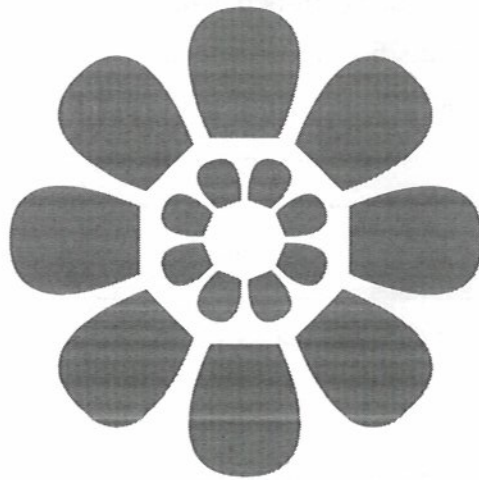


Union Chapel

**Trustees' Annual Report and Financial
Statements for the year to 31 March 2025**

Charity Number 1172808



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Reference and Administrative Information

Trustees / deacons	Claudina Edwards MG Jones (Church Secretary) Huw Williams	
Minister	Rev. Vaughan Jones Rev. Cathy Bird	(until 31 July 2024) (from 13 January 2025)
Treasurer	Dr. Philip Cotterell	
Charity number	1172808	
Legal status	Union Chapel is an unincorporated charitable trust governed by a trust deed	
Principal address	Union Chapel 19b Compton Terrace London N1 2UN	
Bankers	Lloyds Bank 19-20 Upper Street London N1 0PJ	
Accountants	Goodman Jones Arthur Stanley House 40-50 Tottenham Street London W1T 4RN	
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE	Bolt Burdon Providence House Providence Place London N1 0NT
Surveyors / property managers	Goodman Mann Broomhall 118 Piccadilly London W1J 7NW	Price Taylor 108-109 Upper Street London N1 1QN

Governing Document

Union Chapel (hereafter "UC") is a Congregationalist church affiliated to the Congregational Federation. It is an unincorporated charitable trust, initially established and governed by an indenture dated 18 September 1889.

In 2018 UC made substantial changes to that indenture. Those changes were motivated by the desirability of bringing the content up to date, and in particular by the need to have UC's relationship with the Congregational Federation – described below – correctly set out in its governing document. Because the original 1889 indenture does not grant any power of amendment, UC was able to make only changes deemed to be "administrative" and so within the scope of the statutory power of modification conferred by section 280 of the Charities Act 2011.

The Charity Commission has approved a model governing document for use by churches affiliated to the Congregational Federation and, to the extent possible, UC's amended governing document – the "consolidated trust deed" – matches that model document. The text of the consolidated trust deed is therefore a (slightly awkward) amalgam of clauses from the original 1889 indenture and material copied from the approved model document.

Managing Trustees

The consolidated trust deed establishes that:

- the Managing Trustees are UC's trustees as defined in the Charities Act 2011, and have all powers to control, manage, and administer the church in accordance with the consolidated trust deed and their charitable and other legal obligations;
- the members of the church, acting collectively as and through the Church Meeting, have the power to appoint Managing Trustees;
- the individuals appointed by the Church Meeting to be UC's deacons are also its Managing Trustees, unless the Church Meeting, by passing a special resolution, explicitly decides otherwise;
- each Managing Trustee must be a member of the church, and any Managing Trustee who ceases to be a member of the church also automatically ceases to be a Managing Trustee; and
- each Managing Trustee is appointed for a three-year term, and may at the end of any term be re-appointed for a further three-year term.

The Church Meeting has not passed any special resolution which alters the default arrangements, so UC's deacons are also its trustees. (For the avoidance of doubt, neither the Minister nor the Treasurer is a trustee.)

The consolidated trust deed does not place any restriction on the number of Managing Trustees which the Church Meeting may appoint. In practice, the number is constrained by the limited availability of individuals who are eligible and willing.

When making an appointment, the Church Meeting considers the experience, knowledge, and capabilities that a prospective Managing Trustee can bring to the role, and also the desirability of maintaining diversity among the Managing Trustees.

The Managing Trustees give their time voluntarily; they are not paid and do not receive any benefit from UC in return for their service.

UC does not have any formal induction or training program for new Managing Trustees. The existing Managing Trustees do not believe any such provision is necessary. Managing Trustees are necessarily members of the church and are appointed by the Church Meeting, so it is assumed that a new Managing Trustee has some familiarity with matters of current concern or interest. The Managing Trustees are encouraged to take advantage of training offered by the Charity Commission.

Relationship with the Congregational Federation

The Congregational Federation¹ is the Holding Trustee.

UC's buildings – the church building itself, and the properties at 18 and 19 Compton Terrace, adjacent to the church building on either side of it – are vested in the name of the Holding Trustee and for that reason do not appear as assets on UC's balance sheet.

The consolidated trust deed gives the Holding Trustee rights to:

- make reasonable requests for information relating to UC's management and administration and the use of its buildings;
- send a representative to any Church Meeting or any meeting of the Managing Trustees; and
- investigate if it has reasonable grounds for suspecting that UC is not complying with its consolidated trust deed, or is otherwise jeopardising its charitable status, or that any aspect of its management or administration is not being carried out correctly.

The Holding Trustee is not under any obligation to exercise any of these rights.

If so requested by a special resolution of the Church Meeting – and not otherwise – the Holding Trustee will assume the role, powers, and responsibilities of UC's trustees in place of the Managing Trustees.

