

Company Number: 00101685
Charity Number: 248796

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

MHA MACINTYRE HUDSON
Chartered Accountants and Statutory Auditors
Rutland House
148 Edmund Street
Birmingham
B3 2FD

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

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THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2020

Reference and Administrative Information

Registered Office

The Eastern Synod Office
The United Reformed Church
36 Duxford Road
Whittlesford
Cambridge
CB22 4ND

Directors and Trustees

Revd P R Whittle (Resigned 31 December 2020)
Revd Prof D Thompson
Mr K Hounsome
Mr A East
Mr C Patten
Mr G Heathcote
Revd Dr J Tollington

Bankers

Barclays Bank Plc
5-7 Red Lion Street
Norwich NR1 3QH

Legal Advisors

Veale Wasbrough Vizards
Second Floor, 3 Brindley Place
Birmingham
B1 2JB

Auditors

MHA MacIntyre Hudson
Rutland House
148 Edmund Street
Birmingham
B3 2FD

Investment Manager

CCLA Investment Managers Limited
Epworth Investment Managers Limited

Synod Officers

Moderator – Revd P R Whittle (Resigned 31 December 2020)
Synod Clerk – Mr K Hounsome
Synod Treasurer – Mr G Heathcote
Company Secretary and Finance Officer – Mr D Smith
Resources Officer – Mrs P Davies-Brown

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2020

The Trustees present their Annual Report and the audited financial statements of the charity for the year ended 31 December 2020. The Trustees have adopted the provisions of Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the Annual Report and financial statements of the charity.

Since the charity qualifies as a small company under Section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Trustees

The Trustees of the charity are also company directors for the purposes of company law.

All Trustees give their time voluntarily and receive no benefits from the charity apart from those reimbursed expenses set out in note 6.

The Trustees serving during the year and to the date of this report were as follows:-

Revd P R Whittle (Resigned 31 December 2020)
Revd Prof D Thompson
Mr K Hounscome
Mr A East
Mr C Patten
Mr G Heathcote
Revd Dr J Tollington

Aims and Objectives

The charitable company's purpose as set out in the objects contained in the company's Memorandum and Articles of Association is the advancement of the Christian religion especially by the means of, and in accordance with, the principles of the United Reformed Church as set out for the time being in 'The Manual'.

The aims of the charity are to support local churches in their outreach and mission and to share the vision of the URC's General Assembly with the local churches.

The United Reformed Church (Eastern Province) Trust has two distinct roles. The first is to act as the corporate Trustee of local churches, manses and other local church land. The second is to act as the holding Trustee of the collective financial assets of the Eastern Synod.

In relation to the first role, the Trust acts according to the United Reformed Church Acts 1972, 1981 and 2000: particularly the 1981 Act. Local URC churches operating in the Eastern Synod area are separate and independent charities. There is no common control or unity of administration with any of these bodies and they are not deemed to be connected charities within the understanding of the Charities SORP (FRS 102). None of the financial assets or liabilities of these bodies are incorporated in the Trust's financial statements as the Trust is not the beneficial owner and there is neither parent nor subsidiary relationships.

In relation to the second role, the Trust's responsibility is to exercise ultimate oversight over the finances of the Synod (including its budget and accounts), as set out below. The Trust is also responsible for employment of most remunerated Synod staff.

Achieving delivery of the Trust's aims and public benefit

The strategy for achieving the Trust's aims and objectives is to provide pastoral, educational and mission, technical and financial support. All these forms of support are designed to promote and share the Christian faith and, in particular, the principles of the URC in each area where a local congregation operates. The Trustees review the aims, objectives and proposed future activities on a regular basis. The Trustees follow the general guidance issued by the Charity Commission on public benefit when doing so and the following sections of this report describe how the Trustees have carried out the purposes of the Trust for the public benefit.

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It is important to note that the Trust's functions are generally exercised through the Eastern Synod of the United Reformed Church and its committees (see section headed "Structure, Governance and Management").

