)/income	(7,979)	17,699
Actuarial (loss)/gain on pension schemes	3,368	17,669
	(4,611)	35,368

### Ministry and Mission Fund contributions

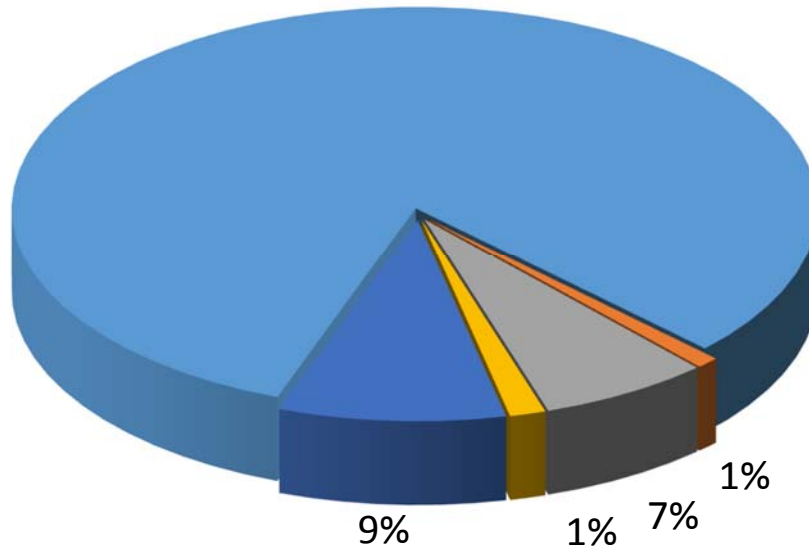
The pie chart on page 13 gives a visual picture of total unrestricted income, showing that 82% of our unrestricted income comes from Ministry and Mission Fund contributions, which totalled just over £16.6 million. We are extremely grateful for the faithful and regular giving that this represents, enabling the Church to support ministry and mission across our three nations, and sustain the major way in which all members of the Church fund, in partnership, all our work for the kingdom of God. The pie chart of total unrestricted expenditure on page 14 shows that 80% of our unrestricted expenditure, totalling £16,592k, is used to provide ministry and a further 10% (£2,134k) is used to provide financial resources to train and equip people for ministry.

### Donations, grants and legacies

We are very grateful for regular grants from a number of trusts, detailed in note 2(b) to the financial statements, as well as for many other donations. Apart from general donations the Trust received donations totalling just over £4.4m from the synods towards helping pay the deficit contribution to the Ministers' Pension Fund. Commitment for Life donations from churches and individuals were down slightly on the 2021 level, decreasing from £266k to £259k. Legacies bequeathed for general purposes are held in a separate designated Legacy Fund, available for projects not covered by regular budgets. The balance in this fund is now £1,090k (2021: £634k). Grants paid from this fund totalled £24k in 2022 (2021: £11k) with a further £100k included in creditors having been committed for future payment.

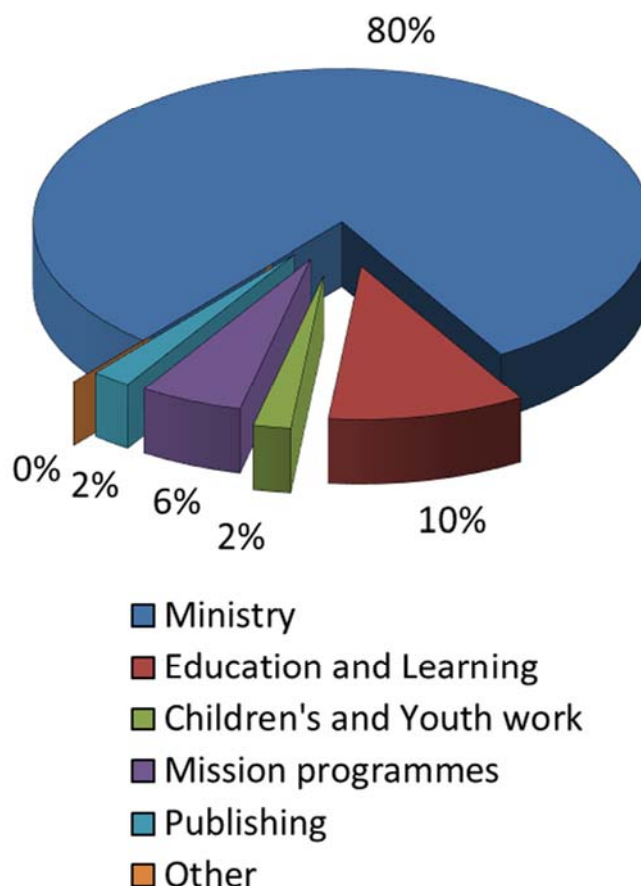
**Unrestricted Income - £20.4m**  
**Year ended 31 December 2022**

82%



- Ministry and Mission Fund contributions
- Donations, grants and legacies
- Investment income
- Income from charitable activities
- Other income

**Unrestricted Expenditure - £20.7m  
Year ended 31 December 2022**



**Investment income**

Total investment income includes rental income on the mixed motive property. The 2022 figure shows the overall figure very similar to the previous being £2,006k in 2022 compared to £1,948k in 2021. The increase reflects the increase we have seen in Interest rates during the year.

**Income from charitable activities**

This income includes rental from the retired ministers' housing properties and from sales of publications and subscriptions to *Reform* magazine.

**Other income**

Most of this income (£4,384k) represents net gains from housing properties when they fall vacant. £1,773k came from selling properties for ministers in central roles, while the balance of £2,611k came from selling homes for retired ministers. The proceeds of the latter are used to acquire properties for retiring ministers or sometimes for rehousing them in later years. In 2022, 3 properties were bought and 20 were sold.

**Expenditure – Charitable activities**

These costs are analysed in note 5 on page 28 and include a share of support costs.

**Ministry:** £16,592k. The maintenance of ministry is the most important charge on the Church's resources. This sum pays for the stipends, social security and pension costs of our stipendiary ministers and CRCWs (who averaged 336 in number over the year) and includes all costs of the Synod Moderators. Although the average number of ministers fell in 2022, the overall costs increased due to a significant increase in the required employer's contribution towards

## TRUSTEES' REPORT CONTINUED

pensions. The total also includes costs relating to retired ministers of supplementing pensions and maintaining housing.

Education and Learning: £2,134k. The considerable commitment of resources to training ministers has continued. This sum includes our support for our Resource Centres for Learning, which reflects their wider role in providing learning opportunities for the whole Church, as well as direct support of those training for ministry. Other costs relate to ongoing lay development, including the Stepwise programme.

Children's and Youth Work: £406k. Following the Covid 19 pandemic, more events have been able to take place in person and this is reflected in the increase in these expenses from 2021.

Mission Programmes: £1,115k. The Mission Committee and team continue to progress longer-term strategies, including the Walking the Way missional discipleship emphasis and Commitment for Life programme. There was continued support for the Joint Public Issues Team and various interdenominational and interfaith organisations.

Publishing: £425k. The costs of publishing *Reform* magazine have continued to be tightly controlled while maintaining its quality, with a levelling off in subscriptions and advertising income. There was a further drive to increase the merchandise available from the on-line bookshop including items relating to the denomination's 50<sup>th</sup> Anniversary celebrations. The denomination continued to subsidise the iChurch website support.

### **Gains on investment assets**

The change in investment values from the beginning to end of the year, broken down by fund, is shown in the Summary of Fund Movements in note 19. The markets were unsettled during 2022 with the impact of the War in Ukraine and supply problems being influenced by long term Covid 19 effects saw most of the gains seen in 2021 wiped out and investments dropping to the levels they were at the start of 2021. In monetary terms, investments fell by £7,692k during the year. A downward revaluation of investment property added £349k to the loss. Investment gains and losses over time are shown in the five year summary on page 50.

### **Actuarial gains on pension obligations**

The Trust is required to take full account of actuarial losses arising each year in the United Reformed Church Ministers' Pension Fund (MPF). With the rise in interest rates during the year, the pension liabilities in 2022 fell by nearly £63m but was offset to a large degree by a fall of nearly £44m in the fund's diversified investments. A large portion of the fall in the value of assets was attributed to the decrease in value of the fund's bond portfolio which was affected by the rising interest rates. The overall net actuarial gain for the year was £10.1m. As the fund now shows a surplus using the FRS102 basis of valuation, the amount of the actuarial gains recognised in the Statement of Financial Activities was limited to the value of the deficit shown at the start of the year. The Church continued to make the required deficit contributions to fund the deficit mainly from contributions from synods to the Pension Deficit Fund, a restricted fund within these accounts. The MPF was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme was started.

The United Reformed Church Final Salary Scheme (FSS), which is mainly for lay staff, reported an actuarial loss of £5.4m mainly due to a decrease in the scheme assets. The scheme remains in a net asset position in this scheme but because the Trust does not have an unconditional right to the surplus, this has not been recognised.

More details are given in notes 22 to 24 to the financial statements on pages 40 to 44.

## TRUSTEES' REPORT CONTINUED

### STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The directors of the charitable company are responsible for preparing the Trustees' Report and the financial statements.

Company law requires the charitable company to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the charitable company is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The charitable company is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and the funds it is responsible for and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the charitable company is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the charitable company has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### CONCLUSION

The company by its directors has approved this Report. Those wanting more information or explanations about any aspect of the Church's finances are encouraged to address their enquiries to the Treasurer.

Signed on behalf of the directors of the charitable company



Catriona Wheeler

23 May 2023

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH TRUST**

## **Opinion**

We have audited the financial statements of United Reformed Church Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 group's and the parent charitable company's affairs as at 31 December 2022 and of the group's 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 charitable company 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 trustees' 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 group's and parent charitable company'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 trustees 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 trustees are responsible for the other information contained in 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 there is 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.

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

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

- the information given in the [strategic report and the] trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- [the strategic report and the] trustees' annual report have 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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group and parent charitable company'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 trustees either intend to liquidate the group or parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### **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 which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Stickland (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street  
London  
EC2A 2AP

**CONSOLIDATED & TRUSTS' STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

					2022	2022	Restated	
	Note	Unrestricted	Designated	Restricted	Capital Funds	Total	Total	
		£'000	£'000	£'000	£'000	funds	Trust	
						£'000	Only	
						£'000	£'000	
							Total	
							funds	
							£'000	
<b>Donations and legacies</b>								
Ministry and Mission Fund contributions	2(a)	16,685	0	0	0	16,685	16,685	17,203
Grants receivable	2(b)	175	0	0	0	175	175	162
Legacies		3	510	55	0	568	513	80
Commitment for Life donations		0	0	259	0	259	259	266
Other donations	2(c)	8	0	4,481	4	4,493	4,480	9,033
		186	510	4,795	4	5,495	5,427	9,541
<b>Charitable activities</b>								
Ministry	3	72	0	411	0	483	72	739
Education and Learning		2	0	0	0	2	2	18
Children's and Youth work		15	0	0	0	15	15	3
Mission programmes		8	0	0	0	8	8	0
Publishing		197	0	0	0	197	197	203
		294	0	411	0	705	294	963
<b>Other trading activities</b>								
Investment income	4	0	0	0	0	0	0	0
		1,392	34	580	0	2,006	2,006	1,894
<b>Other income</b>								
Gains on sale of properties		1,773	0	2,611	0	4,384	1,773	3,033
Other income		77	0	0	0	77	77	60
		1,850	0	2,611	0	4,461	1,850	3,093
<i>Total income and endowments</i>		20,407	544	8,397	4	29,352	26,262	32,694
<b>Expenditure on:</b>								
<b>Raising funds:</b>								
Trading expenditure		0	0	0	0	0	0	0
<b>Charitable activities</b>								
Ministry	5	16,592	66	6,937	0	23,595	22,495	18,622
Education and Learning		2,134	8	737	0	2,879	2,879	1,925
Children's and Youth work		406	1	127	0	534	534	339
Mission programmes		1,115	4	598	0	1,717	1,717	1,363
Publishing		425	2	138	0	565	565	431
Other expenditure		0	0	0	0	0	0	0
		20,672	81	8,537	0	29,290	28,190	22,680
<i>Total expended</i>		20,672	81	8,537	0	29,290	28,190	22,680
<b>Surplus from charitable and trading activities</b>		(265)	463	(140)	4	62	(1,928)	10,014
<b>Net gains/ (Loss) on investment assets</b>		(2,067)	(148)	(1,729)	(4,097)	(8,041)	(8,041)	7,685
<i>Net income</i>		(2,332)	315	(1,869)	(4,093)	(7,979)	(9,969)	17,699
<b>Transfers between funds</b>								
Actuarial gains/(losses) on pension schemes	22	(1,971)	2,166	(185)	(10)	0	0	0
		3,368	0	0	0	3,368	3,368	17,669
<i>Net movement in funds</i>		(935)	2,481	(2,054)	(4,103)	(4,611)	(6,601)	35,368
<b>Reconciliation of Funds</b>								
Total funds brought forward		28,774	1,722	64,305	34,017	128,818	92,248	93,450
<b>Total funds carried forward</b>		27,839	4,203	62,251	29,914	124,207	85,647	128,818

All amounts relate to continuing operations.

There is no material difference between the net incoming resources stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The Companies Act income and expenditure account has been included in note 32.

The notes on pages 24 to 49 form an integral part of these financial statements.

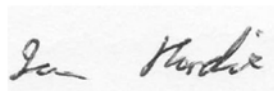
## CONSOLIDATED AND TRUST BALANCE SHEETS AS AT 31 DECEMBER 2022

	Note	<i>Consolidated</i> 2022 £'000	<i>Consolidated</i> 2021 (Restated) £'000	<i>Trust</i> 2022 £'000	<i>Trust</i> 2021 £'000
<b>Fixed assets</b>					
Intangible assets	11	192	78	192	78
Tangible assets	11				
Houses for retired ministers		38,278	39,334	347	347
Houses for serving ministers		7,736	8,622	7,736	8,622
Other properties		2,620	2,646	2,620	2,646
Total properties		48,634	50,602	10,703	11,615
Cars and equipment		73	116	73	116
		48,899	50,796	10,968	11,809
<b>Investments and loans</b>					
Mixed motive investment property	12	2,222	2,500	2,222	2,500
Mixed use investment property	12a	856	927	856	927
Investments	13	54,336	62,036	54,336	62,036
Programme-related investments	14	242	242	242	242
Loans, excluding inter-fund loans	15	193	204	4,042	5,691
		57,849	65,909	61,698	71,396
<b>Current assets</b>					
Stock		-	-	-	-
Debtors	16	3,085	5,228	2,503	5,102
Bank balances and money on call		18,309	15,452	14,305	14,533
		21,394	20,680	16,808	19,635
<b>Current liabilities</b>	17	(1,569)	(1,591)	(1,461)	(3,616)
Net current assets		19,825	19,089	15,347	16,019
Total assets less current liabilities		126,573	135,794	88,013	99,224
Defined benefit pension scheme liability	22-24	(8)	(4,618)	(8)	(4,618)
Other pension obligations	23	(2,358)	(2,358)	(2,358)	(2,358)
<b>Net assets including pension liability</b>		124,207	128,818	85,647	92,248
<b>Unrestricted income funds</b>					
General reserves		21,153	24,947	21,153	24,949
Revaluation reserve - investments		4,160	5,911	4,160	5,911
Revaluation reserve - property		2,534	2,534	2,534	2,534
Designated funds		4,203	1,722	4,203	1,722
Total unrestricted income funds before pension reserve		32,050	35,114	32,050	35,116
Pension reserve		(8)	(4,618)	(8)	(4,618)
<b>Restricted income funds</b>		62,251	64,305	23,692	27,736
<b>Capital funds</b>		29,914	34,017	29,914	34,014
<b>TOTAL FUNDS</b>	19-20	124,207	128,818	85,648	92,248

Approved by the directors on 16 May 2023 and signed on their behalf by:



Catriona Wheeler  
Chair



Ian Hardie  
Treasurer

United Reformed Church Trust is a company limited by guarantee, number 135934, and Registered Charity number 1133373.

The notes on pages 24 to 49 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER, 2022**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>(Restated)</b>
		<b>£'000</b>
<b>Cash flows from operating activities</b>		
Net (expenditure)/income before other recognised gains and losses (see pg 21)	(4,611)	35,368
<b>Adjustments for:</b>		
Decrease in stocks	-	27
Decrease/(increase) in debtors	2,143	(1,497)
Decrease/(increase) in creditors	(22)	442
Loss/(gain) on investment assets	8,049	(7,683)
Profit on sale of tangible fixed assets	(4,309)	(3,033)
Depreciation and impairment	70	65
Other investment income	(2,006)	(1,948)
Cash endowment received	(4)	(5)
Difference between pension contributions and actuarial cost	(4,608)	(16,253)
<b>Cash flows generated from operations</b>	<b>(687)</b>	<b>(29,885)</b>
<b>Cash flows from investing activities</b>		
Payments to acquire tangible fixed assets	(969)	(5,644)
Payments to acquire intangible fixed assets	(104)	-
Receipts from sales of tangible fixed assets	7,208	6,155
Payments to acquire fixed asset investments	-	(260)
Receipts from sales of fixed asset investments	-	150
Loans and advances made to ministers	(14)	(1)
Loans repaid by ministers	20	29
Loans and advances to churches	4	(75)
Investment income	2,006	1,948
	8,151	2,302
<b>Cash flows from financing</b>		
Addition to capital endowment	4	5
<b>Net increase (decrease) in Cash (note 27)</b>	<b>2,857</b>	<b>7,790</b>

The notes on pages 24 to 49 form an integral part of these financial statements.

## NOTE 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)) and the Companies Act 2006. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April, 2005 which has since been withdrawn.

United Reformed Church Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

A separate Cash Flow Statement has not been presented for United Reformed Church Trust itself because it has made use of the exemptions afforded by Section 408 of the Companies Act 2006.

The presentation currency is pounds sterling and unless otherwise stated, figures are rounded to the nearest thousand (£000).

### Going concern

The directors have considered possible events and conditions that might cast significant doubt on the ability of the Trust to continue as a going concern. The directors have made their assessment for a period of at least one year from the date of approval of these financial statements. In particular they have considered the Trust's forecasts and projections and have considered the longer term impact of the Covid-19 pandemic and the costs of living crisis on the viability of the Trust. The Ministry and Mission Fund contributions are showing signs of stabilisation post Covid, but at a level lowered than that seen pre-Covid. The two Defined Benefit Pension schemes have been closed to future accrual from 1 March 2023 and this will result in significant savings for the Church. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below:

#### (i) Scope

The consolidated financial statements show the combined income, expenditure, assets and liabilities of the charitable funds administered by the Trust for the purposes of the United Reformed Church under the overall authority of the General Assembly, and include the total financial operations of the United Reformed Church Retired Ministers' Housing Society Limited ("the society"). The society is a separate exempt charity registered under the Co-operative and Community Benefit Societies Act 2014. It is accounted for as a separate fund and branch of the Church in accordance with the SORP, and details are also given to reflect its legal status as a subsidiary charity. As noted in note 34, it has been determined that URCT does not have control of Westminster College and it has no longer been consolidated into these accounts. The prior year figures have been restated to reflect this.

#### (ii) Classification of funds

Unrestricted income funds may be spent generally for furthering the religious and charitable work of the Church.

Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received. However, if the purpose is one that forms part of the Church's regular expenditure and the income of the funds are fully spent each year, the restriction has no practical effect and funds with such restrictions are treated as unrestricted.

Capital funds (i.e. endowments) include some permanent endowments that are required to be retained but the income from these funds can be spent for the benefit of the Church subject, in certain cases, to specific restrictions contained in the original endowment. Other capital funds (i.e. expendable endowments) may be converted to income at the discretion of the trustees.

The main funds included in these financial statements, and their classification, are shown in notes 18 to 21.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (iii) Income

All incoming resources including voluntary income, income from activities for raising funds, investment income, is recognised in the SOFA when there is legal entitlement to the income, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### a. Donations and legacies

Donations and legacies are accounted for on a receivable basis. In accordance with this policy, legacies are included when advice has been received from the personal representative of an estate that payment will be made or property transferred and the amount can be measured reliably. Gifts in kind are included within income at the value to the charity at the date of the gift. The value of services provided by volunteers has not been included.

#### b. Grants receivable

Incoming grants are accounted for on a receivable basis. Incoming resources from grants, where there are service or performance deliverables required as conditions of the terms of the grant, are accounted for as the charity earns the right to payment through its performance, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably and it is not deferred.

#### c. Ministry and Mission Fund contributions, investment income and other income

Ministry and Mission Fund contributions, investment income, income from charitable activities and other incoming resources are accounted for on a receivable basis. Contributions to the fund, based on local church pledges, are agreed annually in advance with each synod; amounts received in excess of, or shortfalls from the agreed contributions, are accounted for in the year.

#### d. Gains and losses on investments

Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

### (iv) Expenditure

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Any irrecoverable VAT is included with the costs to which it relates. Directly attributable costs are allocated to the main charitable activities; details are shown in notes 5 to 8. The support costs, including governance costs, included in note 7 relate to the whole of the charity's activities and a proportion of these costs is allocated to expenditure headings on a basis that is consistent with the use of the resources. Outgoing grants are accounted for on a payable basis. Grants payable are included in the Statement of Financial Activities when approved and this has been communicated to the applicant. The value of such grants unpaid at the end of the year is accrued.

### (v) 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.

### (vi) Pensions

The Church operated a funded defined benefit pension scheme for ministers and Church Related Community Workers (CRCWs) receiving a stipend, known as The United Reformed Church Ministers' Pension Fund. The assets of the scheme are managed independently of the Church. Pension costs are assessed in accordance with the advice of an independent qualified actuary. This scheme was closed to future accrual on 28 February 2023.

The Church, together with most synod trusts, also used The United Reformed Church Final Salary Scheme, a multi-employer defined benefit scheme operated by TPT Retirement Solutions Trust, an independent pension provider to the not-for-profit sector. It provides trustee and asset management services, and pension costs are assessed in accordance with the advice of an independent qualified actuary. This scheme was also closed to future accrual on 28 February 2023.

For both schemes, under FRS 102 paragraph 28 – 'Retirement benefits' – the amounts charged to expenditure are the current service costs, interest costs and expenses, which are included within charitable expenditure. Actuarial gains and losses are recognised immediately and disclosed in the Statement of Financial Activities.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The assets of the pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each year end. The resulting defined benefit asset or liability is presented separately after other net assets on the Balance Sheet except where the scheme is in surplus and there is no unconditional right to that surplus. In this situation the scheme surplus is recognised at nil value in accordance with FRS102.

### **(vii) Intangible and tangible fixed assets**

Intangible and tangible fixed assets having an initial cost of £1,000 or less are written off on acquisition. Assets having an initial cost greater than £1,000 are stated at cost when purchased and at valuation when received in specie. Property repairs are normally written off when incurred. Many properties used as houses for retired ministers are owned jointly with tenants or synods of the United Reformed Church. The value in the Balance Sheet of such properties is the cost (less any impairment charged) to the charity of the charity's share in the property.

Properties are maintained in a state of sound repair. The Finance Committee considers whether any impairment is necessary considering the lives of the properties and their residual value. Any material deficit between the anticipated recoverable amount of freehold property and its carrying value shown in the financial statements is recognised in the Statement of Financial Activities. Depreciation is no longer charged on these properties on grounds of materiality. The value of land is not depreciated.

Depreciation is charged as a percentage of cost as follows:

Improvements to property with limited life	5 % pa
Cars, computers and photocopiers	25 % pa
Intangible assets, other furniture and equipment	10 % pa

Other tangible assets in regular use, principally book collections acquired by or donated to Westminster College over the period since its foundation, are not included in the Balance Sheet, since to obtain a reliable valuation is not practicable. Further details are given in note 11.

### **(viii) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

### **(ix) Mixed motive investment properties**

Mixed motive investment property comprises the portion of United Reformed Church House that is let on a commercial basis to other charities. It is recognised at fair value and is not depreciated.

### **(x) Mixed-use investment properties**

Mixed use investment property comprises the portion of United Reformed Church House that is let on a commercial basis for residential purposes. It is recognised at fair value and is not depreciated.

### **(xi) Investments**

Listed securities are included at market value at the Balance Sheet date. Unlisted securities are stated at cost as there is no readily ascertainable market price.

### **(xii) Programme-related investments**

Programme-related investments comprise investments in entities whose aims are aligned to the charitable objectives of the trust and are shown at cost.

### **(xiii) Concessionary loans**

Loans to advance the Church's charitable purposes are held within fixed assets and are stated at original cost and subsequently adjusted for any repayments or impairment.

### **(xiv) Financial instruments**

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

### **(xv) Critical accounting judgements and estimation**

Significant areas of judgement in applying accounting policies are as follows:

- Provision is made for retirement obligations where advice is taken from independent actuaries
- Valuation of mixed motive and mixed use investments where use has been made of relevant market indices to update the formal valuations obtained in previous years

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

- Recoverability of concessionary loans based on management's assessment of recovery
- Impairment of houses held for serving and retired ministers

### NOTE 2 VOLUNTARY INCOME

(a)

Synods	2022 £'000	2021 (Restated) £'000
Northern	765	735
North Western	1,596	1,613
Mersey	878	938
Yorkshire	776	727
East Midlands	953	875
West Midlands	1,570	1,589
Eastern	1,953	1,928
South Western	1,193	1,182
Wessex	1,884	2,007
Thames North	1,745	1,989
Southern	2,416	2,586
Wales	435	454
Scotland	521	581
	16,685	17,204

#### (b) Grants Receivable

The Church receives income from a number of trusts. The significant ones are described below.

	2022 £'000	2021 (Restated) £'000
Congregational Memorial Hall Trust	108	103
Council for World Mission	49	30
Other grants	18	40
	175	173

#### Congregational Memorial Hall Trust

The United Reformed Church has a 70% interest in distributions from this Trust. In 2010 the trust distributed a share of half of its assets by way of a donation totalling £3,658k of investments. Income from the investments has replaced most of the grant.

#### Council for World Mission

Further grants totalling £49k were received to cover the costs of a South Korean minister working for the URC.

#### (c) Donations

	2022 £'000	2021 (Restated) £'000
Other donations received	4,493	9,033

Included above are £4,467k (2021: £9,001k) received from synods as a contribution towards the pension fund deficit (see note 21).

### NOTE 3 INCOME FROM CHARITABLE ACTIVITIES

These comprise:	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>(Restated)</b>
		<b>£'000</b>
Retired Ministers' Housing rents	411	740
Publication and resource sales	86	93
Reform magazine - subscriptions and advertising	105	110
Other programmes - fees, grants and sales	103	20
	<u>705</u>	<u>963</u>

### NOTE 4 INVESTMENT INCOME

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>(Restated)</b>
		<b>£'000</b>
Unitised funds	1,795	1,759
Interest on short-term investment and bank deposits	50	1
Rental income	161	134
	<u>2,006</u>	<u>1,894</u>

### NOTE 5 ANALYSIS OF EXPENDITURE

The amount spent on charitable activities, including support costs, is summarised as follows:

<b>2022</b>	<b>Direct programme expenditure £'000</b>	<b>Grant funding (note 6) £'000</b>	<b>Support costs (note 7) £'000</b>	<b>2022 Total £'000</b>
Ministry	21,140	668	1,787	23,595
Education and Learning	1,248	548	1,083	2,879
Children's and Youth work	303	6	226	535
Mission programmes	862	259	596	1,717
Publishing	334	-	230	564
	<u>23,887</u>	<u>1,481</u>	<u>3,922</u>	<u>29,290</u>
<b>2021 (Restated)</b>				
	<b>Direct programme expenditure £'000</b>	<b>Grant funding (note 6) £'000</b>	<b>Support costs (note 7) £'000</b>	<b>2021 Total £'000</b>
Ministry	15,887	584	2,602	19,073
Education and Learning	748	431	314	1,493
Children's and Youth work	251	1	84	336
Mission programmes	644	493	215	1,352
Publishing	336	-	90	426
	<u>17,866</u>	<u>1,509</u>	<u>3,305</u>	<u>22,680</u>

### NOTE 6 ANALYSIS OF GRANTS

<b>2022</b>	<b>Grants to individuals £'000</b>	<b>Grants to institutions £'000</b>	<b>2022 Total £'000</b>
Pension grants	314	-	314
Welfare and other ministry grants	305	10	315
Student maintenance and training	492	14	506
Local churches - mission and facilities	6	50	56
Chaplaincies	-	38	38
Ecumenical church bodies	1	1	2
Commitment for Life programme	-	208	208
Other programmes	2	40	42
	<u>1,120</u>	<u>361</u>	<u>1,481</u>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2021 (Restated)	Grants to individuals £'000	Grants to institutions £'000	2021 Total £'000
Pension grants	207	-	207
Welfare and other ministry grants	262	-	262
Student maintenance and training	374	3	377
Local churches - mission and facilities	15	134	149
Chaplaincies	-	59	59
Ecumenical church bodies	3	7	10
Commitment for Life programme	1	320	321
Other programmes	2	125	127
	864	648	1,512

Major grants to institutions in the year (included above) were:

<u>Organisation</u>	<u>Type</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Christian Aid	Commitment for Life	195	188
Global Justice Now	Commitment for Life	13	42

### NOTE 7 SUPPORT COSTS

Support costs comprise the premises costs of United Reformed Church House, and the staff and office costs in respect of: Central Secretariat (including Human Resources), Finance, Communications and Information Technology, and governance costs. These costs have been apportioned across the areas of charitable activity on the basis and in the amounts shown below.

Basis of apportionment	Premises costs £'000	Computer costs £'000	Staff and office costs £'000	2022 Total £'000	2021 Total £'000
	Area	Staff	Actual costs		
Ministry	16	24	1,747	1,787	2,602
Education and Learning	15	34	1,034	1,083	314
Children's and Youth work	18	30	178	226	84
Mission	20	67	509	596	215
Publishing	15	22	193	230	90
	84	177	3,661	3,922	3,305

### NOTE 8 GOVERNANCE COSTS

Governance costs are included in support costs and total £344k (2021: £505k). This figure includes the remuneration of the auditors, amounting to £58k (2021 (restated): £44k) of which £42k relates to the audit of the Trust which includes an under accrual of £6k and the balance of £16k relates to the audits of subsidiary charities. Other services provided by the auditors amounts to £11k.

### NOTE 9 NOTIFIED LEGACIES

The Trust had not received any notification of any legacy (2021: one) that has not been included in the financial statements because the conditions for recognition have not yet been met.

## NOTE 10 STIPEND AND SALARY COSTS

During the year the following stipend and salary costs were incurred:

		<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>(Restated)</b>
			<b>£'000</b>
Ministers and CRCWs: 336 (2021: 372)	Gross stipends	8,941	9,558
	Social security costs	953	900
	Other pension costs	10,050	2,597
		<u>19,944</u>	<u>13,055</u>

All stipend costs above are included within the costs of Ministry

Lay staff: 70 (2021 (restated): 64)	Gross salaries	2,272	2,087
	Social security costs	226	194
	Other pension costs	461	429
	Redundancy costs	8	16
		<u>2,967</u>	<u>2,726</u>

Salary costs have been apportioned as follows:

Ministry	1,489	1,279
Education and Learning	306	307
Children's and Youth work	226	212
Mission programmes	447	478
Publishing	497	450
	<u>2,967</u>	<u>2,726</u>

The minister and staff numbers shown represent the average for the year. They include staff working at Church House in London.

No employee received emoluments, excluding employer pension contributions greater than £60k during 2022 (2021: one employee received between £60k and £70k).

Key management personnel are the General Secretary and three Deputy General Secretaries; of these four three are ministers and one is lay staff. The total of employee benefits paid to key management personnel in 2022 was £261k (2021: £157k). The Deputy General Secretary post for Discipleship was vacant for 9 months of 2021.

In addition, a great amount of time, the value of which it is impossible to reflect in these financial statements, is donated by thousands of volunteers throughout the United Kingdom.

Individuals acting as a director for the company received no remuneration in respect of their services as director, other than the reimbursement of travel expenses to 11 individuals during the year ended 31 December, 2022 totalling £792 (2021: one individual totalling £130).

**NOTE 11 TANGIBLE & INTANGIBLE FIXED ASSETS**

(a) Consolidated:

	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible Fixed assets £'000	Computer Software £'000
<b>Cost</b>						
At 1 January, 2022 (restated)	39,713	8,673	2,838	550	51,774	93
Additions	957	-	-	12	969	104
Disposals	(2,062)	(897)	-	(296)	(3,255)	-
Re-classification	-	-	-	(25)	(25)	25
At 31 December, 2022	38,608	7,776	2,838	241	49,463	222
<b>Accumulated depreciation and impairment</b>						
At 1 January, 2022 (restated)	379	51	192	434	1,056	15
Charge for year	-	-	26	30	56	15
Disposals	(49)	(11)	-	(296)	(356)	-
At 31 December, 2022	330	40	218	168	756	30
<b>Net book value</b>						
At 31 December, 2022	38,278	7,736	2,620	73	48,707	192
At 31 December, 2021 (Restated)	39,334	8,622	2,646	116	50,718	78

Of the land and buildings included above, £5,035k (2021: £5,398k) are leasehold. At 31 December, 2022 276 (2021: 294) houses were owned for housing retired ministers and 16 (2021: 17) houses for serving ministers. Although the total market value of all properties is not practicable to quantify, it is considerably in excess of the carrying value shown above. Other properties include premises improvements at United Reformed Church House and the Yardley Hastings Centre. At the Yardley Hastings property, which has a carrying value of £628k, the local church continues to use part of the premises and the remainder is leased to a local charity under a long-term lease.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(b) Trust:

	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible fixed assets £'000	Computer software £'000
<b>Cost</b>						
At 1 January 2022	369	8,678	2,835	550	12,432	94
Additions	-	-	-	12	12	104
Disposals	-	(902)	-	(296)	(1,198)	-
Re-classification	-	-	-	(25)	(25)	25
At 31 December 2022	369	7,776	2,835	241	11,221	222
<b>Accumulated depreciation and impairment</b>						
At 1 January 2022	22	56	189	434	701	15
Charge for year	-	-	26	30	56	15
Disposals	(1)	(16)	-	(296)	(313)	-
At 31 December 2022	21	40	215	168	444	30
<b>Net book value</b>						
At 31 December 2022	347	7,736	2,620	73	10,777	192
At 31 December 2021	347	8,622	2,646	116	11,731	78

**NOTE 12**

**MIXED MOTIVE INVESTMENT PROPERTY**

	Consolidated		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	2,500	2,222	2,500	2,222
Additions	-	15	-	15
Net gains/(losses) on revaluation	(278)	263	(278)	263
Carrying value at end of year	2,222	2,500	2,222	2,500

Mixed motive investment property consists of the second floor of URC Church House which is rented out on a commercial let to another charity. The property was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed motive investment property at 31 December, 2022 was calculated using rental yields.

**NOTE 12a MIXED-USE INVESTMENT PROPERTY**

	Consolidated		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	927	856	927	856
Net gains/(losses) on revaluation	(71)	71	(71)	71
Carrying value at end of year	856	927	856	927

Mixed use investment property consists of the third floor of URC Church House which is rented out on a commercial let for residential purposes. The property was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed use investment property at 31 December, 2022 was calculated using rental yields.

**NOTE 13 INVESTMENTS**

	Consolidated		Trust	
	2022 £'000	2021 (Restated) £'000	2022 £'000	2021 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	62,036	54,593	62,036	54,593
Additions to investments at cost	-	244	-	244
Sales proceeds	-	(150)	-	(150)
Net gains/(losses) on revaluation	(7,700)	7,349	(7,700)	7,349
Carrying value at end of year	54,336	62,036	54,336	62,036

	Consolidated		Trust	
	2022 £'000	2021 (Restated) £'000	2022 £'000	2021 £'000
Investments comprise units in UK based Common Investment Funds at market value, as follows:				
COIF Charities Ethical Investment Fund	53,243	60,795	53,243	60,795
COIF Charities Property Fund	1,093	1,241	1,093	1,241
	54,336	62,036	54,336	62,036
Investments at book cost	34,013	33,859	34,013	34,014

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Included within investments held in the COIF Charities Ethical Investment Fund is £4,119k held to meet the 'other pension obligation' as set out in note 23 and £61,079 held on behalf of the United Reformed Church Historical Society, a separate charity.

Financial assets measured at fair value are £54,336k.

## NOTE 14 PROGRAMME-RELATED INVESTMENTS

Programme-related investments are investments made in pursuit of the Trust's charitable purposes, the primary motivation for which is not financial but to further our objectives and programme. The principal programme-related investment is £200k as a Founder Member of Luther King House Educational Trust, which owns the property that houses our resource centre for learning at Northern College. Smaller investments are held in Oikocredit, the Churches' Mutual Credit Union and Traidcraft plc. These smaller investments held as social investments and are held at cost and not revalued.

## NOTE 15 CONCESSIONARY LOANS

	Consolidated		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
External loans comprise:				
To ministers	37	43	37	43
To Churches	156	161	156	161
Inter-fund concessionary loans	-	-	3,849	5,487
	193	204	4,042	5,691

Loans to ministers are generally interest free and repayable over 3 to 5 years. Movement on the loan balances was as follows:

	Consolidated		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Balance at 1 January	43	71	43	71
Repaid in the year	(20)	(29)	(20)	(29)
Advanced in the year	14	1	14	1
Balance at 31 December	37	43	37	43

Loans to churches comprises a long term loan to the Synod of Wales in respect of the Glamorgan Chaplaincy and loans from the Church Building Fund to local churches. The loan to the Glamorgan Chaplaincy is interest free and is repayable if the chaplaincy is wound up. The loans from the Church Building Fund are repayable over 8 years and interest is charged using the CCLA Charities Deposit Fund deposit rate.