¹ Congregational Federation Ltd., registered with charity number 267469 and company number 01166357.

Objects and Activities

UC's charitable objects, as set out in the consolidated trust deed, are to

permit the said piece of ground, Chapel, Vestries, Lecture Hall, School and Class Rooms, and two messuages² hereditaments and premises, and any other buildings that may hereafter be erected on the said piece of ground and any parts thereof to be used, occupied, and enjoyed for the public worship of Almighty God in accordance with the belief in the Lord Jesus Christ as the incarnate Son of God and the Redeemer of Men and in the Holy Spirit as the author of spiritual life and with a recognition of the divinely inspired scriptures of the Old and New Testaments as the supreme and sufficient rule of faith and practice, and also for such other religious, philanthropic, moral, intellectual, or social purposes, not inconsistent with such belief and recognition as aforesaid and generally in such manner and by such persons as shall from time to time be directed by a special resolution.

In pursuit of these objects, UC organises and provides:

- weekly Sunday morning services of Christian worship, including a communion service on the first Sunday of each month, and baptisms as and when requested;
- additional services and other activities to mark particular occasions within the Christian liturgical year (primarily Easter and Christmas);
- wedding services;
- funeral and memorial services;
- a regular Bible study (conducted in a hybrid online / in-person format, to facilitate participation by individuals who cannot be present in person on a weekday evening);
- pastoral care and support for members of the church, other regular congregants, and others who may from time to time seek such support from the church;
- a community choir, Union Chapel Singers, open to anyone who wishes to participate;
- a series of events focussed on issues of current interest or concern, especially matters of racial, social, economic, and climate justice;
- performances which use the arts to explore and engage with spirituality and culture;
- advocacy for individuals who are disadvantaged or marginalised, to assist those individuals and also generally to encourage diversity and raise awareness of discrimination; and

² "Messuage": a piece of land occupied, or intended to be occupied, by a dwelling.

- various forms of assistance to asylum seekers and refugees currently accommodated within the London Borough of Islington (funded by a grant from Islington Borough Council).

UC also pursues its objects through its involvement with two other charities, Union Chapel Project and The Margins Project. This activity is described below.

Public Benefit

In accordance with paragraph 5, section 17 of the Charities Act 2011, the trustees have considered the Charity Commission's guidance on public benefit.

UC's services of worship and other activities are open to all, without limitation or distinction on the grounds of religious faith or otherwise. Most of UC's core activities are provided without any charge and this is intended to maintain accessibility for individuals with low incomes. (However, it is becoming necessary for those church events to which significant costs are attributable to at least break even, which means that UC must now charge for admission for some events which might once have been provided free of charge.)

Relationship with Union Chapel Project and The Margins Project

Union Chapel Project (hereafter "UCP") is a separate organisation – a charitable limited company³ – established

to promote for the benefit of the public the restoration and preservation of Union Chapel Islington

where "Union Chapel Islington" in this context means the church building. In accordance with a decision by UC that

UCP should be appointed to manage [the building] with a view to its preservation maintenance and wider use for purposes beneficial to the local community

UC has delegated all matters relating to the fabric and operation of the building, including fundraising to enable maintenance and restoration, to UCP.

UCP's Articles of Association establish that

members of the Company shall be those of the minister and the members of [Union Chapel] for the time being who wish to become a member of the company.

Therefore, everybody who is entitled to a vote at any (annual or extraordinary) general meeting of UCP is necessarily a member of UC. UCP's Articles of Association furthermore

³ A company limited by guarantee and not having a share capital, registered with charity number 1010166 and company number 02583801.

state that UCP shall have up to seven directors, of whom one shall be UC's Minister (so long as the Minister is able and willing), and up to three others shall at the time of their appointment be members of UC; it is therefore expected that the Minister and selected members of UC shall constitute an absolute majority of UCP's directors. These arrangements are intended to ensure that UC retains ultimate strategic control of its building.

The day-to-day operational relationship between UC and UCP is governed by a Management Agreement which formally establishes matters such as the parties' respective rights to make use of the building. It also specifies certain arrangements for ongoing liaison and co-ordination. In recent years neither party has fully discharged all of its obligations under these arrangements.

The Management Agreement states that

UC shall make an agreed annual donation to UCP towards the maintenance and restoration of [the building] when and to the extent it is able and this will be reviewed annually.

The Margins Project (hereafter "UCM") is a charitable subsidiary of UCP⁴. It provides a range of services intended to relieve need and hardship and to provide opportunities, training, and employment for people who are homeless, at risk of becoming homeless, or otherwise marginalised. UCM delivers a substantial amount – but certainly not all – of that part of the church's activity which can most straightforwardly be described as "charitable".

There are no direct structural connections between UC and UCM; formally, the relationship between the two organisations is entirely through UCP. However, Vaughan Jones was the chair of UCM's trustees until his retirement at the end of July 2024; and since her appointment Cathy Bird has become one of UCM's trustees.

Performance and Achievements

In 2024-25 UC continued its mission as a community of Christians from diverse backgrounds committed to living lives that are spiritual, sustainable, and responsive to the gospel's call for justice and peace. Our charitable partner UCP ensures the building is well used, respecting the dignity of a space that is used for public worship. Our programme promotes racial, social, economic, and climate justice from the perspective of our radical Christian faith.