Pastoral Support

The Pastoral Committee works with and through the Synod Moderator and others to provide spiritual, pastoral and strategic leadership, care and challenge to local churches and their ministers. They have a particular role in encouraging conversations about pastorates' needs, ensuring effective but sympathetic deployment of ministerial resources as well as overseeing churches during ministerial vacancies. They also monitor the progress of those applying for, and undertaking, various types of ministerial training and work to develop ecumenical relations in the area covered by the Synod as well as encouraging local churches to "think ecumenically" when planning all their initiatives.

Educational and Mission Support

The Mission Committee works with and through the Moderator, Mission and Training Officer and Children and Youth Development Officer to provide or encourage training and development for ordained and lay people; organise and support activities for, and work with, children and young people; and encourage mission and outreach activities to be undertaken primarily by local churches in their own towns or villages. The Synod has established a Pioneer Fund (funded from property sales) for the purpose of supporting major new mission activities and in this connection is currently supporting an ecumenical Pioneer Ministry project on a new housing estate at St. Neot's. Through the Faith in Action group of the Mission Committee, the Synod and local churches are made aware of need and injustice locally, nationally and internationally and challenged to respond in ways which make a difference.

Technical Support

Synod officials are a resource available to help local churches understand and keep up to date with their obligations as charities, employers, providers of services to the public and occupiers of buildings. Where necessary, Trustees and Synod officials also help local churches through the process of considering the acquisition, modification or disposal of premises and issues of trust, property and charity law. The Listed Buildings Advisory Committee (as constituted by the Ecclesiastical Exemption (Listed Buildings and Conservation Areas) (England) Order 2010) offers independent advice to the Synod Property Committee, together with assisting local churches occupying "Listed" buildings through the complexities of the legal processes governing these types of buildings, including offering advice on their care and maintenance.

Financial Support

A range of grants (and, more rarely, loans – constituting much of Programme Related Investments) is made available to local churches and ministers to assist with children and young people engagement, mission and outreach, maintenance and improvement of properties to enhance interaction with their communities and ministerial and lay training and development. In most cases this support is provided through the Resources/Property Committee, which meets four times a year and oversees financial and property-related matters for the Synod. The delegated powers of the Resources Committee and its interaction with the Trust and Trustees are set out in the Synod Financial Policy which is revised periodically by Synod. The Finance Policy sets out the charity's investment policy and ethical constraints under which it operates. For further details see the section headed 'Investment Policy' (below).

Churches are encouraged to retain and invest capital whenever possible and to fund new building works, redevelopments, maintenance works and pastoral assistance from their investment income. Where there are insufficient funds, grants or loans may be made available to Churches and Synod Committees, in the case of loans for periods normally not exceeding five years.

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Year Ended 31 December 2020

Achievements and Performance

Inevitably, the Synod's work has been significantly affected by the Covid pandemic. The start of the initial lockdown coincided with the March Synod meeting that was therefore cancelled. The October meeting did take place albeit by zoom, and our Committees have also become accustomed to meeting in this way.

For the same reason, the Synod office was closed for most of the year with staff working from home. It has been good how well staff have adapted to this new way of working.

Mission Committee

- The Committee continues to oversee activities arising from Walking the Way
- The Faith in Action Group continues to present matters of concern to Synod and gives links to websites that provide further information on issues such as social justice, racial justice, the environment and rural matters
- Through the Synod's Mission and Training Officer (Lindsey Brown) mission (including worship) resources have been provided to churches and a range of training and related on-line programmes have been provided to Elders and others
- Through the Synod's Children and Youth Development Officer (Nicola Grieves) training, advice and consultancy has been provided (again on-line for most of the year) to those working with children and young people, as well as advice and training on employment issues and safeguarding. Nicola also organises or helps at events for youngsters, both Synod-wide and in local churches.
- Since the start of the first lockdown Nicola and Lindsey (together with the Moderator until he took up a similar role with the Synod of Scotland in January 2021) have produced a weekly update for churches that contains news, material for worship and the younger members of our church family and details of training and other events
- The Loves Farm initiative (near St Neots) has been recognised as a Mission Project
- In October, the Synod adopted an Environment Policy, and a Working Group has been set up to work through the actions that follow from it