Inter-fund concessionary loans represent the long-term indebtedness of the United Reformed Church Retired Ministers' Housing Society Limited to the Church. Loans have been made available for the purchase of properties, for as long as they are required, to enable the Society to fulfil its objectives.

**NOTE 16 DEBTORS**

	Consolidated		Trust	
	2022 £'000	2021 (Restated) £'000	2022 £'000	2021 (Restated) £'000
Debtors comprise:				
Tax recoverable	2	9	2	9
Other debtors	2,197	3,993	1,769	3,971
Prepayments and accrued income	886	1,226	732	1,125
	<u>3,085</u>	<u>5,228</u>	<u>2,503</u>	<u>5,105</u>
Financial assets measured at amortised cost	2,627	2,085	2,199	3,328

**NOTE 17 CREDITORS: amounts falling due within one year**

	Consolidated		Trust	
	2022 £'000	2021 (Restated) £'000	2022 £'000	2021 (Restated) £'000
Current liabilities comprise:				
Amounts owed to group undertakings	-	-	11	2,178
Sums held for synods and congregations	155	65	-	-
Other creditors including taxation and social security	1,135	1,217	1,103	1,100
Accruals	246	266	314	295
Deferred income	33	43	33	43
	<u>1,569</u>	<u>1,591</u>	<u>1,461</u>	<u>3,616</u>
Financial liabilities measured at amortised cost	1,290	1,253	1,194	3,237

Included within Other creditors are amounts totalling £109k which are held in trust on behalf of other organisations.

**Movements in deferred income**

	Consolidated		Trust	
	2022 £'000	2021 (Restated) £'000	2022 £'000	2021 £'000
Balance at 1 January	43	39	43	39
Received in the year	33	43	33	43
Refunded during the year	-	-	-	-
Transferred to income	(43)	(39)	(43)	(39)
Balance at 31 December	<u>33</u>	<u>43</u>	<u>33</u>	<u>43</u>

**NOTE 18 UNRESTRICTED FUNDS**

The Ministry and Mission Fund is the general fund of the Church through which the bulk of income and expenditure, covered by the annual budget agreed by the Trustee and presented to Assembly Executive, is passed. Associated with it are two capital funds, Maintenance of the Ministry and Ministerial Training, the whole of whose income each year is transferred to the Ministry and Mission Fund, which is responsible for meeting ministry and training costs.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

These funds include £20.3million held as capital, most having been gifted by other trusts. These funds are invested and the income is used as intended. The capital is expendable by decision of the Trustee.

**NOTE 19 SUMMARY OF FUND MOVEMENTS**

**2022 Fund Movements**

	<b>Funds at 1 Jan 2022 £'000s</b>	<b>Incoming resources £'000s</b>	<b>Resources expended £'000s</b>	<b>Transfers between funds £'000s</b>	<b>Gains/ (Losses) on investment assets £'000s</b>	<b>Actuarial (losses)/ gains £'000s</b>	<b>Funds at 31 Dec 2022 £'000s</b>
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	28,774	19,887	(20,672)	(1,451)	(2,067)	3,368	27,839
Ministerial Training Fund	-	40	-	(40)	-	-	-
	-	480	-	(480)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>28,774</b>	<b>20,407</b>	<b>(20,672)</b>	<b>(1,971)</b>	<b>(2,067)</b>	<b>3,368</b>	<b>27,839</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	633	510	(24)	(30)	-	-	1,089
Discipleship Development Fund	1,089	29	(57)	-	(127)	-	934
Annenberg Fund	-	5	-	196	(21)	-	180
Churches Energy Crisis Fund	-	-	-	2,000	-	-	2,000
<b>Consolidated &amp; Trust</b>	<b>1,722</b>	<b>544</b>	<b>(81)</b>	<b>2,166</b>	<b>(148)</b>	<b>-</b>	<b>4,203</b>
<b>RESTRICTED FUNDS</b>							
Church Buildings Fund	5,309	148	(13)	2	(634)	-	4,812
Retired Ministers' Housing Fund	5,502	6	(19)	-	-	-	5,489
Welfare Fund	8	8	-	-	-	-	16
Retired Ministers' Funds Commitment For Life Fund	2,523	157	(314)	12	(584)	-	1,794
Pension Deficit Fund	5	259	(208)	(56)	-	-	-
Other Funds	8,714	4,467	(6,700)	-	-	-	6,481
	5,678	262	(183)	(143)	(511)	-	5,103
<b>Total Trust Funds</b>	<b>27,739</b>	<b>5,307</b>	<b>(7,437)</b>	<b>(185)</b>	<b>(1,729)</b>	<b>-</b>	<b>23,695</b>
Retired Ministers' Housing Society	36,566	3,090	(1,100)	-	-	-	38,556
<b>Total Consolidated Funds</b>	<b>64,305</b>	<b>8,397</b>	<b>(8,537)</b>	<b>(185)</b>	<b>(1,729)</b>	<b>-</b>	<b>62,251</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	7,524	-	-	-	(885)	-	6,639
Ministerial Training Fund	2,133	-	-	-	(263)	-	1,870
Church Buildings Funds	17,349	-	-	-	(2,150)	-	15,199
Retired Ministers' Housing Funds	184	-	-	-	-	-	184
Welfare Funds	391	-	-	-	-	-	391
Retired Ministers' Funds	1,100	-	-	-	(137)	-	963
Other Funds	403	-	-	-	(50)	-	353
	4,930	4	-	-	(619)	-	4,315
<b>Consolidated &amp; Trust</b>	<b>34,014</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>(4,104)</b>	<b>-</b>	<b>29,914</b>

Transfers between funds generally represents use of restricted funds to cover items of expenditure in the general funds that fall within the objects of the specific restricted fund.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

**2021 Fund Movements (Restated)**

	Funds at 1 Jan 2020 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 2021 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	9,824	19,271	(20,566)	603	1,975	17,669	28,776
Ministerial Training Fund	-	39	-	(39)	-	-	-
	-	471	-	(471)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>9,824</b>	<b>19,781</b>	<b>(20,566)</b>	<b>93</b>	<b>1,975</b>	<b>17,669</b>	<b>28,776</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	716	1	(84)	-	-	-	633
Discipleship Development Fund	948	28	(2)	-	115	-	1,089
<b>Consolidated &amp; Trust</b>	<b>1,722</b>	<b>29</b>	<b>86</b>	<b>-</b>	<b>115</b>	<b>-</b>	<b>1,722</b>
<b>RESTRICTED FUNDS</b>							
Church Buildings Fund	4,631	146	(61)	(12)	606	-	5,309
Retired Ministers' Housing Fund	5,387	230	(15)	(100)	-	-	5,502
Welfare Fund	1	8	-	(1)	-	-	8
Retired Ministers' Funds Commitment For Life Fund	1,169	159	(207)	825	577	-	2,523
Pension Deficit Fund	143	266	(279)	(127)	-	-	4
Other Funds	-	9,001	(287)	-	-	-	8,714
	5,811	252	(184)	(678)	477	-	5,678
<b>Total Trust Funds</b>	<b>17,142</b>	<b>10,062</b>	<b>(1,033)</b>	<b>(93)</b>	<b>1,660</b>	<b>-</b>	<b>27,738</b>
Retired Ministers' Housing Society	34,742	2,823	(999)	-	-	-	36,566
<b>Total Consolidated Funds</b>	<b>58,312</b>	<b>12,885</b>	<b>(2,032)</b>	<b>(93)</b>	<b>1,660</b>	<b>-</b>	<b>64,305</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	8,476	-	-	(1,796)	844	-	7,524
Ministerial Training Fund	1,126	-	-	753	254	-	2,133
Church Buildings Funds	14,239	-	-	1,046	2,064	-	17,349
Retired Ministers' Housing Funds	184	-	-	-	-	-	184
Welfare Funds	391	-	-	-	-	-	391
Retired Ministers' Funds	969	-	-	-	131	-	1,100
Other Funds	675	-	-	(320)	48	-	403
	4,016	5	-	317	592	-	4,930
<b>Consolidated &amp; Trust</b>	<b>30,076</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>3,933</b>	<b>-</b>	<b>34,014</b>

**Designated funds:** Income from unrestricted legacies is put into the Legacy Fund. Grants are made from the fund to churches and synods for mission focussed projects. The Discipleship Development Fund resulted from the sale of the Windermere Centre in 2017. It is used to give grants to help develop lay people for work in the church. The Churches Energy Crisis fund was set up late in 2022 in response to rising energy prices. The aim of the fund is to give financial support to churches struggling with these increases.

**NOTE 20 ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUNDS**

**2022 Analysis**

**ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2022
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	192	-	-	-	192
Property	9,290	-	38,413	931	48,634
Cars and equipment	73	-	-	-	73
Investments	12,408	1,045	12,190	28,935	54,578
Investment properties	3,078	-	-	-	3,078
External loans	38	-	155	-	193
Inter fund loans	-	-	-	-	-
Net current assets	15,374	(28)	4,479	-	19,825
Pension reserve	(8)	-	(2,358)	-	(2,366)
Inter fund balances	(12,606)	3,186	9,372	48	-
<b>Net assets</b>	<b>27,839</b>	<b>4,203</b>	<b>62,251</b>	<b>29,914</b>	<b>124,207</b>

**ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2022
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	192	-	-	-	192
Property	9,290	-	483	931	10,704
Cars and equipment	73	-	-	-	73
Investments	12,408	1,045	12,190	28,935	54,578
Investment properties	3,078	-	-	-	3,078
External loans	37	-	4,005	-	4,042
Net current assets	15,374	(28)	-	-	15,346
Pension reserve	(7)	-	(2,358)	-	(2,365)
Inter fund balances	(12,606)	3,186	9,372	48	-
<b>Net assets</b>	<b>27,839</b>	<b>4,203</b>	<b>23,692</b>	<b>29,914</b>	<b>85,648</b>

**2021 (Restated) Analysis**

**ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2021
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	79	-	-	-	79
Property	10,641	-	38,986	1,297	50,924
Cars and equipment	116	-	-	-	116
Investments	14,133	1,026	14,077	33,986	63,222
Investment properties	3,427	-	-	-	3,427
External loans	43	-	159	-	202
Inter fund loans	1,702	-	(1,702)	-	-
Net current assets	14,122	(123)	5,102	-	19,101
Pension reserve	(4,618)	-	(2,358)	-	(6,976)
Inter fund balances	(10,869)	819	10,041	8	-
<b>Net assets</b>	<b>28,776</b>	<b>1,722</b>	<b>64,305</b>	<b>35,291</b>	<b>130,094</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2021
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	78	-	-	-	78
Property	10,641	-	-	974	11,615
Cars and equipment	116	-	-	-	116
Investments	14,133	1,026	14,087	33,032	62,278
Investment properties	3,427	-	-	-	3,427
External loans	43	-	5,646	-	5,688
Net current assets	15,824	(123)	321	-	16,022
Pension reserve	(4,618)	-	(2,538)	-	(6,976)
Inter fund balances	(10,868)	819	10,041	8	-

## NOTE 21                      RESTRICTED FUNDS

### (a) Church Buildings Fund

This fund may be used in the upkeep and repair of the buildings of the local churches of the United Reformed Church and the maintenance of the services therein; in the improvement and extension of the buildings of such churches; and in the provision and erection of buildings for use for the purposes of such churches or as residences for ministers of the United Reformed Church. Both grants and loans are available for these purposes; notes 6 and 15 give some details.

### (b) Retired Ministers' Housing Funds and Retired Ministers' Housing Society

The whole of these funds is utilised by the RMHS Board in providing accommodation for ministers and ministers' widow/ers or civil partners in their retirement. Income in 2022 included £12k from donations and £55k from legacies. Most of the remaining income arises from the profit on the sale of houses, the proceeds of which were largely re-invested in further house purchases. The indebtedness of the Society to the other funds of the Church is included in the Trust Balance Sheet and notes 15 to 17 as inter-fund loans and balances; note 25 gives information on its future commitments.

### (c) Welfare Fund

This fund can be used to relieve cases of need among ministers of the United Reformed Church, their spouses and other dependants. Regular uses have been to provide a grant on the death of a minister to the surviving spouse, to provide a grant at Christmas to widow/ers of United Reformed Church ministers, counselling costs and assistance with medical costs. Surplus income of certain other funds is transferred to this fund.

### (d) Retired Ministers' Fund and Retired Ministers' Aid Fund

These funds are used to supplement the pensions paid to ministers and ministers' widow/ers, principally by upgrading the pensions of former ministers of the Congregational Church and the Churches of Christ and the widow/ers of such ministers to a level of the pension that would have been paid if the minister's service had been to the former Presbyterian Church, and also to pay certain ill-health early retirement pensions. The balances shown for these funds are after deducting the actuarially assessed cost of the Church's constructive obligation to continue making these payments, totalling £2,358k.

### (e) Commitment for Life Fund

This programme involves substantial sums of money being collected through the Church and Society office, and disbursed for Christian Aid programmes and other purposes. The balance held at the year end represents sums received, which had not yet been allocated.

### (f) Pension Deficit Fund

During 2021 the synods pledged various amounts to help with the payment of deficit contributions to the Ministers' Pension Fund. A restricted fund was set up to collect these contributions and to pay them over to the Pension Fund when required by the agreed schedule of contributions. Any excess monies in the fund once the deficit has been paid off will be returned to the synods in the proportion in which they contributed.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (g) Other funds

There are some fifty other funds in the care of United Reformed Church Trust, covering many different activities relating to the Church centrally, and some to the wider parts of the United Reformed Church. Most of their income is earned from investments, and expenditure is in accordance with their various specific purposes.

## NOTE 22 PENSION OBLIGATIONS

The United Reformed Church has obligations for two pension funds: United Reformed Church Ministers' Pension Fund (MPF), and the United Reformed Church Final Salary Scheme (FSS). The actuarial gains and/or losses and the liabilities for each scheme were:

	MPF		FSS		Total	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Recognised actuarial gains/(losses)	(4,603)	(17,629)	7	(40)	(4,596)	(17,669)
Net scheme assets/(liabilities)	-	(4,603)	(8)	(15)	(8)	(4,618)

Net scheme assets are not recognised in the balance sheet. The details of each scheme are set out in notes 23 and 24 below.

## NOTE 23 THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Pensions for most ministers are provided by The United Reformed Church Ministers' Pension Fund. The Fund is a defined benefit pension scheme and the assets are invested and managed by an independent trustee. The scheme was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme has been set up for ministers. The new pension fund is administered by Aon MasterTrust.

Triennial actuarial valuations of the pension scheme are performed by a qualified actuary. The actuarial valuation at 1 January, 2021 was formally agreed on 23 March, 2022. For the purpose of these financial statements, the actuary has updated that valuation at 31 December, 2022 using assumptions that are consistent with the requirements of FRS102. Compared with a year ago, both the assets and liabilities of the scheme have fallen significantly, mainly driven by the rise in interest rates. However, the overall effect is that the position of the fund is a surplus of £13,494. The scheme net assets are not recognised in the balance sheet.

### a) Contributions:

The defined benefit scheme is funded and is not contracted-out of the state scheme. Contributions in 2022 totalled 41.25% of pensionable pay, together with a fixed annual amount of deficit funding, in 2022 £6.7m (2021: £580k). Members' contributions are 7.5% of pensionable pay. Church contributions totalled £4,568k in 2022 (2021: £1,995k).

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	2022	2021
Discount rate at year end	4.80%	2.00%
Expected return on plan assets at year end	n/a	n/a
Future stipend increases	2.95%	2.90%
Future pension increases (RPI up to 5%)	3.35%	3.30%
Future deferred pension revaluation (CPI)	2.95%	2.90%
Life expectancy of male pensioners (age 65)	23.8	24.1
Life expectancy at female pensioners (age 65)	25.3	25.6

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

**b) The amounts recognised in the Balance Sheet are as follows:**

	<b>2022</b>	<b>2021</b>
	<b>Value at 31 Dec</b>	<b>Value at 31 Dec</b>
	<b>£'000</b>	<b>£'000</b>
Present value of obligations	(131,614)	(194,278)
Fair value of plan assets	145,108	189,675
Adjustment to reflect asset limit	(13,494)	-
Pension asset/(liability)	<u>-</u>	<u>(4,603)</u>

**c) The charge to the Statement of Financial Activities for the year comprised:**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>		
Current service cost	2,982	3,293
Administrative expenses	351	441
Financing cost:		
Interest on net defined liability	5	293
Total operating charge	<u>3,338</u>	<u>4,027</u>
<b>Actuarial gains/(losses) on pension schemes)</b>		
Asset losses/(gains) arising during the year	52,703	(18,025)
Liability losses/(gains) arising during the year	(62,829)	396
	<u>(10,126)</u>	<u>(17,629)</u>
Change in effect of the asset ceiling	13,494	-
<b>Total loss/(gain) recognised in the Statements of Financial Activities</b>	<u><b>(6,706)</b></u>	<u><b>(13,602)</b></u>

**d) Change in defined benefit obligation:**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	194,278	194,227
Service cost (incl. employee contributions)	3,944	4,247
Interest expense on DBO	3,845	2,695
Actuarial (gains)/losses on liabilities	(62,829)	396
Benefits paid	(7,624)	(7,287)
Closing defined benefit obligation	<u>131,614</u>	<u>194,278</u>

**e) Change in fair value of plan assets:**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	189,675	173,426
Interest income on assets	3,840	2,402
Actuarial gains (losses)	(52,703)	18,025
Contributions by employer	11,309	2,596
Contributions by employees	962	954
Administrative expenses	(351)	(441)
Benefits paid	(7,624)	(7,287)
Closing fair value of plan assets	<u>145,108</u>	<u>189,675</u>

**f) Future employer contributions:**

The Church expects to contribute about £5,072,000 to the plan during the next accounting year. This figure is comprised of £4.7m deficit contributions and £372k to cover the fund's expenses.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**g) Breakdown of plan assets:**

The major categories of plan assets as a percentage of total plan assets are as follows:

	2022 Asset allocation %	2021 Asset allocation %
Equities	41	37
Property	13	11
Bonds	46	51

**h) Five year comparison**

The amounts for the current and previous four years are as follows:

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Defined benefit obligation	(131,614)	(194,278)	(194,227)	165,807	152,689
Plan assets	145,108	189,675	173,426	156,426	141,063
Unrecognised surplus	(13,494)	-	-	-	-
Recognised Surplus/(deficit)	-	(4,603)	(20,801)	(9,381)	(11,626)

**Other pension obligations**

SORP 2015 requires that constructive obligations, although not legally binding, be recognised on a charity's balance sheet. United Reformed Church Trust considers that it has a long-term constructive obligation in respect of:

a) the pension supplements it pays to former ministers of the Congregational Church and the Churches of Christ and the widow/ers of those ministers, in order to bring their pension to the level of the pension that would have been paid if the minister's service had been to the former Presbyterian Church. An independent actuarial assessment of the net present value of these future payments was obtained at the time of the formal actuarial review as at 1 January, 2021, using comparable assumptions as for FRS 17 calculations; this value (£2,358k) has been deducted from the total of restricted Fund included in the Balance Sheet. Included within restricted fund investments is £5,491k held to meet this obligation, and;

b) other pension grants, principally for ill-health early retirement until 2004.

## NOTE 24 THE UNITED REFORMED CHURCH FINAL SALARY SCHEME

a) The United Reformed Church contributes to a staff pension scheme known as the "Final Salary" scheme; this too is a defined benefit scheme, which is administered by TPT Retirement Solutions (formerly The Pensions Trust). The United Reformed Church is the principal employer in the scheme, and eleven synods and Northern College are participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities – each employer pays a common contribution rate. The information below is provided by the principal employer in respect of the whole scheme as required by FRS102.

Triennial actuarial valuations of the whole Final Salary scheme are performed by a qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September, 2019, when the scheme had a surplus of £2,689k. For the purpose of these financial statements, the actuary has updated that valuation at 31 December, 2021 using assumptions that are consistent with the requirements of FRS102.

The scheme was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme has been set up for lay staff. The pension fund is administered by Aon MasterTrust.

**i) Contributions:**

During 2022 the United Reformed Church contributed 22.8% (2021: 22.8%) of basic salary in respect of members of the scheme. The 2022 figure included 3.0% as deficit funding. Expenses and levies with are payable as a separate lump sum. Members contributed at the rate of 7.5% (2021: 7.5%) of pensionable salary throughout the accounting period.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Discount rate at year end	4.98%	1.80%	1.40%
Inflation (RPI)	3.12%	3.20%	2.95%
Inflation (CPI)	2.81%	2.85%	2.55%
Future salary increases	2.62%	2.62%	2.50% for 3 years and 2.75% thereafter
Future deferred pension revaluation (CPI)	2.50%	2.50%	2.50%
Life expectancy in years of males retiring in 2020 (age 65)	21.3	21.2	21.2
Life expectancy in years of females retiring in 2020 (age 65)	23.4	23.4	23.4
Life expectancy in years of males retiring in 2040 (age 65)	22.6	22.6	22.6
Life expectancy in years of females retiring in 2040 (age 65)	24.6	24.5	24.5

**ii) The amounts recognised at 31 December in the Balance Sheet are as follows:**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of obligations	(23,300)	(36,994)	(37,495)
Fair value of plan assets	27,792	46,764	41,820
Adjustment to reflect asset limit	(4,492)	(9,770)	(4,325)
Pension asset/(liability)	<u>-</u>	<u>-</u>	<u>-</u>

**iii) The charge to the Statement of Financial Activities for the year comprised:**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>		
Current service cost	1,358	1,420
Administrative expenses	124	113
Net interest (credit)/cost:	-	(60)
Total operating charge	<u>1,482</u>	<u>1,473</u>
<b>Actuarial gains/(losses) on pension schemes</b>		
Asset gains/(losses) arising during the year	(20,018)	3,864
Liability gains/(losses) arising during the year	14,667	1,684
Effect of asset limit	5,351	(3,360)
	<u>-</u>	<u>2,188</u>

**iv) Change in defined benefit obligation:**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	36,994	37,495
Current service cost (inc. contributions by plan participants)	1,358	1,420
Interest expense on DBO	702	529
Actuarial losses/(gains) on liabilities	(14,667)	(1,648)
Benefits paid and death in service premiums	(1,087)	(802)
Closing defined benefit obligation	<u>23,300</u>	<u>36,994</u>

**v) Change in fair value of plan assets:**

**2022                      2021**

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	46,764	41,820
Interest income on assets	844	589
Expenses	(124)	(113)
Actuarial gains (losses)	(20,018)	3,864
Contributions by employers	1,380	1,370
Contributions by plan participants	33	36
Benefits paid	(1,087)	(802)
Closing fair value of plan assets	27,792	46,764

**vi) Future employer contributions:**

Employers expect to contribute about £1,490,000 to the plan during the next accounting year.

**vii) Breakdown of plan assets:**

The major categories of plan assets are as follows:

	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Equity-Type assets	10,723	23,587	21,917
Fixed Interest Bonds	2,536	3,829	5,205
Index-Linked bonds	-	13,800	11,052
Fixed Interest Gilts	-	3,132	1,661
LDI	11,833	-	-
Property	2,162	2,082	1,464
Other	538	334	521
Total assets	27,792	46,764	41,820

**b)** Certain members of the Final Salary scheme have also made additional voluntary contributions to the 'Growth Plan', a multi-employer funded pension plan operated by TPT Retirement Solutions. Certain past contributions to this plan entitle the members to either a defined pension or a guaranteed capital sum to be converted into an annuity at retirement. The Church does not normally make contributions to the Growth Plan, but from 1 April, 2013 has been required to do so as a result of an actuarial deficit. The most recent formal actuarial valuation of the Growth Plan, as at 30 September, 2020, revealed a deficit of £31.5m, equivalent to a funding level of 96.2%. Its latest recovery plan includes a requirement for contributions from the Church over a period of 2.75 years from 1 April, 2022, including £10k in 2022. The Church now recognises a liability for the net present value of these future contributions, amounting to £8k at the balance sheet date (2021: £15k). The present value is calculated using a discount rate of 4.96% (2021: 1.18%), and the charge to the Statement of Financial Activities of £10k (2021: £17k) represents the finance cost of unwinding the discount rate and the effect of any changes in actuarial assumptions.

In addition, in the event of no members continuing to contribute to the Growth Plan, there is a contingent obligation of an employer debt on withdrawal in respect of certain liabilities incurred before March 2010. TPT Retirement Solutions estimated the Church's contingent obligation at £271k as at 30 September, 2014, but there is not currently any expectation that this situation will arise.

## NOTE 25 COMMITMENTS

At 31 December, 2022 there were no commitments in respect of the purchase of properties (2021: £nil), and contractual liabilities of £nil (2021: £nil). £100k (2021: £12k) was committed as grants payable from the Legacy Fund.

The Church is committed, through the United Reformed Church Retired Ministers' Housing Society Limited and other earmarked funds, to providing housing for retired ministers. Owing to the many unknown variables which would be involved in calculating the value of this long-term liability, no provision is included in the Balance Sheet.

These variables include the number of ministers requiring assistance from the Society and the level of contributions able to be made by individual ministers towards the cost of their homes. During 2022 £957k was spent on acquiring housing for retired ministers, £567k on repairing and maintaining existing properties and profits of £2,611k were earned from the sale of homes no longer required. Exercises have been undertaken periodically by the Society's management committee to collect information to assist more accurate long-term planning; these have confirmed a continuing need for assistance in the

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

short to medium term. Future cash flow is kept under continuous review, and recent years have seen the Society become cash flow positive. This trend is expected to continue for the medium to long term.

The Trust entered into a legal Guarantee on 21 July, 2010, under which it guarantees future contributions by the Church to the United Reformed Church Ministers' Pension Fund, as set out in the Schedule of Contributions in force from time to time up to an aggregate maximum amount of £24 million, using assets available for this purpose.

### NOTE 26 CONTINGENT LIABILITIES

We have been notified by the trustee of the United Reformed Church Final Salary Pension Scheme that they performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The trustee has determined that it is prudent to follow best practice and seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved until late 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but as the Court direction is pending, it is not possible to calculate the impact of this issue with any accuracy at this time. Therefore, no adjustment has been made in these financial statements in respect of this issue.

### NOTE 27 CASH FLOW INFORMATION

#### Reconciliation of net cash flow to movement in net cash funds

	2022 £'000	2021 (Restated) £'000
Increase/(Decrease) in cash in the period	2,857	7,790
Net cash funds at 1 January	15,452	7,662
Net cash funds at 31 December	18,309	15,452

Net cash funds are represented by bank balances and money on call, as shown on the Consolidated Balance Sheet. Of the total, £14,305k is shown on the Trust Balance Sheet.

### NOTE 28 RELATED PARTY TRANSACTIONS

During the year the United Reformed Church Trust recharged salary and staff costs amounting to £319k (2021: £253k) to the United Reformed Church Retired Ministers' Housing Society Limited.

### NOTE 29 LEASE COMMITMENTS

At 31 December, 2022 the trust had future minimum Lease payments under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
Due within 1 year	7	2
Due in more than 1 year but less than 5 years	16	2
Due in more than 5 years	-	-
<b>Total</b>	23	4

## NOTE 30 LEASES RECEIVABLE

At 31 December, 2022 the principle future minimum lease payments receivable under non-cancellable leases are as follows:

	2022 £'000	2021 £'000
Due within 1 year	95	75
Due in more than 1 year but less than 5 years	356	-
Due in more than 5 years	-	-
<b>Total</b>	<u>451</u>	<u>75</u>

## NOTE 31 SUBSIDIARY UNDERTAKINGS

The United Reformed Church Retired Ministers' Housing Society Limited ('RMHS') is an exempt charity registered under the Co-operative and Community Benefit Societies Act 2014, number 15986R. Under the rules of the Society, which were revised by agreement of the RMHS Board in 2019, the United Reformed Church Trust has the power to appoint a majority of the directors. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

Their financial results were as follows:

	2022 £'000	2021 £'000
Income	3,090	2,824
Expenditure	1,100	998
Net income/(expenditure)	<u>1,990</u>	<u>1,826</u>
Total net assets	<u>38,559</u>	<u>36,570</u>

As noted on page 5, Westminster College is no longer regarded as a subsidiary charity.

## NOTE 32 CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2022 £'000	2021 (Restated) £'000
Gross income from continuing operations	24,967	31,657
Net gains on disposal of fixed assets	4,384	1,041
Total income	<u>29,352</u>	<u>32,698</u>
Total expenditure	(29,294)	(22,680)
Net (expenditure)/income for year	<u>58</u>	<u>10,014</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 33

CONSOLIDATED STATEMENT OF FINANCIAL  
ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER, 2021  
(RESTATED)

	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000	2021 Total funds £'000
<b>Donations and legacies</b>						
Ministry and Mission Fund contributions	2(a)	17,203	0	0	0	17,203
Grants receivable	2(b)	162	0	0	0	162
Legacies		1	0	79	0	80
Commitment for Life donations		0	0	266	0	266
Other donations	2(c)	5	1	9,022	5	9,033
		168	1	9,367	5	9,541
<b>Charitable activities</b>						
Ministry	3	0	0	739	0	739
Education and Learning		18	0	0	0	18
Children's and Youth work		3	0	0	0	3
Mission programmes		0	0	0	0	0
Publishing		203	0	0	0	203
		224	0	739	0	963
<b>Other trading activities</b>						
Investment income	4	0	0	0	0	0
		1,298	27	569	0	1,894
<b>Other income</b>						
Gains on sale of properties		824	0	2,209	0	3,033
Other income		60	0	0	0	60
		884	0	2,209	0	3,093
<i>Total income and endowments</i>		19,777	28	12,884	5	32,694
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Trading expenditure		0	0	0	0	0
<b>Charitable activities</b>						
Ministry	5	16,987	70	1,565	0	18,622
Education and Learning		1,852	8	65	0	1,925
Children's and Youth work		328	1	10	0	339
Mission programmes		982	4	377	0	1,363
Publishing		415	2	14	0	431
Other expenditure		0	0	0	0	0
		20,564	85	2,031	0	22,680
<i>Total expended</i>		20,564	85	2,031	0	22,680
<b>Surplus from charitable and trading activities</b>		(787)	(57)	10,853	5	10,014
<b>Net gains/ (Loss) on investment assets</b>		1,975	115	1,660	3,935	7,685
<i>Net income</i>		1,188	58	12,513	3,940	17,699
<b>Transfers between funds</b>		93	0	(93)	0	0
Actuarial gains/(losses) on pension schemes	22	17,669	0	0	0	17,669
<i>Net movement in funds</i>		18,950	58	12,420	3,940	35,368
<b>Reconciliation of Funds</b>						
Total funds brought forward		9,824	1,664	51,885	30,077	93,450
<b>Total funds carried forward</b>		28,774	1,722	64,305	34,017	128,818

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**NOTE 34 RECONCILIATION OF PREVIOUSLY STATED RE-STATEd 2021 SOFA**

Following a review of the relationship between URCT and Westminster College, it has been determined that URCT does not have control of the College and therefore it has no longer been consolidated into these accounts. A reconciliation of the impact on the Statement of Financial Activities and Balance sheet is set out below:

	2021 Previously Stated £'000	2021 Westminster College £'000	2021 Restated £'000
<b>Donations and legacies</b>			
Ministry and Mission Fund contributions	17,204	0	17,204
Grants receivable	398	236	162
Legacies	80	0	80
Commitment for Life donations	266	0	266
Other donations	9,279	246	9,033
	<u>10,023</u>	<u>481</u>	<u>9,542</u>
<b>Charitable activities</b>			
Ministry	739	0	739
Education and Learning	297	279	18
Children's and Youth work	3	0	3
Mission programmes	0	0	0
Publishing	204	0	204
	<u>1,243</u>	<u>279</u>	<u>964</u>
<b>Other trading activities</b>	285	285	(0)
<b>Investment income</b>	1,948	52	1,896
<b>Other income</b>			
Gains on sale of properties	3,323	290	3,033
Other income	61	0	61
	<u>3,384</u>	<u>290</u>	<u>3,094</u>
<i>Total income and endowments</i>	34,087	1,387	32,700
<b>Expenditure on:</b>			
<b>Raising funds:</b>			
Trading expenditure	80	80	(0)
<b>Charitable activities</b>			
Ministry	18,665	43	18,622
Education and Learning	3,217	1,288	1,929
Children's and Youth work	337	(2)	339
Mission programmes	1,353	(10)	1,363
Publishing	426	(5)	431
Other expenditure	0	0	0
	<u>23,998</u>	<u>1,314</u>	<u>22,684</u>
<i>Total expended</i>	24,078	1,394	22,684
<b>Surplus from charitable and trading activities</b>	10,009	(7)	10,016
<b>Net gains/ (Loss) on investment assets</b>	7,911	228	7,683
<i>Net income</i>	<u>17,920</u>	<u>221</u>	<u>17,699</u>
<b>Transfers between funds</b>			
	0	0	0
<b>Actuarial gains/(losses) on pension schemes</b>	17,669	0	17,669
<i>Net movement in funds</i>	<u>35,589</u>	<u>221</u>	<u>35,368</u>
<b>Reconciliation of Funds</b>			
Total funds brought forward	101,040	7,590	93,450
<b>Total funds carried forward</b>	<u>136,629</u>	<u>7,811</u>	<u>128,818</u>

Note: All Westminster College income and expenditure was treated as Restricted Funds.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**NOTE 35**

**RECONCILIATION OF PREVIOUSLY STATED RE-STATE  
2021 BALANCE SHEET**

	2021 Previously Stated £'000	2021 Wesminster College £'000	2021 Restated £'000
<b>Fixed assets</b>			
Intangible assets	83	4	79
Tangible assets			
Houses for retired ministers	39,334	-	39,334
Houses for serving ministers	8,622	-	8,622
Other properties	8,193	5,548	2,645
Total properties	56,149	5,548	50,601
Cars and equipment	310	194	116
	56,542	5,746	50,796
<b>Investments and loans</b>			
Mixed motive investment property	2,500	-	2,500
Mixed use investment property	927	-	927
Investments	63,954	1,918	62,036
Programme-related investments	242	-	242
Loans, excluding inter-fund loans	202	-	202
	67,825	1,918	65,907
<b>Current assets</b>			
Stock	-	-	-
Debtors	4,819	(409)	5,228
Bank balances and money on call	16,263	812	15,451
	21,082	402	20,680
<b>Current liabilities</b>			
	(1,844)	(253)	(1,591)
Net current assets	19,238	150	19,088
Total assets less current liabilities	143,605	7,814	135,791
Defined benefit pension scheme liability	(4,618)	-	(4,618)
Other pension obligations	(2,358)	-	(2,358)
<b>Net assets including pension liability</b>	<b>136,629</b>	<b>7,814</b>	<b>128,815</b>
<b>Unrestricted income funds</b>			
General reserves	24,949	-	24,949
Revaluation reserve - investments	5,911	-	5,911
Revaluation reserve - property	2,534	-	2,534
Designated funds	1,722	-	1,722
Total unrestricted income funds before pension reserve	35,116	-	35,116
Pension reserve	(4,618)	-	(4,618)
<b>Restricted income funds</b>	<b>70,840</b>	<b>6,535</b>	<b>64,305</b>
<b>Capital funds</b>	<b>35,291</b>	<b>1,277</b>	<b>34,014</b>
<b>TOTAL FUNDS</b>	<b>136,629</b>	<b>7,812</b>	<b>128,817</b>

## FIVE YEAR SUMMARY

### FIVE YEAR SUMMARY (unaudited)

	2018 (Restated) £'000	2019 (Restated) £'000	2020 (Restated) £'000	2021 (Restated) £'000	2022  £'000
<b>INCOME AND EXPENDITURE ACCOUNTS</b>					
<b>Income</b>					
Ministry and Mission Fund contributions	19,016	18,817	17,908	17,204	16,685
Investment income	1,789	1,833	1,899	1,896	2,006
Income from charitable activities	725	535	610	744	705
Grants receivable	98	244	279	162	175
Legacies	1,031	811	339	80	568
Donations	362	1,021	345	9,509	4,752
Other income	834	1,919	397	3,105	4,461
	23,855	25,180	21,777	32,700	29,352
<b>Expenditure</b>					
Ministry	17,775	17,378	17,220	18,665	23,595
Education & Learning	1,602	1,703	1,840	1,890	2,879
Children's and Youth work	428	385	353	337	534
Mission programmes	1,893	1,537	1,282	1,353	1,717
Support activities (incl. publishing)	147	162	411	426	565
Trading activities	0	0	20	13	0
Other costs	50	0	0	0	-
	21,895	21,165	21,126	22,684	29,290
<b>Net income</b>	<b>1,960</b>	<b>4,015</b>	<b>651</b>	<b>10,016</b>	<b>62</b>
<b>Investment gains</b>	<b>(1,101)</b>	<b>8,146</b>	<b>3,490</b>	<b>7,683</b>	<b>(8,041)</b>
Actuarial gains/(losses)	17,292	332	(10,174)	17,669	3,368
<b>Net increase/(decrease) in funds</b>	<b>18,151</b>	<b>12,493</b>	<b>(6,033)</b>	<b>35,368</b>	<b>(4,611)</b>
<b>CASH FLOW STATEMENTS</b>					
<b>Cash required for investment in</b>					
Houses for retired ministers	679	(1,417)	946	946	946
Other properties	(714)	(1,473)	500	553	500
Cars and equipment	102	73	92	48	48
Loans to churches and ministers	20	(18)	13	(28)	(28)
	87	(2,835)	1,551	1,519	1,466
<b>Source of cash</b>					
Net incoming/(outgoing) resources for the year (see above)	2,000	3,672	552	9,788	10,009
Adjustment for items not resulting in a cash movement, for returns on investments, and for capital receipts	(1,141)	(4,743)	(21)	(2,866)	(2,578)
	859	(1,071)	531	6,922	7,431
Net increase in capital	5	4	4	5	5
Net decrease/(increase) in investments	44	(646)	0	135	(93)
Decrease/(increase) in bank balances	(821)	(1,122)	1,237	(7,790)	(8,018)
	87	(2,835)	1,772	(728)	(675)