- The year was marked by a period of transition when Vaughan Jones retired at the end of July 2024. The search for a new Minister involved a multi-step process, involving a search committee, and a careful evaluation of candidates. Cathy Bird was offered the role and accepted. Rev. Bird previously held the position of Superintendent Minister of the Methodist Church's United Stockport Circuit. She commenced her ministry at UC in January 2025.

⁴ UCM is an "association" Charitable Incorporated Organisation (CIO) registered with charity number 1153070; UCP is its only member.

- The opportunity was taken to revise the terms and conditions of employment for the Minister and to put in place arrangements to rent accommodation offered as part of her terms and conditions of employment.
 - The period of “interregnum” (the time between Vaughan Jones’ departure and Cathy Bird’s arrival) saw services continue each Sunday with members of the congregation leading worship.
 - Sunday services continued to attract a diverse congregation, including many new to the Christian faith. To help their understanding an education session was held before each service.
 - Special services were held during the major festivals of the church: Advent, Christmas, Lent, Easter, Pentecost.
 - Other services marked Christian Aid Week, Homelessness Sunday, Refugee Week, Black History Month, Pride, Holocaust Memorial Day, and Remembrance Sunday.
 - A Bible study and religious reflection session was held weekly with a variety of themes, linked to the church year.
 - Our ever-popular “Carols by Candlelight”, combining drama, music, and communal singing, offered a welcoming space for celebration for people from across the borough.
 - The commitment to music-making of a high standard continued under our Organist / Musical Director. A pool of professional and experienced musicians enhanced our worship with gospel, jazz, and classical music.
 - After years of planning and fundraising, the church building’s historic 1877 Henry Willis organ – a Grade I listed instrument on the National Pipe Organ Register (NPOR) – was removed for renovation: this is intended to restore the organ’s machinery, pipework, and enclosure. The organ is an integral part of the church building, and so falls within UCP’s remit; therefore, UCP carried out all of the required fundraising, met the costs, and was responsible for planning and initiating the work. Musical accompaniment during Sunday services continued, using electronic and acoustic piano.
 - The community choir Union Chapel Singers continued to rehearse and attract new singers from across the borough, and beyond.
 - Gospel Arts is an initiative of UC with the ambition to promote gospel music and includes the Union Chapel Voices (UCV) ensemble. UCV performed as part of the recording of the BBC Songs of Praise episode “Sing Gospel!” at Union Chapel.
-

- We were able to continue providing wraparound support to asylum seekers in a hotel in the borough, thanks to the grant from Islington Borough Council. We also supported service users in their move to other areas due to the closure of another hotel in the borough.
- The church continued to officiate at weddings, including same-sex marriages, and memorial services.
- UCM, based in the church building, continued its work as a frontline charity offering services supporting people facing homelessness and other critical living crises.
- Space within the church building was made available to external faith-based organisations to hold meetings.
- UC continued its commitment to theological and pastoral education. Members of the congregation started theological studies with Luther King House (LKH) and with the Congregational Institute for Practical Theology (CIPT), and brought their studies in to UC worship and activities. We also hosted a pastor from the Swiss Reformed Church on a six-month study sabbatical.
- UC re-organised its estate with the refurbishment of the basement of 19 Compton Terrace. The new space is now the church's administrative office, offering suitable working accommodation for five of UC's employees. The room previously used by UC for this purpose has been added to the space let to UCP.
- Plans were put in place to ensure the properties at 18 and 19 Compton Terrace are brought up to standard with interior and exterior work undertaken during 2024-25 and planned for 2025-26. Work on the legal tenancy documentation was progressed.
- Attendance at church has stabilised with an average of over 35 attendees each Sunday. Some regular attendees have come into membership and the church roll has grown to over 20.

Future Plans (2025-26)

During the coming year, as well as the activities set out above, UC will:

- Begin a "discipleship" development programme to introduce the basics of Christianity to those new to the Christian faith, and to refresh the knowledge of longer-standing Christians.
- Continue to encourage those new to the Christian faith to explore baptism.
- Raise the profile of Union Chapel as an inclusive and welcoming church, through investment in a marketing and publicity professional, with a view to increasing membership and participation

- Introduce efforts to raise the church's income through increased donations, explicit fund-raising events, and increased use of the space by UCP and external partners.
- Explore ways of working more closely with UCM, particularly in terms of the support of refugees and asylum seekers.
- Review existing policies and procedures ensuring best practice is followed, in particular in relation to safeguarding and volunteer recruitment and support.
- Explore in partnership with UCP the range of measures which can be undertaken together to ensure that UC is an ethical organisation – e.g., ethical purchasing, becoming an “Eco Church”, improving accessibility of the premises.
- Explore in partnership with UCP becoming a member organisation of North London Citizens.
- Explore becoming a member organisation of appropriate networks such as Church of Sanctuary and Inclusive Church Network.
- Continue to work with the family of churches of the Congregational Federation and participate in the activities of the Federation.

Financial Review

(All amounts stated in this section have been rounded to the nearest £1,000.)

In 2024-25, UC incurred a budget deficit of £53,000. This was essentially a deficit on UC's general (unrestricted) income and expenditure.

The rent derived from the properties at 18 and 19 Compton Terrace makes up by far the majority of UC's regular unrestricted income (84% in 2024-25). The principal lettable space within 19 Compton Terrace was, however, vacant for some months, following the departure of the previous tenant. Also, an initial rent-free period had been agreed with the new tenant – in exchange for the tenant paying for some refurbishment and improvement works – and so no rent was obtained from that space during the year. The rent-free period will end approximately halfway through 2025-26, so the total rental income for the coming year will be higher than for 2024-25, though it will not fully recover until 2026-27.