Pastoral Committee

- This Committee's work is largely of an ongoing nature, in particular supporting the Moderator in considering ministerial vacancies and the challenges of deployment
- The Committee has oversight of the LMMR process, receiving reports of mission reviews carried out in local churches
- It also oversees the process for authorising lay persons to preside at the Sacraments
- The Committee also links with the work of the five Area Partnerships and one United Area
- The Committee has noted, with sadness, the closure of our churches at David Livingstone (Harlow), Great Baddow and Princes Street (Norwich).

Resources Committee

- The Committee continues to provide a range of property grants as well as grants for children's and youth work
- The Committee continues to oversee the work of the Ministry and Mission Advocates in their work administering the Fair Share scheme through which local churches contribute to the provision of ministry throughout the denomination. In this respect, the Committee is grateful to local churches for generally how well they have done in maintaining their commitment at what has been a most difficult time financially for them
- Two changes have been made to the Synod's Finance Policy pending a full review in 2021
- The Committee is aware that the reserves held by the Synod/Trust are higher than in most other Synods. Notwithstanding the need to set aside a substantial sum for future pension contributions within the denomination the Committee is now looking at how funds can be released to meet the mission work of local churches

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Executive Committee

- The Committee's work is mainly concerned with organising Synod meetings, ensuring vacancies on Synod committees are filled, coordinating the work of the committees and overseeing staffing matters
- On the Committee's initiative and following consultation with local churches, the Synod have engaged HR consultants to provide employment advice to them, at no cost to the churches

More generally, the Synod's Committee, including the Executive Committee, have worked through the responses to the Synod Review carried out in early 2019.

Financial Review

Financial Statements

The financial statements, including the notes, have been prepared in compliance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102). The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust Company do not sell goods or services, nor are there any other trading activities.

A financial review document is made available to all members of Synod, and local churches if requested. This document highlights the main features of these financial statements. The review includes a comparison between the budget and the final operating income resources and expenditure.

Statement of Financial Activities

The Statement of Financial Activities is shown on page 14, with a more detailed analysis of income and expenditure on pages 21 to 24.

The total operating income for the year was £719,192 (2019: £891,445), the majority of which is investment income.

This year the church property grants totalled £(20,662) (2019: £282,464). There was very little activity in property grants this year due to the closure of churches because of the pandemic.

Receipts from church and other property sales totalled £1,503,132 (2019: £787,005) and it is important that these capital receipts continue to be invested wisely.

Balance Sheet

The above result led to an increase of £1.527m (2019: £2.406m) which has resulted in a combined fund balance of £21.938m (2019: £20.411m) at the year-end. An analysis of the movement of funds can be found in note 9.

Programme Related Investments total £818,144 (2019: £944,456) comprising 4 outstanding loans and 8 property investments (2019: 4 loans and 8 property investments). These investments represent funds invested by Synod to assist local churches and retired ministers to purchase or update their properties.

Fundraising Sources

Synod meeting annually authorises a levy to be raised for Synod administration purposes from local churches together with their contributions to the denominational Ministry and Mission Fund. This levy will reduce by 20% each year over the next five years. The other main sources of regular income are investment and rental income. In addition, in some years, substantial sums become available to the Trust as a result of church closures. No fundraising activities are carried out at Synod or Trust level.

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Investment Policy

The policy seeks to achieve as high an income as possible, subject to protecting the capital value of the funds against inflation. The investments include sharing in some churches' property developments but are otherwise a mixture of fixed interest and equity marketable securities. The Synod seeks to ensure that none of its investments can be seen to support practices which are against the conscience of Christians following the Ethical Investment Guidelines approved by the URC General Assembly from time to time. These Common Investment Funds are governed by Charity Commission Schemes.

