



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

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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 Hounscome, 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.

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 Brien, 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	2020
	£000	£000
Voluntary income:		
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
Total income	<u>34,087</u>	<u>23,254</u>
Expenditure:		
Cost of raising funds	80	399
Charitable activities	23,998	22,524
Total expended	<u>24,078</u>	<u>22,923</u>
 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)
	<u>35,589</u>	<u>(6,253)</u>

Ministry and Mission Fund contributions

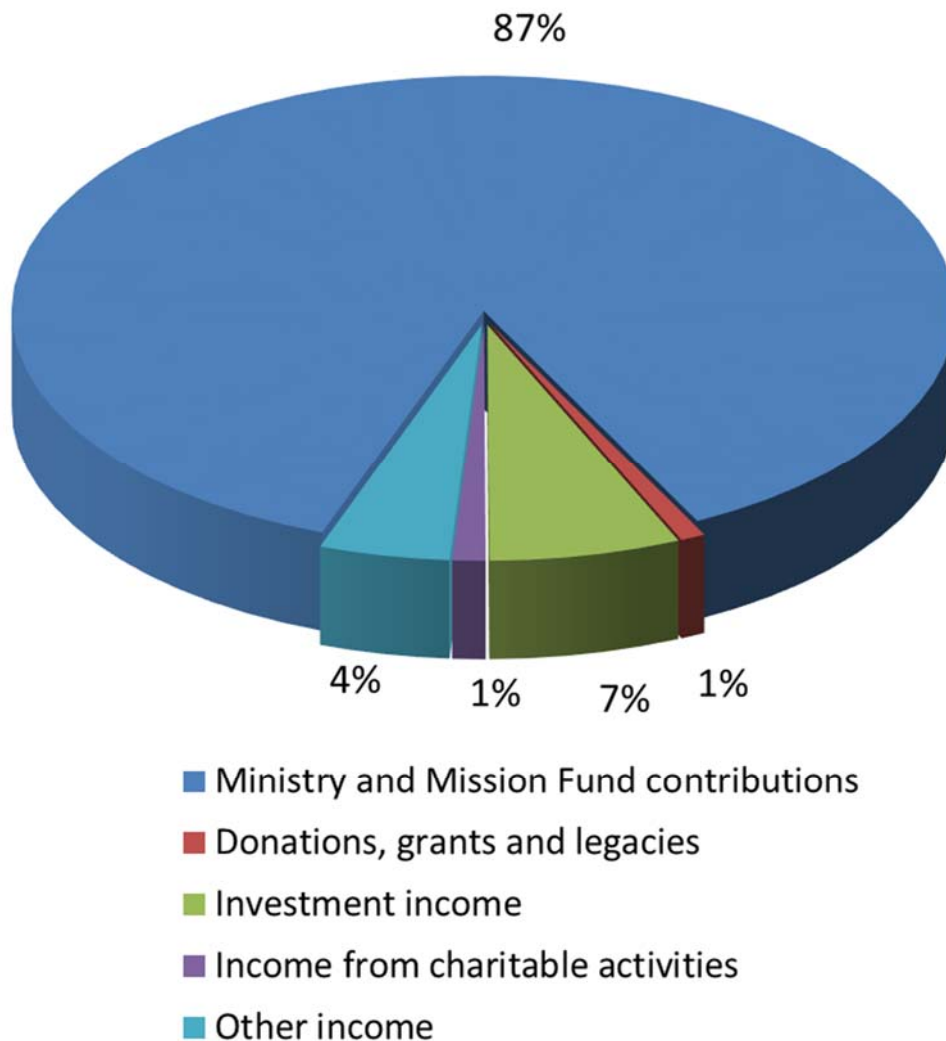
The pie chart on page 13 gives a visual picture of total unrestricted income, showing that 87% of our unrestricted income comes from Ministry and Mission Fund contributions, which totalled just over £17 million. Despite the ongoing effects of the Covid-19 pandemic, a great effort was made by churches 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