## FIVE YEAR SUMMARY Continued

### FIVE YEAR SUMMARY continued

	1 (Restated) £'000	2 (Restated) £'000	3 (Restated) £'000	4 (Restated) £'000	5 £'000
<b>BALANCE SHEETS (Consolidated)</b>					
<b>Fixed assets</b>					
Tangible assets					
Houses for retired ministers	39,115	38,654	39,979	39,334	38,278
Houses for serving ministers	5,364	5,021	5,517	8,622	7,736
Other properties	8,581	8,415	8,297	8,193	2,620
Cars, equipment and intangibles	533	463	434	393	265
	53,593	52,553	54,227	56,542	48,899
Investment Properties	1,905	2,695	3,078	3,427	3,078
Long term investments (incl.programme-related)	44,623	53,317	56,525	64,196	54,578
Loans to churches and ministers	160	142	155	202	192
	100,281	108,707	113,985	124,367	106,747
<b>Net current assets/(liabilities)</b>					
Current assets					
Debtors and stock	2,097	3,270	3,338	4,819	3,085
Bank balances and money on call	8,340	9,482	8,245	16,263	18,309
	10,437	12,752	11,583	21,082	21,394
less : current liabilities	1,464	1,550	1,298	1,844	1,569
	8,973	11,202	10,285	19,238	19,825
<b>Net assets excluding pension liability</b>	109,254	119,909	124,270	143,605	126,572
Defined benefit pension scheme liability	(11,288)	(9,466)	(20,872)	(4,618)	(8)
Other pension obligations	(3,150)	(3,150)	(2,358)	(2,358)	(2,358)
<b>Net assets including pension liability</b>	94,816	107,293	101,040	136,629	124,206
Unrestricted income funds	15,519	20,111	9,824	28,776	27,839
Designated funds	1,579	1,564	1,664	1,722	4,203
Restricted income funds	52,298	56,030	58,312	70,840	62,251
Capital funds	25,420	29,588	31,240	35,291	29,914
<b>Total funds</b>	94,816	107,293	101,040	136,629	124,207

### NON-FINANCIAL STATISTICS

(from URC Year Book)

	2018	2019	2020	2021	2022
Members	46,881	44,788	43,208	40,024	36,986
Stipendiary ministers	398	377	364	334	316
Non-stipendiary ministers	58	58	62	56	60
Church Related Community Workers	14	16	15	14	16
Churches	1,383	1,354	1,331	1,284	1,242
Retired ministers	885	874	857	844	843
Ministry and Mission contribution per member	£401	£420	£414	£430	£451

**UNITED REFORMED CHURCH TRUST**

England & Wales - Charity number 1133373

---

# Accounts

---



*The*  
**United  
Reformed  
Church**

**TRUSTEES'  
REPORT  
AND FINANCIAL  
STATEMENTS  
2021**

(A company limited by guarantee, number 135934,  
Registered Charity No. 1133373)

**UNITED REFORMED CHURCH TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

**CONTENTS**

	Page
Trustees' Report.....	1
Reference and administrative information .....	1
Structure, governance and management.....	3
Objectives and activities.....	4
Strategic Report .....	5
Statement of Trustees' responsibilities .....	16
Independent Auditors' Report .....	17
Consolidated Statement of Financial Activities .....	21
Consolidated and Trust Balance Sheets.....	22
Consolidated Statement of Cash Flows .....	23
Notes to the financial statements.....	24
Note 1 Principal accounting policies .....	24
Note 2 Voluntary income .....	27
Note 3 Income from charitable activities .....	28
Note 4 Investment income .....	28
Note 5 Analysis of expenditure .....	28
Note 6 Analysis of grants .....	28
Note 7 Support costs.....	29
Note 8 Governance costs.....	29
Note 9 Notified legacies .....	29
Note 10 Stipend and salary costs.....	30
Note 11 Tangible fixed assets.....	31
Note 12 Mixed motive investment property.....	32
Note 12a Mixed use investment property .....	33
Note 13 Investments .....	33
Note 14 Programme-related investments .....	34
Note 15 Concessionary loans .....	34
Note 16 Debtors .....	35
Note 17 Creditors: amounts falling due within one year .....	35
Note 18 Unrestricted funds .....	35
Note 19 Summary of fund movements.....	36
Note 20 Analysis of net assets between funds .....	38
Note 21 Restricted funds.....	39
Note 22 Pension obligations .....	40
Note 23 The United Reformed Church Ministers' Pension Fund.....	40
Note 24 The United Reformed Church Final Salary Scheme .....	42
Note 25 Commitments .....	44
Note 26 Contingent Liabilities .....	45
Note 27 Cash flow information .....	45
Note 28 Related party transactions.....	45
Note 29 Lease commitments .....	45
Note 30 Lease receivable .....	46
Note 31 Subsidiary undertakings .....	46
Note 32 Consolidated summary income and expenditure account.....	46
Note 33 Consolidated Statement of Financial Activities 2019 .....	47
Five year summary.....	48

# UNITED REFORMED CHURCH TRUST

(A company limited by guarantee, number 135934, Registered Charity number 1133373)

## TRUSTEES' REPORT

(Incorporating the Report of the Directors)

The United Reformed Church Trust ("the charitable company") is the corporate charity trustee of the funds of the General Assembly of the United Reformed Church ("URC") and is responsible for reporting its financial activities. The directors, who are also trustees of the charitable company, submit their report and the audited consolidated financial statements for the year ended 31 December, 2021, which incorporate the funds of the General Assembly of the United Reformed Church.

## REFERENCE AND ADMINISTRATIVE INFORMATION

**Corporate Trustee Registered Office:** 86 Tavistock Place, London WC1H 9RT

### Directors

The directors who served during the year and to the date of this report, unless otherwise indicated, were as follows:

<u>Name</u>	<u>Ex officio</u>	<u>Appointed / Resigned</u>
Mrs Jane Baird	Deputy General Secretary, Administration & Resources	
The Revd Dr John Bradbury	General Secretary	
The Revd James Breslin		
The Revd Clare Downing	Moderator of The General Assembly	Resigned 31 August 2022
Mr David Greatorex		
Mr Ian Hardie	Honorary Treasurer	
Dr Ian Harrison		Resigned 31 August 2021
The Revd Dr Michael Hopkins	Clerk of the General Assembly	
Mr David Lathbury		
Revd John Macaulay		Appointed 15 September 2021
Revd Julian Macro		Appointed 7 December 2021
The Revd Nick Mark		
Mrs Valerie Morrison (Chair)		Resigned 31 August 2022
Mr Clifford Patten		
Mr Peter Pay	Moderator of The General Assembly	Died 18 December 2021
Mrs Margaret Thompson		Resigned 31 August 2022
Dr Stephen Thompson		Appointed 13 September 2022
Mr Andrew Weston		Resigned 7 December 2021
Ms Catriona Wheeler (Chair)		

**Secretary:** Ms Sandi Hallam-Jones

Most of the directors are appointed as members of the charitable company by the General Assembly of the URC and then as directors by the company under the provisions of its Articles of Association, to serve for up to four years (with a possibility of renewal for one further period of four years), having been nominated through the representative processes of the Church. There are six directors who serve ex officio, their appointment or election to their positions also having followed nomination. The directors receive no remuneration but may be reimbursed their expenses of attending meetings.

Most newly appointed directors are already familiar with many aspects of their role through serving on Assembly committees or synod bodies, but they are provided with relevant documentation and encouraged to sign up to receiving regular information from sources such as the Charity Commission. Training is provided via general external courses and events where possible, and training is given in conjunction with quarterly meetings in specific areas of governance as needs arise, to assist in the performance of their duties.

## TRUSTEES' REPORT CONTINUED

### Trustees of subsidiary charities at the date of this report:

#### **United Reformed Church Retired Ministers' Housing Society Limited**

(Exempt charity, registered under Co-operative and Community Benefit Societies Act 2014, number 15986R)

Chair: The Revd Nigel Appleton

Secretary: Ms Chuka Agbasiere

The Board (appointed for a renewable term of three years): The Revd Dr John Bradbury, The Revd Nicola Furley-Smith, Mr Ian Hardie, Mr Malcolm Lindo, Mr Clifford Patten, The Revd Kenneth Summers, The Revd Simon Walkling, Mr Peter West, The Revd Paul Whittle.

#### **Westminster College, Cambridge**

(Registered Charity number 311449)

Convenor of Trustees: The Revd Nigel Uden

Principal and trustee: The Revd Samantha White (resigned 25 March 2022) Revd Dr Robert Pope (acting principal from 25 March 2022)

Trustees: The Revd Jan Adamson, Mr John Ellis, Mr William McVey, Mr Stuart Scott, Mrs Darnette Whitby-Reid, Mr Christopher Wright

#### **Others with charity governance responsibilities**

Immediate Past Moderators – The Revd Nigel Uden, Mr Derek Estill

Business Committee Convenor – The Revd Mark Robinson

Deputy General Secretary, Discipleship – The Revd Adrian Bulley

Deputy General Secretary, Mission – The Revd Philip Brooks

Deputy General Secretary, Admin & Resources – Mrs Jane Baird

The key management personnel of the charity are the members of the General Secretariat: the General Secretary and three Deputy General Secretaries.

#### **Assembly Executive**

The ex officio members of the charitable company, the Chair of trustees, the Deputy Treasurer, Vaughan Griffiths, and the others listed immediately above are members of Assembly Executive by virtue of the offices that they hold. Other members are the other convenors of the General Assembly Standing committees, URC Youth representatives, Synod Moderators and three representatives from each synod. These are listed below, as at December 2021. Convenors: Mrs Sarah Lane Cawte, The Revd Anne Lewitt, Mrs Helen Lidgett, The Revd Mark Robinson, The Revd Paul Robinson, The Revd Dr Robert Pope, The Revd Dr Peter Stevenson; The Revd Paul Whittle, Mr Alan Yates. URC Youth representatives: Mr Rueben Watt (Moderator), Ms Jo Harris (Moderator elect), Miss Victoria Turner.

Synod Moderators and representatives:

- 1 Northern: The Revd David Herbert, Mrs Melanie Campbell, The Revd Joan Grindrod-Helmn, Maureen Sheherd
- 2 North Western: Mr Tim Hopley, Mr Mal Breeze, The Revd Martyn Coe
- 3 Mersey: The Revd Geoffrey Felton, Mrs Rita Griffiths, Mr Paul Franklin, The Revd Dr Nick Jones
- 4 Yorkshire: The Revd Jamie Kissack, Mrs Rosie Buxton, Mr Tim Crossley, The Revd Fran Kissack
- 5 East Midlands: The Revd Geoffrey Clarke, Mr David Greatorex, The Revd Camilla Veitch, The Revd Andrew Mudharara
- 6 West Midlands: The Revd Steve Faber, Mr Steve Powell, Mrs Rachel Wakeman
- 7 Eastern: The Revd Lythan Nevard, Mrs Ruth Dixon, Mr Keir Hounsome, The Revd Charles Mather
- 8 South Western: The Revd Ruth Whitehead, Mrs Gwen Jennings, The Revd Tracy Lewis, The Revd Sue Crossley
- 9 Wessex: The Revd Graham Hoslett, Ms Karen Bell, The Revd Tessa Henry-Robinson, Mr Clive Snashall
- 10 Thames North: The Revd George Watt, The Revd Sally Thomas, Ms Ola Lawal
- 11 Southern: The Revd Bridget Banks, Miss Pam Tolhurst, The Revd Kim Plumpton, The Revd Russell Furley-Smith
- 12 Wales: The Revd Simon Walkling, Mrs Adella Pritchard, Ms Martha McInnes, Miss Sandra Wallace
- 13 Scotland: The Revd Paul Whittle, Miss Myra Rose, Mr Mark Kirkbride, The Revd Jan Adamson

## **United Reformed Church Finance Committee**

Convenor: Mr Ian Hardie

Chief Finance Officer: Mr John Samson

Mrs Jane Baird, The Revd Simon Copley, Mr Vaughan Griffiths (Deputy Treasurer), Mrs Denise Harman, Mrs Jane Humphreys, Mr Frank Liddell, Ms Joana Marfoh, Mrs Valerie Morrison, The Revd Wilbert Sayimani, Mr Gordon Wanless

### **Legal Advisers**

Sleeter Heelis Solicitors  
Lloyds Bank Buildings  
16 School Road, Sale  
Chester M33 7XP

Anthony Collins Solicitors  
134 Edmund Street  
Birmingham  
B3 2ES

### **Actuaries**

Aon Hewitt Limited  
Carnegie House  
Peterborough Road  
Harrow  
Middlesex HA1 2AJ

### **Independent Auditors**

Moore Kingston Smith LLP  
Chartered Accountants and Statutory Auditors  
9 Appold Street  
London EC1M 7AD

### **Bankers**

HSBC Bank plc  
City of London Corporate Banking Centre  
60 Queen Victoria Street  
London EC4N 4TR

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **The company**

The General Assembly of the URC in 2006 appointed the United Reformed Church Trust, the charitable company, as the corporate trustee of its funds. Following consultation with the Charity Commission in December 2009 the charitable company adopted new memorandum and articles and was registered as a Charity.

### **Church Governance**

The governing body of the URC is the General Assembly. The authority under which the General Assembly acts was given by the resolutions passed at the Uniting Assemblies of 1972, 1981 and 2000; and the United Reformed Church Acts 1972, 1981 and 2000 enabled those resolutions to be given legal effect in relation to the finance and property of the Church. These Acts of Parliament together with the Basis, Structure and Rules of Procedure for the time being of the URC (as contained in sections A - C of the Manual of the URC) contain the foundation documents of the Church, known as the Scheme of Union. Each General Assembly appoints members to Assembly Executive, although those appointed to represent synods are nominated by the synods concerned. The names of members of Assembly Executive are listed above. The purpose of Assembly Executive is to enable the Church, in its General Assembly, to take a more comprehensive view of the activity and policy of the Church, to decide more carefully about priorities and to encourage the outreach of the Church to the community.

### **Charitable Assets**

The charitable assets of the URC, are held by the charitable company as charity trustee. It manages those assets and applies them as directed by General Assembly for the work of the URC, and ensures they are expended in a compliant fashion.

## Employees

There is a commitment by the URC to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, gender reassignment, sexual orientation, religious beliefs, colour, ethnic or national origin, age, marital status or disability. In respect of disabled persons, therefore, it seeks to eradicate less favourable treatment by endeavouring to identify and remove barriers to participation in employment, training, promotion, leadership and representation on church committees.

Employees are provided with information on matters of concern to them, and the Church consults them regularly, so that their views can be taken into account when making decisions likely to affect their interests. Employee involvement is encouraged, for example by a staff association at the main office, as achieving a common awareness of the charity's priorities and of the financial and economic factors affecting it plays a major role in maintaining its performance.

## Remuneration

Remuneration of key management personnel is set in the same way as that of other equivalent staff. All ministers are paid the same basic stipend, the level of which is recommended annually by a sub-committee of Ministries committee having regard to external data on pay and cost inflation, reviewed by Finance committee and confirmed by the Church. The pay of lay staff is assessed when a post is created, by a Human Resources advisory group having regard to comparable posts in the charity sector and among Church bodies in particular; it is reviewed and confirmed by a remuneration committee, which decides annual cost of living increases. Any reassessment of a post's remuneration is by the same process.

## OBJECTIVES AND ACTIVITIES

The charitable objects of the Charitable company are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church.

- **Public benefit**

Having regard to the guidance published by the Charity Commission, the Charitable company provides public benefit by carrying out its objectives and by advancing the charitable purposes of the funds that it holds as charity trustee. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. In addition, the Church at General Assembly level acts as an umbrella resource body for the 13 National and Provincial Synods and approximately 1,280 local churches, whose charitable assets are held by separate charities and/or charitable trust companies.

- **Worship and partnership**

The URC is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the three nations of England, Scotland and Wales. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have over three hundred shared congregations. It also takes new forms through the 'Fresh Expressions' initiative offering Christian worship, teaching, fellowship and service in non-traditional venues and styles. We have a number of 'pioneer ministers', developing pastoral and worshipping communities outside the usual frameworks of church tradition and habit.

- **Walking the Way**

During 2017 the URC launched *Walking the Way, Living the Life of Jesus Today*, an emphasis on personal and corporate discipleship. It offers a framework within which much of the denomination's planning will take place and includes Stepwise, a lay development programme, as well as the advocacy of resources such as Holy Habits which are all intended to assist growth in discipleship practices. Alongside this, preaching of the Gospel, pastoral care for, and building up of, communities by ministers, lay preachers and Church Related Community Workers (CRCWs) will continue to operate. The denomination's Vision2020

## TRUSTEES' REPORT CONTINUED

framework for mission, as well as the Local Mission and Ministry Review process, through which the synods challenge and support their churches, are key vehicles for increasing the effectiveness of local witness and service. The Commitment for Life programme continues to encourage churches to pray and campaign for the eradication of global poverty.

- **Subsidiary charities**

The **United Reformed Church Retired Ministers' Housing Society Limited's** objects are for the benefit of the community to advance the Christian religion in accordance with the principles, usages and the Scheme of Union of the URC, in particular by providing for retired ministers and widow/ers or civil partners of ministers of the United Reformed Church who are in need for various reasons, housing and associated amenities, or assistance to enable them to provide this for themselves.

The object of **Westminster College, Cambridge**, is to be a theological college for the United Reformed Church, and thus to provide education and promote the Christian religion. The United Reformed Church Trust is the holding trustee of the shares held in Westminster College Trading Limited.

## STRATEGIC REPORT

### Achievements and Performance

The charitable funds of the United Reformed Church are used to fund the work carried out through councils and committees of the United Reformed Church, and a detailed review of their work is incorporated in the *Book of Reports* to the Church's General Assembly, which met online from 9 to 12 July, 2021. The *Book of Reports* to the July 2022 General Assembly will cover the second half of the year 2021. We report below on that work and on the specific activities of the URC, whose work is supported by the charitable assets of the United Reformed Church held and applied by the charity trustee.

The Covid-19 pandemic continued to challenge Church life in 2021, however many churches have settled into their ways of providing worship online with some managing in-person worship during the periods when lockdown restrictions were eased. The many committees of the denomination continued to conduct their business via Zoom and other online platforms. Most of the committees are looking to a hybrid of online in-person meetings going forward as this not only saves time and money but is also a more climate friendly way of meeting.

Staff based at the Church's central office in London spent much of the year working from home. The use of a remote server system, which was implemented in 2017, enabled them to have access to all their computer files and systems and most paper based systems have now been adapted to electronic ones.

Due to Covid-19 restrictions, the General Assembly was unable to meet in person, but met online to conduct the full agenda of business. The Assembly Executive (the successor body to the Mission Council) met in person for the first time in November.

### Impact of Covid-19 control measures

Early 2021 saw the resumption of lockdown restrictions due to Covid-19. A good number of churches rely on lettings of church buildings for a substantial portion of their income. This loss of income means that the local churches' ability to make regular payments into the Ministry and Mission ("M&M") fund has been curtailed. Despite this the drop in income was not as severe as initially expected and the trustees are extremely grateful for the efforts of all involved to keep this giving at a level which allowed the church to still function effectively.

With the end of lockdown, the coming year will help us assess the longer term consequences of lockdown for the financial stability of the Ministry and Mission fund. The full impact of the lockdowns will not be known for a year or two. However, it is expected that the URC Trust will be able to continue to operate and largely carry out its charitable aims.

Many churches have adapted to having virtual and hybrid services which have, in some cases, enabled people previously unable to attend church in person to feel part of the church community again.

## TRUSTEES' REPORT CONTINUED

The administrative staff of the charity continued to work from home until April 2022 when they moved to a hybrid and office working.

The councils of the Church met virtually and later in person and have, to a large extent, been able to conduct their business as usual.

The URC has obligations to two defined benefit pension schemes (see notes 22 to 24). While the assets of both funds saw an immediate drop in value when the first lockdown was announced, these have recovered well and the assets of these funds showed gains in 2021. While other factors continue to effect the value of the overall liability in the case of the Ministers' Pension Fund, the investment side appears to be stable at the moment.

### **Legal matters**

A long running (10 years) Employment Tribunal claim was concluded in 2021 after a 5 week hearing. This incurred significant costs to the church in legal fees over this period. The claimant's claims were dismissed and no liabilities therefore arise in term of remedy.

### **Committee work**

#### **Children's and Youth Work**

Our theme for 2021 was Heroes and Villains, and worship resources for all ages were sent to all URC churches. Linked Holiday Club resources were produced and grants offered to churches running holiday clubs. Covid-9 continued to impact work with children and young people, and Youth Assembly and other events were not held in person, resulting in budget savings along with reduced travel expenses. Instead, online events and training were developed, including joint work with Education and Learning drawing on the Carmichael Montgomery fund. In addition, the post of URC Youth Intern to support social media communication was created. The strategic focus was on 5-11 year olds culminating in a virtual conference with ROOTS over 3 evenings. Sessions for FOFA groups were commissioned, and Families on Faith Adventures continued to be offered as a weekly online resource. Resources for the URC's 50th anniversary in 2022 were created, including Celebrate Together with 50,000 copies printed for churches to give away. Working in partnership with other departments, Children's and Youth Work coordinated the creation and production of the Lent Pack (5,000 copies) and Advent Box (5,000 kits) to support local churches in keeping connected to families. In partnership with Commitment for Life a new resource for 5-14 year olds about Nicaragua was created (Go with Greta). The URC's relationship with Pilots was reviewed, resulting in reduced direct resourcing. In 2022 staffing will be restructured to reflect this, and to support the launch of URC Children as we mark a year of Jubilee.

### **Communications**

The work of the URC Communications Team continues to be wide-ranging and busy. The team currently provides press releases and statements for media enquiries; Reform magazine; content for the new, redesigned, URC website; News Update and other emails; content for multiple social media channels; design and production for hundreds of leaflets, books and resources; the URC bookshop, which has also been redesigned to make it easier to use, delivering more than 10,000 items per year; graphical, editorial and technical support at national and regional events; the iChurch website service for local churches; editing and copywriting; helping to maintain the URC archive and brand advice and creative solutions to those who need them.

In addition to this business as usual work, the team has also been leading on multiple areas of the URC's 50th anniversary, including a jubilee resource pack for all churches and merchandise for the bookshop; adding content to the new URC website; updating Coronavirus advice guides and guidance for churches from the Moderators; the Community Awards with Congregational; appointing the new editors for the annual Prayer Handbook; books and kits for Advent and Lent to engage with families connected to the church; extending the range of leaflets about paid and voluntary roles; digitising records from the General Assembly; children's resources including a new Pilots resource, and much more.

### Education and Learning

2021 was a year where we expected so much and most of it didn't happen in the way we expected! Challenged by successive lockdowns and restarts, we have got used to 'hybrid' as the word that describes much of what we do: in meetings, learning opportunities, working at Church House, training and gathering. However, within that challenge we have seen change and new initiatives. We have begun the work around the integration of Education and Learning and engaged in new conversations with the Resource Centres for Learning, where we currently train our Ministers and through which we offer learning opportunities to the wider URC. We have developed pathways for synod recognised lay preachers and also for those who wish to become Assembly accredited; Locally Recognised Worship leaders follow a Stepwise pathway with additional tasks and assessed services or a synod based training course and Assembly Accredited Lay Preachers now train through one of our RCLs on a two-year part-time course that will be recognised across the whole URC. We have sought to listen to the needs of those from BAME backgrounds who have not been able to access educational qualifications needed to go forward to assessment for ministry; we are now able to offer a Foundation course through the Durham Common Award and also support to complete English qualifications. We have developed a process to offer grants through the Discipleship Development Fund supporting churches, synods and groups to encourage whole of life discipleship and lifelong learning opportunities, experiences and events. The Programme Officer for Education and Learning, the Revd Elizabeth Gray-King, moved on into a new pastoral role for the URC and her work was absorbed by the other members of the Team. The Education and Learning Committee continues to seek ways to support all people in their discipleship development and have identified that good communication supporting increased accessibility and availability, a renewed emphasis on vocation and deeper sense of URC identity are key areas of focus for the coming year. As ever, all we do is to serve those who are in our local churches and communities.

### Equalities

The remit of the Equalities committee is 'to remind the United Reformed Church that equality is enshrined in its theology, life and work and to challenge the practice of the URC where appropriate.' Much of the work of the committee is in the promotion and encouragement of equality and diversity. This is achieved through established links with the other Assembly committees as well as by being alert to the work undertaken on Assembly's behalf by bodies such as the Joint Public Issues Team (JPIT) and members of staff but particularly the work around racial justice and intercultural ministry.

The committee is able to remind committees of their responsibilities with regard to equality and diversity and seeks to identify new methods and technologies that will enable participation by all.

### Ministries

The committee is concerned with the specific recognised ministries which provide leadership for the Church, including church related community work, eldership, lay preaching and the ministry of word and sacraments, but also recognises that each of these has a duty to enable discipleship in others. Recognising the challenges of our demography, we continue to work with our synods developing strategies that use our ministers most effectively in providing leadership in local churches. During 2021 Ministries created a new ministry of Locally Recognised Worship Leaders alongside the Assembly Accredited Lay Preachers and this was adopted at General Assembly 2021. In 2022 Ministries will bring a new Pioneering Ministry to General Assembly which will replace the pilot projects established in 2019 but which were halted by the pandemic in 2020. Ministries continues to look at other forms of ministry that can be funded by the M&M fund including Assembly Accredited Elders in Local Leadership.

## TRUSTEES' REPORT CONTINUED

### Mission

In 2021, *Walking the Way: Living the life of Jesus today*, the URC's long-term focus on whole-of-life discipleship and mission, enabled collaborative resource production across the Mission and Discipleship departments, supported the General Assembly in making decisions about the future of the focus, and continued to develop insights into discipleship accompaniment and online discipleship.

The United Reformed Church continued its association with the Greenbelt faith festival. Despite the hope that a festival could be held in 2021, concerns about Covid-19 once again caused a cancellation. The team have moved their energies to planning a major presence for 2022, the URC 50th anniversary year.

The United Reformed Church responds to issues of public policy and social justice as part of the ecumenical Joint Public Issues Team (JPIT). In 2021 the team focused on the social impacts of the Covid-19 pandemic, particularly around poverty and debt, advocacy for a fairer and more compassionate asylum system, and using the opportunity presented by the UK's hosting of COP26 to encourage churches in their engagement with environmental issues. Mission staff continued to support the work of synod mission enablers and pioneer ministers, whose work was seriously affected by the impact of the pandemic. A new learning community of lay pioneers could no longer gather in person, but met regularly online for mutual learning and support.

The joint post of National Rural Officer, shared with the Methodist Church, was discontinued in 2021, following the retirement of the postholder and restructuring in the Methodist Church. Mission staff conducted a church-wide survey inviting participants to submit their views on how churches in rural contexts can be supported most effectively as they serve their communities. Global and Intercultural Ministries continued to focus on racial justice – within the URC, ecumenically, and in wider society. The Legacies of (Transatlantic) Slavery initiative included the launch of a URC-wide consultation regarding a proposed apology and confession, while work also began to address the underrepresentation of Black and ethnic minority colleagues in Assembly appointments. Global work mainly focused on the Partners in Mission Programme, supporting individuals from overseas serving in the URC, and being sent by the URC to serve in partner contexts.

Commitment for Life is the URC's global justice programme. We partner with Christian Aid and Global Justice Now. We enable local congregations to deepen their prayer, insight and advocacy for global justice. In 2021 the programme continued to focus on three partner regions: Zimbabwe, Bangladesh, and Israel and the occupied Palestinian territory.

The URC's ecumenical and interfaith work continued to be largely online during 2021, although there were a small number of in-person ecumenical meetings. In the main though, online was the default option not only for committee work and training courses but also for large events which included two online services of worship with partner churches in Germany and a Bethlehem Advent service live from the Christmas Lutheran Church.

### Safeguarding

2021 saw a significant change to staff within the Church House Safeguarding team. The Safeguarding Advisor (SA) left in February 2021 shortly followed the same month, although unrelated, by the Training and Development Coordinator (TDC) who was one year into a 3 year funded role and in November the Administrative Assistant moved on from the URC.

The decision was to leave the TDC role vacant until a new SA was appointed. Following a review of the SA role there was a change of title to Designated Safeguarding Lead (DSL). In the interim period the very critical parts of the role were covered four hours a week by a Synod Safeguarding Officer (SSO). This included managing of the Disclosure and Barring scheme, particularly blemished disclosures, support on case management for SSO's and reporting to the Safeguarding Advisory Group. Other SSO's took on roles such as annual report writing for General Assembly, attending Local Ecumenical Partnership and networking meetings.

Following two unsuccessful rounds of recruitment for a full time DSL, an appointment was made to a role part time role which started in February 2022. The tasks that were taken out of the

## TRUSTEES' REPORT CONTINUED

DSL role to make it part-time have formed a new role for a Policy Development Coordinator which, it is hoped, the post will be filled in the first half of 2022.

The TDC role started in January 2022 and has already started developing training in line with the Training Framework agreed at General Assembly 2021.

The Administrative Assistant role is currently being covered by a very competent temp and it is hoped to make a permanent appointment in the first half of 2022.

In 2022 the national safeguarding team aims to:

- Host a 2-day event with SSO's
- Develop a training programme
- Review Good Practice 5
- Roll out the case management system
- Review the Safeguarding Strategic Plan
- Build strong relationships with other teams and departments at Church House, with key synod personnel and, as appropriate, local churches

### **Resourcing the work of the United Reformed Church**

All the above must be set in the context of the financial resources of the United Reformed Church, which continue to be carefully managed in an uncertain economic climate. Detail of the latest year is given in the financial review below, broader trends also need to be considered. Among these are:

- Giving to central funds of the United Reformed Church from our local churches continued to see the effects of the Covid-19 restrictions and church closures as it dropped by just over £700k in 2021. It is hoped that this will start to stabilise in 2022.
- The investments of the United Reformed Church continued to produce a steady income stream and the accounts show investment income of £1,948k (which includes income from mixed motive investment property). Investment values continued to grow in 2021 showing a gain on investments of £7,911k.
- The liabilities of the Ministers' Pension Fund remained at a similar level to those reflected in the 2020 accounts while the assets grew by just over £16m. This resulted in a significant drop in the overall fund liability position for FRS 102 purposes. The United Reformed Church Final Salary Scheme followed a similar pattern with liabilities decreasing by about £600,000 while asset values increased by just under £5m. The scheme currently shows a surplus for FRS 102 purposes of £9.7m. This surplus has not been recognised in the accounts as there is no unconditional right to that surplus.

### **Managing the Assets**

#### **Investments & Investment Policy**

The charitable company acts as corporate charity trustee of the central funds of the United Reformed Church. The powers of investment are given under the memorandum and articles of association of the charitable company. The Investment Committee of the Church, which reports to the charitable company, keeps under review the investment policy and monitors the performance of the fund managers. All investments are held in pooled funds that aim to comply with the ethical policies agreed by the Church through its General Assembly.

The Investment Committee continued to monitor the investments throughout 2021.

### Properties

The charitable company is responsible for the management of the properties included in its balance sheet. The buildings of Westminster College are managed by the College Trustees.

### Risk Management

The charitable company continues to monitor the risks with which the central administration of the Church is faced. During 2021 the risk register process was updated for all the main committees of the church. This process concentrated on identifying risks as opposed to issues and also helped committees focus on what mitigation procedures were in place. The results of this procedure are currently being collated and will be presented to the charitable company in due course.

The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into two areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with societal changes, pandemics, the general economic situation and consequent reduction in resource.

Reputational matters are taken very seriously and the Church has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the communications department who will advise on its handling or, if the matter is particularly sensitive, will handle it directly. The General Secretary is made aware of all issues and will intervene personally if appropriate.

The safeguarding of children and adults at risk is seen as a key responsibility of the Church. *Good Practice 5*, the denomination's safeguarding policy was issued during 2019. This updated the policy for recent changes in legislation and safeguarding practice. Local churches are required to report annually on safeguarding matters to their synod's safeguarding officer. A Safeguarding Advisor at Church House, together with the synods' own safeguarding officers, is available to offer advice and guidance to churches. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

Further details about safeguarding are to be found in the 'Safeguarding' section on page 8.

The long term risks associated with the impact of Covid-19 are still currently difficult to assess and there are further risks from the 'cost of living crisis' and how this will impact M&M income as well as the cost base of the Church. However, the Church continues to monitor developments and has curtailed expenditure wherever possible.

### Future Developments

A group has been set up by the General Assembly to conduct a thorough review of the life of the United Reformed Church. Part of its work concerns a forensic examination of the income, expenditure and assets of the 14 Trusts that hold the majority of the URC's assets and expend the majority of its expenditure. These are the 13 synods, and the General Assembly. It is hoped that this examination will lead to clarity over where economies of scale might be made through more collaborative working, and allow us to determine where and how we are best able to invest in the development of the ministry and mission work of the United Reformed Church.

2021 saw the appointment of a new Deputy General Secretary for Discipleship, the Revd. Adrian Bulley. The Deputy General Secretary for Mission, Francis Brienen, resigned from her post in April 2022. The role will be covered temporarily by the Revd Philip Brooks. Major pieces of

## TRUSTEES' REPORT CONTINUED

business were taken through the General Assembly to embed the safeguarding processes of the United Reformed Church into its governance structures.

### CO2 Emissions

The church continually looks for ways of reducing its carbon footprint and actively recycles wherever possible. It also encourages individual churches to be as 'green' as possible and promotes the Eco-Church award scheme.

A carbon emissions figure has been calculated for the central functions of the church based on electricity usage at Church House along with car and air miles travelled by officers and staff. In 2021 it was calculated that the central church's carbon emissions amounted to approximately 61.18 tonnes (2020: 54.47 tonnes). Average emission rates have been used in calculating this figure. The total includes use of 173,936 kWh (2020: 148,917 kWh) of energy used which has been converted to CO2 emission using an average rate. This works out at approximately 0.70 tonnes (2020: 0.52 tonnes) per employee.

### Section 172 of the Companies Act

In summary, as required by Section 172 of the Companies Act, the Directors must act in a way they consider, in good faith, would be most likely to promote the success of the charitable company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the charitable company's employees
- the need to foster the charitable company's business relationships with suppliers, customers and others
- the impact of the charitable company's operations on the community and environment
- the desirability of the charitable company maintaining a reputation for high standards of business conduct and
- the need to act fairly as between members of the charitable company.

### Financial Review

The financial statements show the consolidated income, expenditure, assets and liabilities of those trusts and other funds that the charitable company administers and holds as charity trustee for the benefit of the United Reformed Church under the overall authority of the General Assembly. These represent the assets of the United Reformed Church that the charitable company manages on its behalf and applies towards its charitable purposes. They include Westminster College, and its subsidiary company Westminster College Trading Limited together with the United Reformed Church Retired Ministers' Housing Society Limited (RMHS), which is an exempt charity providing housing and associated amenities for needy persons who are retired ministers or widow/ers or civil partners of ministers of the United Reformed Church. The Finance Committee of the Church is responsible for the general financial oversight of funds administered for the benefit of the United Reformed Church, its long-term financial planning, and the preparation and control of its budget under the authority of Assembly Executive, General Assembly and the charitable company. The Committee ensures that proper procedures are in place for the maintenance of accounting records, controlling and monitoring the budgetary process, and the preparation of financial statements in compliance with applicable United Kingdom law and accounting standards. To this end the Committee authorised the introduction of new accounting software and meets with the auditors at least once a year. The Committee may take such decisions with regard to the finances of the Church as are necessary within the policies set by the General Assembly.

### Reserves Policy

The Consolidated Balance Sheet on page 22 shows the disposition of the various charity funds totalling £136,629k as at 31 December, 2021 (2020: £101,040k). The term "reserves" describes that part of a charity's income funds that is freely available. Much of the funds are invested in property or restricted in use.

## TRUSTEES' REPORT CONTINUED

The unrestricted fund net assets readily available are £28,351k (2020: £20,398k).

The Finance Committee reviews the policy annually and have taken a risk-based approach to setting a reserves target. The main financial risks that the Committee felt needed to be covered were the call up of the guarantee to the pension funds (see notes 22 to 23), possible future lump sum contributions required to be made to either of the pension fund, a possible drop in excess of the usual rate in giving to Ministry and Mission Fund and possible legal action against the church requiring lump sum pay outs. Based on these risks, the Committee felt that the Trust should aim to maintain its reserves at a level between £24.75m and £25.5m.

The current level of reserves held is a little in excess of the target level, however with uncertainty around the long term impact on the income of the Church due to Covid-19 and the impact of the 'cost of living crisis', the Committee were satisfied that this was appropriate. The Committee will review the policy annually.

### Grant making

Grants are made on the recommendation of the relevant committee. Each application is assessed on its individual merits.

### 2021 Financial Results

The results for 2021 are set out in more detail in the Consolidated Statement of Financial Activities on page 21. This shows that there was, overall, an increase in funds in the year of £35,589k. The following table shows the breakdown of the results for 2021 compared with those for the previous year.