A number of local churches have asked the Synod to hold, and invest, certain funds on their behalf. Such funds are not Synod funds and are not included in the Trust financial statements.

Reserves Policy

The Trust holds funds under a number of different terms. Funds which are restricted may only be used as directed by the funder at the time they were granted to the Trust. Details of the specific restrictions of those individual funds are disclosed in note 18 to the financial statements.

Other funds are unrestricted and can be used at the discretion of the Trustees in furtherance of the Trust's objects. It is the policy of the Trustees to designate certain funds for particular purposes as agreed from time to time and details of the purpose and use of those designated funds can be found in note 18 to the financial statements.

The Synod seeks to recognise the needs of both the present generation and future generations within the Church by retaining those one-off capital receipts to which it from time to time becomes entitled under the provision of the URC Acts. It is the present policy that, normally, only the income on these reserves is expended upon charitable purposes but an exception is made in relation to money going into the Pioneer Fund or to support mission projects, Eco projects, and a project to upgrade preaching/communication facilities in churches.

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The Synod Finance Policy specifies that, typically, sufficient cash should be held on short or medium term deposits to cover at least one full year's anticipated revenue expenditure and also allow for the capital purchase of a manse or similar building – though the exercise of discretion is permitted in deciding how much cash it would be advisable to hold at any particular time.

At the year-end general unrestricted funds amounted to £1,365,320 (2019: £1,461,258), excluding designated amounts. The Trustees are satisfied this is sufficient to meet day to day objectives.

Risk Management

The Trustees are responsible for the management of the risks faced by the charity. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risks was undertaken in 2020, and reported to the Trust Directors. The main changes are the effect of COVID 19, and threat of ongoing scams. The risk of a very large shortfall on pensions continues.

The most serious risk facing the charity would be the Synod failing to achieve its strategic and charitable objectives, either through resources being put into programmes which do not meet those objectives or through failure of Trustees and other Committees to consider the charity's objectives when making decisions. To manage and mitigate this risk, the Trustees consider the 'Aims and Objectives' section of their annual report each year to ensure this remains appropriate and, in so doing, are reminded of the objectives which they must constantly keep in mind. Also, having Convenors of Committees give an account of their Committee's decisions to the Synod Executive, on which three Trust Directors sit, ensures effective oversight of their day-to-day activity and decision making.

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Another principal risk is business interruption: either through absent personnel or a disaster causing restricted or no access to the Synod office. A Business Continuity Plan was approved by Synod Trust Directors in the spring of 2013 and reviewed and updated in November 2015.

Among the key risk controls used by the charity are:

- a written financial policy subject to periodic review (an updated version was adopted by the March 2015 Synod meeting and slightly amended in October 2020);
- clear financial authorisation and approval levels (reviewed and tightened in 2011);
- detailed summary accounts produced for scrutiny by Trust Directors and Resources Committee at every meeting during the year;
- financial statements presented at each Synod meeting; and
- Synod officers and others having been vetted through the DBS service, where appropriate and Synod operating a 'Safeguarding' policy.

Through the risk management process established for the charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Future Plans

Plans for 2021 are inevitably shaped by the uncertainty of when and how we will emerge permanently from lockdown and how our churches will then look. Much of our work will involve responding to that new environment, not least in developing our use of technology both within the Synod and our local churches.

Whilst not as such a Plan, we await the arrival of a new Moderator later in anticipation that we may be led in new directions.

The Synod will, though, continue to strengthen missional discipleship through the "Walking the Way" initiative and will provide a range of resources for local churches to grow more committed in their faith and more able to reach out to help others discover their need for God.

The Mission Committee will continue to have a prominent role to play in enthusing congregations and facilitating the provision of resources. Efforts to reach out to children and young people within the Synod will be pursued and we hope to make progress in building greater awareness of, and commitment to, the World Church as well as promoting justice, peace and the integrity of creation. Particular issues that the Committee will be considering are how best to support churches in their mission work and overseeing the work required to become an Eco Synod.