During 2023-24, UC received significant exceptional income (£79,000) in the form of dilapidations payments from outgoing tenants. Some of this was spent on refurbishment and improvement works on the 19 Compton Terrace property during 2024-25. There will be similar exceptional expenditure on the 18 Compton Terrace property during 2025-26, which is expected to consume the remainder of that exceptional income together with other money previously set aside for this purpose. The deficit therefore arose partly from that timing difference, which had previously produced a significant budget surplus in 2023-24. Some of the expenditure on 19 Compton Terrace has been capitalised, so the depletion of UC's cash

reserves exceeds the recognised cost. (The balance sheet shows that current assets have fallen by £87,000, while tangible fixed assets have increased by £17,000.)

UC again received a grant from Islington Borough Council (IBC) to fund work supporting asylum seekers. The 2024-25 grant was lower than that agreed for the previous year, and so therefore was UC's spending. This reflects IBC's decision to procure certain services directly from the ultimate provider, rather than pay UC to obtain them on its behalf. UC's grant-funded activity in fact increased in 2024-25 compared to the previous year.

The grant income primarily facilitates activity which would not be undertaken in the absence of dedicated funding. However, some of the grant is allocated to payroll costs which are part of UC's core operating costs (see note 8 to the financial statements), so UC's deficit on unrestricted funds would be greater without it. In the context of the political controversies surrounding the provision of temporary accommodation to asylum seekers, the government's stated intention to end the use of hotels for this purpose, and the general state of the public finances, this funding was not likely to continue indefinitely; and at the signing date it is known that it will continue only until the end of December 2025.

Some recurrent core operating costs, particularly payroll and associated costs, were lower during 2024-25, but will increase again in 2025-26. For several months during 2024-25 UC was without a Minister, which created difficulties but did reduce the year's payroll costs. UC also eliminated one permanent staff position during the year. A new Minister is now in place, and the saving from the removal of a staff role will be more than offset by the costs of providing accommodation for the Minister. Such provision is the established and customary practice of Congregationalist churches, though for several years UC benefited from having appointed a Minister who was already resident in London and so did not require this. Under the terms and conditions of employment agreed with the new Minister, UC pays the rent on a suitable property, and also the associated council tax and water rates. This has created an exposure to the London private rental market; the cost of providing accommodation for the Minister could conceivably rise quite significantly each year.

The analysis of expenditure (note 6 to the financial statements) shows unusually high costs for governance and for miscellaneous costs. Governance costs for the year include the cost of legal advice which the trustees determined was required in connection with the appointment of the new Minister. However, these costs also include professional fees for payroll administration, which UC will now incur every year. In previous years UCP performed this task for UC – an arrangement which was free of charge, but informal and undocumented. UC's trustees have identified a need to disentangle various activities previously left to UCP, so as to establish clear, explicit, and formalised responsibilities; but this necessarily introduces some costs.

Similarly, miscellaneous costs include the new Minister's relocation costs, paid by UC again in accordance with established Congregationalist practice, but also the ongoing costs of IT support and provision of utilities to UC's administrative office, which have also been separated from UCP.

A further budget deficit is forecast for 2025-26, and this would be the case even without the anticipated exceptional costs of refurbishment and repair at 18 Compton Terrace. Continuing increases in payroll and related costs, and in other unavoidable costs relating to essential management, administration, and governance activities, are expected.

Action to address this during 2025-26 will focus on changes to UC's program of events intended to ensure that they generate income which is at least sufficient to cover their costs. This will require UC to charge admission fees for more events; there may be more attempts to solicit donations; and there will be more events which have fundraising as an explicit purpose.

UC's reserves are sufficient to cover its expected deficit during 2025-26, with a reasonable margin to meet unanticipated costs. However, if UC does not achieve a material reduction in costs and / or a material increase in income, then it will exhaust its reserves during 2026-27.

UC will attempt to secure a grant, or grants, from other sources to replace the grant from IBC. If such alternative funding is not secured then UC will have to discontinue the activities which have been facilitated by that grant, and this will necessarily include terminating the employment of the two members of staff whose positions are wholly funded by the grant.

Other decisions which are open to UC, and which can be put into effect rapidly, should be sufficient to balance the budget for 2026-27. These are not without adverse consequences – e.g., suspending UC's annual donation to UCP will realise a significant cash saving, but UC is dependent on UCP's continuing operation – but they will secure UC's survival in the short term. The trustees therefore believe that for the time being UC remains a going concern.

It is harder to discern a path back to robust long-term financial viability, but this is not quite so urgent. If it becomes evident that a stable and sustainable financial situation cannot be achieved, UC could sell its properties; the proceeds of those sales would be sufficient to fund UC for several years, allowing time for an orderly and planned winding-up.

Reserves Policy

At the balance sheet date UC has free reserves of £153,582 (down from £224,936 at 31 March 2024).

UC does not have a formal reserves policy. For a number of years income exceeded expenditure and in that context the trustees did not consider it necessary to specify any particular level of reserves which should be maintained.