	2021 £000	2020 £000
<b>Voluntary income:</b>		
Ministry and Mission Fund contributions	17,204	17,908
Donations, grants and legacies	10,023	1,469
Income from charitable activities	1,243	1,233
Trading income	285	279
Investment income	1,948	1,950
Other income	3,384	415
<b>Total income</b>	<b>34,087</b>	<b>23,254</b>
Expenditure:		
Cost of raising funds	80	399
Charitable activities	23,998	22,524
Total expended	24,078	22,923
Net income from operating activities	10,009	331
Gains/(loss) on investment assets	7,911	3,590
Net (expense)/income	17,920	3,921
Actuarial (loss)/gain on pension schemes	17,669	(10,174)
	35,589	(6,253)

### Ministry and Mission Fund contributions

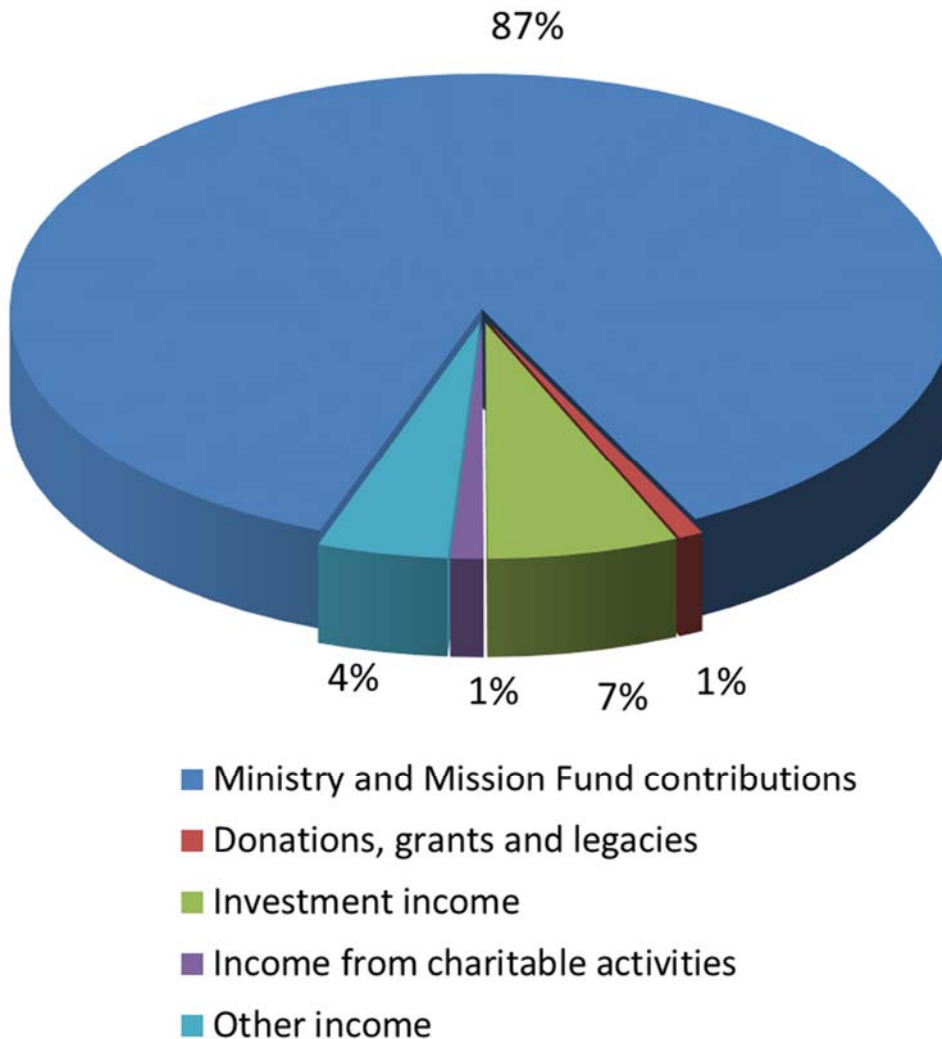
The pie chart on page 13 gives a visual picture of total unrestricted income, showing that 87% of our unrestricted income comes from Ministry and Mission Fund contributions, which totalled just over £17 million. Despite the ongoing effects of the Covid-19 pandemic, a great effort was made by churches and synods to get as close to the amount pledged as possible. We are extremely grateful for the faithful and regular giving that this represents, enabling the Church to support ministry and mission across our three nations, and sustain the major way in which all members of the Church fund, in partnership, all our work for the kingdom of God. The pie chart of total unrestricted expenditure on page 14 shows that 83% of our unrestricted expenditure, totalling £17,020k, is used to provide ministry and a further 9% (£1,835k) is used to provide financial resources to train and equip people for ministry.

## TRUSTEES' REPORT CONTINUED

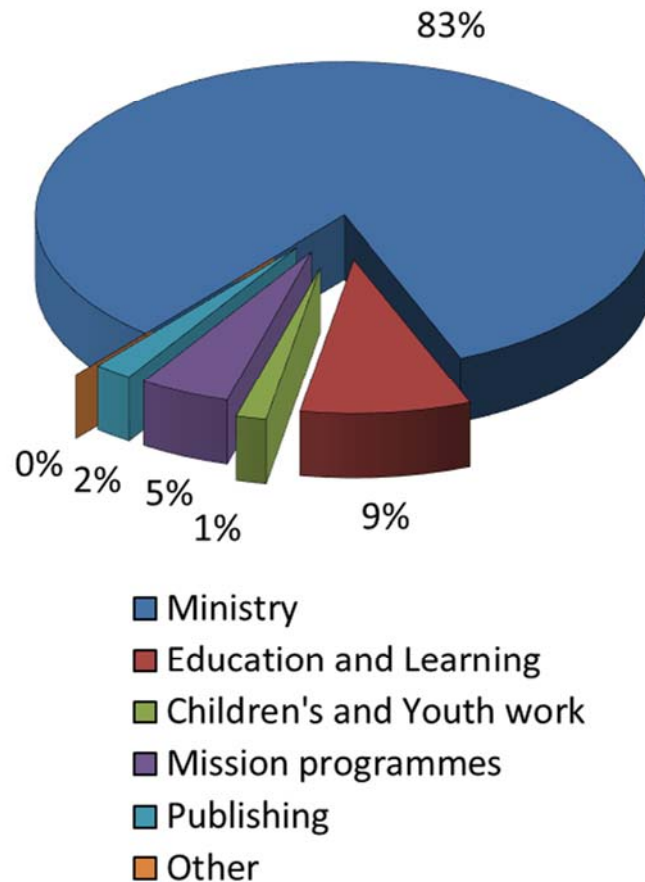
### Donations, grants and legacies

We are very grateful for regular grants from a number of trusts, detailed in note 2(b) to the financial statements, as well as for many other donations. Apart from general donations the Trust received donations totalling just over £9m from the synods towards helping pay the deficit contribution to the Ministers' Pension Fund. Commitment for Life donations from churches and individuals were up slightly on the 2020 level, increasing from £253k to £266k. Legacies bequeathed for general purposes are held in a separate designated Legacy Fund, available for projects not covered by regular budgets. The balance in this fund is now £634k (2020: £716k). Grants paid from this fund totalled £11k in 2021 (2020: £19k) with a further £123k included in creditors having been committed for future payment.

### Unrestricted Income - £19.8m Year ended 31 December 2021



**Unrestricted Expenditure - £20.6m  
Year ended 31 December 2021**



**Investment income**

Total investment income includes rental income on the mixed motive property. The 2021 figure shows the overall figure very similar to the previous being £1,948k in 2021 compared to £1,950k in 2020. Interest rates on cash deposits remained at historically low levels.

**Trading income/cost of raising funds**

The bed and breakfast accommodation and conferences and events business through Westminster College Trading Limited continued to suffer from the effects of the Covid-19 pandemic, but income rose slightly from £279k in 2020 to £285k. There was a corresponding fall in expenditure in this area from £399k to £80k.

**Income from charitable activities**

This income includes rental from the retired ministers' housing properties, income from student accommodation, catering and course fee income of Westminster College and from sales of publications and subscriptions to *Reform* magazine.

**Other income**

Most of this income (£2,499k) represents net gains from selling retired ministers' housing properties when they fall vacant, the proceeds of which are used to acquire properties for retiring ministers or sometimes for rehousing them in later years. In 2021, 7 properties were bought and 20 were sold.

**Expenditure – Charitable activities**

These costs are analysed in note 5 on page 28 and include a share of support costs.

Ministry: £18,665k. The maintenance of ministry is the most important charge on the Church's resources. This sum pays for the stipends, social security and pension costs of our stipendiary

## TRUSTEES' REPORT CONTINUED

ministers and CRCWs (who averaged 372 in number over the year) and includes all costs of the Synod Moderators. In 2021 the cost of ministry fell, as the number of retirements of stipendiary ministers exceeded the number of ordinations. The total also includes costs relating to retired ministers of supplementing pensions and maintaining housing.

Education and Learning: £3,217k. The considerable commitment of resources to training ministers has continued. This sum includes our support for our Resource Centres for Learning, which reflects their wider role in providing learning opportunities for the whole Church, as well as direct support of those training for ministry. Other costs relate to ongoing lay development, including the Stepwise programme. It also includes the relevant costs of Westminster College.

Children's and Youth Work: £337k. Due to the Covid-19 Pandemic, some of the usual activities of the Children's and Youth Work area continued to be to online events which resulted in some savings in costs, however, it is hoped that these events will take place in person in the not too distant future.

Mission Programmes: £1,353k. The Mission Committee and team continue to progress longer-term strategies, including the Walking the Way missional discipleship emphasis and Commitment for Life programme. There was continued support for the Joint Public Issues Team and various interdenominational and interfaith organisations.

Publishing: £426k. The costs of publishing *Reform* magazine have continued to be tightly controlled while maintaining its quality, with a levelling off in subscriptions and advertising income. There was a further drive to increase the merchandise available from the on-line bookshop including the popular Advent Packs. The denomination continued to subsidise the iChurch website support.

### **Gains on investment assets**

The change in investment values from the beginning to end of the year, broken down by fund, is shown in the Summary of Fund Movements in note 19. Despite the Covid-19 pandemic, financial markets performed well during 2021 and the year ended with the investment up £7,577k on the value at the start of the year. However, in the period from 31 December 2021 to May 2022, the value of the investments had fallen by around 5% due to the uncertainty of the situation in Ukraine. A revaluation of investment property added £334k to the gain. Investment gains and losses over time are shown in the five year summary on page 48.

### **Actuarial gains on pension obligations**

The Trust is required to take full account of actuarial gains and losses arising each year in the United Reformed Church Ministers' Pension Fund (MPF). There was little change to the pension liabilities in 2021 but there were good gains on the fund's diversified investments. The overall net actuarial gain for the year was £17.7m. The Church continued to make the required deficit contributions to fund the deficit mainly from contributions from local churches to the Ministry and Mission Fund.

The United Reformed Church Final Salary Scheme (FSS), which is mainly for lay staff, reported an actuarial gain of £5.5m mainly due to an increase in the scheme assets. This has resulted in a net asset position in this scheme but because the Trust does not have an unconditional right to the surplus, this has not been recognised.

More details are given in notes 22 to 24 to the financial statements on pages 40 to 44.

## TRUSTEES' REPORT CONTINUED

### STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The directors of the charitable company are responsible for preparing the Trustees' Report and the financial statements.

Company law requires the charitable company to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the charitable company is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The charitable company is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and the funds it is responsible for and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the charitable company is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the charitable company has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### CONCLUSION

The company by its directors has approved this Report. Those wanting more information or explanations about any aspect of the Church's finances are encouraged to address their enquiries to the Treasurer.

Signed on behalf of the directors of the charitable company.



**Catriona Wheeler**  
20 September, 2022

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH TRUST

## Opinion

We have audited the financial statements of United Reformed Church Trust for the year ended 31 December, 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of 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 group's and the parent charitable company's affairs as at 31 December, 2021 and of the group and parent charitable company's 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 charitable company 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 trustees 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 charitable company'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 trustees 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 trustees are ~~trustees are~~ responsible for the other information. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group and parent charitable company'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 group or parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

#### **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 which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

Andrew Stickland (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

28 September 2022

Devonshire House  
9 Appold Street  
London  
EC2A 2AP

**CONSOLIDATED & TRUSTS' STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000	2021 Total funds £'000	2021 Trust Only £'000	2020 Total funds £'000
<b>Donations and legacies</b>								
Ministry and Mission Fund contributions	2(a)	17,204	0	0	0	17,204	17,204	17,908
Grants receivable	2(b)	162	0	236	0	398	162	690
Legacies		1	0	79	0	80	1	339
Commitment for Life donations		0	0	266	0	266	266	253
Other donations	2(c)	5	1	9,268	5	9,279	9,020	187
		168	1	9,849	5	10,023	9,449	1,469
<b>Charitable activities</b>								
Ministry	3	0	0	739	0	739	0	719
Education and Learning		18	0	279	0	297	18	252
Children's and Youth work		3	0	0	0	3	3	13
Mission programmes		0	0	0	0	0	0	0
Publishing		204	0	0	0	204	204	249
		225	0	1,018	0	1,243	225	1,233
<b>Other trading activities</b>								
		0	0	285	0	285	0	279
<b>Investment income</b>	4	1,299	28	621	0	1,948	1,894	1,950
<b>Other income</b>								
Gains on sale of properties		824	0	2,499	0	3,323	1,041	396
Other income		61	0	0	0	61	61	19
		885	0	2,499	0	3,384	1,102	415
<i>Total income and endowments</i>		19,781	29	14,272	5	34,087	29,874	23,254
<b>Expenditure on:</b>								
<b>Raising funds:</b>								
Trading expenditure		0	0	80	0	80	0	399
<b>Charitable activities</b>								
Ministry	5	17,020	71	1,574	0	18,665	17,666	17,220
Education and Learning		1,835	8	1,374	0	3,217	1,903	3,258
Children's and Youth work		326	1	10	0	337	337	353
Mission programmes		974	4	375	0	1,353	1,353	1,282
Publishing		411	2	13	0	426	426	411
Other expenditure		0	0	0	0	0	0	0
		20,566	86	3,346	0	23,998	21,685	22,524
<i>Total expended</i>		20,566	86	3,426	0	24,078	21,685	22,923
<b>Surplus from charitable and trading activities</b>		(785)	(57)	10,846	5	10,009	8,189	331
<b>Net gains/ (Loss) on investment assets</b>		1,975	115	1,775	4,046	7,911	7,686	3,590
<i>Net income</i>		1,190	58	12,621	4,051	17,920	15,875	3,921
<b>Transfers between funds</b>								
Actuarial gains/(losses) on pension schemes	22	93	0	(93)	0	0	0	0
		17,669	0	0	0	17,669	17,669	(10,174)
<i>Net movement in funds</i>		18,952	58	12,528	4,051	35,589	33,544	(6,253)
<b>Reconciliation of Funds</b>								
Total funds brought forward		9,824	1,664	58,312	31,240	101,040	58,704	107,293
<b>Total funds carried forward</b>		28,776	1,722	70,840	35,291	136,629	92,248	101,040

All amounts relate to continuing operations.

There is no material difference between the net incoming resources stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The Companies Act income and expenditure account has been included in note 32.

The notes on pages 24 to 47 form an integral part of these financial statements.

## CONSOLIDATED AND TRUST BALANCE SHEETS AS AT 31 DECEMBER 2021

	Note	Consolidated 2021 £'000	Consolidated 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
<b>Fixed assets</b>					
Intangible assets	11	83	96	78	88
Tangible assets	11				
Houses for retired ministers		39,334	39,979	347	396
Houses for serving ministers		8,622	5,517	8,622	5,517
Other properties		8,193	8,297	2,646	2,671
Total properties		56,149	53,793	11,615	8,584
Cars and equipment		310	338	116	84
		56,542	54,227	11,809	8,756
<b>Investments and loans</b>					
Mixed motive investment property	12	2,500	2,222	2,500	2,222
Mixed use investment property	12a	927	856	927	856
Investments	13	63,954	56,283	62,036	54,593
Programme-related investments	14	242	242	242	242
Loans, excluding inter-fund loans	15	202	155	5,688	6,671
		67,825	59,758	71,393	64,584
<b>Current assets</b>					
Stock		-	27	-	27
Debtors	16	4,819	3,311	5,105	3,607
Bank balances and money on call		16,263	8,245	14,533	7,661
		21,082	11,583	19,638	11,295
<b>Current liabilities</b>					
Net current assets	17	(1,844)	(1,298)	(3,616)	(2,701)
		19,238	10,285	16,022	8,594
Total assets less current liabilities		143,605	124,270	99,224	81,934
Defined benefit pension scheme liability	22-24	(4,618)	(20,872)	(4,618)	(20,872)
Other pension obligations	23	(2,358)	(2,358)	(2,358)	(2,358)
<b>Net assets including pension liability</b>		<b>136,629</b>	<b>101,040</b>	<b>92,248</b>	<b>58,704</b>
<b>Unrestricted income funds</b>					
General reserves		24,949	24,229	24,949	24,229
Revaluation reserve - investments		5,911	4,585	5,911	4,585
Revaluation reserve - property		2,534	1,882	2,534	1,882
Designated funds		1,722	1,664	1,722	1,664
Total unrestricted income funds before pension reserve		35,116	32,360	35,116	32,360
Pension reserve		(4,618)	(20,872)	(4,618)	(20,872)
<b>Restricted income funds</b>		<b>70,840</b>	<b>58,312</b>	<b>27,736</b>	<b>17,140</b>
<b>Capital funds</b>		<b>35,291</b>	<b>31,240</b>	<b>34,014</b>	<b>30,076</b>
<b>TOTAL FUNDS</b>	19-20	<b>136,629</b>	<b>101,040</b>	<b>92,248</b>	<b>58,704</b>

Approved by the directors on 28 September 2022 and signed on their behalf by:



Catriona Wheeler  
Chair



Ian Hardie  
Treasurer

United Reformed Church Trust is a company limited by guarantee, number 135934, and Registered Charity number 1133373.

The notes on pages 24 to 47 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER, 2021**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>		
Net income before other recognised gains and losses (see page 21)	17,920	3,922
<b>Adjustments for:</b>		
Decrease in stocks	27	-
Increase in debtors	(1,508)	(68)
Decrease in creditors	546	(252)
Gain on investment assets	(7,911)	(3,591)
Profit on sale of tangible fixed assets	(3,323)	(396)
Depreciation and impairment	260	259
Other investment income	(1,948)	(1,950)
Cash endowment received	(5)	(4)
Difference between pension contributions and actuarial cost	1,416	440
<b>Cash flows generated from operations</b>	<b>5,474</b>	<b>(1,640)</b>
<b>Cash flows from investing activities</b>		
Payments to acquire tangible fixed assets	(5,782)	(2,648)
Payments to acquire intangible fixed assets	-	(44)
Receipts from sales of tangible fixed assets	6,530	1,154
Payments to acquire fixed asset investments	(260)	-
Receipts from sales of fixed asset investments	150	-
Loans and advances made to ministers	(1)	(34)
Loans repaid by ministers	29	21
Loans and advances to churches	(75)	-
Investment income	1,948	1,950
	2,539	399
<b>Cash flows from financing</b>		
Addition to capital endowment	5	4
<b>Net increase (decrease) in Cash (note 27)</b>	<b>8,018</b>	<b>(1,237)</b>

The notes on pages 24 to 47 form an integral part of these financial statements.

## NOTE 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)) and the Companies Act 2006. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April, 2005 which has since been withdrawn.

United Reformed Church Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

A separate Cash Flow Statement has not been presented for United Reformed Church Trust itself because it has made use of the exemptions afforded by Section 408 of the Companies Act 2006.

The presentation currency is pounds sterling and unless otherwise stated, figures are rounded to the nearest thousand (£000).

### Going concern

The directors have considered possible events and conditions that might cast significant doubt on the ability of the Trust to continue as a going concern. The directors have made their assessment for a period of at least one year from the date of approval of these financial statements. In particular they have considered the Trust's forecasts and projections and have considered the longer term impact of the Covid-19 pandemic on the viability of the Trust. Whilst there has been an impact on Ministry and Mission Fund contributions, steps have been taken to curtail expenditure and this, combined with the significant reserves available, has led the directors to conclude that there is a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below:

#### (i) Scope

The consolidated financial statements show the combined income, expenditure, assets and liabilities of the charitable funds administered by the Trust for the purposes of the United Reformed Church under the overall authority of the General Assembly, and include the total financial operations of Westminster College ("the college"), Westminster College Trading Limited (company registration number 8855396) and of the United Reformed Church Retired Ministers' Housing Society Limited ("the society"). The college is a registered charity (number 311449), while the society is a separate exempt charity registered under the Co-operative and Community Benefit Societies Act 2014. Each is accounted for as a separate fund and branch of the Church in accordance with the SORP, and details are also given to reflect their legal status as subsidiary charities.

#### (ii) Classification of funds

Unrestricted income funds may be spent generally for furthering the religious and charitable work of the Church.

Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received. However, if the purpose is one that forms part of the Church's regular expenditure and the income of the funds are fully spent each year, the restriction has no practical effect and funds with such restrictions are treated as unrestricted.

Capital funds (i.e. endowments) include some permanent endowments that are required to be retained but the income from these funds can be spent for the benefit of the Church subject, in certain cases, to specific restrictions contained in the original endowment. Other capital funds (i.e. expendable endowments) may be converted to income at the discretion of the trustees.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The main funds included in these financial statements, and their classification, are shown in notes 18 to 21.

### **(iii) Income**

All incoming resources including voluntary income, income from activities for raising funds, investment income, is recognised in the SOFA when there is legal entitlement to the income, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

#### **a. Donations and legacies**

Donations and legacies are accounted for on a receivable basis. In accordance with this policy, legacies are included when advice has been received from the personal representative of an estate that payment will be made or property transferred and the amount can be measured reliably. Gifts in kind are included within income at the value to the charity at the date of the gift. The value of services provided by volunteers has not been included.

#### **b. Grants receivable**

Incoming grants are accounted for on a receivable basis. Incoming resources from grants, where there are service or performance deliverables required as conditions of the terms of the grant, are accounted for as the charity earns the right to payment through its performance, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably and it is not deferred.

#### **c. Ministry and Mission Fund contributions, investment income and other income**

Ministry and Mission Fund contributions, investment income, income from charitable activities and other incoming resources are accounted for on a receivable basis. Contributions to the fund, based on local church pledges, are agreed annually in advance with each synod; amounts received in excess of, or shortfalls from the agreed contributions, are accounted for in the year.

#### **d. Gains and losses on investments**

Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

### **(iv) Expenditure**

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Any irrecoverable VAT is included with the costs to which it relates. Directly attributable costs are allocated to the main charitable activities; details are shown in notes 5 to 8. The support costs, including governance costs, included in note 7 relate to the whole of the charity's activities and a proportion of these costs is allocated to expenditure headings on a basis that is consistent with the use of the resources. Outgoing grants are accounted for on a payable basis. Grants payable are included in the Statement of Financial Activities when approved and this has been communicated to the applicant. The value of such grants unpaid at the end of the year is accrued.

### **(v) 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.

### **(vi) Pensions**

The Church operates a funded defined benefit pension scheme for ministers and Church Related Community Workers (CRCWs) receiving a stipend, known as The United Reformed Church Ministers' Pension Fund. The assets of the scheme are managed independently of the Church. Pension costs are assessed in accordance with the advice of an independent qualified actuary.

The Church, together with most synod trusts, also uses The United Reformed Church Final Salary Scheme, a multi-employer defined benefit scheme operated by TPT Retirement Solutions Trust, an independent pension provider to the not-for-profit sector. It provides trustee and asset management services, and pension costs are assessed in accordance with the advice of an independent qualified actuary.

For both schemes, under FRS 102 paragraph 28 – 'Retirement benefits' – the amounts charged to expenditure are the current service costs, interest costs and expenses, which are included within charitable expenditure. Actuarial gains and losses are recognised immediately and disclosed in the Statement of Financial Activities.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The assets of the pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each year end. The resulting defined benefit asset or liability is presented separately after other net assets on the Balance Sheet except where the scheme is in surplus and there is no unconditional right to that surplus. In this situation the scheme surplus is recognised at nil value in accordance with FRS102.

### **(vii) Intangible and tangible fixed assets**

Intangible and tangible fixed assets having an initial cost of £1,000 or less are written off on acquisition. Assets having an initial cost greater than £1,000 are stated at cost when purchased and at valuation when received in specie. Property repairs are normally written off when incurred. Many properties used as houses for retired ministers are owned jointly with tenants or synods of the United Reformed Church. The value in the Balance Sheet of such properties is the cost (less any impairment charged) to the charity of the charity's share in the property.

Properties are maintained in a state of sound repair. The Finance Committee considers whether any impairment is necessary considering the lives of the properties and their residual value. Any material deficit between the anticipated recoverable amount of freehold property and its carrying value shown in the financial statements is recognised in the Statement of Financial Activities. Depreciation is no longer charged on these properties on grounds of materiality. The value of land is not depreciated.

Depreciation is charged as a percentage of cost as follows:

Improvements to property with limited life	5 % pa
Cars, computers and photocopiers	25 % pa
Intangible assets, other furniture and equipment	10 % pa

Other tangible assets in regular use, principally book collections acquired by or donated to Westminster College over the period since its foundation, are not included in the Balance Sheet, since to obtain a reliable valuation is not practicable. Further details are given in note 11.

### **(viii) Heritage assets**

Westminster College owns certain manuscripts and artefacts that are not in regular use, but are held for their historical or artistic qualities. They were largely acquired by the founders and donated to the College at or soon after its foundation. No formal valuations have been obtained for these assets as the cost of obtaining such valuations would outweigh the benefit. As a result these assets are not included on the Balance Sheet.

### **(ix) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

### **(x) Mixed motive investment properties**

Mixed motive investment property comprises the portion of United Reformed Church House that is let on a commercial basis to other charities. It is recognised at fair value and is not depreciated.

### **(xi) Mixed use investment properties**

Mixed use investment property comprises the portion of United Reformed Church House that is let on a commercial basis for residential purposes. It is recognised at fair value and is not depreciated.

### **(xii) Investments**

Listed securities are included at market value at the Balance Sheet date. Unlisted securities are stated at cost as there is no readily ascertainable market price.

### **(xiii) Programme-related investments**

Programme-related investments comprise investments in entities whose aims are aligned to the charitable objectives of the trust and are shown at cost.

### **(xiv) Concessionary loans**

Loans to advance the Church's charitable purposes are held within fixed assets and are stated at original cost and subsequently adjusted for any repayments or impairment.

### **(xv) Financial instruments**

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

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (xvi) Critical accounting judgements and estimation

Significant areas of judgement in applying accounting policies are as follows:

- Provision is made for retirement obligations where advice is taken from independent actuaries
- Valuation of mixed motive and mixed use investments where use has been made of relevant market indices to update the formal valuations obtained in previous years
- Recoverability of concessionary loans based on management's assessment of recovery
- Impairment of houses held for serving and retired ministers

## NOTE 2 VOLUNTARY INCOME

### (a)

Synods	2021 £'000	2020 £'000
Northern	735	786
North Western	1,613	1,673
Mersey	938	937
Yorkshire	727	888
East Midlands	875	1,045
West Midlands	1,589	1,664
Eastern	1,928	1,930
South Western	1,182	1,205
Wessex	2,007	2,006
Thames North	1,989	2,049
Southern	2,586	2,592
Wales	454	467
Scotland	581	666
	17,204	17,908

### (b) Grants Receivable

The Church receives income from a number of trusts. The significant ones are described below.

	2021 £'000	2020 £'000
Congregational Memorial Hall Trust	103	103
Council for World Mission	30	87
The Cheshunt Foundation	61	61
Other grants	40	439
	234	690

#### Congregational Memorial Hall Trust

The United Reformed Church has a 70% interest in distributions from this Trust. In 2010 the trust distributed a share of half of its assets by way of a donation totalling £3,658k of investments. Income from the investments has replaced most of the grant.

#### Council for World Mission

The Council approved grants totalling £238k to be paid over 3 years to be used for the Walking the Way programme. By the end of 2021, all of the grant had been expensed. Further grants totalling £30k were received to cover the costs of a South Korean minister working for the URC.

#### The Cheshunt Foundation

The foundation, which is an independent Trust not reporting to the United Reformed Church, supports Westminster College by funding the stipend and expenses of one of the teaching staff.

### (c) Donations

	2021 £'000	2020 £'000
Other donations received	9,279	197

Included above are £36k (2020: £95k) received by Westminster College, and £9,001k (2020: £88k) received from synods as a contribution towards the pension fund deficit (see note 21).

### NOTE 3 INCOME FROM CHARITABLE ACTIVITIES

These comprise:	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Retired Ministers' Housing rents	740	719
Westminster College - accommodation, conferences, catering and fees	245	250
Publication and resource sales	93	123
Reform magazine - subscriptions and advertising	110	126
Other programmes - fees, grants and sales	21	15
	<u>1,209</u>	<u>1,233</u>

### NOTE 4 INVESTMENT INCOME

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Unitised funds	1,811	1,764
Interest on short-term investment and bank deposits	1	16
Rental income	136	170
	<u>1,948</u>	<u>1,950</u>

### NOTE 5 ANALYSIS OF EXPENDITURE

The amount spent on charitable activities, including support costs, is summarised as follows:

<b>2021</b>	<b>Direct programme expenditure £'000</b>	<b>Grant funding (note 6) £'000</b>	<b>Support costs (note 7) £'000</b>	<b>2021 Total £'000</b>
Ministry	15,481	584	2,602	18,667
Education and Learning	2,062	434	314	2,810
Children's and Youth work	251	1	84	336
Mission programmes	644	493	215	1,352
Publishing	336	-	90	426
	<u>18,774</u>	<u>1,512</u>	<u>3,305</u>	<u>23,591</u>
<b>2020</b>	<b>Direct programme expenditure £'000</b>	<b>Grant funding (note 6) £'000</b>	<b>Support costs (note 7) £'000</b>	<b>2020 Total £'000</b>
Ministry	14,287	706	2,227	17,220
Education and Learning	2,253	576	429	3,258
Children's and Youth work	255	4	94	353
Mission programmes	657	373	252	1,282
Publishing	363	-	48	411
	<u>17,815</u>	<u>1,659</u>	<u>3,050</u>	<u>22,524</u>

### NOTE 6 ANALYSIS OF GRANTS

<b>2021</b>	<b>Grants to individuals £'000</b>	<b>Grants to institutions £'000</b>	<b>2021 Total £'000</b>
Pension grants	207	-	207
Welfare and other ministry grants	262	-	262
Student maintenance and training	374	3	377
Local churches - mission and facilities	15	134	149
Chaplaincies	-	59	59
Ecumenical church bodies	3	7	10
Commitment for Life programme	1	320	321
Other programmes	2	125	127
	<u>864</u>	<u>648</u>	<u>1,512</u>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2020	Grants to individuals £'000	Grants to institutions £'000	2020 Total £'000
Pension grants	227	-	227
Welfare and other ministry grants	382	-	382
Student maintenance and training	391	170	561
Local churches - mission and facilities	-	-	-
Chaplaincies	-	37	37
Ecumenical church bodies	-	239	239
Commitment for Life programme	-	184	184
Other programmes	29	-	29
	1,029	630	1,659

Major grants to institutions in the year (included above) were:

<u>Organisation</u>	<u>Type</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
Christian Aid	Commitment for Life	188	128
Council for World Mission	Ecumenical	-	25
Global Justice Now	Commitment for Life	42	8

### NOTE 7 SUPPORT COSTS

Support costs comprise the premises costs of United Reformed Church House, and the staff and office costs in respect of: Central Secretariat (including Human Resources), Finance, Communications and Information Technology, and governance costs. These costs have been apportioned across the areas of charitable activity on the basis and in the amounts shown below.

	Premises costs £'000	Computer costs £'000	Staff and office costs £'000	2021 Total £'000	2020 Total £'000
Basis of apportionment	Area	Staff	Actual costs		
Ministry	11	23	2,568	2,602	2,227
Education and Learning	10	33	271	314	429
Children's and Youth work	12	29	43	84	94
Mission	14	65	136	215	252
Publishing	10	22	58	90	48
	57	172	3,076	3,305	3,050

### NOTE 8 GOVERNANCE COSTS

Governance costs are included in support costs and total £505k (2020: £191k). This figure includes the remuneration of the auditors, amounting to £65 (2020: £68k) of which £32k relates to the audit of the Trust which includes an under accrual of £3k and the balance of £33k relates to the audits of subsidiary charities. Other services provided by the auditors amounts to £6k. The main difference from the previous year's cost was that the church was involved in a complex case which incurred substantial legal fees.

### NOTE 9 NOTIFIED LEGACIES

The Trust had received notification of one legacy (2020: none) that has not been included in the financial statements because the conditions for recognition have not yet been met.

**NOTE 10 STIPEND AND SALARY COSTS**

During the year the following stipend and salary costs were incurred:

		<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
Ministers and CRCWs: 372 (2020: 392)	Gross stipends	9,648	10,255
	Social security costs	910	957
	Other pension costs	2,616	2,747
		<u>13,174</u>	<u>13,959</u>

All stipend costs above are included within the costs of Ministry

Lay staff: 87 (2020: 106)	Gross salaries	2,526	2,663
	Social security costs	226	251
	Other pension costs	527	862
	Redundancy costs	24	19
		<u>3,303</u>	<u>3,795</u>

Salary costs have been apportioned as follows:

Ministry	1,279	1,520
Education and Learning	884	1,279
Children's and Youth work	212	241
Mission programmes	478	532
Publishing	450	223
	<u>3,303</u>	<u>3,795</u>

The minister and staff numbers shown represent the average for the year. They include staff working at Church House in London and Westminster College in Cambridge.

One employee received emoluments, excluding employer pension contributions, of between £60k and £70k during 2021 (2020: one).

Key management personnel are the General Secretary and three Deputy General Secretaries; of these four two are ministers and two are lay staff. The total of employee benefits paid to key management personnel in 2021 was £157k (2020: £236k). The Deputy General Secretary post for Discipleship was vacant for 9 months of 2021.

In addition, a great amount of time, the value of which it is impossible to reflect in these financial statements, is donated by thousands of volunteers throughout the United Kingdom.

Individuals acting as a director for the company received no remuneration in respect of their services as director, other than the reimbursement of travel expenses to 1 individual during the year ended 31 December, 2021 totalling £130 (2020: 13 individuals totalling £1,236).

**NOTE 11 TANGIBLE & INTANGIBLE FIXED ASSETS**

(a) Consolidated:

	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible Fixed assets £'000	Computer Software £'000
<b>Cost</b>						
At 1 January, 2021	40,391	5,573	9,253	1,393	56,610	133
Additions	1,725	3,852	126	79	5,782	-
Disposals	(2,403)	(752)	(90)	(18)	(3,263)	-
At 31 December, 2021	39,713	8,673	9,289	1,454	59,129	133
<b>Accumulated depreciation and impairment</b>						
At 1 January, 2021	412	51	961	1,055	2,479	37
Charge for year	-	-	140	107	247	13
Disposals	(33)	-	(5)	(18)	(56)	-
Re-classification	-	-	-	-	-	-
At 31 December, 2021	379	51	1,096	1,144	2,670	50
<b>Net book value</b>						
At 31 December, 2021	39,334	8,622	8,193	310	56,459	83
At 31 December, 2020	39,979	5,522	8,292	338	54,131	96

Of the land and buildings included above, £5,398k (2020: £5,433k) are leasehold. At 31 December, 2021 294 (2019: 300) houses were owned for housing retired ministers and 17 (2020: 16) houses for serving ministers. Although the total market value of all properties is not practicable to quantify, it is considerably in excess of the carrying value shown above.

Other properties include premises improvements at United Reformed Church House and the Yardley Hastings Centre, and building improvement costs capitalised at Westminster College. At the Yardley Hastings property, which has a carrying value of £628k, the local church continues to use part of the premises and the remainder is leased to a local charity under a long-term lease. With the exception of certain improvements and additions, including the costs of the major refurbishment in 2013-14, the buildings of Westminster College are not included in the Balance Sheet since the use of the College was originally a gift to the Church, the value of which cannot readily be ascertained without excessive cost. In addition, there is a covenant in perpetuity restricting the Church's ability to use the College for purposes wider than that of a theological college; hence an open market value cannot be applied.

The College also owns certain tangible assets, which have been acquired or donated to it over the years since its foundation, not included in the Balance Sheet. These include the Academic Library and other book collections with an insurance valuation in excess of £1million, historic furniture and works of art. All book collections are in regular use, either for theological study and reference or for historical research. Other items are in use or on display as appropriate.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(b) Trust:

	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible fixed assets £'000	Computer software £'000
<b>Cost</b>						
At 1 January 2021	421	5,573	2,835	507	9,336	94
Additions	-	3,857	-	61	3,918	-
Disposals	(52)	(752)	-	(18)	(822)	-
At 31 December 2021	369	8,678	2,835	550	12,432	94
<b>Accumulated depreciation and impairment</b>						
At 1 January 2021	25	56	164	423	668	6
Charge for year	-	-	25	29	54	10
Disposals	(3)	-	-	(18)	(21)	-
At 31 December 2021	22	56	189	434	701	16
<b>Net book value</b>						
At 31 December 2021	347	8,622	2,646	116	11,731	78
At 31 December 2020	396	5,517	2,671	84	8,668	88

(c) Heritage Assets

Westminster College owns certain manuscripts and artefacts that are not in regular use, but held for their historical qualities. Most derive from the collections of the founding sisters, Agnes Lewis and Margaret Gibson, and were donated by them to the College during their lifetime. Some are displayed and others stored. In recent years some items of significant value, but not relevant to the heritage of the church traditions represented in the United Reformed Church nor to the present objectives of the College, were sold in order to raise funds for College development. The College also holds the archives, manuscripts and historic books of the United Reformed Church History Society (which is a separate charity) on behalf of the United Reformed Church. Indicative valuations have been obtained for some items held, but are not considered sufficiently robust to be reported here.