The Pastoral Committee will continue to support the pastoral work of the Moderator as appropriate, and will oversee the process of declaring and filling vacancies, identifying and training candidates for ministry (both ordained and lay) and for promoting health, healing and spirituality.

The Resources Committee will continue to act in conjunction with and on behalf of the Synod Trustees in administering its various grant awarding processes and safeguarding the Synod's finances and investments. The Trust is currently in discussions with the United Reformed Church regarding a solution to provide financial support to the Ministers Pension Fund which is in deficit. Due to the structure of the national church and ministerial appointments there is no legal obligation for the Trust but all of the regional bodies have been approached and there is wide acceptance that there is a moral obligation at the regional level and that such support does fall within the charitable purposes of the Trust.

Whilst discussions are still ongoing and there is no binding agreement, the Trust has made an in principle offer of around £3.8m which would be payable over a period of 5 years commencing in 2021. The Trust continues to monitor and review the position to ensure that any such final commitment is affordable and does not put the financial stability of the Trust at risk.

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Year Ended 31 December 2020

Structure, Governance and Management

The United Reformed Church (Eastern Province) Trust ("the Trust") is a company limited by guarantee formed on 20 March 2007 and is a registered charity, number 248796. It is governed by its Memorandum and Articles of Association as revised in 2008. All of the financial assets and liabilities of the Eastern Synod of the United Reformed Church ("Synod") are shown in the Trust's Financial Statements.

However, while the Trust holds the assets and liabilities of Synod, it is the Synod which is the decision making body, except in relation to matters relating exclusively to the business of the Trust for which the Trust Directors are responsible. The Trust is corporate Trustee for most land and buildings utilised by local URC Churches.

The Finance & Trust Officer and the Resources Officer attend Trustee meetings but are not themselves Trustees.

Appointment of New Trustees

The Trustees nominate members to serve as Trustees of the Trust and Synod meeting ratifies the appointments.

There is an informal programme for the induction of Trustees.

Training is also organised for the Trustees (normally annually) to ensure they are aware of current practice and issues of charity law etc.

Constitution of the Synod

Eastern Synod is one of 13 Synods of the United Reformed Church ("URC") within the United Kingdom. It is constituted in accordance with the Scheme of Union and the United Reformed Church Acts of 1972, 1981 and 2000 (see www.urc.org.uk). It has oversight of the URC in the East of England, covering Norfolk, Suffolk, most of Essex, most of Cambridgeshire and part of Hertfordshire.

In accordance with "the Structure of the United Reformed Church" it is responsible for:-

- Overseeing five area partnerships;
- Promoting church extension;
- Promoting ecumenical relations;
- Opening, closing and extending church buildings;
- Overseeing matters affecting the ordained ministry, including discipline;
- Dealing with matters referred from the general assembly and mission council;
- Undertaking such other things which promote the welfare of the United Reformed Church.

The Eastern Synod, which is made up of ministers and lay representatives of each local church together with Synod officers, meets to transact business routinely twice a year but has delegated various powers to a number of committees as well as the Trust. The following committees are responsible for specific elements in the life of the Synod:-

- Executive Committee;
- Pastoral Committee;
- Mission Committee;
- Resources/Property Committee; and
- Listed Buildings Advisory Committee.

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Organisational Structure

Day-to-day financial and property activities are dealt with by the Finance and Resources Officers. In accordance with the URC Acts, many decisions need a Church Meeting resolution, a Synod approval (at present Synod has delegated its power of approval to Resources Committee) and a decision by the Trust Directors before actions can be taken by, or on behalf of, the Trust as Trustee.

Related parties

During 2010 a subsidiary company - United Reformed Church (Eastern Province) Design & Build Limited - was established. This company has remained dormant throughout the year.