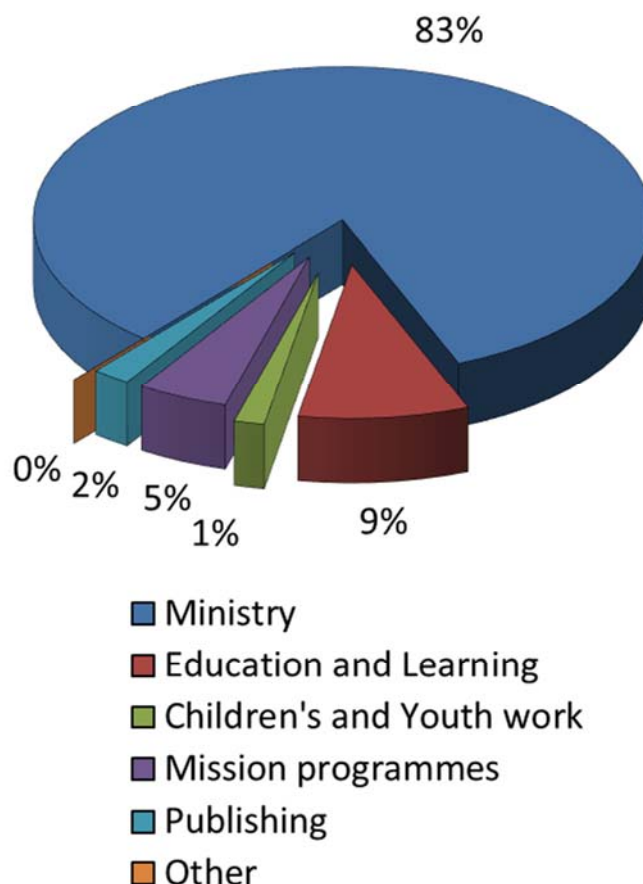
Donations, grants and legacies

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
Donations and legacies								
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
Charitable activities								
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
Other trading activities		0	0	285	0	285	0	279
Investment income	4	1,299	28	621	0	1,948	1,894	1,950
Other income								
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
Expenditure on:								
Raising funds:								
Trading expenditure		0	0	80	0	80	0	399
Charitable activities								
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
Surplus from charitable and trading activities		(785)	(57)	10,846	5	10,009	8,189	331
Net gains/ (Loss) on investment assets		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
Transfers between funds								
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)
Reconciliation of Funds								
Total funds brought forward		9,824	1,664	58,312	31,240	101,040	58,704	107,293
Total funds carried forward		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
Fixed assets					
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
Investments and loans					
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
Current assets					
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
Current liabilities	17	(1,844)	(1,298)	(3,616)	(2,701)
Net current assets		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)
Net assets including pension liability		136,629	101,040	92,248	58,704
Unrestricted income funds					
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)
Restricted income funds		70,840	58,312	27,736	17,140
Capital funds		35,291	31,240	34,014	30,076
TOTAL FUNDS	19-20	136,629	101,040	92,248	58,704

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**

	2021	2020
	£'000	£'000
Cash flows from operating activities		
Net income before other recognised gains and losses (see page 21)	17,920	3,922
Adjustments for:		
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
Cash flows generated from operations	5,474	(1,640)
Cash flows from investing activities		
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
Cash flows from financing		
Addition to capital endowment	5	4
Net increase (decrease) in Cash (note 27)	8,018	(1,237)

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:	2021 £'000	2020 £'000
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

	2021 £'000	2020 £'000
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:

2021	Direct programme expenditure £'000	Grant funding (note 6) £'000	Support costs (note 7) £'000	2021 Total £'000
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>

2020	Direct programme expenditure £'000	Grant funding (note 6) £'000	Support costs (note 7) £'000	2020 Total £'000
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

2021	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
	<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 £'000</u>	<u>2020 £'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:

		2021	2020
		£'000	£'000
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
Cost						
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
Accumulated depreciation and impairment						
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
Net book value						
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
Cost						
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
Accumulated depreciation and impairment						
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
Net book value						
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
Fixed asset investments				
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	2020	2021	2020
	£'000	£'000	£'000	£'000
Fixed asset investments				
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	2020	2021	2020
	£'000	£'000	£'000	£'000
Fixed asset investments				
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	2020	2021	2020
	£'000	£'000	£'000	£'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
	4,819	3,311	5,105	3,607
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
	1,844	1,298	3,616	2,701
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	93	115	43	39

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
UNRESTRICTED FUNDS							
Ministry and Mission	9,824	19,271	(20,566)	603	1,975	17,669	28,776
Maintenance of the							
Ministry Fund	-	39	-	(39)	-	-	-
Ministerial Training Fund	-	471	-	(471)	-	-	-
Consolidated & Trust	9,824	19,781	(20,566)	93	1,975	17,669	28,776
DESIGNATED FUNDS							
Legacy Fund	716	1	(84)	-	-	-	633
Discipleship							
Development Fund	948	28	(2)	-	115	-	1,089
Consolidated & Trust	1,664	29	86	-	115	-	1,722
RESTRICTED FUNDS							
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
Total Trust Funds	17,142	10,062	(1,033)	(93)	1,660	-	27,738
Westminster College	6,428	1,387	(1,394)	-	115	-	6,536
Retired Ministers'							
Housing Society	34,742	2,823	(999)	-	-	-	36,566
Total Consolidated Funds	58,312	14,272	(3,426)	(93)	1,774	-	70,840
CAPITAL FUNDS							
Ministry and Mission	8,476	-	-	(1,796)	844	-	7,524
Maintenance of the							
Ministry Fund	1,126	-	-	753	254	-	2,133
Ministerial Training Fund	14,239	-	-	1,046	2,064	-	17,349
Church Buildings Funds	184	-	-	-	-	-	184
Retired Ministers'							
Housing Funds	391	-	-	-	-	-	391
Welfare Funds	969	-	-	-	131	-	1,100
Retired Ministers' Funds	675	-	-	(320)	48	-	403
Other Funds	4,016	5	-	317	592	-	4,930
Total Trust Funds	30,076	5	-	-	3,933	-	34,014
Westminster College	1,164	-	-	-	113	-	1,276
Total Consolidated Funds	31,240	5	-	-	4,046	-	35,291

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
UNRESTRICTED FUNDS							
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)	-	-	-
Consolidated & Trust	20,111	19,803	(20,214)	(13)	1,103	(10,966)	9,824
DESIGNATED FUNDS							
Legacy Fund	693	42	(19)	-	-	-	716
Discipleship Development Fund	871	26	-	-	51	-	948
Consolidated & Trust	1,564	68	(19)	-	51	-	1,664
RESTRICTED FUNDS							
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
Total Trust Funds	15,292	999	(692)	13	738	792	17,142
Westminster College Funds	6,698	949	(1,269)	-	50	-	6,428
Retired Ministers' Housing Society	34,040	1,431	(729)	-	-	-	34,742
Total Consolidated Funds	56,030	3,379	(2,690)	13	788	792	58,312
CAPITAL FUNDS							
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
Total Trust Funds	28,474	4	-	-	1,598	-	30,076
Westminster College Funds	1,114	-	-	-	50	-	1,164
Total Consolidated Funds	29,588	4	-	-	1,648	-	31,240

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	-
Net assets	28,776	1,722	70,840	35,291	136,629

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	-
Net assets	28,776	1,722	27,736	34,014	92,248

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)	-
Net assets	9,824	1,664	58,312	31,240	101,040

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)	-
	9,824	1,664	17,140	30,076	58,704

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	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'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:

	2021	2020
Discount rate at year end	2.00%	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:

	2021	2020
	Value at 31 Dec	Value at 31 Dec
	£'000	£'000
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:

	2021	2020
	£'000	£'000
Charitable activities		
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>
Actuarial gains/(losses) on pension schemes)		
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>
Total loss/(gain) recognised in the Statements of Financial Activities	<u>(13,602)</u>	<u>14,117</u>

d) Change in defined benefit obligation:

	2021	2020
	£'000	£'000
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:

	2021	2020
	£'000	£'000
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:

	2021	2020	2019
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:

	2021 £'000	2020 £'000	2019 £'000
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:

	2021 £'000	2020 £'000
Charitable activities		
Current service cost	1,420	1,125
Administrative expenses	113	121
Net interest (credit)/cost:	(60)	59
Total operating charge	1,473	1,305
Actuarial gains/(losses) on pension schemes		
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:

	2021 £'000	2020 £'000
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:

	2021 £'000	2020 £'000
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:

	2021 £'000	2020 £'000	2019 £'000
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	-	-
Total	4	7

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	-	-
Total	75	175

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:

	United Reformed Church Retired Ministers' Housing Society Limited		Westminster College Cambridge	
	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)	1,826	699	(297)	(321)
Total net assets	36,570	34,738	7,812	7,592

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	34,087	23,254
Total expenditure	(24,078)	(22,923)
Net income for year	10,009	331

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 33

CONSOLIDATED STATEMENT OF FINANCIAL
ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER, 2020

					2020 Total funds £'000
	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000
Donations and legacies					
Ministry and Mission Fund contributions	2(a)	17,908	0	0	0
Grants receivable	2(b)	184	22	484	0
Legacies		0	20	319	0
Commitment for Life donations		0	0	253	0
Other donations	2(c)	101	0	82	4
		285	42	1,138	4
Charitable activities	3				
Ministry		0	0	719	0
Education and Learning		2	0	250	0
Children's and Youth work		13	0	0	0
Mission programmes		0	0	0	0
Publishing		249	0	0	0
		264	0	969	0
Other trading activities		0	0	279	0
Investment income	4	1,309	26	615	0
Other income					
Gains on sale of properties		18	0	378	0
Other income		19	0	0	0
		37	0	378	0
<i>Total income and endowments</i>		19,803	68	3,379	4
Expenditure on:					
Raising funds:					
Trading expenditure		0	0	399	0
Charitable activities	5				
Ministry		16,345	10	865	0
Education and Learning		2,058	2	1,198	0
Children's and Youth work		346	3	4	0
Mission programmes		1,056	4	222	0
Publishing		409	0	2	0
Other expenditure		0	0	0	0
		20,214	19	2,291	0
<i>Total expended</i>		20,214	19	2,690	0
Surplus from charitable and trading activities		(411)	49	689	4
Net gains/ (Loss) on investment assets		1,103	51	788	1,648
<i>Net income</i>		692	100	1,477	1,652
Transfers between funds		(13)	0	13	0
Actuarial gains/(losses) on pension schemes	22	(10,966)	0	792	0
<i>Net movement in funds</i>		(10,287)	100	2,282	1,652
Reconciliation of Funds					
Total funds brought forward		20,111	1,564	56,030	29,588
Total funds carried forward		9,824	1,664	58,312	31,240

FIVE YEAR SUMMARY

FIVE YEAR SUMMARY (unaudited)

	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000
INCOME AND EXPENDITURE ACCOUNTS					
Income					
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
Expenditure					
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
Net income	1,450	1,738	3,753	331	10,009
Investment gains	4,484	(1,142)	8,392	3,590	7,911
Actuarial gains/(losses)	3,261	17,292	332	(10,174)	17,669
Net increase/(decrease) in funds	9,195	17,888	12,477	(6,253)	35,589
CASH FLOW STATEMENTS					
Cash required for investment in					
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
Source of cash					
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
BALANCE SHEETS (Consolidated)					
Fixed assets					
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
	52,313	53,593	52,553	54,227	56,542
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
	100,208	100,281	108,707	113,985	124,367
Net current assets/(liabilities)					
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
	10,221	10,437	12,752	11,583	21,082
less : current liabilities	1,435	1,464	1,550	1,298	1,844
	8,786	8,973	11,202	10,285	19,238
Net assets excluding pension liability	108,994	109,254	119,909	124,270	143,605
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)
Net assets including pension liability	76,928	94,816	107,293	101,040	136,629
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
Total funds	76,928	94,816	107,293	101,040	136,629

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