However, it had been known for some time that the properties at 18 and 19 Compton Terrace would require significant expenditure, at such time as the principal tenants left, to bring them up to current lettable standards. The trustees set aside £80,000 for this purpose and this amount was later augmented by the dilapidations payments received from outgoing tenants. Both principal tenants ended their tenancies in the final weeks of 2023-24, and in

consequence some of the accumulated reserve was spent during that year. More was spent during 2024-25 and it is expected that the balance will be used during 2025-26.

It will soon be necessary to start accumulating a reserve against the next occasion on which significant expenditure on the properties is required. In the context of the near-term financial outlook this will be difficult. It is therefore unlikely that UC will be in a position to establish a more general reserves policy for some time.

Fundraising

UC obtains its unrestricted income primarily by renting space in its properties at 18 and 19 Compton Terrace.

UC does not generally solicit donations from the general public. Cash donations are accepted after Sunday services, and the order of service each week includes some information about giving. In 2025-26 there will be additional efforts to solicit donations from people attending the church's events.

A few members of the church donate regularly by standing order. The Treasurer reports UC's financial situation to the Church Meeting from time to time, and it is always hoped that more members will choose to donate, but the trustees do not believe that there exists any realistic prospect of obtaining very substantial amounts from the members or from other regular or occasional congregants.

Further relatively small amounts of unrestricted income are generated by charging for admittance to some events; by operating a bar during some events; and by charging fees for conducting weddings and funerals.

Collections are taken on particular occasions – for example, at the annual Christmas carol concert. In the past these have not generally been for UC's general funds, but have been taken either specifically to support the church's work with asylum seekers, or on behalf of UCM. It is likely that this will now have to change, with such occasional collections being explicitly for the church's general funds.

The community choir – UC Singers – is funded by participants' subscriptions and associated bar revenue.

None of this amounts to significant fundraising activity.

Small grants are secured from time to time, which provide a mixture of restricted and unrestricted income. The major grant from Islington Borough Council, supporting UC's work with asylum seekers, should be understood in terms of the council having a requirement to find an organisation to deliver this work and the church being well-placed to undertake it; this partnership was not conceived as a fundraising measure.

Risks

The rents obtained from 18 and 19 Compton Terrace made up 84% of UC's unrestricted income during 2024-25. These rents are generally stable and predictable, but UC has no other source of funding from which it could plausibly meet its general costs, so any significant disruption to this income would have serious consequences. The principal tenants of the two buildings are two different organisations – and 19 Compton Terrace also contains a residential flat, and office space let to UCP – which somewhat mitigates the risk of interruption, and it is anticipated that they will both remain for several years.

UC has a persistent budget deficit which now presents a clear threat to its continuing viability. This is described in more detail in the "Financial Review" section above.

The formal membership and the regular congregation are both growing, steadily, but slowly and from a low base; numbers remain small, and may not be sufficient to secure UC's long-term viability. There are not enough volunteers to fill every role that would ideally be filled. This is a situation faced by many churches. A particular consequence is that there exist very few individuals who are even technically eligible to become trustees, and it is increasingly likely that UC will not be able to find members who are capable of undertaking the duties, and willing to accept the responsibilities, of trustees

UC does not possess the resources, skills, knowledge, or capacity to assume responsibility for maintaining and operating its building, if UCP were to fail. There are not currently any significant doubts about UCP's viability; but UC is fundamentally dependent on UCP's continued operation.

Since 1 April 2023 UC has significantly improved its routine financial administration and processes. There remain some risks which probably cannot be reduced further and must just be accepted: with so few people involved, substantial key person dependencies cannot be avoided, especially if any meaningful separation of duties is to be maintained, and certain elements of accepted best practice, such as double authorisation for online banking transactions, cannot be implemented.

The growing public hostility towards the accommodation of asylum seekers in hotels, and some of the ways in which that hostility has been expressed, could conceivably result in situations in which the safety of UC's staff and volunteers, or the asylum seekers with whom it works, is threatened. The trustees keep these activities under review and have accepted that it may be necessary to modify or even terminate some of UC's activities if the safety of participants is threatened. The responsible members of staff have the authority to rearrange or cancel activities. There is no reputational or regulatory risk; UC does not depend on donors or supporters who disapprove of this work, which is properly within the scope of its charitable purposes and is not open to the allegation that it is inappropriately "political".

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and UK Accounting Standards including Financial Reporting Standard 102 (FRS 102) *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice (GAAP)).

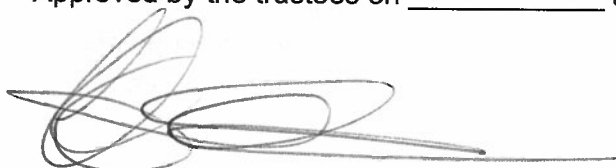
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of Union Chapel's affairs and of its income and expenditure during that year. In preparing these financial statements, the trustees are required to:

- choose suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and accounting estimates that are reasonable and prudent;
- confirm that applicable 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 assume that the charity will continue to operate.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time Union Chapel's financial position and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of Union Chapel's trust deed. They are also responsible for safeguarding Union Chapel's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the information, including any financial information, included on Union Chapel's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on 2026-01-25 and signed on their behalf by



Claudina Edwards
Trustee

Independent Examiner's Report to the Trustees of Union Chapel

I report to the trustees on my examination of the accounts of Union Chapel for the year ended 31 March 2025.