**NOTE 12 MIXED MOTIVE INVESTMENT PROPERTY**

	Consolidated		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	2,222	2,000	2,222	2,000
Additions	15	-	15	-
Net gains/(losses) on revaluation	263	222	263	222
Carrying value at end of year	2,500	2,222	2,500	2,222

Mixed motive investment property consists of the second floor of URC Church House which is rented out on a commercial let to another charity. The property was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed motive investment property at 31 December, 2021 was calculated using rental yields.

**NOTE 12a MIXED USE INVESTMENT PROPERTY**

	Consolidated		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	856	-	856	-
Additions	-	695	-	695
Net gains/(losses) on revaluation	71	161	71	161
Carrying value at end of year	927	856	927	856

\* Reclassification of mixed use portion of URC Church House.

Mixed use investment property consists of the third floor of URC Church House which is rented out on a commercial let for residential purposes. The property was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed use investment property at 31 December, 2021 was calculated using rental yields.

**NOTE 13 INVESTMENTS**

	Consolidated		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	56,283	53,085	54,593	51,484
Additions to investments at cost	244	-	244	-
Sales proceeds	(150)	-	(150)	-
Net gains/(losses) on revaluation	7,577	3,198	7,349	3,109
Carrying value at end of year	63,954	56,283	62,036	54,593

	Consolidated		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Investments comprise units in UK based Common Investment Funds at market value, as follows:				
COIF Charities Ethical Investment Fund	62,713	55,197	60,795	53,507
COIF Charities Property Fund	1,241	1,086	1,241	1,086
	63,954	56,283	62,036	54,593
Investments at book cost	35,035	34,880	34,014	33,859

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Included within investments held in the COIF Charities Ethical Investment Fund is £4,624k held to meet the 'other pension obligation' as set out in note 23. Financial assets measured at fair value are £63,954k.

## NOTE 14 PROGRAMME-RELATED INVESTMENTS

Programme-related investments are investments made in pursuit of the Trust's charitable purposes, the primary motivation for which is not financial but to further our objectives and programme. The principal programme-related investment is £200k as a Founder Member of Luther King House Educational Trust, which owns the property that houses our resource centre for learning at Northern College. Smaller investments are held in Oikocredit, the Churches' Mutual Credit Union and Traidcraft plc. These smaller investments held as social investments and are held at cost and not revalued.

## NOTE 15 CONCESSIONARY LOANS

	Consolidated		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
External loans comprise:				
To ministers	43	71	43	71
To Churches	159	84	159	84
Inter-fund concessionary loans	-	-	5,486	6,516
	202	155	5,688	6,671

Loans to ministers are generally interest free and repayable over 3 to 5 years. Movement on the loan balances was as follows:

	Consolidated		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Balance at 1 January	71	58	71	58
Repaid in the year	(29)	(21)	(29)	(21)
Advanced in the year	1	34	1	34
Balance at 31 December	43	71	43	71

Loans to churches comprises a long term loan to the Synod of Wales in respect of the Glamorgan Chaplaincy and loans from the Church Building Fund to local churches. The loan to the Glamorgan Chaplaincy is interest free and is repayable if the chaplaincy is wound up. The loans from the Church Building Fund are repayable over 8 years and interest is charged using the CCLA Charities Deposit Fund deposit rate.

Inter-fund concessionary loans represent the long-term indebtedness of the United Reformed Church Retired Ministers' Housing Society Limited to other funds of the Church. Loans have been made available for the purchase of properties, for as long as they are required, to enable the Society to fulfil its objectives.

**NOTE 16 DEBTORS**

	Consolidated		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Debtors comprise:				
Amounts owed by group undertakings	-	-	475	439
Tax recoverable	9	2	9	2
Other debtors	3,556	2,460	3,496	2,433
Prepayments and accrued income	1,254	849	1,125	733
	<u>4,819</u>	<u>3,311</u>	<u>5,105</u>	<u>3,607</u>
Financial assets measured at amortised cost	3,383	2,460	3,328	2,872

**NOTE 17 CREDITORS: amounts falling due within one year**

	Consolidated		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Current liabilities comprise:				
Amounts owed to group undertakings	-	-	2,178	1,673
Sums held for synods and congregations	65	90	-	38
Other creditors including taxation and social security	1,365	945	1,100	859
Accruals	363	148	295	92
Deferred income	51	115	43	39
	<u>1,844</u>	<u>1,298</u>	<u>3,616</u>	<u>2,701</u>
Financial liabilities measured at amortised cost	2,663	1,093	3,237	2,624

Included within Other creditors are amounts totalling £117k which are held in trust on behalf of other organisations.

**Movements in deferred income**

	Consolidated		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Balance at 1 January	115	238	39	97
Received in the year	76	102	43	39
Refunded during the year	(12)	(10)	-	-
Transferred to income	(86)	(215)	(39)	(97)
Balance at 31 December	<u>93</u>	<u>115</u>	<u>43</u>	<u>39</u>

**NOTE 18 UNRESTRICTED FUNDS**

The Ministry and Mission Fund is the general fund of the Church through which the bulk of income and expenditure, covered by the annual budget agreed by the Trustee and presented to Assembly Executive, is passed. Associated with it are two capital funds, Maintenance of the Ministry and Ministerial Training, the whole of whose income each year is transferred to the Ministry and Mission Fund, which is responsible for meeting ministry and training costs. These funds include £23.8million held as capital, most having been gifted by other trusts. These funds are invested and the income is used as intended. The capital is expendable by decision of the Trustee.

## NOTE 19 SUMMARY OF FUND MOVEMENTS

### 2021 Fund Movements

	Funds at 1 Jan 2021 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 2021 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	9,824	19,271	(20,566)	603	1,975	17,669	28,776
Ministerial Training Fund	-	39	-	(39)	-	-	-
	-	471	-	(471)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>9,824</b>	<b>19,781</b>	<b>(20,566)</b>	<b>93</b>	<b>1,975</b>	<b>17,669</b>	<b>28,776</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	716	1	(84)	-	-	-	633
Discipleship Development Fund	948	28	(2)	-	115	-	1,089
<b>Consolidated &amp; Trust</b>	<b>1,664</b>	<b>29</b>	<b>86</b>	<b>-</b>	<b>115</b>	<b>-</b>	<b>1,722</b>
<b>RESTRICTED FUNDS</b>							
Church Buildings Fund	4,631	146	(61)	(12)	606	-	5,309
Retired Ministers' Housing Fund	5,387	230	(15)	(100)	-	-	5,502
Welfare Fund	1	8	-	(1)	-	-	8
Retired Ministers' Funds	1,169	159	(207)	825	577	-	2,523
Commitment For Life Fund	143	266	(279)	(127)	-	-	4
Pension Deficit Fund	-	9,001	(287)	-	-	-	8,714
Other Funds	5,811	252	(184)	(678)	477	-	5,678
<b>Total Trust Funds</b>	<b>17,142</b>	<b>10,062</b>	<b>(1,033)</b>	<b>(93)</b>	<b>1,660</b>	<b>-</b>	<b>27,738</b>
Westminster College	6,428	1,387	(1,394)	-	115	-	6,536
Retired Ministers' Housing Society	34,742	2,823	(999)	-	-	-	36,566
<b>Total Consolidated Funds</b>	<b>58,312</b>	<b>14,272</b>	<b>(3,426)</b>	<b>(93)</b>	<b>1,774</b>	<b>-</b>	<b>70,840</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Maintenance of the Ministry Fund	8,476	-	-	(1,796)	844	-	7,524
Ministerial Training Fund	1,126	-	-	753	254	-	2,133
Church Buildings Funds	14,239	-	-	1,046	2,064	-	17,349
Retired Ministers' Housing Funds	184	-	-	-	-	-	184
Welfare Funds	391	-	-	-	-	-	391
Retired Ministers' Funds	969	-	-	-	131	-	1,100
Other Funds	675	-	-	(320)	48	-	403
	4,016	5	-	317	592	-	4,930
<b>Total Trust Funds</b>	<b>30,076</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>3,933</b>	<b>-</b>	<b>34,014</b>
Westminster College	1,164	-	-	-	113	-	1,276
<b>Total Consolidated Funds</b>	<b>31,240</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>4,046</b>	<b>-</b>	<b>35,291</b>

Transfers between funds generally represents use of restricted funds to cover items of expenditure in the general funds that fall within the objects of the specific restricted fund. The allocation of individual fund balances for Capital Funds was incorrectly reflected in the 2020 accounts. In order to correct this, figures have been shown in the transfers column to get to the correct allocation as at 31 December 2021. The total closing balance figure of £30,076k was correct in the 2020 accounts.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2020 Fund Movements

	Funds at 1 Jan 2020 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 2020 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Fund	20,111	19,245	(20,164)	495	1,103	(10,966)	9,824
Maintenance of the Ministry Fund	-	63	-	(63)	-	-	-
Ministerial Training Fund	-	495	(50)	(445)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>20,111</b>	<b>19,803</b>	<b>(20,214)</b>	<b>(13)</b>	<b>1,103</b>	<b>(10,966)</b>	<b>9,824</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	693	42	(19)	-	-	-	716
Discipleship Development Fund	871	26	-	-	51	-	948
<b>Consolidated &amp; Trust</b>	<b>1,564</b>	<b>68</b>	<b>(19)</b>	<b>-</b>	<b>51</b>	<b>-</b>	<b>1,664</b>
<b>RESTRICTED FUNDS</b>							
Church Buildings Fund	4,275	143	(53)	-	266	-	4,631
Retired Ministers' Housing Fund	5,393	14	(20)	-	-	-	5,387
Welfare Fund	7	49	(66)	11	-	-	1
Retired Ministers' Funds	1,019	123	(185)	-	212	-	1,169
Commitment For Life Fund	47	302	(206)	-	-	-	143
Other Funds	4,551	368	(162)	2	260	792	5,811
<b>Total Trust Funds</b>	<b>15,292</b>	<b>999</b>	<b>(692)</b>	<b>13</b>	<b>738</b>	<b>792</b>	<b>17,142</b>
Westminster College Funds	6,698	949	(1,269)	-	50	-	6,428
Retired Ministers' Housing Society	34,040	1,431	(729)	-	-	-	34,742
<b>Total Consolidated Funds</b>	<b>56,030</b>	<b>3,379</b>	<b>(2,690)</b>	<b>13</b>	<b>788</b>	<b>792</b>	<b>58,312</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Fund	8,104	-	-	-	372	-	8,476
Maintenance of the Ministry Fund	1,045	-	-	-	81	-	1,126
Ministerial Training Fund	13,427	-	-	-	812	-	14,239
Church Buildings Funds	184	-	-	-	-	-	184
Retired Ministers' Housing Funds	391	-	-	-	-	-	391
Welfare Funds	912	-	-	-	57	-	969
Retired Ministers' Funds	654	-	-	-	21	-	675
Other Funds	3,757	4	-	-	255	-	4,016
<b>Total Trust Funds</b>	<b>28,474</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>1,598</b>	<b>-</b>	<b>30,076</b>
Westminster College Funds	1,114	-	-	-	50	-	1,164
<b>Total Consolidated Funds</b>	<b>29,588</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>1,648</b>	<b>-</b>	<b>31,240</b>

**NOTE 20 ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUNDS**

**2021 Analysis**

**ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2021
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	79	-	4	-	83
Property	10,641	-	44,211	1,297	56,149
Cars and equipment	116	-	194	-	310
Investments	14,133	1,026	15,051	33,986	64,196
Investment properties	3,427	-	-	-	3,427
External loans	43	-	159	-	202
Inter fund loans	1,702	-	(1,702)	-	-
Net current assets	14,122	(123)	5,239	-	19,239
Pension reserve	(4,618)	-	(2,358)	-	(6,976)
Inter fund balances	(10,869)	819	10,041	8	-
<b>Net assets</b>	<b>28,776</b>	<b>1,722</b>	<b>70,840</b>	<b>35,291</b>	<b>136,629</b>

**ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2021
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	78	-	-	-	78
Property	10,641	-	-	974	11,615
Cars and equipment	116	-	-	-	116
Investments	14,133	1,026	14,087	33,032	62,278
Investment properties	3,427	-	-	-	3,427
External loans	43	-	5,646	-	5,688
Net current assets	15,824	(123)	321	-	16,022
Pension reserve	(4,618)	-	(2,538)	-	(6,976)
Inter fund balances	(10,868)	819	10,041	8	-
<b>Net assets</b>	<b>28,776</b>	<b>1,722</b>	<b>27,736</b>	<b>34,014</b>	<b>92,248</b>

**2020 Analysis**

**ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED**

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2020
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	87	-	9	-	96
Property	6,891	-	45,605	1,297	53,793
Cars and equipment	84	-	254	-	338
Investments	12,026	860	13,568	30,071	56,525
Investment properties	3,079	-	-	-	3,079
External loans	71	-	84	-	155
Inter fund loans	1,090	-	(1,090)	-	-
Net current assets	8,300	(69)	2,053	-	10,284
Pension reserve	(20,872)	-	(2,358)	-	(23,230)
Inter fund balances	(932)	873	187	(128)	-
<b>Net assets</b>	<b>9,824</b>	<b>1,664</b>	<b>58,312</b>	<b>31,240</b>	<b>101,040</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2020
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	88	-	-	-	88
Property	6,891	-	396	1,297	8,584
Cars and equipment	84	-	-	-	84
Investments	12,025	860	11,879	30,071	54,835
Investment properties	3,078	-	-	-	3,078
External loans	1,161	-	5,510	-	6,671
Net current assets	8,739	(69)	(76)	-	8,594
Pension reserve	(20,872)	-	(2,358)	-	(23,230)
Inter fund balances	(1,370)	873	1,789	(1,292)	-
	<b>9,824</b>	<b>1,664</b>	<b>17,140</b>	<b>30,076</b>	<b>58,704</b>

## NOTE 21 RESTRICTED FUNDS

### (a) Westminster College funds

This group of funds are the charity funds of Westminster College. In addition to the College general fund that deals with income and expenditure from its main academic activities, there are library funds, scholarship funds, its Development Appeal fund and other funds available for use in connection with the development of the College. Regular support from the Church is shown by way of transfer from the Ministry and Mission Fund.

### (b) Church Buildings Fund

This fund may be used in the upkeep and repair of the buildings of the local churches of the United Reformed Church and the maintenance of the services therein; in the improvement and extension of the buildings of such churches; and in the provision and erection of buildings for use for the purposes of such churches or as residences for ministers of the United Reformed Church. Both grants and loans are available for these purposes; notes 6 and 15 give some details.

### (c) Retired Ministers' Housing Funds and Retired Ministers' Housing Society

The whole of these funds is utilised by the RMHS Board in providing accommodation for ministers and ministers' widow/ers or civil partners in their retirement. Income in 2021 included £12k from donations and £79k from legacies. Most of the remaining income arises from the profit on the sale of houses, the proceeds of which were largely re-invested in further house purchases. The indebtedness of the Society to the other funds of the Church is included in the Trust Balance Sheet and notes 15 to 17 as inter-fund loans and balances; note 25 gives information on its future commitments.

### (d) Welfare Fund

This fund can be used to relieve cases of need among ministers of the United Reformed Church, their spouses and other dependants. Regular uses have been to provide a grant on the death of a minister to the surviving spouse, to provide a grant at Christmas to widow/ers of United Reformed Church ministers, counselling costs and assistance with medical costs. Surplus income of certain other funds is transferred to this fund.

### (e) Retired Ministers' Fund and Retired Ministers' Aid Fund

These funds are used to supplement the pensions paid to ministers and ministers' widow/ers, principally by upgrading the pensions of former ministers of the Congregational Church and the Churches of Christ and the widow/ers of such ministers to a level of 95% of the pension that would have been paid if the minister's service had been to the former Presbyterian Church, and also to pay certain ill-health early retirement pensions. The balances shown for these funds are after deducting the actuarially assessed cost of the Church's constructive obligation to continue making these payments, totalling £2,358k.

### (f) Commitment for Life Fund

This programme involves substantial sums of money being collected through the Church and Society office, and disbursed for Christian Aid programmes and other purposes. The balance held at the year end represents sums received, which had not yet been allocated.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (g) Pension Deficit Fund

During 2021 the synods pledged various amounts to help with the payment of deficit contributions to the Ministers' Pension Fund. A restricted fund was set up to collect these contributions and to pay them over to the Pension Fund when required by the agreed schedule of contributions. Any excess monies in the fund once the deficit has been paid off will be returned to the synods in the proportion in which they contributed.

### (h) Other funds

There are some fifty other funds in the care of United Reformed Church Trust, covering many different activities relating to the Church centrally, and some to the wider parts of the United Reformed Church. Most of their income is earned from investments, and expenditure is in accordance with their various specific purposes.

## NOTE 22 PENSION OBLIGATIONS

The United Reformed Church has obligations for two pension funds: United Reformed Church Ministers' Pension Fund (MPF), and the United Reformed Church Final Salary Scheme (FSS). The actuarial gains and/or losses and the liabilities for each scheme were:

	MPF		FSS		Total	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Recognised actuarial gains/(losses)	(17,629)	(10,966)	(40)	-	(17,669)	(10,966)
Net scheme assets/(liabilities)	(4,603)	(20,801)	(15)	(71)	(4,618)	(20,872)

Net scheme assets are not recognised in the balance sheet. The details of each scheme are set out in notes 23 and 24 below.

## NOTE 23 THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Pensions for most ministers are provided by The United Reformed Church Ministers' Pension Fund. The Fund is a defined benefit pension scheme and the assets are invested and managed by an independent trustee.

Triennial actuarial valuations of the pension scheme are performed by a qualified actuary. The actuarial valuation at 1 January, 2021 was formally agreed on 23 March, 2022. For the purpose of these financial statements, the actuary has updated that valuation at 31 December, 2021 using assumptions that are consistent with the requirements of FRS102. Compared with a year ago, this update has increased the present value of scheme liabilities by less than 0.1% while asset values have increased by 9.4%. This has resulted in a decrease of £16.2 million in the scheme's deficit and hence in the level of the pension reserve.

### a) Contributions:

The defined benefit scheme is funded and is not contracted-out of the state scheme. Contributions in 2021 totalled 21.95% of pensionable pay, together with a fixed annual amount of deficit funding, in 2021 £580k (2020: £580k), increasing in line with stipends. Members' contributions are 7.5% of pensionable pay. Church contributions totalled £1,995k in 2021 (2020: £2,073k). Following the latest valuation, contributions from January 2020 total 21.95% of pensionable pay, together with annual deficit funding of £580k, increasing in line with stipends.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

Discount rate at year end	2021 2.00%	2020 1.40%
Expected return on plan assets at year end	n/a	n/a

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

Future stipend increases	2.90%	2.20%
Future pension increases (RPI up to 5%)	3.30%	2.90%
Future deferred pension revaluation (CPI)	2.90%	2.20%
Life expectancy of male pensioners (age 65)	24.1	24.0
Life expectancy at female pensioners (age 65)	25.6	25.5

**b) The amounts recognised in the Balance Sheet are as follows:**

	<b>2021</b>	<b>2020</b>
	<b>Value at 31 Dec</b>	<b>Value at 31 Dec</b>
	<b>£'000</b>	<b>£'000</b>
Present value of obligations	(194,278)	(194,227)
Fair value of plan assets	189,675	173,426
Net (liability)	<u>(4,603)</u>	<u>(20,801)</u>

**c) The charge to the Statement of Financial Activities for the year comprised:**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>		
Current service cost	3,293	2,633
Administrative expenses	441	327
Financing cost:		
Interest on net defined liability	293	191
Total operating charge	<u>4,027</u>	<u>3,151</u>
<b>Actuarial gains/(losses) on pension schemes)</b>		
Asset gains arising during the year	(18,025)	(17,522)
Liability losses/(gains) arising during the year	396	28,488
	<u>(17,629)</u>	<u>10,966</u>
<b>Total loss/(gain) recognised in the Statements of Financial Activities</b>	<u><b>(13,602)</b></u>	<u><b>14,117</b></u>

**d) Change in defined benefit obligation:**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	194,227	165,807
Service cost (incl. employee contributions)	4,247	3,575
Interest expense on DBO	2,695	3,283
Actuarial (gains)/losses on liabilities	396	28,488
Benefits paid	(7,287)	(6,926)
Closing defined benefit obligation	<u>194,278</u>	<u>194,227</u>

**e) Change in fair value of plan assets:**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	173,426	156,426
Interest income on assets	2,402	3,092
Actuarial gains (losses)	18,025	17,522
Contributions by employer	2,596	2,697
Contributions by employees	954	942
Administrative expenses	(441)	(327)
Benefits paid	(7,287)	(6,926)
Closing fair value of plan assets	<u>189,675</u>	<u>173,426</u>

**f) Future employer contributions:**

The Church expects to contribute about £3,421,000 to the plan during the next accounting year.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**g) Breakdown of plan assets:**

The major categories of plan assets as a percentage of total plan assets are as follows:

	2021 Asset allocation %	2020 Asset allocation %
Equities	37	39
Property	11	7
Bonds	51	54
Cash/other	0	0

**h) Five year comparison**

The amounts for the current and previous four years are as follows:

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Defined benefit obligation	(194,278)	(194,227)	165,807	152,689	167,115
Plan assets	189,675	173,426	156,426	141,063	140,023
Surplus/(deficit)	(4,603)	(20,801)	(9,381)	(11,626)	(27,092)

**Other pension obligations**

SORP 2015 requires that constructive obligations, although not legally binding, be recognised on a charity's balance sheet. United Reformed Church Trust considers that it has a long-term constructive obligation in respect of:

a) the pension supplements it pays to former ministers of the Congregational Church and the Churches of Christ and the widow/ers of those ministers, in order to bring their pension to a level of 95% (100% from 1 January 2022) of the pension that would have been paid if the minister's service had been to the former Presbyterian Church. An independent actuarial assessment of the net present value of these future payments was obtained at the time of the formal actuarial review as at 1 January, 2021, using comparable assumptions as for FRS 17 calculations; this value (£2,358k) has been deducted from the total of restricted Fund included in the Balance Sheet. Included within restricted fund investments is £5,491k held to meet this obligation, and;

b) other pension grants, principally for ill-health early retirement until 2004.

## NOTE 24 THE UNITED REFORMED CHURCH FINAL SALARY SCHEME

a) The United Reformed Church contributes to a staff pension scheme known as the "Final Salary" scheme; this too is a defined benefit scheme, which is administered by TPT Retirement Solutions (formerly The Pensions Trust). The United Reformed Church is the principal employer in the scheme, and eleven synods and Northern College are participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities – each employer pays a common contribution rate. The information below is provided by the principal employer in respect of the whole scheme as required by FRS102.

Triennial actuarial valuations of the whole Final Salary scheme are performed by a qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September, 2019, when the scheme had a surplus of £2,689k. For the purpose of these financial statements, the actuary has updated that valuation at 31 December, 2021 using assumptions that are consistent with the requirements of FRS102.

**i) Contributions:**

During 2021 the United Reformed Church contributed 22.8% (2020: 22.8%) of basic salary in respect of members of the scheme. The 2021 figure included 3.0% as deficit funding. Expenses and levies with are payable as a separate lump sum. Members contributed at the rate of 7.5% (2019: 7.5%) of pensionable salary throughout the accounting period.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Discount rate at year end	1.80%	1.40%	2.00%
Inflation (RPI)	3.20%	2.95%	3.05%
Inflation (CPI)	2.85%	2.55%	2.05%
Future salary increases	2.62%	2.50% for 3 years and thereafter	2.50% for 3 years and thereafter
Future deferred pension revaluation (CPI)	2.50%	2.50%	2.50%
Life expectancy in years of males retiring in 2020 (age 65)	21.2	21.2	21.3
Life expectancy in years of females retiring in 2020 (age 65)	23.4	23.4	23.0
Life expectancy in years of males retiring in 2040 (age 65)	22.6	22.6	22.7
Life expectancy in years of females retiring in 2040 (age 65)	24.5	24.5	24.3

**ii) The amounts recognised at 31 December in the Balance Sheet are as follows:**

	<b>2021 £'000</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Present value of obligations	(36,994)	(37,495)	(31,450)
Fair value of plan assets	46,764	41,820	34,301
Adjustment to reflect asset limit	(9,770)	(4,325)	(2,851)
Pension asset/(liability)	-	-	-

**iii) The charge to the Statement of Financial Activities for the year comprised:**

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Charitable activities</b>		
Current service cost	1,420	1,125
Administrative expenses	113	121
Net interest (credit)/cost:	(60)	59
Total operating charge	1,473	1,305
<b>Actuarial gains/(losses) on pension schemes</b>		
Asset gains/(losses) arising during the year	3,864	7,519
Liability gains/(losses) arising during the year	1,684	(6,045)
Effect of asset limit	(3,360)	4,325
	2,188	5,799

**iv) Change in defined benefit obligation:**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Opening defined benefit obligation	37,495	31,450
Current service cost (inc. contributions by plan participants)	1,420	1,162
Interest expense on DBO	529	633
Actuarial losses/(gains) on liabilities	(1,648)	5,022
Benefits paid and death in service premiums	(802)	(772)
Closing defined benefit obligation	36,994	37,495

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**v) Change in fair value of plan assets:**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	41,820	34,301
Interest income on assets	589	692
Expenses	(113)	(121)
Actuarial gains (losses)	3,864	6,226
Contributions by employers	1,370	1,457
Contributions by plan participants	36	37
Benefits paid	(802)	(772)
Closing fair value of plan assets	46,764	41,820

**vi) Future employer contributions:**

Employers expect to contribute about £1,490,000 to the plan during the next accounting year.

**vii) Breakdown of plan assets:**

The major categories of plan assets are as follows:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Equity-Type assets	23,587	21,917	13,916
Fixed Interest Bonds	3,829	5,205	2,635
Index-Linked bonds	13,800	11,052	7,701
Fixed Interest Gilts	3,132	1,661	3,831
Property	2,082	1,464	1,485
Other	334	521	4,733
Total assets	46,764	41,820	34,301

**b)** Certain members of the Final Salary scheme have also made additional voluntary contributions to the 'Growth Plan', a multi-employer funded pension plan operated by TPT Retirement Solutions. Certain past contributions to this plan entitle the members to either a defined pension or a guaranteed capital sum to be converted into an annuity at retirement. The Church does not normally make contributions to the Growth Plan, but from 1 April, 2013 has been required to do so as a result of an actuarial deficit. The most recent formal actuarial valuation of the Growth Plan, as at 30 September, 2017, revealed a deficit of £131.5m, equivalent to a funding level of 85.8%. Its latest recovery plan includes a requirement for contributions from the Church over a period of 5.5 years from 1 April, 2019, including £17k in 2020. The Church now recognises a liability for the net present value of these future contributions, amounting to £15k at the balance sheet date (2020: £17k). The present value is calculated using a discount rate of 1.18% (2020: 0.27%), and the charge to the Statement of Financial Activities of £17k (2020: £2k) represents the finance cost of unwinding the discount rate and the effect of any changes in actuarial assumptions.

In addition, in the event of no members continuing to contribute to the Growth Plan, there is a contingent obligation of an employer debt on withdrawal in respect of certain liabilities incurred before March 2010. TPT Retirement Solutions estimated the Church's contingent obligation at £271k as at 30 September, 2014, but there is not currently any expectation that this situation will arise.

## NOTE 25 COMMITMENTS

At 31 December, 2021 there were no commitments in respect of the purchase of properties (2020: £nil), and contractual liabilities of £nil (2019: £nil). £123k (2020: £51k) was committed as grants payable from the Legacy Fund.

The Church is committed, through the United Reformed Church Retired Ministers' Housing Society Limited and other earmarked funds, to providing housing for retired ministers. Owing to the many unknown variables which would be involved in calculating the value of this long-term liability, no provision is included in the Balance Sheet.

These variables include the number of ministers requiring assistance from the Society and the level of contributions able to be made by individual ministers towards the cost of their homes. During 2021 £1,725k was spent on acquiring housing for retired ministers, £503k on repairing and maintaining existing properties and profits of £1,992k were earned from the sale of homes no longer required. Exercises have been undertaken periodically by the Society's management committee to collect

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

information to assist more accurate long-term planning; these have confirmed a continuing need for assistance in the short to medium term. Future cash flow is kept under continuous review, and recent years have seen the Society become cash flow positive. This trend is expected to continue for the medium to long term.

The Trust entered into a legal Guarantee on 21 July, 2010, under which it guarantees future contributions by the Church to the United Reformed Church Ministers' Pension Fund, as set out in the Schedule of Contributions in force from time to time up to an aggregate maximum amount of £24 million, using assets available for this purpose.

### NOTE 26 CONTINGENT LIABILITIES

We have been notified by the trustee of the United Reformed Church Final Salary Pension Scheme that they performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The trustee has determined that it is prudent to follow best practice and seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but as the Court direction is pending, it is not possible to calculate the impact of this issue with any accuracy at this time. Therefore, no adjustment has been made in these financial statements in respect of this issue.

### NOTE 27 CASH FLOW INFORMATION

#### Reconciliation of net cash flow to movement in net cash funds

	2021 £'000	2020 £'000
Increase/(Decrease) in cash in the period	8,018	(1,237)
Net cash funds at 1 January	8,245	9,482
Net cash funds at 31 December	16,263	8,245

Net cash funds are represented by bank balances and money on call, as shown on the Consolidated Balance Sheet. Of the total, £14,533k is shown on the Trust Balance Sheet.

### NOTE 28 RELATED PARTY TRANSACTIONS

During the year the United Reformed Church Trust recharged salary and staff costs amounting to £253k (2020: 304k) to the United Reformed Church Retired Ministers' Housing Society Limited and paid £367k (2020: £495k) to Westminster College as a contribution to the teaching costs and other support costs of the College.

### NOTE 29 LEASE COMMITMENTS

At 31 December, 2021 the trust had future minimum Lease payments under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
Due within 1 year	2	3
Due in more than 1 year but less than 5 years	2	4
Due in more than 5 years	-	-
<b>Total</b>	<b>4</b>	<b>7</b>

## NOTE 30 LEASES RECEIVABLE

At 31 December, 2021 the principle future minimum lease payments receivable under non-cancellable leases are as follows:

	2021 £'000	2020 £'000
Due within 1 year	75	100
Due in more than 1 year but less than 5 years	-	75
Due in more than 5 years	-	-
<b>Total</b>	<u>75</u>	<u>175</u>

## NOTE 31 SUBSIDIARY UNDERTAKINGS

**The United Reformed Church Retired Ministers' Housing Society Limited** ('RMHS') is an exempt charity registered under the Co-operative and Community Benefit Societies Act 2014, number 15986R. Under the rules of the Society, which were revised by agreement of the RMHS Board in 2019, the United Reformed Church Trust has the power to appoint a majority of the directors. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

**Westminster College Cambridge** is supertintended by the General Assembly under clause 2.6 (A) (vi) of the Structure of the United Reformed Church through a body of Governors appointed by it, in accordance with the terms of the Trust Deed of 1899 as modified by the United Reformed Church Act 1972. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

Their financial results were as follows:

	<b>United Reformed Church Retired Ministers' Housing Society Limited</b>		<b>Westminster College Cambridge</b>	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Income	2,824	1,427	1,097	1,477
Expenditure	998	728	1,394	1,797
Net income/(expenditure)	<u>1,826</u>	<u>699</u>	<u>(297)</u>	<u>(321)</u>
Total net assets	<u>36,570</u>	<u>34,738</u>	<u>7,812</u>	<u>7,592</u>

## NOTE 32 CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2021 £'000	2020 £'000
Gross income from continuing operations	35,128	22,858
Net gains on disposal of fixed assets	1,041	396
Total income	<u>34,087</u>	<u>23,254</u>
Total expenditure	<u>(24,078)</u>	<u>(22,923)</u>
Net income for year	<u>10,009</u>	<u>331</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**NOTE 33**

**CONSOLIDATED STATEMENT OF FINANCIAL  
ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER, 2020**

						2020
	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000	Total funds £'000
<b>Donations and legacies</b>						
Ministry and Mission Fund contributions	2(a)	17,908	0	0	0	17,908
Grants receivable	2(b)	184	22	484	0	690
Legacies		0	20	319	0	339
Commitment for Life donations		0	0	253	0	253
Other donations	2(c)	101	0	82	4	187
		285	42	1,138	4	1,469
<b>Charitable activities</b>						
Ministry	3	0	0	719	0	719
Education and Learning		2	0	250	0	252
Children's and Youth work		13	0	0	0	13
Mission programmes		0	0	0	0	0
Publishing		249	0	0	0	249
		264	0	969	0	1,233
<b>Other trading activities</b>		0	0	279	0	279
<b>Investment income</b>	4	1,309	26	615	0	1,950
<b>Other income</b>						
Gains on sale of properties		18	0	378	0	396
Other income		19	0	0	0	19
		37	0	378	0	415
<i>Total income and endowments</i>		19,803	68	3,379	4	23,254
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Trading expenditure		0	0	399	0	399
<b>Charitable activities</b>						
Ministry	5	16,345	10	865	0	17,220
Education and Learning		2,058	2	1,198	0	3,258
Children's and Youth work		346	3	4	0	353
Mission programmes		1,056	4	222	0	1,282
Publishing		409	0	2	0	411
Other expenditure		0	0	0	0	0
		20,214	19	2,291	0	22,524
<i>Total expended</i>		20,214	19	2,690	0	22,923
<b>Surplus from charitable and trading activities</b>		(411)	49	689	4	331
<b>Net gains/ (Loss) on investment assets</b>		1,103	51	788	1,648	3,590
<i>Net income</i>		692	100	1,477	1,652	3,921
<b>Transfers between funds</b>		(13)	0	13	0	0
<b>Actuarial gains/(losses) on pension schemes</b>	22	(10,966)	0	792	0	(10,174)
<i>Net movement in funds</i>		(10,287)	100	2,282	1,652	(6,253)
<b>Reconciliation of Funds</b>						
Total funds brought forward		20,111	1,564	56,030	29,588	107,293
<b>Total funds carried forward</b>		9,824	1,664	58,312	31,240	101,040

## FIVE YEAR SUMMARY

### FIVE YEAR SUMMARY (unaudited)

	2017	2018	2019	2020	2021
	£'000	£'000	£'000	£'000	£'000
<b>INCOME AND EXPENDITURE ACCOUNTS</b>					
<b>Income</b>					
Ministry and Mission Fund contributions	19,104	19,016	18,817	17,908	17,204
Investment income	1,694	1,839	1,884	1,950	1,948
Income from charitable activities	1,346	1,547	1,421	1,233	1,243
Grants receivable	139	155	304	690	398
Legacies	322	1,036	811	339	80
Donations	476	398	1,044	440	9,545
Other income	3,403	1,606	2,727	694	3,669
	26,484	25,597	27,008	23,254	34,087
<b>Expenditure</b>					
Ministry	18,986	17,775	17,378	17,220	18,665
Education & Learning	3,246	2,967	3,142	3,258	3,217
Children's and Youth work	387	428	385	353	337
Mission programmes	1,493	1,893	1,537	1,282	1,353
Support activities (incl. publishing)	151	147	162	411	426
Trading activities	548	599	651	399	80
Other costs	223	50	-	-	-
	25,034	23,859	23,255	22,923	24,078
<b>Net income</b>	<b>1,450</b>	<b>1,738</b>	<b>3,753</b>	<b>331</b>	<b>10,009</b>
<b>Investment gains</b>	<b>4,484</b>	<b>(1,142)</b>	<b>8,392</b>	<b>3,590</b>	<b>7,911</b>
Actuarial gains/(losses)	3,261	17,292	332	(10,174)	17,669
<b>Net increase/(decrease) in funds</b>	<b>9,195</b>	<b>17,888</b>	<b>12,477</b>	<b>(6,253)</b>	<b>35,589</b>
<b>CASH FLOW STATEMENTS</b>					
<b>Cash required for investment in</b>					
Houses for retired ministers	(1,686)	679	(1,417)	946	946
Other properties	1,337	(714)	(1,473)	500	500
Cars and equipment	116	102	73	92	48
Loans to churches and ministers	5	20	(18)	13	(28)
	(228)	87	(2,835)	1,551	1,466
<b>Source of cash</b>					
Net incoming/(outgoing) resources for the year (see above)	1,450	1,738	3,656	331	10,009
Adjustment for items not resulting in a cash movement, for returns on investments, and for capital receipts	(2,198)	(1,351)	(4,461)	(21)	(2,578)
	(748)	387	(805)	310	7,431
Net increase in capital	4	5	4	4	5
Net decrease/(increase) in investments	-	85	(892)	0	(93)
Decrease/(increase) in bank balances	516	(390)	(1,142)	1,237	(8,018)
	(228)	87	(2,835)	1,551	(675)

## FIVE YEAR SUMMARY Continued

### FIVE YEAR SUMMARY continued

	2017 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000
<b>BALANCE SHEETS (Consolidated)</b>					
<b>Fixed assets</b>					
Tangible assets					
Houses for retired ministers	38,070	39,115	38,654	39,979	39,334
Houses for serving ministers	5,364	5,364	5,021	5,517	8,622
Other properties	8,258	8,581	8,415	8,297	8,193
Cars, equipment and intangibles	621	533	463	434	393
	<b>52,313</b>	<b>53,593</b>	<b>52,553</b>	<b>54,227</b>	<b>56,542</b>
Investment Properties	1,755	1,905	2,695	3,078	3,427
Long term investments (incl.programme-related)	46,001	44,623	53,317	56,525	64,196
Loans to churches and ministers	139	160	142	155	202
	<b>100,208</b>	<b>100,281</b>	<b>108,707</b>	<b>113,985</b>	<b>124,367</b>
<b>Net current assets/(liabilities)</b>					
Current assets					
Debtors and stock	731	-	-	-	-
Debtors and stock	1,540	2,097	3,270	3,338	4,819
Bank balances and money on call	7,950	8,340	9,482	8,245	16,263
	<b>10,221</b>	<b>10,437</b>	<b>12,752</b>	<b>11,583</b>	<b>21,082</b>
less : current liabilities	1,435	1,464	1,550	1,298	1,844
	<b>8,786</b>	<b>8,973</b>	<b>11,202</b>	<b>10,285</b>	<b>19,238</b>
<b>Net assets excluding pension liability</b>	<b>108,994</b>	<b>109,254</b>	<b>119,909</b>	<b>124,270</b>	<b>143,605</b>
Defined benefit pension scheme liability	(28,916)	(11,288)	(9,466)	(20,872)	(4,618)
Other pension obligations	(3,150)	(3,150)	(3,150)	(2,358)	(2,358)
<b>Net assets including pension liability</b>	<b>76,928</b>	<b>94,816</b>	<b>107,293</b>	<b>101,040</b>	<b>136,629</b>
Unrestricted income funds	(1,176)	15,519	20,111	9,824	28,776
Designated funds	-	1,579	1,564	1,664	1,722
Restricted income funds	52,019	52,298	56,030	58,312	70,840
Capital funds	26,085	25,420	29,588	31,240	35,291
<b>Total funds</b>	<b>76,928</b>	<b>94,816</b>	<b>107,293</b>	<b>101,040</b>	<b>136,629</b>

### NON-FINANCIAL STATISTICS

(from URC Year Book)

	2017	2018	2019	2020	2021
Members	49,517	46,881	44,788	43,208	40,024
Stipendiary ministers	401	398	377	364	334
Non-stipendiary ministers	57	58	58	62	56
Churches	1,406	1,383	1,354	1,331	1,284
Retired ministers	885	885	874	857	844
Ministry and Mission contribution per member	£384	£401	£420	£414	£430

**UNITED REFORMED CHURCH TRUST**

England & Wales - Charity number 1133373

---

# Accounts

---



*The*  
**United  
Reformed  
Church**

**TRUSTEES'  
REPORT  
AND FINANCIAL  
STATEMENTS  
2020**

(A company limited by guarantee, number 135934,  
Registered Charity No. 1133373)

**UNITED REFORMED CHURCH TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2020**

**CONTENTS**

	Page
Trustees' Report.....	1
Reference and administrative information.....	1
Structure, governance and management .....	3
Objectives and activities .....	4
Strategic Report .....	5
Statement of Trustees' responsibilities .....	16
Independent Auditors' Report .....	17
Consolidated Statement of Financial Activities .....	21
Consolidated and Trust Balance Sheets.....	22
Consolidated Statement of Cash Flows .....	23
Notes to the financial statements .....	24
Note 1 Principal accounting policies .....	24
Note 2 Voluntary income .....	27
Note 3 Income from charitable activities.....	27
Note 4 Investment income.....	28
Note 5 Analysis of expenditure .....	28
Note 6 Analysis of grants .....	28
Note 7 Support costs.....	29
Note 8 Governance costs .....	29
Note 9 Notified legacies .....	29
Note 10 Stipend and salary costs .....	30
Note 11 Tangible fixed assets .....	31
Note 12 Mixed motive investment property .....	32
Note 12a Mixed use investment property.....	33
Note 13 Investments.....	33
Note 14 Programme-related investments .....	34
Note 15 Concessionary loans .....	34
Note 16 Debtors.....	34
Note 17 Creditors: amounts falling due within one year.....	35
Note 18 Unrestricted funds.....	35
Note 19 Summary of fund movements.....	36
Note 20 Analysis of net assets between funds .....	38
Note 21 Restricted funds .....	39
Note 22 Pension obligations .....	40
Note 23 The United Reformed Church Ministers' Pension Fund.....	40
Note 24 The United Reformed Church Final Salary Scheme.....	42
Note 25 Commitments.....	44
Note 26 Cash flow information .....	45
Note 27 Related party transactions .....	45
Note 28 Lease commitments .....	45
Note 29 Lease receivable .....	45
Note 30 Subsidiary undertakings .....	46
Note 31 Consolidated summary income and expenditure.....	46
Note 32 Consolidated Statement of Financial Activities 2019.....	47
Five year summary .....	48

# UNITED REFORMED CHURCH TRUST

(A company limited by guarantee, number 135934, Registered Charity number 1133373)

## TRUSTEES' REPORT

(Incorporating the Report of the Directors)

The directors, who are also trustees of the charity, submit their report and the audited consolidated financial statements for the year ended 31 December 2020. The company is trustee for the General Assembly of the United Reformed Church and is responsible for reporting its financial affairs.