There have been no significant related party transactions between the Trust and any of its Trustees or Synod officials during the year.

Use of Volunteers

Most ministers of word and sacrament are paid directly from the Finance Office of the United Reformed Church in London. The URC Trust (acting at denominational level) is a separate charity, again not under common control. The Synod office staff, Finance and Trust Officer, Resources Officer and Youth and Children's Development Officer are paid by the Synod. Other than that, all members of Synod Committees and other supporting and enabling Synod activities are volunteers, almost all being members of their local URC or Local Ecumenical Partnership.

Key Management Personnel

The key management group within the Synod structure is made up of the Synod Moderator, the Synod Clerk and the Synod Treasurer. The first of these is remunerated by the denomination centrally at the same rate as all stipendiary ministers of word and sacrament serving the denomination. The Clerk and Treasurer are entitled to claim a small honorarium and further details are in note 6.

Directors' Responsibilities

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the Trustees are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the Trustees are aware:-

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

Signed on behalf of the Trustees

Andrew East
Trustee

Date: 10/09/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Opinion

We have audited the financial statements of The United Reformed Church (Eastern Province) Trust (the 'charitable company') for the year ended 31 December 2020 which comprise Statement of Financial Activities, Balance Sheet, 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 of our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, 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' report (incorporating the Annual Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of report

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

Helen Blundell LLB, FCA, FCIE, DChA (Senior Statutory Auditor)

For and on behalf of MHA MacIntyre Hudson

Chartered Accountants and Statutory Auditors

Birmingham, United Kingdom

Date: 17 September 2021

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

**Statement of Financial Activities
(including the Income and Expenditure Account)**

Year Ended 31 December 2020

2019 Total Funds £		Notes	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
	Income					
	<i>Donations and legacies</i>					
138,447	Grants received	2	134,000	131,201	2,799	-
	<i>Charitable activities:</i>					
112,196	Rent and loan interest	2	77,767	-	23,209	54,558
91,337	Other income	2	26,004	-	26,004	-
<u>549,465</u>	<i>Investment</i>	2	<u>481,421</u>	<u>30,413</u>	<u>400,781</u>	<u>50,227</u>
891,445	Total Operating Income	2	719,192	161,614	452,793	104,785
	Proceeds on sale of property	4	<u>1,503,132</u>	-	<u>1,400,153</u>	<u>102,979</u>
<u>1,678,450</u>	Total Income		<u>2,222,324</u>	<u>161,614</u>	<u>1,852,946</u>	<u>207,764</u>
	Expenditure on:					
158,010	Raising funds	2	104,143	55,263	16,087	32,793
<u>731,855</u>	Charitable expenditure	2	<u>658,697</u>	<u>127,849</u>	<u>527,413</u>	<u>3,435</u>
<u>889,865</u>	Total Expenditure	2	<u>762,840</u>	<u>183,112</u>	<u>543,500</u>	<u>36,228</u>
1,580	Net Income/(Expenditure) on Operating account	2	(43,648)	(21,498)	(90,707)	68,557
	Net income/(expenditure) for the year before transfers		1,459,484	(21,498)	1,309,446	171,536
<u>788,585</u>	Transfers between funds		<u>-</u>	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
	Net income/(expenditure) for the year after transfers		1,459,484	(1,498)	1,289,446	171,536
513	Realised (loss)/gain on investments		(494,874)	(144,498)	(211,972)	(138,404)
<u>1,616,616</u>	Unrealised (loss)/gain on investments		<u>562,245</u>	<u>50,058</u>	<u>430,240</u>	<u>81,947</u>
2,405,714	Net Movements in Funds for the year		1,526,855	(95,938)	1,507,714	115,079
<u>18,005,483</u>	Fund Balances b/forward		<u>20,411,197</u>	<u>1,461,258</u>	<u>10,893,706</u>	<u>8,056,233</u>
<u>20,411,197</u>	Fund Balances c/forward	9	<u>21,938,052</u>	<u>1,365,320</u>	<u>12,401,420</u>	<u>8,171,312</u>