Responsibilities and basis of report

As the trustees of Union Chapel, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of Union Chapel's accounts carried out under section 145 of the Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Your attention is drawn to the fact that Union Chapel has prepared the accounts 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 the Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

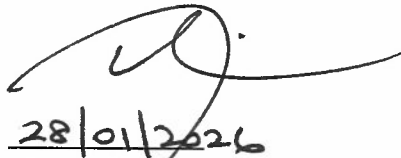
1: accounting records were not kept in respect of Union Chapel as required by section 130 of the Act; or

2: the accounts do not accord with those records; or

3: the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

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

This report is made solely to Union Chapel's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to Union Chapel's trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than Union Chapel and Union Chapel's trustees as a body, for my work or for this report.



Date: 28/01/2026

Julian Flitter FCA
Goodman Jones LLP
Arthur Stanley House
40-50 Tottenham Street
London
W1T 4RN

Statement of Financial Activities for the Period 1 April 2024 – 31 March 2025

	Note	2024-25 Unrestricted £	2024-25 Restricted £	2024-25 Total £	2023-24 Total £
Income from					
Grants & donations	2	10,672	81,718	92,390	145,202
Charitable activities	3	10,904	6,556	17,461	13,144
Other trading activities	4	125,620	-	125,620	228,965
Investments & deposits	5	1,964	-	1,964	901
Total income		149,160	88,274	237,434	388,211
Expenditure on					
<i>Raising funds</i>	6				
Properties		68,195	-	68,195	25,396
Fundraising		1	-	1	1
<i>Charitable activities</i>	6				
Church activities		117,704	-	117,704	126,720
Events		16,034	-	16,034	35,398
Weddings & funerals		417	-	417	1,760
Union Chapel Singers		-	4,810	4,810	5,925
Asylum seekers		-	82,966	82,966	115,329
Total expenditure		202,351	87,776	290,128	310,530
Net income / (expenditure) before revaluation of investments		(53,192)	498	(52,694)	77,681
Net gains / (losses) on investments	10	(20)	-	(20)	18
Net income / (expenditure)	7	(53,212)	498	(52,714)	77,698
Inter-fund transfers		-	-	-	-
Net movement in funds		(53,212)	498	(52,714)	77,698
Total funds brought forward		253,076	78,846	331,922	254,223
Total funds carried forward		199,864	79,343	279,208	331,922

All the above results were derived from continuing activities.

There were no recognised gains or losses other than those stated above.

The following notes form part of these financial statements.

Balance Sheet as at 31 March 2025

	Note	31 March 2025 £	31 March 2024 £
Fixed assets			
Tangible fixed assets	9	46,797	28,825
Investments	10	-	1,086
		<u>46,797</u>	<u>29,911</u>
Current assets			
Debtors	11	61,825	162,105
Cash at bank and in hand		176,564	163,582
		<u>238,389</u>	<u>325,687</u>
Liabilities			
Creditors – amounts falling due within one year	12	(5,978)	(23,677)
Net current assets / (liabilities)		<u>232,411</u>	<u>302,011</u>
Total net assets / (liabilities)		<u>279,208</u>	<u>331,922</u>
Funds	13		
Restricted funds		79,343	78,845
Unrestricted funds		199,864	253,076
Total funds		<u>279,208</u>	<u>331,922</u>

The following notes form part of these financial statements.

Approved by the trustees on 2026-01-25 and signed on their behalf by

Philip Cotterell

Philip Cotterell
Treasurer

Notes to the Financial Statements

1 Accounting policies

a) Basis of preparation

These 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 the Republic of Ireland (FRS 102)" – Charities SORP FRS 102 – and with the Charities Act 2011.

UC 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.

The financial statements are prepared and presented in GBP (sterling), which is UC's functional currency. Amounts in the financial statements and the notes to the financial statements are rounded to the nearest pound. Rounding is performed as the final stage of preparation and this may introduce some apparent small discrepancies – e.g., row and column totals may not appear to be exactly correct.

b) Going concern

In the judgement of the trustees, at the date of approving these financial statements:

- there are no material uncertainties about UC's ability to continue as a going concern; and
- there are no sources of estimation uncertainty which carry a significant risk of requiring a material adjustment to the carrying amounts of assets and liabilities within the next financial year (2025-26).

c) Income

Income is recognised in the period during which the church is entitled, and can reasonably expect, to receive it, and the amount can be assessed with reasonable certainty. Cash donations are recognised on the date of bank deposit.

d) Expenditure

Expenditure is recognised in the period during which it is incurred. Most expenditure is in practice recognised on the relevant invoice date. Salaries and related liabilities are recognised on each month's pay date. Independent examiner's fees in respect of a given year's financial statements are recognised during that year. Expenditure includes non-recoverable VAT.

e) Tangible fixed assets and depreciation

Tangible fixed assets with an original purchase price or cost of £1,000 or more are capitalised, and stated at original cost less depreciation. Depreciation is charged on a reducing balance basis at annual rates intended to write off the costs of these assets over their estimated useful lives; the rates are 10% for improvements to the church's properties, and 25% for church and office equipment.

f) Investments

At the start of the year, UC had an investment which was held by Congregational Federation Ltd as custodian. Investment income was paid into a COIF Deposit Fund held by CCLA Investment Management Ltd and administered by Congregational Federation Ltd. During the year, UC sold this investment. The associated COIF Deposit Fund no longer serves any useful purpose but, because of delays in Congregational Federation Ltd's execution of UC's instructions, still existed at the balance sheet date. It will be closed during the 2025-26 financial year.

g) Funds

UC's unrestricted (general) funds comprise those monies which UC may use at the trustees' discretion to further its charitable objects. These may include designated funds, set aside by the trustees at their own discretion for particular purposes.