### REFERENCE AND ADMINISTRATIVE INFORMATION

**Corporate Trustee Registered Office:** 86 Tavistock Place London WC1H 9RT

#### Directors and Trustees

The directors who served during the year and to the date of this report, unless otherwise indicated, were as follows:

<u>Name</u>	<u>Ex officio</u>	<u>Appointed / Resigned</u>
Mrs Jane Baird	Deputy General Secretary, Administration & Resources	
Revd Dr John Bradbury	General Secretary	Appointed 1 August 2020
Revd James Breslin		Appointed 15 September 2020
Revd Clare Downing	Moderator of The General Assembly	Appointed 15 September 2020
Mr Derek Estill	Moderator of the General Assembly	Resigned 15 September 2020
Mr Alastair Forsyth		
Mr David Greatorex		Appointed 15 September 2020
Mr Ian Hardie	Honorary Treasurer	
Dr Ian Harrison		
Revd Michael Hopkins	Clerk of the General Assembly	
Mr David Lathbury		
Revd Nick Mark		Appointed 15 September 2020
Mr Neil McKenzie		Resigned 31 August 2020
Revd Leslie Morrison		Resigned 31 August 2020
Mrs Valerie Morrison (Chair)		
Mr Clifford Patten		
Mr Peter Pay	Moderator of The General Assembly	
Revd John Proctor	General Secretary	Resigned 31 August 2020
Mrs Margaret Thompson		
Revd Nigel Uden	Moderator of the General Assembly	Resigned 31 August 2020
Mr Andrew Weston		
Mrs Catriona Wheeler		

**Secretary:** Ms Sandi Hallam-Jones

Most of the directors are appointed as trustees by the General Assembly of the United Reformed Church, to serve for up to four years (with a possibility of renewal for one further period of four years), having been nominated through the representative processes of the Church. There are six directors who serve ex officio, their appointment or election to their positions also having followed nomination. The directors receive no remuneration but may be reimbursed their expenses of attending meetings.

Most newly appointed directors are already familiar with many aspects of their role through serving on Assembly committees or Synod bodies, but they are provided with relevant documentation and encouraged to sign up to receiving regular information from sources such as the Charity Commission. Training is provided via general external courses and events where possible, and training is given in conjunction with quarterly meetings in specific areas of governance as needs arise, to assist in the performance of their duties as trustees.

## TRUSTEES' REPORT CONTINUED

### Trustees of subsidiary charities at the date of this report:

#### **United Reformed Church Retired Ministers' Housing Society Limited**

(Exempt charity, registered under Co-operative and Community Benefit Societies Act 2014, number 15986R)

Chair: Revd Anne Bedford

Secretary: Ms. Chuka Agbasiere

The Board (appointed for a renewable term of three years): Revd Nigel Appleton, Revd Dr John Bradbury, Revd Nicola Furley-Smith, Mr Ian Hardie, Mr Malcolm Lindo, Mr Clifford Patten, Revd Kenneth Summers, Revd Simon Walkling, Revd Pamela Ward, Mr Peter West, Revd Paul Whittle.

#### **Westminster College, Cambridge**

(Registered Charity number 311449)

Convenor of Trustees: Revd Nigel Uden

Principal and trustee: Revd Neil Thorogood till June 2020, Revd Samantha White from 24 September 2020

Trustees: Revd Jan Adamson, Mr John Ellis, Mr Mark Hayes, Mr William McVey, Revd Dr Rickey Mearkle, Mr Stuart Scott, Mrs Darnette Whitby-Reid, Mr Christopher Wright

#### **Others with charity governance responsibilities**

Immediate Past Moderators – Revd Nigel Uden, Mr Derek Estill

Business Committee Convenor – Revd Adrian Bulley

Deputy General Secretary, Discipleship – Post vacant

Deputy General Secretary, Mission – Ms Francis Brien

Deputy General Secretary, Admin & Resources – Mrs Jane Baird

The key management personnel of the charity are the members of the General Secretariat: the General Secretary and three Deputy General Secretaries.

#### **Mission Council**

The ex officio trustees of the trust, the Chair of trustees, the deputy treasurer, John Piper, and the others listed immediately above are members of Mission Council by virtue of the offices that they hold. Other members are the other convenors of the General Assembly Standing committees, URC Youth representatives, Synod moderators and three representatives from each Synod. These are listed below, as at December 2020.

Convenors: Revd Ray Adams, Mrs Sarah Lane Cawte, Revd David Grosch-Miller, Revd Anne Lewitt, Revd Paul Robinson, Revd Dr Robert Pope, Revd Dr Peter Stevenson; Revd Paul Whittle, Mr Alan Yates.

URC Youth representatives: Mr Rueben Watt (Moderator), Ms Jo Harris (Moderator elect).

Synod moderators and representatives:

- 1 Northern: Revd David Herbert, Mrs Melanie Campbell, Revd Joan Grindrod-Helms, Ms Maureen Sheherd
- 2 North Western: Revd Brian Jolly, Mrs Marilyn Piper, Mr Tim Hopley, Revd Martyn Coe
- 3 Mersey: Revd Timothy Meadows, Mrs Rita Griffiths, Mr Paul Franklin, Revd Dr Nick Jones
- 4 Yorkshire: Revd Jamie Kissack, Mrs Rosie Buxton, Mr Tim Crossley, Revd Fran Kissack
- 5 East Midlands: Revd Geoffrey Clarke, Mr David Greatorex, Ms Helen Lidgett, Revd Camilla Veitch
- 6 West Midlands: Revd Steve Faber, Revd Shirley Miller, Mr Richard Lockley, Revd Elaine Hutchinson
- 7 Eastern: Revd Paul Whittle, Mrs Ruth Dixon, Mr Keir Hounsome, Revd Charles Mather
- 8 South Western: Revd Ruth Whitehead, Mrs Gwen Jennings, Mrs Maria Mills, Revd Lythan Nevard
- 9 Wessex: Revd Graham Hoslett, Ms Karen Bell, Revd Tessa Henry-Robinson, Mrs Rosie Martin
- 10 Thames North: Revd Dr Andrew Prasad, Mr Simon Fairnington, Mrs Lorraine Downer
- 11 Southern: Revd Bridget Banks, Miss Pam Tolhurst, Revd George Watt, Revd Russell Furley-Smith
- 12 Wales: Revd Simon Walkling, Revd Dr Phil Wall, Revd Dr Jason Askew, Miss Sandra Wallace
- 13 Scotland: Mr William Robson, Revd Fiona Bennett, Miss Myra Rose, Mr Mark Kirkbride

## **United Reformed Church Finance Committee**

Convenor: Mr Ian Hardie

Chief Finance Officer: Mr John Samson

Mr Bob Christie, Mr David Greatorex, Mrs Denise Harman, Mrs Jane Humphreys, Mr Frank Liddell, Ms Joana Marfoh, Mrs Valerie Morrison, Revd John Piper, Mr William Potter, Revd Wilbert Sayimani

### **Legal Advisers**

Towns Needham & Co (legal adviser to General Assembly)  
Kingsgate 2nd Floor  
51-53 South King Street  
Manchester M2 6DE

Veale Wasbrough Vizards LLP  
3 Brindley Place  
Birmingham  
B1 2JB

### **Actuaries**

Aon Hewitt Limited  
Carnegie House  
Peterborough Road  
Harrow  
Middlesex HA1 2AJ

### **Independent Auditors**

Moore Kingston Smith LLP  
Chartered Accountants and Statutory Auditors  
Devonshire House, 60 Goswell Road  
London EC1M 7AD

### **Bankers**

HSBC Bank plc  
City of London Corporate Banking Centre  
60 Queen Victoria Street  
London EC4N 4TR

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Trustee**

The General Assembly of the United Reformed Church in 2006 appointed United Reformed Church Trust as its corporate trustee. Following consultation with the Charity Commission, the company in December 2009 adopted new memorandum and articles and was registered as a Charity. It acts as steward of the charity assets on behalf of the General Assembly.

### **Church Governance**

The governing body of the United Reformed Church is the General Assembly. The authority under which the General Assembly acts was given by the resolutions passed at the Uniting Assemblies of 1972, 1981 and 2000; and the United Reformed Church Acts 1972, 1981 and 2000 enabled those resolutions to be given legal effect in relation to the finance and property of the Church. These Acts of Parliament together with the Basis, Structure and Rules of Procedure for the time being of the United Reformed Church (as contained in sections A - C of the Manual of the United Reformed Church) contain the foundation documents of the Church, known as the Scheme of Union. Each General Assembly appoints members to Mission Council, although those appointed to represent Synods are nominated by the Synods concerned. The names of members of Mission Council are listed above. The purpose of Mission Council is to enable the Church, in its General Assembly, to take a more comprehensive view of the activity and policy of the Church, to decide more carefully about priorities and to encourage the outreach of the Church to the community.

### **Charity Status**

The United Reformed Church, having charitable status at General Assembly, Synod and local church levels, was formerly excepted from charity registration by legislation. With the implementation of the Charities Act 2006 this exception ended for charities with an annual gross income over £100,000, and as a result United Reformed Church Trust, Synod Trusts and some local churches in England and Wales are no longer excepted and are now registered charities. Under section 30(2)(c) of the Charities Act 2011 the exception continues to apply to other local churches with an annual gross income under £100,000. Churches in Scotland and the Synod of Scotland are registered under Scottish legislation.

## TRUSTEES' REPORT CONTINUED

### Employees

The charity is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, gender reassignment, sexual orientation, religious beliefs, colour, ethnic or national origin, age, marital status or disability. In respect of disabled persons, therefore, it seeks to eradicate less favourable treatment by endeavouring to identify and remove barriers to participation in employment, training, promotion, leadership and representation on church committees.

The charity provides employees with information on matters of concern to them, and consults them regularly, so that their views can be taken into account when making decisions likely to affect their interests. Employee involvement is encouraged, for example by a staff association at the main office, as achieving a common awareness of the charity's priorities and of the financial and economic factors affecting it plays a major role in maintaining its performance.

### Remuneration

Remuneration of key management personnel is set in the same way as that of other equivalent staff. All ministers are paid the same basic stipend, the level of which is recommended annually by a sub-committee of Ministries committee having regard to external data on pay and cost inflation, reviewed by Finance committee and confirmed by the Trustees. The pay of lay staff is assessed when a post is created, by a Human Resources advisory group having regard to comparable posts in the charity sector and among Church bodies in particular; it is reviewed and confirmed by a remuneration committee, which decides annual cost of living increases. Any reassessment of a post's remuneration is by the same process.

## OBJECTIVES AND ACTIVITIES

The charity's objects are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church.

- **Public benefit**

Having regard to the guidance published by the Charity Commission, the Trustees continue to provide public benefit by seeking to advance the Christian religion in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. In addition, the Church at General Assembly level acts as an umbrella resource body for the 13 National and Provincial Synods and approximately 1,330 local churches, which are all separate charities.

- **Worship and partnership**

The United Reformed Church is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the three nations of England, Scotland and Wales. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have over three hundred shared congregations. It also takes new forms through the 'Fresh Expressions' initiative offering Christian worship, teaching, fellowship and service in non-traditional venues and styles. We have a number of 'pioneer ministers', developing pastoral and worshipping communities outside the usual frameworks of church tradition and habit.

- **Walking the Way**

During 2017 the United Reformed Church launched *Walking the Way, Living the Life of Jesus Today*, an emphasis on personal and corporate discipleship. It offers a framework within which much of the denomination's planning will take place and includes Stepwise, a lay development programme, as well as the advocacy of resources such as Holy Habits which are all intended to assist growth in discipleship practices. Alongside this, preaching of the Gospel, pastoral care for, and building up of, communities by ministers, lay preachers and Church Related Community Workers (CRCWs) will continue to operate. The denomination's Vision2020 framework for mission, as well as the Local Mission and Ministry Review process, through which the Synods challenge and support their churches, are key vehicles for increasing

## TRUSTEES' REPORT CONTINUED

the effectiveness of local witness and service. The Commitment for Life programme continues to encourage churches to pray and campaign for the eradication of global poverty.

- **Subsidiary charities**

The United Reformed Church Retired Ministers' Housing Society Limited's objects are for the benefit of the community to advance the Christian religion in accordance with the principles, usages and the Scheme of Union of the URC, in particular by providing for retired ministers and widow/ers or civil partners of ministers of the United Reformed Church who are in need for various reasons, housing and associated amenities, or assistance to enable them to provide this for themselves.

The object of Westminster College, Cambridge, is to be a theological college of the United Reformed Church, and thus to provide education and promote the Christian religion. The United Reformed Church Trust is the custodian trustee of the shares held in Westminster College Trading Limited.

## STRATEGIC REPORT

### Achievements and Performance

Most of the company's activities are carried out through councils and committees of the United Reformed Church, and a detailed review of their work is incorporated in the Book of Reports to the Church's General Assembly, which met online on 11 July 2020. The Book of Reports to the July 2021 General Assembly will cover the second half of the year 2020. We report below on that work and on the specific activities of the Trustee as steward of the charity's assets.

The Covid 19 pandemic brought many challenges to Church life, however many churches were able to adapt to the situation, providing worship via online platforms such as Zoom. A weekly Sunday service was sent out via the 'Daily Devotions' email network for those wishing to join this act of worship. The many committees of the denomination also turned to Zoom and other online platforms to conduct their business and the success of this has resulted in many looking to continue this practice even after people are able to meet in person again as this not only saves time and money but is also a more climate friendly way of meeting.

Staff based at the Church's central office in London spent most of the year working from home. The use of a remote server system, which was implemented in 2017, enabled them to have access to all their computer files and systems, although there were still some challenges to be faced to move some paper based systems to electronic systems.

Due to Covid restrictions, we were unable to meet in person for Mission Council and General Assembly. It was therefore decided to conduct the business of the church through online Mission Council meetings and the General Assembly was mainly an act of worship, but did include the business of induction Revd Clare Downing and Mr Peter Pay as the new moderators and Revd Dr John Bradbury as General Secretary. The Revd Bradbury replaced Revd John Proctor who retired after 7 years of service as General Secretary. The church is grateful for the contribution he made to the life of the URC and wish him well in his retirement.

### Impact of COVID-19 control measures

On 23 March 2020 the UK Government announced measure to put the country in 'lockdown' as a measure to prevent the spread of the COVID-19 virus (also known as the Corona virus). The effect of the lockdown meant that URC churches across England, Scotland and Wales had to close their doors. A good number of these churches rely on lettings of church buildings for a substantial portion of their income. This loss of income means that the local churches' ability to make regular payments into the Ministry and Mission ("M&M") fund has been curtailed. Despite this the drop in income was not as severe as initially expected and the trustees are extremely grateful for the efforts of all involved to keep this giving at a level which allowed the church to still function effectively.

The restrictions have continued into 2021 and some churches are seeing their financial resources depleted. The future level of M&M giving is still very uncertain as the future restrictions and easing thereof are not known. The URC Trust does have sufficient cash resources and reserves to continue to cover ongoing expenditure. Committees and budget holders responded well to the request to keep

## **TRUSTEES' REPORT CONTINUED**

expenditure to a minimum and the drop in income was offset to a large degree by reduced expenditure with some savings expected to continue even after lockdown as online committee meetings become more of the norm, thus reducing travel expenditure. The full impact of the lockdowns will not be known for a year or two. However it is expected that the URC Trust will be able to continue to operate and largely carry out its charitable aims.

Many churches have adapted to having virtual services which have, in some cases, enabled people previously unable to attend church in person to feel part of the church community again.

The administrative staff of the charity have continued to work from home with access to most of their work through logging onto to the main computer systems via a remote server system. The main financial functions (payroll and accounting) are continuing to be performed with minor disruptions and difficulties.

The councils of the Church have met virtually and have, to a large extent, been able to conduct their business as usual.

The URC Trust has obligations to two defined benefit pension schemes (see notes 22 to 24). While the assets of both funds saw an immediate drop in value when the first lockdown was announced, these have recovered well and the assets of these funds showed gains in 2020. While other factors continue to effect the value of the overall liability in the case of the Ministers' Pension Fund, the investment side appears to be stable at the moment.

### **Committee work**

#### **Children's and Youth Work**

Our theme for 2020 was Common Ground and worship resources for all ages were sent to all URC churches. At Youth Assembly in January over one hundred 14-25 year olds explored how to find and create common ground through discussions, workshops and worship. Reuben Watt was inducted as Youth Moderator, the Youth Executive were elected and spent 2020 following up resolutions persuading the URC to declare a climate emergency and encouraging local churches to support students. Covid-19 restrictions meant that Youth Exec were unable to hold any residential meetings and had to cancel Youth Assembly 2021. Instead they created an online service for World Youth Day on mental health, supported Black Lives Matter and free school meal campaigns and planned a virtual event URC Youth (dis)ASSEMBLED. The strategic focus for the year was 0-5s, and a series of resources to support churches in engaging with this group was produced, with a virtual conference over three evenings on Faith with Under Fives. In response to the pandemic and closure of churches a weekly resource Families On Faith Adventures @ Home was produced from April, a live discussion programme for young people TRIalogue was launched and other support, training and resources developed. A number of residential meetings and events were cancelled, resulting in budget savings. Working in partnership with other departments, Children's and Youth Work coordinated the creation and production of an Advent Box Hope & Joy and Lent Pack Walking towards Easter Together for churches to give to families and households. 2021 will see a strategic focus on 5-11s, a review of the Pilots organisation, and support for churches as they emerge from Covid19 restrictions and refresh their engagement with children and young people, within our theme of Heroes and Villains.

### **Communications**

The work of the communications team continues to be busy and wide-ranging. The team currently provides: comments, press releases and statements for media enquiries; Reform magazine; content for the URC website; News Update and other emails; content for multiple social media channels; design and production for hundreds of leaflets, books and resources; the online bookshop, delivering more than 9,000 items per year; graphical, editorial and technical support at major URC events; the iChurch website service for local churches; editing and copywriting; helping to maintain the URC archive and offers brand advice and creative solutions to those who need them.

## TRUSTEES' REPORT CONTINUED

In addition to this business as usual work, the team has also been heavily involved with the development and maintenance of a new website for the URC; designing and selling a new range of URC certificates; providing resources for churches for the reopening of buildings; Coronavirus advice guides; the Community Awards with Congregational; kits for Advent and Lent to engage with families connected to the church; enabling the councils of the church to meet online; extending the range of leaflets about paid and voluntary roles; digitising records from the General Assembly; a new website for RMHS; new Child Friendly certificates and plaques; children's resources; Legacy of Slavery resources; a Pilots resource about Fiji and a framework document for Churches Together in England, to mention a few.

### **Education and Learning**

2020 has seen us enter a world of change! The Covid-19 pandemic lockdown had an immediate effect on all learning, meetings and gatherings and the Resource Centres for Learning (RCLs) took to teaching remotely and we are grateful to both staff and students for adapting so swiftly. Staff based at Church House also moved to working at home, online meetings took over from face-to-face ones and we all began to learn more about Zoom technology! Fortunately, the Committee had already discussed a 'greener' way of working and all but 1 meeting per year was planned to be virtual. The Committee's focus has been on The Way Forward strategy that sets out a direction of travel for the coming years, including proposing a wide consultation on the integration of Education and Learning within the URC, which began after Mission Council's endorsement in November. The Paper D relating to Lay Preachers was withdrawn from Mission Council and collaboration between E and L, Ministries and the RCLs began in October to address the need for the clarification of the Marks of Ministry and Expected Standards of Lay Preachers and the need for new training provision now TLS is no longer available as the training pathway. Stepwise, the discipleship development programme, came into its own as online study groups began and all 5 streams were finished and ready for use. It is exciting to see the interest in this programme growing. Finally, the Secretary for Education, the Revd Fiona Thomas retired from post at the end of August and, in October, the Revd Jenny Mills took up the role as her replacement. It has been an interesting time for the Committee, ably convened by Mr Alan Yates, as it continues to seek to support and enable training for the whole URC, at a time of pandemic, intermittent lockdowns and the increasing pressure on the budget.

### **Equalities**

The remit of the Equalities committee is 'to remind the United Reformed Church that equality is enshrined in its theology, life and work and to challenge the practice of the URC where appropriate.' Much of the work of the committee is in the promotion and encouragement of equality and diversity. This is achieved through established links with the other Assembly committees as well as by being alert to the work undertaken on Assembly's behalf by bodies such as the Joint Public Issues Team (JPIT) and members of staff but particularly the work around racial justice and intercultural ministry.

The committee is able to remind committees of their responsibilities with regard to equality and diversity and seeks to identify new methods and technologies that will enable participation by all.

### **Ministries**

The committee is concerned with the specific recognised ministries which provide leadership for the Church, including church related community work, eldership, lay preaching and the ministry of word and sacraments, but also recognises that each of these has a duty to enable discipleship in others. Recognising the challenges of our demography, we continue to work with our synods developing strategies that use our ministers most effectively in providing leadership in local churches. During 2020 a working group looked at the issue of pastoral supervision for ministers of word and sacrament, looking in particular at who should engage in pastoral supervision, how frequent such supervision should be and the financial implications for the denomination. The recommendations of the group were accepted by General Assembly in July. The denomination also continues to fund two pilot projects looking at other forms of ministry that can be funded by the M&M fund.

## TRUSTEES' REPORT CONTINUED

### Mission

The URC's long-term focus on whole-of-life discipleship and mission, Walking the Way: Living the life of Jesus today, continued to develop in a variety of ways, including pilot accompaniment programmes with local churches in two synods, resourcing worship and spirituality and producing/promoting relevant materials. Developing online church progressed rapidly throughout the denomination during the lockdowns of 2020.

The United Reformed Church continued its association with the Greenbelt faith festival, but as with many other activities during 2020, this was entirely online.

The United Reformed Church is part of the ecumenical Joint Public Issues Team (JPIT). In 2020 the team focused on the social impacts of the Covid-19 pandemic, particularly around poverty and debt, and encouraging the ongoing response and engagement of churches around issues of environmental and social responsibility.

As COVID has altered church life for everyone, many rural churches have adapted well and continue to serve their communities. The National Rural Officer worked with the Arthur Rank Centre on a project around Loneliness and Isolation, which included producing a tool kit. They also provided a voice for the farming community, as it faces many uncertainties over Brexit.

Global and intercultural ministries had a strong focus on racial justice during 2020, spurred by the inequalities exposed by the Covid pandemic and the killing of George Floyd, and the ensuing global cry for justice. The 'Legacies of Slavery' webpage was launched, whilst a series of Zoom gatherings asked, 'Do Black Lives Matter in the URC?' These initiatives fed into the Church's November 2020 commitment to move from a position of 'not racist' to actively 'anti-racist'.

Mission staff supported the work of synod mission enablers and pioneer ministers. A learning community was formed of lay pioneers who meet regularly for sharing and support.

The Commitment for Life programme partners with Christian Aid and Global Justice Now to enable local URC congregations to fulfil their global justice mission objectives. With our partners, we focused on helping the poorest communities in Bangladesh, Zimbabwe, Central America and Israel and the occupied Palestinian territories.

The URC's ecumenical and interfaith work transferred online during 2020 making extensive use of the Zoom conference platform. This was not only for committee work and training courses but also for large events which included two online services of worship with partner churches in Germany, a 'virtual pilgrimage' to Bethlehem and a series of mosque/church conversations bringing together local communities.

### Safeguarding

The year saw a new safeguarding communication network established with a quarterly newsletter being issued and a Survivors of church based abuse group being set up to help support those who had been victims of abuse in a church environment. In July the first Annual safeguarding report was presented to General Assembly. This used data compiled from the Annual Church Safeguarding Returns to inform General Assembly of what is happening in our churches. The Safeguarding team worked hard at bedding down the new monitoring and review systems. This looks to help refine the Safeguarding Strategic Plan ("The Plan") which was agreed at the November 2019 Mission council. The Plan was officially launched at an online nationwide symposium held in October and which promoted the principle that "Safeguarding is everyone's business". This was attended by over 200 people. The first grants to synods from central funds were made during 2020. These grants are aimed at assisting the synods with their safeguarding work.

### Resourcing Our Work

All the above must be set in the context of our financial resources, which continue to be carefully managed in an uncertain economic climate. Detail of the latest year is given in the financial review below, but we have also to consider broader trends. Among these are:

## TRUSTEES' REPORT CONTINUED

- Giving to central funds from our local churches was severely hit by the Covid-19 restrictions and dropped by just over £900k from 2019 to 2020. It is expected to see a further drop in 2021 but it is hoped that it will start to stabilise thereafter.
- Our investments continued to produce a steady income stream and the accounts show investment income of £1,950k (which includes income from mixed motive investment property). Despite the initial drop in investment values due to the initial lockdown, the funds recovered well and we ended 2020 showing a gain on our investments of £3,590k.
- A further significant decrease in the discount rate used in calculating the liabilities for the Ministers' Pension Fund resulted in an increase in the liabilities of £28,488k. The assets of the fund performed well and reflected an overall gain of £17,522k. This saw the overall liability for FRS 102 purposes increase by £11,420k and resulted in an overall liability on this fund of £20,801k. The United Reformed Church Final Salary scheme for lay staff again saw the gain in asset values exceed the increase in liabilities resulting in the fund moving from a surplus of £2,851k at the end of 2019 to a surplus of £4,275k at the end of 2020. These valuations are based on calculations done by the scheme actuaries for FRS 102 disclosure purposes. The results of the formal triennial valuation of the Ministers' Pension Fund as at 1 January 2018 reflected a deficit of £3.95m on a technical provisions basis and the for the United Reformed Church Final Salary scheme for lay staff reflected a surplus of £2,689k at its last formal triennial valuation at 30 September 2019.

### Managing the Assets

#### Investments & Investment Policy

United Reformed Church Trust acts as corporate trustee of the central funds of the United Reformed Church. The powers of investment are given under the memorandum and articles of association of the trustee company. The Investment Committee of the Church, which reports to the Trustees, keeps under review our investment policy and monitors the performance of our fund managers. All investments are held in pooled funds that aim to comply with the ethical policies agreed by the Church.

The Investment Committee continued to monitor the investments throughout 2020.

#### Properties

United Reformed Church Trust is responsible for the management of the properties included in its balance sheet. The management of about 300 houses for retired ministers is delegated to the United Reformed Church Retired Ministers' Housing Society Limited, which has six dedicated staff members and a Board. Its staff members also oversee the houses occupied as manses by Synod Moderators and others in General Assembly posts. Other properties include the buildings of Westminster College, which are managed by the College Trustees, the former Yardley Hastings centre and United Reformed Church House, London.

#### Risk Management

The trustees continue to monitor the risks with which the central administration of the Church is faced. During 2019 the new risk register process was rolled out across all the main committees of the church. This process concentrated on identifying risks as opposed to issues and also helped committees focus on what mitigation procedures were in place. The results of this procedure were presented to the Trustees during 2020.

The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into two areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with societal changes, pandemics, the general economic situation and consequent reduction in resource.

## TRUSTEES' REPORT CONTINUED

Reputational matters are taken very seriously and the Church has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the communications department who will advise on its handling or, if the matter is particularly sensitive, will handle it directly. The General Secretary is made aware of all issues and will intervene personally if appropriate.

The safeguarding of children and adults at risk is seen as a key responsibility of the Church. *Good Practice 5*, the denomination's safeguarding policy was issued during 2019. This updated the policy for recent changes in legislation and safeguarding practice. Local churches are required to report annually on safeguarding matters to their synod's safeguarding officer. A Safeguarding Advisor at Church House, together with the synods' own safeguarding officers, is available to offer advice and guidance to churches. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

Further details about safeguarding are to be found in the 'Safeguarding' section on page 9.

The Covid 19 pandemic poses a significant risk to the Trust's resources. The long term impact of Covid 19 is still currently difficult to assess but it is acknowledged that the longer this lasts the greater the impact will be. The Church continues to monitor developments and has curtailed expenditure wherever possible.

### Future Developments

With the retirement of the Deputy General Secretary (Discipleship) in 2020, the post remained vacant while some strategic thought was given to the role. In early 2021 Revd Adrian Bulley was appointed to this post and will be taking up office in September 2021. In 2020 we appointed new Synod Moderators in the Southern, and Thames North synods as well as the Synod of Scotland. In 2021 a nomination was made for the Moderator role in Eastern Synod.

Steps are underway to set up a group to look at the future of the URC. This group will, in consultation with many different people and bodies within the URC family, look at the structures, resources and work of the denomination. Amongst other things the group will be looking at the impact of Covid 19 and the way the church has adapted to it, the deployment of ministers, the pension fund deficit and our identity as a Christians in the body of Christ. This body will report back to each Mission Council and General Assembly.

A separate group drawing on expert knowledge in the denomination has been looking specifically at the pension funds and will be bringing recommendations for the way forward to the 2021 General Assembly in July.

The implementation of the Safeguarding Strategic Plan will be ongoing across the denomination while we will be bedding down the pastoral supervision objectives to compliment the safeguarding of vulnerable adults and to ensure the wellbeing of our ministers.

### CO2 Emissions

The church continually looks for ways of reducing its carbon footprint and actively recycles wherever possible. It also encourages individual churches to be as 'green' as possible and promotes the Eco-Church award scheme.

A carbon emissions figure has been calculated for the central functions of the church based on electricity usage at Church House along with car and air miles travelled by officers and staff. In 2020 it was calculated that the churches carbon emissions amounted to approximately 54.47 tonnes. Average emission rates have been used in calculating this figure. The total includes use of 148,917 kWh of energy used which has been converted to CO2 emission using an average rate. This works out at approximately 0.52 tonnes per employee.

### Section 172 of the Companies Act

In summary, as required by Section 172 of the Companies Act, the Directors (Trustees) must act in a way they consider, in good, faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

## TRUSTEES' REPORT CONTINUED

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and environment
- the desirability of the company maintaining a reputation for high standards of business conduct and
- the need to act fairly as between members of the company.

### Financial Review

The financial statements show the consolidated income, expenditure, assets and liabilities of those trusts and other funds controlled by United Reformed Church Trust (the Trust) and administered for the benefit of the United Reformed Church under the overall authority of the General Assembly. These represent the charitable assets of the United Reformed Church that United Reformed Church Trust manages on its behalf and applies towards its charitable purposes. They include the operations of Westminster College (the College), its resource centre for learning in Cambridge, which is a registered charity in its own right, and its subsidiary company Westminster College Trading Limited. They also include the operations of the United Reformed Church Retired Ministers' Housing Society Limited (RMHS), which is an exempt charity providing housing and associated amenities for needy persons who are retired ministers or widow/ers or civil partners of ministers of the United Reformed Church. The Balance Sheet also reports separately the assets and liabilities of the Trust, excluding the College and RMHS, and details are given of the funds, incoming and outgoing resources and assets of the College and RMHS as subsidiary charities.

The Finance Committee of the Church is responsible for the general financial oversight of funds administered for the benefit of the United Reformed Church, its long-term financial planning, and the preparation and control of its budget under the authority of Mission Council and the trustees. The Committee ensures that proper procedures are in place for the maintenance of accounting records, controlling and monitoring the budgetary process, and the preparation of financial statements in compliance with applicable United Kingdom law and accounting standards. To this end the Committee authorised the introduction of new accounting software and meets with the auditors at least once a year. The Committee may take such decisions with regard to the finances of the Church as are necessary within the policies set by the General Assembly.

### Reserves Policy

The Consolidated Balance Sheet on page 22 shows the disposition of the various charity funds totalling £101,040k as at 31 December 2020 (2019: £107,293k). The term "reserves" describes that part of a charity's income funds that is freely available. Much of the funds are invested in property or restricted in use.

The unrestricted fund net assets readily available are £20,398k (2019: £22,573k).

The Finance Committee reviews the policy annually and have taken a risk-based approach to setting a reserves target. The main financial risks that the Committee felt needed to be covered were the call up of the guarantee to the pension funds (see notes 22 to 23), possible future lump sum contributions required to be made to either of the pension fund, a possible drop in excess of the usual rate in giving to Ministry and Mission Fund and possible legal action against the church requiring lump sum pay outs. Based on these risks, the Committee felt that the Trust should aim to maintain its reserves at a level between £17m and £19m.

The current level of reserves held is a little in excess of the target level, however with uncertainty around the long term impact on the income of the Church due to COVID-19, the Committee were satisfied that this was appropriate. The Committee will review the policy annually.

## TRUSTEES' REPORT CONTINUED

### Grant making

Grants are made on the recommendation of the relevant committee. Each application is assessed on its individual merits.

### 2020 Financial Results

The results for 2020 are set out in more detail in the Consolidated Statement of Financial Activities on page 21. This shows that there was, overall, a decrease in funds in the year of £6,250k. The following table shows the breakdown of the results for 2020 compared with those for the previous year.