UC's restricted funds comprise monies raised or given for specific purposes, which may be used only for those purposes.

The purposes of UC's designated and restricted funds on the balance sheet date are set out in note 14.

2 Income from grants and donations

	Unrestricted	Restricted	2024-25	2023-24
	£	£	Total	Total
			£	£
Grants	-	81,718	81,718	135,785
Donations	10,672	-	10,672	9,417
	10,672	81,718	92,390	145,202

3 Income from charitable activities

	Unrestricted	Restricted	2024-25 Total	2023-24 Total
	£	£	£	£
Events	10,904	-	10,904	5,418
Weddings & funerals	-	-	-	2,447
Choir (Union Chapel Singers)	-	6,556	6,556	5,279
	10,904	6,556	17,461	13,144

4 Income from other trading activities

	Unrestricted	Restricted	2024-25 Total	2023-24 Total
	£	£	£	£
Rental income	125,620	-	125,620	150,054
Dilapidations payments	-	-	-	78,911
Other income	-	-	-	-
	125,620	-	125,620	228,965

5 Income from investments and deposits

	Unrestricted	Restricted	2024-25 Total	2023-24 Total
	£	£	£	£
Interest	1,953	-	1,953	857
Investment income	11	-	11	44
	1,964	-	1,964	901

6 Analysis of expenditure

	Charitable activities				Raising funds		2024-25	2023-24
	Church	Events	Weddings & funerals	Choir (UC Singers)	Asylum seekers	Fundraising	Properties	Total
	£	£	£	£	£	£	£	£
Payroll	56,574				53,889			110,464
Minister's accommodation	8,793							8,793
Events		16,034						16,034
Sunday services	6,305							6,305
Community choir (UC Singers)				4,810				4,810
Gospel choir (UC Voices)								-
Donations to UCP & other charities	18,360							18,360
Church equipment & resources	1,458							1,458
Social justice & community engagement								-
Asylum seekers					28,905			28,905
Weddings & funerals			417					417
Governance	13,138							13,138
Fundraising								-
Properties							63,314	63,314
Depreciation	783				171		4,881	5,836
Miscellaneous costs	12,294					1		12,295
Total expenditure 2024-25	117,704	16,034	417	4,810	82,966	1	68,195	290,128
Total expenditure 2023-24	126,720	35,398	1,760	5,925	115,329	1	25,396	310,530

7 Net income / (expenditure)

This is stated after charging:

	2024-25	2023-24
	£	£
Depreciation	5,836	4,051
Independent examiner's fee	3,600	4,200

8 Staff costs and trustee remuneration and expenses

Payroll costs were:

	2024-25	2023-24
	£	£
Salaries and wages	105,819	130,267
Social security costs (Employer's NI)	2,967	6,225
Employer's contribution to Defined Contribution pension schemes	1,677	1,886
Reversal of incorrectly accrued liability to HMRC	-	(6,308)
	110,464	132,069

The trustees were not paid. No trustee was employed by or received any benefit as a result of employment by UC. One trustee claimed reimbursable expenses on one occasion for the costs of hospitality as part of the recruitment process for UC's new Minister (£65); and one trustee claimed reimbursable expenses on one occasion in connection with the refurbishment of parts of UC's properties (£55).

No member of staff was paid more than £60,000.

Salary payments to members of staff classified as "key management personnel" totalled £19,784.

Staff numbers

	2024-25	2023-24
Average (modal) monthly number of employees	6	6

At the balance sheet date, UC's permanent staff establishment consisted of:

- Minister;
- Social Justice Worker;
- Organist / Musical Director (part-time); and
- Administrator (part-time).

At the start of the year another permanent, full-time role existed: Communications & Development Worker. That member of staff left UC's employ during the year and the trustees decided to eliminate the role.

Two additional (part-time) members of staff – ESOL & Volunteer Co-ordinator, and Activities Administrator – were funded entirely by the grant from Islington Borough Council; these roles are not part of UC's permanent establishment.

Use of restricted funds to meet payroll costs

During 2024-25 a small part of the Minister's salary and a significant fraction of the Social Justice Worker's salary were funded by the grant from Islington Borough Council given to support UC's work with asylum seekers. This use of the money was anticipated and explicitly disclosed in the budget which formed part of the grant application, and is intended to reflect staff time spent on the grant-funded activities.

The grant also funds the ESOL & Volunteer Co-ordinator and Activities Administrator positions. Those members of staff work exclusively on grant-funded activities.

9 Tangible fixed assets and depreciation

	Property Improvements	Church & Office Equipment	Total
	£	£	£
Cost			
At start of year	75,550	23,610	99,160
Additions during year	23,807	-	23,807
Disposals during year	-	-	-
At end of year	<u>99,357</u>	<u>23,610</u>	<u>122,967</u>
Depreciation			
At start of year	50,543	19,792	70,335
Charge for year	4,881	955	5,836
Eliminated on disposal	-	-	-
At end of year	<u>55,424</u>	<u>20,746</u>	<u>76,171</u>
Net book value			
At end of year	<u>43,933</u>	<u>2,864</u>	<u>46,797</u>
At start of year	<u>25,007</u>	<u>3,818</u>	<u>28,825</u>

10 Investments

	2024-25	2023-24
	£	£
At start of year	1,086	1,068
Gain / (loss) during year	(20)	18
Disposals during year	(1,066)	-
At end of year	<u><u>-</u></u>	<u><u>1,086</u></u>

11 Debtors

	2024-25	2023-24
	£	£
Prepayments	27,319	-
Accrued income	31,333	162,105
Security deposit	3,173	-
	61,825	162,105

The security deposit is in respect of the accommodation rented by UC for the use of the Minister. It will be repayable when UC no longer requires the property. This is not expected to occur within one year of the balance sheet date.