<b>Voluntary income:</b>	<b>2020</b>	2019
	<b>£000</b>	£000
Ministry and Mission Fund contributions	17,908	18,817
Donations, grants and legacies	1,469	2,159
Income from charitable activities	1,233	1,421
Trading income	279	788
Investment income	1,950	1,884
Other income	415	1,939
<b>Total income</b>	<b>23,254</b>	<b>27,008</b>
Expenditure:		
Cost of raising funds	399	651
Charitable activities	22,524	22,604
Total expended	22,923	23,255
Net income from operating activities	331	3,753
Gains/(loss) on investment assets	3,591	8,392
Net (expense)/income	3,922	12,145
Actuarial (loss)/gain on pension schemes	(10,174)	332
	(6,257)	12,477

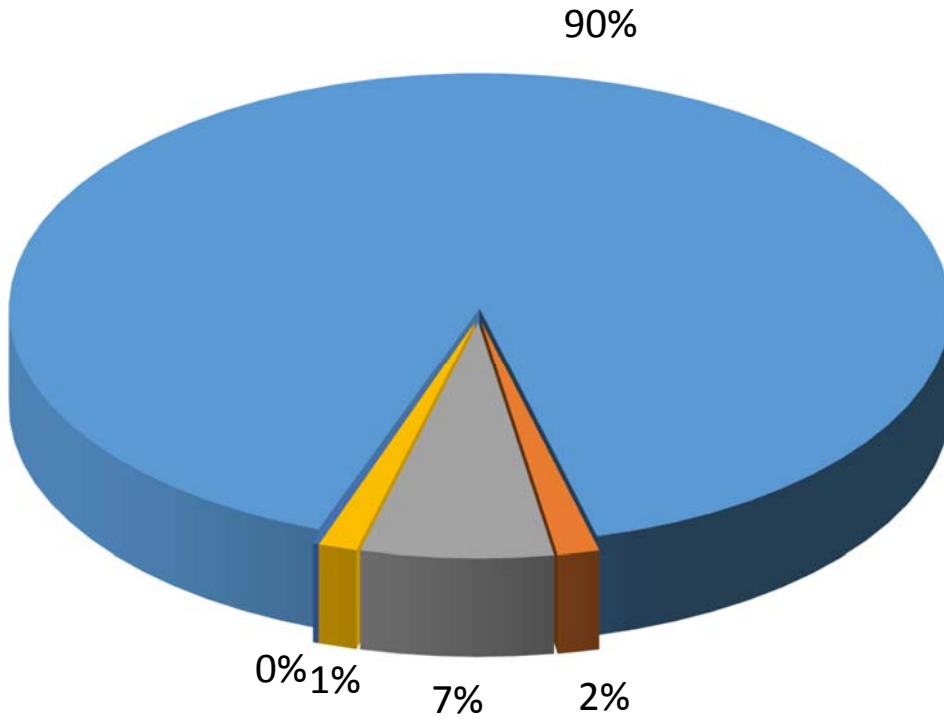
### Ministry and Mission Fund contributions

The pie chart on page 13 gives a visual picture of total unrestricted income, showing that 90% of our unrestricted income comes from Ministry and Mission Fund contributions, which totalled just under £18 million. Despite the Covid-19 pandemic, a great effort was made by churches and Synods to get as close to the amount pledged as possible. We are extremely grateful for the faithful and regular giving that this represents, enabling the Church to support ministry and mission across our three nations, and sustain the major way in which all members of the Church fund, in partnership, all our work for the kingdom of God. The pie chart of total unrestricted expenditure on page 14 shows that 81% of our unrestricted expenditure, totalling £16,345k, is used to provide ministry and a further 10% (£2,058k) is used to provide financial resources to train and equip people for ministry.

### Donations, grants and legacies

We are very grateful for regular grants from a number of trusts, detailed in note 2(b) to the financial statements, as well as for many other donations. Apart from general donations the Trust received some donations from the synods which, following the encouragement by Mission Council, donating a portion of the sales proceeds of church buildings towards helping pay the deficit contribution to the Ministers' Pension Fund. Commitment for Life donations from churches and individuals were down on the 2019 level, decreasing from £330k to £253k largely due to the effects of Covid-19. Legacies bequeathed for general purposes are held in a separate designated Legacy Fund, available for projects not covered by regular budgets. The balance in this fund is now £716k (2019: £693k). Grants paid from this fund totalled £19k in 2020 (2019: £54k) with a further £69k included in creditors having been committed for future payment.

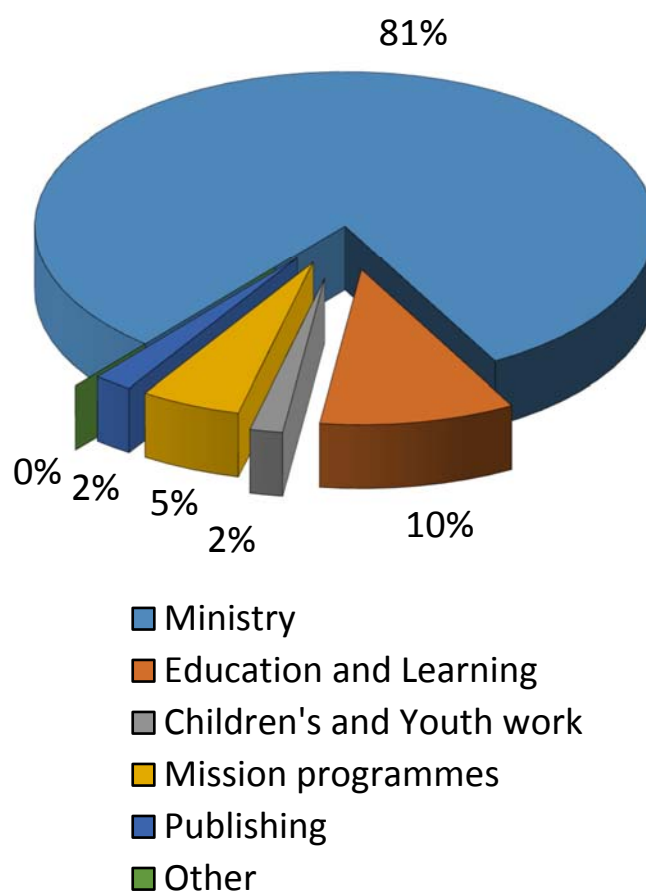
**Unrestricted Income - £19.8m  
Year ended 31 December 2020**



- Ministry and Mission Fund contributions
- Donations, grants and legacies
- Investment income
- Income from charitable activities
- Other income

## TRUSTEES' REPORT CONTINUED

### Unrestricted Expenditure - £20.2m Year ended 31 December 2020



#### Investment income

Total investment income includes rental income on the mixed motive property. The 2020 figure shows a slight increase in the overall figure of £66k from £1,884k to £1,950k. Interest rates on cash deposits remained at historically low levels.

#### Trading income/cost of raising funds

The bed and breakfast accommodation and conferences and events business through Westminster College Trading Limited was hard hit by the Covid-19 pandemic. Income fell from £788k in 2019 to £279k. There was a corresponding fall in expenditure in this area from £651k to £399k.

#### Income from charitable activities

This income includes rental from the retired ministers' housing properties, income from student accommodation, catering and course fee income of Westminster College and from sales of publications and subscriptions to Reform magazine.

#### Other income

Most of this income (£414k) represents net gains from selling retired ministers' housing properties when they fall vacant, the proceeds of which are used to acquire properties for retiring ministers or sometimes for rehousing them in later years. In 2020, 6 properties were bought and 5 were sold.

#### Expenditure – Charitable activities

These costs are analysed in note 5 on page 28 and include a share of support costs.

## TRUSTEES' REPORT CONTINUED

Ministry: £17,220k. The maintenance of ministry is the most important charge on the Church's resources. This sum pays for the stipends, social security and pension costs of our stipendiary ministers and CRCWs (who averaged 392 in number over the year) and includes all costs of the Synod Moderators. In 2020 the cost of ministry fell, as the number of retirements of stipendiary ministers exceeded the number of ordinations. The total also includes costs relating to retired ministers of supplementing pensions and maintaining housing.

Education and Learning: £3,258k. The considerable commitment of resources to training ministers has continued. This sum includes our support for our Resource Centres for Learning, which reflects their wider role in providing learning opportunities for the whole Church, as well as direct support of those training for ministry. Other costs relate to ongoing lay development, including the Stepwise programme. It also includes the relevant costs of Westminster College.

Children's and Youth Work: £353k. Due to the Covid-19 Pandemic, some of the usual activities of the Children's and Youth Work area moved to online events which resulted in some savings in costs, however, it is hoped that these events will take place in person in the not too distant future.

Mission Programmes: £1,282k. The Mission Committee and team continue to progress longer-term strategies, including the Walking the Way missional discipleship emphasis and Commitment for Life programme. Commitment for Life grants were down on last year in line with the decrease in donations received. There was continued support for the Joint Public Issues Team and various interdenominational and interfaith organisations.

Publishing: £411k. The costs of publishing Reform magazine have continued to be tightly controlled while maintaining its quality, with a levelling off in subscriptions and advertising income. There was a further drive to increase the merchandise available from the on-line bookshop including the popular Advent Packs. The denomination continued to subsidise the iChurch website support.

### **Gains on investment assets**

The change in investment values from the beginning to end of the year, broken down by fund, is shown in the Summary of Fund Movements in note 19. Despite the Covid-19 pandemic, financial markets performed quite well during 2020 and the year ended with the investment up £3,581k on the value at the start of the year. A revaluation of investment property added £257k to the gain. Investment gains and losses over time are shown in the five year summary on page 48.

### **Actuarial gains on pension obligations**

The Trust is required to take full account of actuarial gains and losses arising each year in the United Reformed Church Ministers' Pension Fund (MPF). In 2020 the lower discount rate resulted in an increase in the pension liabilities. This was offset to some degree by good gains on the fund's diversified investment. The overall net actuarial loss for the year was £10m. The Church continued to make the required deficit contributions to fund the deficit mainly from contributions from local churches to the Ministry and Mission Fund.

The United Reformed Church Final Salary Scheme (FSS), which is mainly for lay staff, reported an actuarial gain of £1.2m mainly due to an increase in the scheme assets. This has resulted in a net asset position in this scheme but because the Trust does not have an unconditional right to the surplus, this has not been recognised.

More details are given in notes 22 to 24 to the financial statements on pages 40 to 44.

## TRUSTEES' REPORT CONTINUED

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of United Reformed Church Trust for the purposes of company law), are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments 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 financial statements: and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### CONCLUSION

The Trustees have approved this Report, and as directors of the company have approved the Strategic Report included within it. Those wanting more information or explanations about any aspect of the Church's finances are encouraged to address their enquiries to the Treasurer.

Signed on behalf of the Trustees

**Valerie Morrison**

**29 October 2020**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH TRUST**

### **Opinion**

We have audited the financial statements of United Reformed Church Trust for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of 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 group's and the parent charitable company's affairs as at 31 December 2020 and of the group's 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 charitable company 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 trustees' 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 charitable company'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 trustees 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 trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group and parent charitable company'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 trustees either intend to liquidate the group or parent 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 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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed

risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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 which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Stickland (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000	2020 Total funds £'000	2020 Trust Only £'000	2019 Total funds £'000
<b>Donations and legacies</b>								
Ministry and Mission Fund contributions	2(a)	17,908	0	0	0	17,908	17,908	18,817
Grants receivable	2(b)	184	22	484	0	690	369	304
Legacies		0	20	319	0	339	20	811
Commitment for Life donations		0	0	253	0	253	253	330
Other donations	2(c)	101	0	82	4	187	120	714
		285	42	1,138	4	1,469	762	2,159
<b>Charitable activities</b>								
Ministry	3	0	0	719	0	719	0	718
Education and Learning		2	0	250	0	252	2	509
Children's and Youth work		13	0	0	0	13	13	14
Mission programmes		0	0	0	0	0	0	0
Publishing		249	0	0	0	249	249	180
		264	0	969	0	1,233	264	1,421
<b>Other trading activities</b>								
Investment income	4	0	0	279	0	279	0	788
		1,309	26	615	0	1,950	1,899	1,884
<b>Other income</b>								
Gains on sale of properties		18	0	378	0	396	18	1,899
Other income		19	0	0	0	19	19	40
		37	0	378	0	415	37	1,939
<i>Total income and endowments</i>		19,803	68	3,379	4	23,254	20,870	27,008
<b>Expenditure on:</b>								
<b>Raising funds:</b>								
Trading expenditure		0	0	399	0	399	0	651
<b>Charitable activities</b>								
Ministry	5	16,345	10	865	0	17,220	16,740	17,378
Education and Learning		2,058	2	1,198	0	3,258	2,127	3,142
Children's and Youth work		346	3	4	0	353	356	385
Mission programmes		1,056	4	222	0	1,282	1,296	1,537
Publishing		409	0	2	0	411	405	162
Other expenditure		0	0	0	0	0	0	0
		20,214	19	2,291	0	22,524	20,924	22,604
<i>Total expended</i>		20,214	19	2,690	0	22,923	20,924	23,255
<b>Surplus from charitable and trading activities</b>		(411)	49	689	4	331	(54)	3,753
<b>Net gains/ (Loss) on investment assets</b>		1,103	51	788	1,648	3,590	3,491	8,392
<i>Net income</i>		692	100	1,477	1,652	3,921	3,437	12,145
<b>Transfers between funds</b>								
Actuarial gains/(losses) on pension schemes	22	(13)	0	13	0	0	0	0
		(10,966)	0	792	0	(10,174)	(10,174)	332
<i>Net movement in funds</i>		(10,287)	100	2,282	1,652	(6,253)	(6,737)	12,477
<b>Reconciliation of Funds</b>								
Total funds brought forward		20,111	1,564	56,030	29,588	107,293	65,441	94,816
<b>Total funds carried forward</b>		9,824	1,664	58,312	31,240	101,040	58,704	107,293

All amounts relate to continuing operations.

There is no material difference between the net incoming resources stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The Companies Act income and expenditure account has been included in note 32.

The notes on pages 24 to 47 form an integral part of these financial statements.

## CONSOLIDATED AND TRUST BALANCE SHEETS AS AT 31 DECEMBER 2020

	Note	<i>Consolidated</i> 2020 £'000	<i>Consolidated</i> 2019 £'000	<i>Trust</i> 2020 £'000	<i>Trust</i> 2019 £'000
<b>Fixed assets</b>					
Intangible assets	11	96	65	88	50
Tangible assets	11				
Houses for retired ministers		39,979	38,654	396	396
Houses for serving ministers		5,517	5,021	5,517	5,021
Other properties		8,297	8,415	2,671	2,697
Total properties		53,793	52,090	8,584	8,114
Cars and equipment		338	398	84	97
		54,227	52,553	8,756	8,261
<b>Investments and loans</b>					
Mixed motive investment property	12	2,222	2,000	2,222	2,000
Mixed use investment property	12a	856	695	856	695
Investments	13	56,283	53,075	54,593	51,484
Programme-related investments	14	242	242	242	242
Loans, excluding inter-fund loans	15	155	142	6,671	7,912
		59,758	56,154	64,584	62,333
<b>Current assets</b>					
Stock		27	27	27	27
Debtors	16	3,311	3,243	3,607	2,939
Bank balances and money on call		8,245	9,482	7,661	9,022
		11,583	12,752	11,295	11,988
<b>Current liabilities</b>	17	(1,298)	(1,550)	(2,701)	(4,525)
Net current assets		10,285	11,202	8,594	7,463
Total assets less current liabilities		124,270	119,909	81,934	78,057
Defined benefit pension scheme liability	22-24	(20,872)	(9,466)	(20,872)	(9,466)
Other pension obligations	23	(2,358)	(3,150)	(2,358)	(3,150)
<b>Net assets including pension liability</b>		101,040	107,293	58,704	65,441
<b>Unrestricted income funds</b>					
General reserves		24,229	23,895	24,229	23,895
Revaluation reserve - investments		4,585	3,865	4,585	3,865
Revaluation reserve - property		1,882	1,817	1,882	1,817
Designated funds		1,664	1,564	1,664	1,564
Total unrestricted income funds before pension reserve		32,360	31,141	32,360	31,141
Pension reserve		(20,872)	(9,466)	(20,872)	(9,466)
<b>Restricted income funds</b>		58,312	56,030	17,140	15,292
<b>Capital funds</b>		31,240	29,588	30,076	28,474
<b>TOTAL FUNDS</b>	19-20	101,040	107,293	58,704	65,441

Approved by the Trustees on **18 May 2021** and signed on their behalf by:

Valerie Morrison  
Chair

Ian Hardie  
Treasurer

United Reformed Church Trust is a company limited by guarantee, number 135934, and Registered Charity number 1133373.

The notes on pages 24 to 47 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>		
Net income before other recognised gains and losses (see page 21)	3,922	12,145
<b>Adjustments for:</b>		
Increase in stocks	-	(21)
Increase in debtors	(68)	(1,152)
Decrease in creditors	(129)	(100)
Increase/ (Decrease) in sums held for Synods and congregations	(123)	186
Gain on investment assets	(3,591)	(8,392)
Profit on sale of tangible fixed assets	(396)	(1,898)
Depreciation and impairment	259	281
Other investment income	(1,950)	(1,884)
Cash endowment received	(4)	(4)
Cash endowment paid	-	-
Difference between pension contributions and actuarial cost	440	(1,490)
<b>Cash flows generated from operations</b>	<b>(1,640)</b>	<b>(2,329)</b>
<b>Cash flows from investing activities</b>		
Payments to acquire tangible fixed assets	(2,648)	(1,332)
Payments to acquire intangible fixed assets	(44)	(41)
Receipts from sales of tangible fixed assets	1,154	3,820
Payments to acquire fixed asset investments	-	(1,017)
Receipts from sales of fixed asset investments	-	125
Loans and advances made to ministers	(34)	(7)
Loans repaid by ministers	21	25
Loans and advances to churches	-	-
Investment income	1,950	1,884
	399	3,467
<b>Cash flows from financing</b>		
Addition to capital endowment	4	4
Payments capital endowments	-	-
	4	4
<b>Net increase (decrease) in Cash (note 26)</b>	<b>(1,237)</b>	<b>1,142</b>

The notes on pages 24 to 47 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. United Reformed Church Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

A separate Statement of Financial Activities and Cash Flow Statement have not been presented for United Reformed Church Trust itself because it has made use of the exemptions afforded by Section 408 of the Companies Act 2006.

The presentation currency is pounds sterling and unless otherwise stated, figures are rounded to the nearest thousand (£000).

#### Going concern

The Trustees have considered possible events and conditions that might cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees have made their assessment for a period of at least one year from the date of approval of these financial statements. In particular the Trustees have considered the Trust's forecasts and projections and have considered the potential impact of the Covid 19 pandemic on the viability of the Trust. Whilst there has been an impact on Ministry and Mission Fund contributions, steps have been taken to curtail expenditure and this combined with the significant reserves available has led the Trustees to conclude that there is a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below:

#### (i) Scope

The consolidated financial statements show the combined income, expenditure, assets and liabilities of the charitable funds administered by the Trust for the purposes of the United Reformed Church under the overall authority of the General Assembly, and include the total financial operations of Westminster College ("the college"), Westminster College Trading Limited (company registration number 8855396) and of the United Reformed Church Retired Ministers' Housing Society Limited ("the society"). The college is a registered charity (number 311449), while the society is a separate exempt charity registered under the Co-operative and Community Benefit Societies Act 2014. Each is accounted for as a separate fund and branch of the Church in accordance with the SORP, and details are also given to reflect their legal status as subsidiary charities.

#### (ii) Classification of funds

Unrestricted income funds may be spent generally for furthering the religious and charitable work of the Church. Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received. However, if the purpose is one that forms part of the Church's regular expenditure and the income of the funds are fully spent each year, the restriction has no practical effect and funds with such restrictions are treated as unrestricted.

Capital funds (i.e. endowments) include some permanent endowments that are required to be retained but the income from these funds can be spent for the benefit of the Church subject, in certain cases, to specific restrictions contained in the original endowment. Other capital funds (i.e. expendable endowments) may be converted to income at the discretion of the trustees.

The main funds included in these financial statements, and their classification, are shown in notes 18 to 21.

#### (iii) Income

All incoming resources including voluntary income, income from activities for generating funds, investment income, is recognised in the SOFA when there is legal entitlement to the income, any performance conditions

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

attached to the income have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

### **a. Donations and legacies**

Donations and legacies are accounted for on a receivable basis. In accordance with this policy, legacies are included when advice has been received from the personal representative of an estate that payment will be made or property transferred and the amount can be measured reliably. Gifts in kind are included within income at the value to the charity at the date of the gift. The value of services provided by volunteers has not been included.

### **b. Grants receivable**

Incoming grants are accounted for on a receivable basis. Incoming resources from grants, where there are service or performance deliverables required as conditions of the terms of the grant, are accounted for as the charity earns the right to payment through its performance, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably and it is not deferred.

### **c. Ministry and Mission Fund contributions, investment income and other income**

Ministry and Mission Fund contributions, investment income, income from charitable activities and other incoming resources are accounted for on a receivable basis. Contributions to the fund, based on local church pledges, are agreed annually in advance with each Synod; amounts received in excess of, or shortfalls from the agreed contributions, are accounted for in the year.

### **d. Gains and losses on investments**

Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

## **(iv) Expenditure**

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Any irrecoverable VAT is included with the costs to which it relates. Directly attributable costs are allocated to the main charitable activities; details are shown in notes 5 to 8. The support costs, including governance costs, included in note 7 relate to the whole of the charity's activities and a proportion of these costs is allocated to expenditure headings on a basis that is consistent with the use of the resources. Outgoing grants are accounted for on a payable basis. Grants payable are included in the Statement of Financial Activities when approved and this has been communicated to the applicant. The value of such grants unpaid at the end of the year is accrued.

## **(v) 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.

## **(vi) Pensions**

The Church operates a funded defined benefit pension scheme for ministers and Church Related Community Workers (CRCWs) receiving a stipend, known as The United Reformed Church Ministers' Pension Fund. The assets of the scheme are managed independently of the Church. Pension costs are assessed in accordance with the advice of an independent qualified actuary.

The Church, together with most synod trusts, also uses The United Reformed Church Final Salary Scheme, a multi-employer defined benefit scheme operated by TPT Retirement Solutions Trust, an independent pension provider to the not-for-profit sector. It provides trustee and asset management services, and pension costs are assessed in accordance with the advice of an independent qualified actuary.

For both schemes, under FRS 102 paragraph 28 – 'Retirement benefits' – the amounts charged to expenditure are the current service costs, interest costs and expenses, which are included within charitable expenditure. Actuarial gains and losses are recognised immediately and disclosed in the Statement of Financial Activities.

The assets of the pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each year end. The resulting defined benefit asset or liability is presented separately after other net assets on the Balance Sheet except where the scheme is in surplus and there is no unconditional right to that surplus. In this situation the scheme surplus is recognised at nil value in accordance with FRS102.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### **(vii) Intangible and tangible fixed assets**

Intangible and tangible fixed assets having an initial cost of £1,000 or less are written off on acquisition. Assets having an initial cost greater than £1,000 are stated at cost when purchased and at valuation when received in specie. Property repairs are normally written off when incurred.

Many properties used as houses for retired ministers are owned jointly with tenants or Synods of the United Reformed Church. The value in the Balance Sheet of such properties is the cost (less any impairment charged) to the charity of the charity's share in the property.

Properties are maintained in a state of sound repair. The Finance Committee considers whether any impairment is necessary considering the lives of the properties and their residual value. Any material deficit between the anticipated recoverable amount of freehold property and its carrying value shown in the financial statements is recognised in the Statement of Financial Activities. Depreciation is no longer charged on these properties on grounds of materiality. The value of land is not depreciated.

Depreciation is charged as a percentage of cost as follows:

Improvements to property with limited life	5 % pa
Cars, computers and photocopiers	25 % pa
Intangible assets, other furniture and equipment	10 % pa

Other tangible assets in regular use, principally book collections acquired by or donated to Westminster College over the period since its foundation, are not included in the Balance Sheet, since to obtain a reliable valuation is not practicable. Further details are given in note 11.

### **(viii) Heritage assets**

Westminster College owns certain manuscripts and artefacts that are not in regular use, but are held for their historical or artistic qualities. They were largely acquired by the founders and donated to the College at or soon after its foundation. No formal valuations have been obtained for these assets as the cost of obtaining such valuations would outweigh the benefit. As a result these assets are not included on the Balance Sheet.

### **(ix) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

### **(x) Mixed motive investment properties**

Mixed motive investment property comprises the portion of United Reformed Church House that is let on a commercial basis to other charities. It is recognised at fair value and is not depreciated.

### **(xi) Mixed use investment properties**

Mixed use investment property comprises the portion of United Reformed Church House that is let on a commercial basis for residential purposes. It is recognised at fair value and is not depreciated.

### **(xii) Investments**

Listed securities are included at market value at the Balance Sheet date. Unlisted securities are stated at cost as there is no readily ascertainable market price.

### **(xiii) Programme-related investments**

Programme-related investments comprise investments in entities whose aims are aligned to the charitable objectives of the trust and are shown at cost.

### **(xiv) Concessionary loans**

Loans to advance the Church's charitable purposes are held within fixed assets and are stated at original cost and subsequently adjusted for any repayments or impairment.

### **(xv) Financial instruments**

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

### **(xvi) Critical accounting judgements and estimation**

Significant areas of judgement in applying accounting policies are as follows:

- Provision is made for retirement obligations where advice is taken from independent actuaries
- Valuation of mixed motive and mixed use investments where use has been made of relevant market indices to update the formal valuations obtained in previous years
- Recoverability of concessionary loans based on management's assessment of recovery
- Impairment of houses held for serving and retired ministers

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 2 VOLUNTARY INCOME

(a)

Synods	2020 £'000	2019 £'000
Northern	786	769
North Western	1,673	1,919
Mersey	937	986
Yorkshire	888	958
East Midlands	1,045	1,143
West Midlands	1,664	1,706
Eastern	1,930	1,902
South Western	1,205	1,354
Wessex	2,006	2,056
Thames North	2,049	2,170
Southern	2,592	2,624
Wales	467	499
Scotland	666	731
	17,908	18,817

### (b) Grants Receivable

The Church receives income from a number of trusts. The significant ones are described below.

	2020 £'000	2019 £'000
Congregational Memorial Hall Trust	103	98
Council for World Mission	87	40
The Cheshunt Foundation	61	60
Other grants	439	106
	690	304

**Congregational Memorial Hall Trust** The United Reformed Church has a 70% interest in distributions from this Trust. In 2010 the trust distributed a share of half of its assets by way of a donation totalling £3,658k of investments. Income from the investments has replaced most of the grant.

**Council for World Mission** The Council approved grants totalling £238k to be paid over 3 years to be used for the Walking the Way programme. By the end of 2020, £238k of the total had been received and £197k of that had been expensed.

**The Cheshunt Foundation** The foundation, which is an independent Trust not reporting to the United Reformed Church, supports Westminster College by funding the stipend and expenses of one of the teaching staff.

### (c) Donations

	2020 £'000	2019 £'000
Other donations received	197	714

Included above are £95k (2019: £23k) received by Westminster College, and £88k (2019: £538k) received from Synods as a contribution towards the pension fund deficit.

### NOTE 3 INCOME FROM CHARITABLE ACTIVITIES

These comprise:	2020 £'000	2019 £'000
Retired Ministers' Housing rents	719	718
Westminster College - accommodation, conferences, catering and fees	250	509
Publication and resource sales	123	55
Reform magazine - subscriptions and advertising	126	122
Other programmes - fees, grants and sales	15	17
	1,233	1,421

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 4 INVESTMENT INCOME

	2020 £'000	2019 £'000
Unitised funds	1,764	1,726
Interest on short-term investment and bank deposits	16	32
Rental income	170	126
	1,950	1,884

### NOTE 5 ANALYSIS OF EXPENDITURE

The amount spent on charitable activities, including support costs, is summarised as follows:

	Direct programme expenditure £'000	Grant funding (note 6) £'000	Support costs (note 7) £'000	2020 Total £'000
2020				
Ministry	14,287	706	2,227	17,220
Education and Learning	2,253	576	429	3,258
Children's and Youth work	255	4	94	353
Mission programmes	657	373	252	1,282
Publishing	363	-	48	411
Other expenditure	-	-	-	-
	17,815	1,659	3,050	22,524
2019				
Ministry	14,842	605	1,931	17,378
Education and Learning	2,329	446	367	3,142
Children's and Youth work	237	80	68	385
Mission programmes	752	572	213	1,537
Publishing	123	-	39	162
Other expenditure	-	-	-	-
	18,283	1,703	2,618	22,604

### NOTE 6 ANALYSIS OF GRANTS

	Grants to individuals £'000	Grants to institutions £'000	2020 Total £'000
2020			
Pension grants	227	-	227
Welfare and other ministry grants	382	-	382
Student maintenance and training	391	170	561
Local churches - mission and facilities	-	-	-
Chaplaincies	-	37	37
Ecumenical church bodies	-	239	239
Commitment for Life programme	-	184	184
Other programmes	29	-	29
	1,029	630	1,659

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2019	Grants to individuals £'000	Grants to institutions £'000	2019 Total £'000
Pension grants	-	305	305
Welfare and other ministry grants	7	254	261
Student maintenance and training	-	446	446
Local churches - mission and facilities	127	-	127
Chaplaincies	40	-	40
Ecumenical church bodies	85	-	85
Commitment for Life programme	298	-	298
Other programmes	141	-	141
	698	1,005	1,703

Major grants to institutions in the year (included above) were:

<u>Organisation</u>	<u>Type</u>	<u>2020</u> <u>£'000</u>	<u>2019</u> <u>£'000</u>
Christian Aid	Commitment for Life	128	247
Council for World Mission	Ecumenical	25	55
Global Justice Now	Commitment for Life	8	17

### NOTE 7 SUPPORT COSTS

Support costs comprise the premises costs of United Reformed Church House, and the staff and office costs in respect of: Central Secretariat (including Human Resources), Finance, Communications and Information Technology, and governance costs. These costs have been apportioned across the areas of charitable activity on the basis and in the amounts shown below.

	<u>Premises</u> <u>costs</u> <u>£'000</u>	<u>Computer</u> <u>costs</u> <u>£'000</u>	<u>Staff and</u> <u>office costs</u> <u>£'000</u>	<u>2020</u> <u>Total</u> <u>£'000</u>	<u>2019</u> <u>Total</u> <u>£'000</u>
Basis of apportionment	Area	Staff	Actual costs		
Ministry	16	23	2,188	2,227	1,931
Education and Learning	14	22	393	429	367
Children's and Youth work	17	32	45	94	68
Mission	20	44	188	252	213
Publishing	14	17	17	48	39
	81	138	2,831	3,050	2,618

### NOTE 8 GOVERNANCE COSTS

Governance costs are included in support costs and total £191k (2019: £242k). This figure includes the remuneration of the auditors, amounting to £68k (2019: £38k) of which £36k relates to the audit of the Trust which includes an under accrual of £8k and the balance of £29k relates to the audits of subsidiary charities. Other services provided by the auditors amounts to £3k. The main difference from the previous year's was that General Assembly was held online rather in person, making for substantial cost savings.

### NOTE 9 NOTIFIED LEGACIES

The Trust had not been notified of any legacies (2019: one) that had been received but not included in the financial statements because the conditions for recognition have not yet been met. The value of the 2019 legacy was £20k.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 10 STIPEND AND SALARY COSTS

During the year the following stipend and salary costs were incurred:

		2020 £'000	2019 £'000
Ministers and CRCWs : 392 (2019: 389)	Gross stipends	10,255	10,085
	Social security costs	957	950
	Other pension costs	2,747	2,710
		13,959	13,745

All stipend costs above are included within the costs of Ministry

Lay staff : 106 (2019: 109)	Gross salaries	2,663	2,712
	Social security costs	251	254
	Other pension costs	862	877
	Redundancy costs	19	12
		3,795	3,855

Salary costs have been apportioned as follows:

Ministry	1,520	1,156
Education and Learning	1,279	1,515
Children's and Youth work	241	270
Mission programmes	532	513
Publishing	223	401
	3,795	3,855

The minister and staff numbers shown represent the average for the year. They include staff working at Church House in London and Westminster College in Cambridge.

One employee received emoluments, excluding employer pension contributions, of between £60k and £70k during 2020. There was one employee whose emoluments, excluding employer pension contributions, exceeded £60k during 2019.

Key management personnel are the General Secretary and three Deputy General Secretaries; of these four two are ministers and two are lay staff. The total of employee benefits paid to key management personnel in 2020 was £236k (2019: £244k).

In addition, a great amount of time, the value of which it is impossible to reflect in these financial statements, is donated by thousands of volunteers throughout the United Kingdom.

Individuals acting in a trustee capacity for the various United Reformed Church trusts received no remuneration in respect of their services as trustee, other than the reimbursement of travel expenses to 13 individuals during the year ended 31 December 2020 totalling £1,236 (2019: 14 individuals totalling £3,627).

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 11 TANGIBLE & INTAGIBLE FIXED ASSETS

(a) Consolidated:	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible Fixed assets £'000	Computer Software £'000
<b>Cost</b>						
At 1 January 2020	39,077	5,077	9,232	1,345	54,731	90
Additions	1,776	803	21	48	2,648	43
Disposals	(462)	(307)	-	-	(769)	-
At 31 December 2020	40,391	5,573	9,253	1,393	56,610	133
<b>Accumulated depreciation and impairment</b>						
At 1 January 2020	423	56	817	947	2,243	25
Charge for year	-	-	139	108	247	12
Disposals	(11)	-	-	-	(11)	-
Re-classification	-	(5)	5	-	-	-
At 31 December 2020	412	51	961	1,055	2,479	37
<b>Net book value</b>						
At 31 December 2020	39,979	5,522	8,292	338	54,131	96
At 31 December 2019	38,654	5,021	8,415	398	52,488	65

Of the land and buildings included above, £5,433k (2019: £4,667k) are leasehold. At 31 December 2020 300 (2019: 312) houses were owned for housing retired ministers and 16 (2019: 17) houses for serving ministers. Although the total market value of all properties is not practicable to quantify, it is considerably in excess of the carrying value shown above.

Other properties include premises improvements at United Reformed Church House and the Yardley Hastings Centre, and building improvement costs capitalised at Westminster College. At the Yardley Hastings property, which has a carrying value of £628k, the local church continues to use part of the premises and the remainder is leased to a local charity under a long-term lease.

With the exception of certain improvements and additions, including the costs of the major refurbishment in 2013-14, the buildings of Westminster College are not included in the Balance Sheet since the use of the College was originally a gift to the Church, the value of which cannot readily be ascertained without excessive cost. In addition, there is a covenant in perpetuity restricting the Church's ability to use the College for purposes wider than that of a theological college; hence an open market value cannot be applied.

The College also owns certain tangible assets, which have been acquired or donated to it over the years since its foundation, not included in the Balance Sheet. These include the Academic Library and other book collections with an insurance valuation in excess of £1million, historic furniture and works of art. All book collections are in regular use, either for theological study and reference or for historical research. Other items are in use or on display as appropriate.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(b) Trust:	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible fixed assets £'000	Computer software £'000
<b>Cost</b>						
At 1 January 2020	421	5,077	2,835	489	8,822	50
Additions	-	803	-	18	821	44
Disposals	-	(307)	-	-	(307)	-
At 31 December 2020	421	5,573	2,835	507	9,336	94
<b>Accumulated depreciation and impairment</b>						
At 1 January 2020	25	56	138	392	611	-
Charge for year	-	-	26	31	57	6
Disposals	-	-	-	-	-	-
At 31 December 2020	25	56	164	423	668	6
<b>Net book value</b>						
At 31 December 2020	396	5,517	2,671	84	8,668	88
At 31 December 2019	396	5,021	2,697	97	8,211	50

\* Reclassification of mixed use portion URC Church House (see note 12a).

### (c) Heritage Assets

Westminster College owns certain manuscripts and artefacts that are not in regular use, but held for their historical qualities. Most derive from the collections of the founding sisters, Agnes Lewis and Margaret Gibson, and were donated by them to the College during their lifetime. Some are displayed and others stored. In recent years some items of significant value, but not relevant to the heritage of the church traditions represented in the United Reformed Church nor to the present objectives of the College, were sold in order to raise funds for College development. The College also holds the archives, manuscripts and historic books of the United Reformed Church History Society (which is a separate charity) on behalf of the United Reformed Church. Indicative valuations have been obtained for some items held, but are not considered sufficiently robust to be reported here.

### NOTE 12 MIXED MOTIVE INVESTMENT PROPERTY

	Consolidated		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	2,000	1,905	2,000	1,905
Additions	-	43	-	43
Net gains/(losses) on revaluation	222	52	222	52
Carrying value at end of year	2,222	2,000	2,222	2,000

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Mixed motive investment property consists of the second floor of URC Church House which is rented out on a commercial let to another charity. The property was formally valued by Allsop LLP on 6 November 2017. The value of the mixed motive investment property at 31 December 2020 was calculated using rental yields.

### NOTE 12a MIXED USE INVESTMENT PROPERTY

	Consolidated		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year		-		-
Additions	695	38	695	38
Transfer from fixed assets at NBV*	-	200	-	200
Net gains/(losses) on revaluation	161	457	161	457
Carrying value at end of year	856	695	856	695

\* Reclassification of mixed use portion of URC Church House.

Mixed use investment property consists of the third floor of URC Church House which is rented out on a commercial let for residential purposes. The property was formally valued by Allsop LLP on 6 November 2017. The value of the mixed use investment property at 31 December 2020 was calculated using rental yields.