12 Creditors: amounts falling due within one year

	2024-25	2023-24
	£	£
Other creditors	5,978	23,677
	5,978	23,677

13 Net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets (net book value)	46,282	514	46,797
Investment	-	-	-
Net current assets	153,582	78,829	232,411
	199,864	79,343	279,208

14 Movements in funds

2024-25	At start of year	Incoming resources & gains	Outgoing resources & losses	At end of year
	£	£	£	£
Unrestricted funds				
<i>Designated funds</i>				
Properties reserve	150,847	-	(68,401)	82,446
Other unrestricted funds	102,229	149,160	(133,970)	117,418
Total unrestricted funds	253,076	149,160	(202,371)	199,864
Restricted funds				
Union Chapel Singers	3,718	6,556	(4,810)	5,465
Asylum seekers grant	73,412	81,718	(82,966)	72,163
Asylum seekers hardship fund	1,715	-	-	1,715
Total restricted funds	78,845	88,274	(87,776)	79,343
Total funds	331,922	237,434	(290,148)	279,208

2023-24	At start of year	Incoming resources & gains	Outgoing resources & losses	At end of year
	£	£	£	£
Unrestricted funds				
<i>Designated funds</i>				
Properties reserve	80,000	78,911	(8,064)	150,847
Other unrestricted funds	116,608	166,833	(181,213)	102,229
Total unrestricted funds	196,608	245,745	(189,277)	253,076
Restricted funds				
Union Chapel Singers	4,364	5,279	(5,925)	3,718
Asylum seekers grant	52,145	136,085	(114,818)	73,412
Asylum seekers hardship fund	1,106	1,120	(511)	1,715
Total restricted funds	57,615	142,484	(121,254)	78,845
Total funds	254,223	388,229	(310,530)	331,922

The properties reserve comprises money set aside by the trustees against the anticipated costs of work on UC's properties at 18 and 19 Compton Terrace, and the costs of legal and other professional services associated with that work and with the changes of tenants. Approximately half of the accumulated balance of this fund was spent during 2024-25 and it is expected that the remainder will be spent during 2025-26. This fund is strictly the cash set aside; part of the expenditure during 2024-25 has been capitalised, and the capitalised amount, together with the resulting depreciation, is accounted for within the general unrestricted funds.

UC had three restricted funds on the balance sheet date:

- Union Chapel Singers – money raised, principally from participants' subscriptions, to support the activities of Union Chapel Singers;
- Asylum seekers grant – grant money received from Islington Borough Council to fund specified work supporting asylum seekers currently accommodated within the borough (supplemented by a small amount of money donated specifically to support this work);
- Asylum seekers hardship fund – money raised through collections at certain church events, together with certain individual donations, to be spent at the discretion of the Minister and / or the Social Justice Worker for the purpose of meeting occasional identified needs of individual asylum seekers known to UC.

15 Related party transactions

UC's Minister is a director of UCP, in accordance with UCP's Articles of Association. During the interregnum between Vaughan Jones' retirement and Cathy Bird's appointment, one of UC's trustees occupied the Minister's place on UCP's Board of Directors.

The chair of UCP's Board of Directors during 2024-25 is a member of UC. Two other UCP directors are also members of UC.

UCP paid rent of £16,000 to UC for office space in UC's property at 19 Compton Terrace.

During some church events, UCP operates the bar in the church building and passes the net profits to UC. (The definition of "net profits" for this purpose is set out in an agreement between UC and UCP.) UC received £2,863 from UCP under this arrangement.

UCP also sells tickets for some church events on UC's behalf, and passed £5,964 of ticket sale revenue to UC.

UC paid UCP £3,210 for staffing costs associated with church events.

UC made a donation to UCP of £18,000. UC and UCP have agreed that UC's donation to UCP each year will be the amount that UCP assesses would have been due if UC and UCP had entered into a cost-sharing agreement covering:

- the electricity and gas supplied to the church building; and
 - insurance, which UCP procures collectively for itself, its subsidiary organisations, and UC.
- This does remain a donation, which strictly is made at UC's discretion in accordance with the Management Agreement, so UCP is not entitled to demand it.

Until his retirement, Vaughan Jones was chair of UCM's trustees. Following her appointment as Minister, Cathy Bird has become one of UCM's trustees, but it is not anticipated that she will become UCM's chair. (Another member of UC is now chair of UCM's trustees.)

UC paid UCM £4,192 to cover the purchase of kitchen equipment used for activities which were part of UC's grant-funded work with asylum seekers. This was anticipated and included in the budget supporting the grant application.

UC also paid UCM £425 for providing Sunday lunches on two occasions, and £600 for catering at a church event.

16 Legal status and members' liability

UC is an unincorporated charitable trust. The original trust deed is dated 18 September 1889; it was amended in 2018 using the power of modification conferred by section 280 of the Charities Act 2011.

The members have no financial liability in the event of UC being wound up.