### NOTE 13 INVESTMENTS

	Consolidated		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	53,085	44,381	51,484	43,037
Additions to investments at cost	-	935	-	935
Sales proceeds	-	(125)	-	(125)
Net gains/(losses) on revaluation	3,198	7,884	3,108	7,637
Carrying value at end of year	56,283	53,075	54,593	51,484

	Consolidated		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Investments comprise units in UK based Common Investment Funds at market value, as follows:				
COIF Charities Ethical Investment Fund	55,197	51,931	53,507	50,340
COIF Charities Property Fund	1,086	1,144	10,86	1,144
	56,283	53,075	54,593	51,484
Investments at book cost	34,880	34,880	33,859	33,859

The trustees believe that the carrying value of the investments is supported by their underlying net assets. Included within investments held in the COIF Charities Ethical Investment Fund is £4,971k held to meet the 'other pension obligation' as set out in note 23. Financial assets measured at fair value are £56,283k.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 14 PROGRAMME-RELATED INVESTMENTS

Programme-related investments are investments made in pursuit of the Trust's charitable purposes, the primary motivation for which is not financial but to further our objectives and programme. The principal programme-related investment is £200k as a Founder Member of Luther King House Educational Trust, which owns the property that houses our resource centre for learning at Northern College. Smaller investments are held in Oikocredit, the Churches' Mutual Credit Union and Traidcraft plc. These smaller investments held as social investments and are held at cost and not revalued.

### NOTE 15 CONCESSIONARY LOANS

	Consolidated		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
External loans comprise:				
To ministers	71	58	71	58
To Churches	84	84	84	84
Inter-fund concessionary loans	-	-	6,516	7,770
	155	142	6,671	7,912

Loans to ministers are generally interest free and repayable over 3 to 5 years. Movement on the loan balances was as follows:

	Consolidated		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Balance at 1 January	58	76	58	76
Repaid in the year	(21)	(25)	(21)	(25)
Advanced in the year	34	7	34	7
Balance at 31 December	71	58	71	58

Loans to churches comprises a long term loan to the Synod of Wales in respect of the Glamorgan Chaplaincy. The loan is interest free and is repayable if the chaplaincy is wound up.

Inter-fund concessionary loans represent the long-term indebtedness of the United Reformed Church Retired Ministers' Housing Society Limited to other funds of the Church. Loans have been made available for the purchase of properties, for as long as they are required, to enable the Society to fulfil its objectives.

### NOTE 16 DEBTORS

	Consolidated		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Debtors comprise:				
Amounts owed by group undertakings	-	-	439	215
Tax recoverable	2	1	2	1
Other debtors	2,460	2,056	2,433	2,029
Prepayments and accrued income	849	1,186	733	694
	3,311	3,243	3,607	2,939
Financial assets measured at amortised cost	2,460	2,072	2,872	2,244

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 17 CREDITORS: amounts falling due within one year

	Consolidated		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Current liabilities comprise:				
Amounts owed to group undertakings	-	-	1,673	3,441
Sums held for Synods and congregations	90	213	38	3
Other creditors including taxation and social security	945	601	859	614
Accruals	148	498	92	371
Deferred income	115	238	39	96
	1,298	1,550	2,701	4,525
Financial liabilities measured at amortised cost	1,093	1,097	2,624	4,426

Included within Other creditors are amounts totalling £52k which are held in trust on behalf of other organisations.

#### Movements in deferred income

	Consolidated		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Balance at 1 January	238	115	97	-
Received in the year	102	427	39	97
Refunded during the year	(10)	-	-	-
Transferred to income	(215)	(304)	(97)	-
Balance at 31 December	115	238	39	97

### NOTE 18 UNRESTRICTED FUNDS

The Ministry and Mission Fund is the general fund of the Church through which the bulk of our income and expenditure, covered by the annual budget agreed by the Trustees and presented to Mission Council, is passed. Associated with it are two capital funds, Maintenance of the Ministry and Ministerial Training, the whole of whose income each year is transferred to the Ministry and Mission Fund, which is responsible for meeting ministry and training costs.

These funds include £23.8million held as capital, most having been gifted by other trusts. These funds are invested and the income is used as intended; in the case of £17.6million the capital is expendable by decision of the Trustees.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 19 SUMMARY OF FUND MOVEMENTS

#### 2020 Fund Movements

	Funds at 1 Jan 2020 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 20 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Fund	20,111	19,245	(20,164)	495	1,103	(10,966)	9,824
Maintenance of the Ministry Fund	-	63	-	(63)	-	-	-
Ministerial Training Fund	-	495	(50)	(445)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>20,111</b>	<b>19,803</b>	<b>(20,214)</b>	<b>(13)</b>	<b>1,103</b>	<b>(10,966)</b>	<b>9,824</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	693	42	(19)	-	-	-	716
Discipleship Development Fund	871	26	-	-	51	-	948
<b>Consolidated &amp; Trust</b>	<b>1,564</b>	<b>68</b>	<b>(19)</b>	<b>-</b>	<b>51</b>	<b>-</b>	<b>1,664</b>
<b>RESTRICTED FUNDS</b>							
Church Buildings Fund	4,275	143	(53)	-	266	-	4,631
Retired Ministers' Housing Fund	5,393	14	(20)	-	-	-	5,387
Welfare Fund	7	49	(66)	11	-	-	1
Retired Ministers' Funds	1,019	123	(185)	-	212	-	1,169
Commitment For Life Fund	47	302	(206)	-	-	-	143
Other Funds	4,551	368	(162)	2	260	792	5,811
<b>Total Trust Funds</b>	<b>15,292</b>	<b>999</b>	<b>(692)</b>	<b>13</b>	<b>738</b>	<b>792</b>	<b>17,142</b>
Westminster College Funds	6,698	949	(1,269)	-	50	-	6,428
Retired Ministers' Housing Society	34,040	1,431	(729)	-	-	-	34,742
<b>Total Consolidated Funds</b>	<b>56,030</b>	<b>3,379</b>	<b>(2,690)</b>	<b>13</b>	<b>788</b>	<b>792</b>	<b>58,312</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Fund	8,104	-	-	-	372	-	8,476
Maintenance of the Ministry Fund	1,045	-	-	-	81	-	1,126
Ministerial Training Fund	13,427	-	-	-	812	-	14,239
Church Buildings Funds	184	-	-	-	-	-	184
Retired Ministers' Housing Funds	391	-	-	-	-	-	391
Welfare Funds	912	-	-	-	57	-	969
Retired Ministers' Funds	654	-	-	-	21	-	675
Other Funds	3,757	4	-	-	255	-	4,016
<b>Total Trust Funds</b>	<b>28,474</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>1,598</b>	<b>-</b>	<b>30,076</b>
Westminster College Funds	1,114	-	-	-	50	-	1,164
<b>Total Consolidated Funds</b>	<b>29,588</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>1,648</b>	<b>-</b>	<b>31,240</b>

Transfers between funds generally represents use of restricted funds to cover items of expenditure in the general funds that fall within the objects of the specific restricted fund.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 2019 Fund Movements

	Funds at 1 Jan 2019 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial gains £'000s	Funds at 31 Dec 19 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Fund	15,519	20,984	(19,329)	323	2,282	332	20,111
Maintenance of the Ministry Fund	-	41	-	(41)	-	-	-
Ministerial Training Fund	-	458	-	(458)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>15,519</b>	<b>21,483</b>	<b>(19,329)</b>	<b>(176)</b>	<b>2,282</b>	<b>332</b>	<b>20,111</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	729	-	(57)	21	-	-	693
Discipleship Development Fund	850	13	(1)	-	9	-	871
<b>Consolidated &amp; Trust</b>	<b>1,579</b>	<b>13</b>	<b>(58)</b>	<b>21</b>	<b>9</b>	<b>-</b>	<b>1,564</b>
<b>RESTRICTED FUNDS</b>							
Church Buildings Fund	3,572	139	(83)	-	647	-	4,275
Retired Ministers' Housing Fund	4,894	647	(28)	(120)	-	-	5,393
Welfare Fund	6	48	(59)	12	-	-	7
Retired Ministers' Funds	376	256	(251)	-	638	-	1,019
Commitment For Life Fund	34	330	(317)	-	-	-	47
Other Funds	3,872	377	(90)	(135)	527	-	4,551
<b>Total Trust Funds</b>	<b>12,754</b>	<b>1,797</b>	<b>(828)</b>	<b>(243)</b>	<b>1,812</b>	<b>-</b>	<b>15,292</b>
Westminster College Funds	6,836	1,429	(2,089)	398	124	-	6,698
Retired Ministers' Housing Society	32,708	2,283	(951)	-	-	-	34,040
<b>Total Consolidated Funds</b>	<b>52,298</b>	<b>5,509</b>	<b>(3,868)</b>	<b>155</b>	<b>1,936</b>	<b>-</b>	<b>56,030</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Fund	6,965	-	-	-	1,139	-	8,104
Maintenance of the Ministry Fund	883	-	-	-	162	-	1,045
Ministerial Training Fund	11,507	-	-	-	1,920	-	13,427
Church Buildings Funds	184	-	-	-	-	-	184
Retired Ministers' Housing Funds	391	-	-	-	-	-	391
Welfare Funds	771	-	-	-	141	-	912
Retired Ministers' Funds	552	-	-	-	102	-	654
Other Funds	3,175	4	-	-	578	-	3,757
<b>Total Trust Funds</b>	<b>24,428</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4,042</b>	<b>-</b>	<b>28,474</b>
Westminster College Funds	992	-	-	-	122	-	1,114
<b>Total Consolidated Funds</b>	<b>25,420</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4,164</b>	<b>-</b>	<b>29,588</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 20 ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUNDS

#### 2020 Analysis

##### ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2020
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	87	-	9	-	96
Property	6,891	-	45,605	1,297	53,793
Cars and equipment	84	-	254	-	338
Investments	12,026	860	13,568	30,071	56,525
Investment properties	3,079	-	-	-	3,079
External loans	71	-	84	-	155
Inter fund loans	1,090	-	(1,090)	-	-
Net current assets	8,300	(69)	2,053	-	10,284
Pension reserve	(20,872)	-	(2,358)	-	(23,230)
Inter fund balances	(932)	873	187	(128)	-
<b>Net assets</b>	<b>9,824</b>	<b>1,664</b>	<b>58,312</b>	<b>31,240</b>	<b>101,040</b>

##### ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2020
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	88	-	-	-	88
Property	6,891	-	396	1,297	8,584
Cars and equipment	84	-	-	-	84
Investments	12,025	860	11,879	30,071	54,835
Investment properties	3,078	-	-	-	3,078
External loans	1,161	-	5,510	-	6,671
Net current assets	8,739	(69)	(76)	-	8,594
Pension reserve	(20,872)	-	(2,358)	-	(23,230)
Inter fund balances	(1,370)	873	1,789	(1,292)	-
<b>Net assets</b>	<b>9,824</b>	<b>1,664</b>	<b>17,140</b>	<b>30,076</b>	<b>58,704</b>

#### 2019 Analysis

##### ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2019
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	50	-	15	-	65
Property	6,652	-	44,141	1,297	52,090
Cars and equipment	97	-	301	-	398
Investments	11,703	809	12,534	28,271	53,317
Investment properties	2,695	-	-	-	2,695
External loans	58	-	84	-	142
Inter fund loans	2,340	-	(2,340)	-	-
Net current assets	10,813	(124)	513	-	11,202
Pension reserve	(9,466)	-	(3,150)	-	(12,616)
Inter fund balances	(4,831)	879	3,933	19	-
<b>Net assets</b>	<b>20,111</b>	<b>1,564</b>	<b>56,031</b>	<b>29,587</b>	<b>107,293</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2019
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	50	-	-	-	50
Property	6,652	-	488	974	8,114
Cars and equipment	97	-	-	-	97
Investments	11,704	809	11,732	27,480	51,725
Investment properties	2,695	-	-	-	2,695
External loans	58	-	84	-	142
Inter fund loans	2,340	-	5,432	-	7,772
Net current assets	10,811	(125)	-	-	10,686
Pension reserve	(9,466)	-	(3,150)	-	(12,616)
Inter fund balances	(4,830)	880	706	20	(3,224)
<b>Net assets</b>	<b>20,111</b>	<b>1,564</b>	<b>15,292</b>	<b>28,474</b>	<b>65,441</b>

### NOTE 21 RESTRICTED FUNDS

#### (a) Westminster College funds

This group of funds are the charity funds of Westminster College. In addition to the College general fund that deals with income and expenditure from its main academic activities, there are library funds, scholarship funds, its Development Appeal fund and other funds available for use in connection with the development of the College. Regular support from the Church is shown by way of transfer from the Ministry and Mission Fund.

#### (b) Church Buildings Fund

This fund may be used in the upkeep and repair of the buildings of the local churches of the United Reformed Church and the maintenance of the services therein; in the improvement and extension of the buildings of such churches; and in the provision and erection of buildings for use for the purposes of such churches or as residences for ministers of the United Reformed Church. Both grants and loans are available for these purposes; notes 6 and 15 give some details.

#### (c) Retired Ministers' Housing Funds and Retired Ministers' Housing Society

The whole of these funds is utilised by the RMHS Board in providing accommodation for ministers and ministers' widow/ers or civil partners in their retirement. Income in 2020 included £9k from donations and £321k from legacies. Most of the remaining income arises from the profit on the sale of houses, the proceeds of which were largely re-invested in further house purchases. The indebtedness of the Society to the other funds of the Church is included in the Trust Balance Sheet and notes 15 to 17 as inter-fund loans and balances; note 25 gives information on its future commitments.

#### (d) Welfare Fund

This fund can be used to relieve cases of need among ministers of the United Reformed Church, their spouses and other dependants. Regular uses have been to provide a grant on the death of a minister to the surviving spouse, to provide a grant at Christmas to widow/ers of United Reformed Church ministers, counselling costs and assistance with medical costs. Surplus income of certain other funds is transferred to this fund.

#### (e) Retired Ministers' Fund and Retired Ministers' Aid Fund

These funds are used to supplement the pensions paid to ministers and ministers' widow/ers, principally by upgrading the pensions of former ministers of the Congregational Church and the Churches of Christ and the widow/ers of such ministers to a level of 95% of the pension that would have been paid if the minister's service had been to the former Presbyterian Church, and also to pay certain ill-health early retirement pensions. The balances shown for these funds are after deducting the actuarially assessed cost of the Church's constructive obligation to continue making these payments, totalling £2,358k.

#### (f) Commitment for Life Fund

This programme involves substantial sums of money being collected through the Church and Society office, and disbursed for Christian Aid programmes and other purposes. The balance held at the year end represents sums received, which had not yet been allocated.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (g) Other funds

There are some fifty other funds in the care of United Reformed Church Trust, covering many different activities relating to the Church centrally, and some to the wider parts of the United Reformed Church. Most of their income is earned from investments, and expenditure is in accordance with their various specific purposes.

### NOTE 22 PENSION OBLIGATIONS

The United Reformed Church has obligations for two pension funds: United Reformed Church Ministers' Pension Fund (MPF), and the United Reformed Church Final Salary Scheme (FSS). The actuarial gains and/or losses and the liabilities for each scheme were:

	MPF		FSS		Total	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Recognised actuarial gains/(losses)	(10,966)	820	-	(488)	(10,966)	332
Net scheme assets/(liabilities)	(20,801)	(9,381)	(71)	(85)	(20,872)	(6,615)

Net scheme assets are not recognised in the balance sheet. The details of each scheme are set out in notes 23 and 24 below.

### NOTE 23 THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Pensions for most ministers are provided by The United Reformed Church Ministers' Pension Fund. The Fund is a defined benefit pension scheme and the assets are invested and managed by an independent trustee.

Triennial actuarial valuations of the pension scheme are performed by a qualified actuary. The actuarial valuation at 1 January 2018 was formally agreed on 11 December 2018. For the purpose of these financial statements, the actuary has updated that valuation at 31 December 2020 using assumptions that are consistent with the requirements of FRS102. Compared with a year ago, this update has increased the present value of scheme liabilities by 17.1% while asset values have increased by 10.9%. This has resulted in an increase of £11.42million in the scheme's deficit and hence in the level of the pension reserve.

#### a) Contributions:

The defined benefit scheme is funded and is not contracted-out of the state scheme. Contributions in 2020 totalled 21.95% of pensionable pay, together with a fixed annual amount of deficit funding, in 2020 £580k (2019: £565k), increasing in line with stipends. A further additional lump sum of £1.5m was paid into the pension fund during 2019. Members' contributions are 7.5% of pensionable pay. Church contributions totalled £2,073k in 2020 (2019: £4,252k). Following the latest valuation, contributions from January 2020 total 21.95% of pensionable pay, together with annual deficit funding of £580k, increasing in line with stipends.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	2020	2019
Discount rate at year end	1.40%	2.00%
Expected return on plan assets at year end	n/a	n/a
Future stipend increases	2.20%	2.15%
Future pension increases (RPI up to 5%)	2.90%	2.95%
Future deferred pension revaluation (CPI)	2.20%	2.15%
Life expectancy of male pensioners (age 65)	24.0	22.5
Life expectancy at female pensioners (age 65)	25.5	23.5

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**b) The amounts recognised in the Balance Sheet are as follows:**

	<b>2020</b>	<b>2019</b>
	<b>Value at 31 Dec</b>	<b>Value at 31 Dec</b>
	<b>£'000</b>	<b>£'000</b>
Present value of obligations	(194,227)	(165,807)
Fair value of plan assets	173,426	156,426
Net (liability)	(20,801)	(9,381)

**c) The charge to the Statement of Financial Activities for the year comprised:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>		
Current service cost	2,633	2,182
Administrative expenses	327	340
Financing cost:		
Interest on net defined liability	191	305
Total operating charge	3,151	2,827
<b>Actuarial gains/(losses) on pension schemes)</b>		
Asset gains arising during the year	(17,522)	(13,361)
Liability losses/(gains) arising during the year	28,488	12,541
	10,966	(820)
<b>Total loss/(gain) recognised in the Statements of Financial Activities</b>	<b>14,117</b>	<b>2,007</b>

**d) Change in defined benefit obligation:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	165,807	152,689
Service cost (incl. employee contributions)	3,575	3,131
Interest expense on DBO	3,283	4,371
Actuarial (gains)/losses on liabilities	28,488	12,541
Benefits paid	(6,926)	(6,925)
Closing defined benefit obligation	194,227	165,807

**e) Change in fair value of plan assets:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	156,426	141,063
Interest income on assets	3,092	4,066
Actuarial gains (losses)	17,522	13,361
Contributions by employer	2,697	4,252
Contributions by employees	942	949
Administrative expenses	(327)	(340)
Benefits paid	(6,926)	(6,925)
Closing fair value of plan assets	173,426	156,426

**f) Future employer contributions:**

The Church expects to contribute about £2,100,000 to the plan during the next accounting year.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**g) Breakdown of plan assets:**

The major categories of plan assets as a percentage of total plan assets are as follows:

	2020	2019
	Asset allocation	Asset allocation
	%	%
Equities	39	37
Property	7	9
Bonds	54	53
Cash/other	0	1

**h) Five year comparison**

The amounts for the current and previous four years are as follows:

	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(194,227)	165,807	152,689	167,115	161,763
Plan assets	173,426	156,426	141,063	140,023	133,477
Surplus/(deficit)	(20,801)	(9,381)	(11,626)	(27,092)	(28,286)

**Other pension obligations**

SORP 2015 requires that constructive obligations, although not legally binding, be recognised on a charity's balance sheet. United Reformed Church Trust considers that it has a long-term constructive obligation in respect of:

a) the pension supplements it pays to former ministers of the Congregational Church and the Churches of Christ and the widow/ers of those ministers, in order to bring their pension to a level of 95% of the pension that would have been paid if the minister's service had been to the former Presbyterian Church. An independent actuarial assessment of the net present value of these future payments was obtained at the time of the formal actuarial review as at 31 December 2017, using comparable assumptions as for FRS 17 calculations; this value (£2,358k) has been deducted from the total of restricted Fund included in the Balance Sheet. Included within restricted fund investments is £4,657k held to meet this obligation, and;

b) other pension grants, principally for ill-health early retirement until 2004.

**NOTE 24 THE UNITED REFORMED CHURCH FINAL SALARY SCHEME**

a) The United Reformed Church contributes to a staff pension scheme known as the "Final Salary" scheme; this too is a defined benefit scheme, which is administered by TPT Retirement Solutions (formerly The Pensions Trust). The United Reformed Church is the principal employer in the scheme, and eleven synods and Northern College are participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities – each employer pays a common contribution rate. The information below is provided by the principal employer in respect of the whole scheme as required by FRS102.

Triennial actuarial valuations of the whole Final Salary scheme are performed by a qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September 2019, when the scheme had a surplus of £2,689k. For the purpose of these financial statements, the actuary has updated that valuation at 31 December 2020 using assumptions that are consistent with the requirements of FRS102.

**i) Contributions:**

During 2020 the United Reformed Church contributed 22.8% (2019: 28.2%) of basic salary in respect of members of the scheme. The 2019 figure included 3.0% as deficit funding and 3.2% to meet expenses and levies with will be payable as a separate lump sum in 2020. Members contributed at the rate of 7.5% (2019: 7.5%) of pensionable salary throughout the accounting period.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Discount rate at year end	1.40%	2.00%	2.75%
Inflation (RPI)	2.95%	3.05%	3.25%
Inflation (CPI)	2.55%	2.05%	2.25%
Future salary increases	2.50% for 3 years and 2.75% thereafter	2.50% for 3 years and 2.75% thereafter	2.50% for 3 years and 2.75% thereafter
Future deferred pension revaluation (CPI)	2.50%	2.50%	2.50%
Life expectancy in years of males retiring in 2020 (age 65)	21.2	21.3	21.5
Life expectancy in years of females retiring in 2020 (age 65)	23.4	23.0	23.2
Life expectancy in years of males retiring in 2040 (age 65)	22.6	22.7	22.9
Life expectancy in years of females retiring in 2040 (age 65)	24.5	24.3	24.5

**ii) The amounts recognised at 31 December in the Balance Sheet are as follows:**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of obligations	(37,495)	(31,450)	(27,808)
Fair value of plan assets	41,820	34,301	28,297
Adjustment to reflect asset limit	(4,325)	(2,851)	-
Pension asset/(liability)	-	-	489

**iii) The charge to the Statement of Financial Activities for the year comprised:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>		
Current service cost	1,125	1,266
Administrative expenses	121	129
Net interest (credit)/cost:	59	(30)
Total operating charge	<u>1,305</u>	<u>1,365</u>
<b>Actuarial gains/(losses) on pension schemes</b>		
Asset gains/(losses) arising during the year	7,519	5,061
Liability gains/(losses) arising during the year	(6,045)	(2,698)
Effect of asset limit	4,325	2,851
	<u>5,799</u>	<u>5,214</u>

**iv) Change in defined benefit obligation:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	31,450	27,808
Current service cost (inc. contributions by plan participants)	1,162	1,295
Interest expense on DBO	633	750
Actuarial losses/(gains) on liabilities	5,022	2,698
Benefits paid and death in service premiums	(772)	(1,101)
Closing defined benefit obligation	<u>37,495</u>	<u>31,450</u>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**v) Change in fair value of plan assets:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	34,301	28,297
Interest income on assets	692	780
Expenses	(121)	(129)
Actuarial gains (losses)	6,226	5,061
Contributions by employers	1,457	1,364
Contributions by plan participants	37	29
Benefits paid	(772)	(1,101)
Closing fair value of plan assets	41,820	34,301

**vi) Future employer contributions:**

Employers expect to contribute about £1,259,000 to the plan during the next accounting year.

**vii) Breakdown of plan assets:**

The major categories of plan assets are as follows:

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Equity-Type assets	21,917	13,916	14,383
Fixed Interest Bonds	5,205	2,635	3,460
Index-Linked bonds	11,052	7,701	8,680
Fixed Interest Gilts	1,661	3,831	8
Property	1,464	1,485	1,543
Other	521	4,733	223
Total assets	41,820	34,301	28,297

**b)** Certain members of the Final Salary scheme have also made additional voluntary contributions to the 'Growth Plan', a multi-employer funded pension plan operated by TPT Retirement Solutions. Certain past contributions to this plan entitle the members to either a defined pension or a guaranteed capital sum to be converted into an annuity at retirement. The Church does not normally make contributions to the Growth Plan, but from 1 April 2013 has been required to do so as a result of an actuarial deficit. The most recent formal actuarial valuation of the Growth Plan, as at 30 September 2017, revealed a deficit of £131.5m, equivalent to a funding level of 85.8%. Its latest recovery plan includes a requirement for contributions from the Church over a period of 5.5 years from 1 April 2019, including £17k in 2020. The Church now recognises a liability for the net present value of these future contributions, amounting to £71k at the balance sheet date (2019: £85k). The present value is calculated using a discount rate of 0.27% (2019: 1.13%), and the charge to the Statement of Financial Activities of £2k (2019: £48k) represents the finance cost of unwinding the discount rate and the effect of any changes in actuarial assumptions.

In addition, in the event of no members continuing to contribute to the Growth Plan, there is a contingent obligation of an employer debt on withdrawal in respect of certain liabilities incurred before March 2010. TPT Retirement Solutions estimated the Church's contingent obligation at £271k as at 30 September 2014, but there is not currently any expectation that this situation will arise.

### **NOTE 25 COMMITMENTS**

At 31 December 2020 there were no commitments in respect of the purchase of properties (2019: £nil), and contractual liabilities of £nil (2019: £nil). £51k (2019: £153k) was committed as grants payable from the Legacy Fund.

The Church is committed, through the United Reformed Church Retired Ministers' Housing Society Limited and other earmarked funds, to providing housing for retired ministers. Owing to the many unknown variables which would be involved in calculating the value of this long-term liability, no provision is included in the Balance Sheet.

These variables include the number of ministers requiring assistance from the Society and the level of contributions able to be made by individual ministers towards the cost of their homes. During 2020 £1,779k was spent on acquiring housing for retired ministers, £345k on repairing and maintaining existing properties and profits of £378k

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

were earned from the sale of homes no longer required. Exercises have been undertaken periodically by the Society's management committee to collect information to assist more accurate long-term planning; these have confirmed a continuing need for assistance in the short to medium term. Future cash flow is kept under continuous review, and recent years have seen the Society become cash flow positive. This trend is expected to continue for the medium to long term.

The Trust entered into a legal Guarantee on 21 July 2010, under which it guarantees future contributions by the Church to the United Reformed Church Ministers' Pension Fund, as set out in the Schedule of Contributions in force from time to time up to an aggregate maximum amount of £16 million, using assets available for this purpose.

### NOTE 26 CASH FLOW INFORMATION

#### Reconciliation of net cash flow to movement in net cash funds

	2020 £'000	2019 £'000
Increase/(Decrease) in cash in the period	(1,237)	1,142
Net cash funds at 1 January	9,482	8,340
Net cash funds at 31 December	8,245	9,482

Net cash funds are represented by bank balances and money on call, as shown on the Consolidated Balance Sheet. Of the total, £7,661k is shown on the Trust Balance Sheet.

### NOTE 27 RELATED PARTY TRANSACTIONS

During the year the United Reformed Church Trust recharged salary and staff costs amounting to £304k (2019: 320k) to the United Reformed Church Retired Ministers' Housing Society Limited and paid £495k (2019: £398k) to Westminster College as a contribution to the teaching costs and other support costs of the College (£395k) and gave a further grant (£100k) to assist the college with the impact of Covid.

### NOTE 28 LEASE COMMITMENTS

At 31 December 2020 the trust had future minimum Lease payments under non-cancellable operating leases as follows:

	2020 £'000	2019 £'000
Due within 1 year	3	6
Due in more than 1 year but less than 5 years	4	10
Due in more than 5 years	-	-
<b>Total</b>	7	16

### NOTE 29 LEASES RECEIVABLE

At 31 December 2020 the principle future minimum lease payments receivable under non-cancellable leases are as follows:

	2020 £'000	2019 £'000
Due within 1 year	100	100
Due in more than 1 year but less than 5 years	75	175
Due in more than 5 years	-	-
<b>Total</b>	175	275

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 30 SUBSIDIARY UNDERTAKINGS

**The United Reformed Church Retired Ministers' Housing Society Limited** ('RMHS') is an exempt charity registered under the Co-operative and Community Benefit Societies Act 2014, number 15986R. Under the rules of the Society, which were revised by agreement of the RMHS Board in 2019, the United Reformed Church Trust has the power to appoint a majority of the directors. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

**Westminster College Cambridge** is governed by the General Assembly under clause 2.6 (A) (vi) of the Structure of the United Reformed Church through a body of Governors appointed by it, in accordance with the terms of the Trust Deed of 1899 as modified by the United Reformed Church Act 1972. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

Their financial results were as follows:

	<b>United Reformed Church Retired Ministers' Housing Society Limited</b>		<b>Westminster College Cambridge</b>	
	<b>2020 £'000</b>	<b>2019 £'000</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Income	1,427	2,295	1,477	1,828
Expenditure	728	963	1,797	2,090
Net income/(expenditure)	699	1,332	(321)	(262)
Total net assets	34,738	34,039	7,592	7,812

### NOTE 31 CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

	<b>2020 £'000</b>	<b>2019 £'000</b>
Gross income from continuing operations	22,858	25,109
Net gains on disposal of fixed assets	396	1,899
Total income	23,254	27,008
Total expenditure	(22,923)	(23,255)
Net income for year	331	3,753

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 32

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

						2019
						Total
						funds
Note	---- Income funds ----			---- Capital funds ----		£'000
	Unrestricted £'000	Designated £'000	Restricted £'000	Unrestricted £'000	Restricted £'000	
<b>Donations and legacies</b>						
Ministry and Mission Fund contributions	2(a)	18,817	-	-	-	18,817
Grants receivable	2(b)	98	-	206	-	304
Legacies		5	-	806	-	811
Commitment for Life donations		-	-	330	-	330
Other donations	2(c)	548	-	162	4	714
		<b>651</b>	<b>-</b>	<b>1,504</b>	<b>4</b>	<b>2,159</b>
<b>Charitable activities</b>						
Ministry	3	-	-	718	-	718
Education and Learning		-	-	509	-	509
Children's and Youth work		14	-	-	-	14
Mission programmes		-	-	-	-	-
Publishing		180	-	-	-	180
		<b>194</b>	<b>-</b>	<b>1,227</b>	<b>-</b>	<b>1,421</b>
<b>Other trading activities</b>						
Investment income	4	-	-	788	-	788
		1,286	13	585	-	1,884
<b>Other income</b>						
Gains on sale of properties		512	-	1,387	-	1,899
Other income		23	-	17	-	40
		<b>535</b>	<b>-</b>	<b>1,404</b>	<b>-</b>	<b>1,939</b>
<i>Total income and endowments</i>		<b>21,483</b>	<b>13</b>	<b>5,508</b>	<b>-</b>	<b>4</b>
					<b>4</b>	<b>27,008</b>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Trading expenditure		-	-	651	-	651
<b>Charitable activities</b>						
Ministry	5	16,054	9	1,315	-	17,378
Education and Learning		1,653	44	1,445	-	3,142
Children's and Youth work		385	-	-	-	385
Mission programmes		1,075	5	457	-	1,537
Publishing		162	-	-	-	162
Other expenditure		-	-	-	-	-
		<b>19,329</b>	<b>58</b>	<b>3,217</b>	<b>-</b>	<b>22,604</b>
<i>Total expended</i>		<b>19,329</b>	<b>58</b>	<b>3,868</b>	<b>-</b>	<b>23,255</b>
<b>Surplus from charitable and trading activities</b>		<b>2,154</b>	<b>-</b>	<b>45</b>	<b>1,640</b>	<b>-</b>
<b>Net gains/ (Loss) on investment assets</b>		<b>2,282</b>	<b>9</b>	<b>1,937</b>	<b>3,221</b>	<b>943</b>
<i>Net income</i>		<b>4,436</b>	<b>-</b>	<b>36</b>	<b>3,577</b>	<b>3,221</b>
					<b>947</b>	<b>12,145</b>
<b>Transfers between funds</b>						
Actuarial gains/(losses) on pension schemes	22	176	21	155	-	-
		332	-	-	-	332
<i>Net movement in funds</i>		<b>4,592</b>	<b>-</b>	<b>15</b>	<b>3,732</b>	<b>3,221</b>
					<b>947</b>	<b>12,477</b>
<b>Reconciliation of Funds</b>						
Total funds brought forward		15,519	1,579	52,298	19,355	6,065
<b>Total funds carried forward</b>		<b>20,111</b>	<b>1,564</b>	<b>56,030</b>	<b>22,576</b>	<b>7,012</b>
					<b>947</b>	<b>107,293</b>

## FIVE YEAR SUMMARY

	2016	2017	2018	2019	2020
	£'000	£'000	£'000	£'000	£'000
<b>INCOME AND EXPENDITURE ACCOUNTS</b>					
<b>Income</b>					
Ministry and Mission Fund contributions	19,260	19,104	19,016	18,817	17,908
Investment income	1,626	1,694	1,839	1,884	1,950
Income from charitable activities	1,448	1,346	1,547	1,421	1,233
Grants receivable	134	139	155	304	690
Legacies	206	322	1,036	811	339
Donations	621	476	398	1,044	440
Other income	3,399	3,403	1,606	2,727	694
	26,694	26,484	25,597	27,008	23,254
<b>Expenditure</b>					
Ministry	18,609	18,986	17,775	17,378	17,220
Education & Learning	3,202	3,246	2,967	3,142	3,258
Children's and Youth work	371	387	428	385	353
Mission programmes	1,541	1,493	1,893	1,537	1,282
Support activities (incl. publishing)	288	151	147	162	411
Trading activities	565	548	599	651	399
Other costs	361	223	50	-	-
	24,937	25,034	23,859	23,255	22,923
<b>Net income</b>	<b>1,757</b>	<b>1,450</b>	<b>1,738</b>	<b>3,753</b>	<b>331</b>
<b>Investment gains</b>	<b>3,723</b>	<b>4,484</b>	<b>(1,142)</b>	<b>8,392</b>	<b>3,590</b>
Actuarial gains/(losses)	(6,933)	3,261	17,292	332	(10,174)
<b>Net increase/(decrease) in funds</b>	<b>(1,453)</b>	<b>9,195</b>	<b>17,888</b>	<b>12,477</b>	<b>(6,253)</b>
<b>CASH FLOW STATEMENTS</b>					
<b>Cash required for investment in</b>					
Houses for retired ministers	(2,193)	(1,686)	679	(1,417)	946
Other properties	556	1,337	(714)	(1,473)	500
Cars and equipment	131	116	102	73	92
Loans to churches and ministers	67	5	20	(18)	13
	(1,439)	(228)	87	(2,835)	1,551
<b>Source of cash</b>					
Net incoming/(outgoing) resources for the year (see above)	1,756	1,450	1,738	3,656	331
Adjustment for items not resulting in a cash movement, for returns on investments, and for capital receipts	(1,932)	(2,198)	(1,351)	(4,461)	(21)
	(176)	(748)	387	(805)	310
Net increase in capital	5	4	5	4	4
Net decrease/(increase) in investments	(448)	-	85	(892)	0
Decrease/(increase) in bank balances	(820)	516	(390)	(1,142)	1,237
	(1,439)	(228)	87	(2,835)	1,551

## FIVE YEAR SUMMARY Continued

	2016	2017	2018	2019	2020
	£'000	£'000	£'000	£'000	£'000
<b>BALANCE SHEETS (Consolidated)</b>					
<b>Fixed assets</b>					
Tangible assets					
Houses for retired ministers	38,311	38,070	39,115	38,654	39,979
Houses for serving ministers	5,534	5,364	5,364	5,021	5,517
Other properties	7,143	8,258	8,581	8,415	8,297
Cars, equipment and intangibles	680	621	533	463	434
	51,668	52,313	53,593	52,553	54,227
Investment Properties	-	1,755	1,905	2,695	3,078
Long term investments (incl.programme-related)	42,675	46,001	44,623	53,317	56,525
Loans to churches and ministers	134	139	160	142	155
	94,477	100,208	100,281	108,707	113,985
<b>Net current assets/(liabilities)</b>					
Current assets					
Debtors and stock	-	731	-	-	-
Debtors and stock	2,298	1,540	2,097	3,270	3,338
Bank balances and money on call	8,466	7,950	8,340	9,482	8,245
	10,764	10,221	10,437	12,752	11,583
less : current liabilities	1,544	1,435	1,464	1,550	1,298
	9,220	8,786	8,973	11,202	10,285
<b>Net assets excluding pension liability</b>	103,697	108,994	109,254	119,909	124,270
Defined benefit pension scheme liability	(31,929)	(28,916)	(11,288)	(9,466)	(20,872)
Other pension obligations	(4,035)	(3,150)	(3,150)	(3,150)	(2,358)
<b>Net assets including pension liability</b>	67,733	76,928	94,816	107,293	101,040
Unrestricted income funds	(5,387)	(1,176)	15,519	20,111	9,824
Designated funds	-	-	1,579	1,564	1,664
Restricted income funds	48,821	52,019	52,298	56,030	58,312
Capital funds	24,299	26,085	25,420	29,588	31,240
<b>Total funds</b>	67,733	76,928	94,816	107,293	101,040

### NON-FINANCIAL STATISTICS

(from URC Year Book)

	2015	2016	2017	2018	2019
Members	52,060	49,517	46,881	44,788	43,208
Stipendiary ministers	438	401	398	377	364
Non-stipendiary ministers	65	57	58	58	62
Churches	1,426	1,406	1,383	1,354	1,331
Retired ministers	891	885	885	874	857
Ministry and Mission contribution per member	£367	£384	£401	£420	£414