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

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST
COMPANY NUMBER 00101685
Balance Sheet

As at 31 December 2020

Restated 2019 £		Notes	2020 £
	Fixed Assets		
7,309,937	Tangible assets	10	7,065,589
11,282,469	Investments	11	11,410,585
<u>944,456</u>	Programme related investments	12	<u>818,144</u>
<u>19,536,862</u>			<u>19,294,318</u>
	Current Assets		
113,062	Debtors	13	680,612
<u>6,427,209</u>	Cash and short term deposits	14	<u>5,667,239</u>
6,650,271			6,347,851
<u>(5,658,989)</u>	Creditors: Amounts falling due within one year	15	<u>(3,478,871)</u>
<u>881,282</u>	Net Current Assets		<u>2,868,980</u>
20,418,144	Total Assets less Current Liabilities		22,163,298
<u>(6,947)</u>	Creditors: Amounts falling due after more than one year	16	<u>(225,246)</u>
<u>20,411,197</u>	Total Assets	18	<u>21,938,052</u>
	Funds:		
	Unrestricted funds:		
1,461,258	General		1,365,320
<u>10,893,706</u>	Designated		<u>12,401,420</u>
12,354,964	Total unrestricted funds		13,766,740
<u>8,056,233</u>	Restricted funds		<u>8,171,312</u>
<u>20,411,197</u>	Total Funds	18	<u>21,938,052</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Synod Trust Directors on 10/09/2021 and signed on their behalf by

- Trustee – Gil Heathcote

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Statement of Cash Flows

Year ended 31 December 2020

	Notes	2020 £	Restated 2019 £
Cash flow from operating activities:			
Net cash provided/used in operating activities	A	(1,909,186)	4,542,519
Cash flows from investing activities:			
Proceeds from sale of fixed assets		486,973	-
Dividends, interest and rents from investments		555,031	656,334
Purchase of fixed assets		(1,435)	(1,349,647)
Purchase of investments		(3,575,467)	(301,000)
Proceeds from sale of investments		3,553,645	868,918
Issue of programme related loans		-	(60,000)
Repayment of programme related loans		130,469	68,828
Net cash provided by/used in investing activities		<u>1,149,216</u>	<u>(116,567)</u>
Change in cash and cash equivalents in the reporting period		(759,970)	4,425,952
Cash and cash equivalents at the beginning of the reporting period	B	<u>6,427,209</u>	<u>2,001,257</u>
Cash and cash equivalents at the end of the reporting period	B	<u>5,667,239</u>	<u>6,427,209</u>
Notes to the statement of cash flows			
A) Reconciliation of net income/expenditure to net cash flow from operating activities			
Net income/expenditure for the reporting period (as per the statement of financial activities)		1,526,855	2,405,714
Adjustments for:			
Depreciation charges		5,783	6,026
(Gains) on investments		(106,294)	(1,616,616)
Dividends, interest and rents from investments		(555,031)	(656,334)
Loan interest		(4,157)	(5,327)
(Profit) on the sale of fixed assets		(246,973)	(1,401)
(Increase) in debtors		(567,550)	(4,687)
(Decrease)/increase in creditors		(1,961,819)	4,415,144
Net cash provided by operating activities		<u>(3,436,041)</u>	<u>2,136,805</u>
B) Analysis of cash and cash equivalents			
Cash at bank and in hand		<u>(1,909,186)</u>	<u>4,542,519</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

1. Accounting Policies

Basis of Accounting

The charity constitutes a public benefit entity as defined by FRS 102. 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) (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in British Pound Sterling (£) which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget and forecast future cash flows in making their assessment. The covid-19 pandemic has not had a significant impact on the charity's operations although adaptations have been made to reflect changes in working practices. The Directors are monitoring the impact of the pandemic on future revenue streams and the impact on our beneficiaries and any support they may require. Based on these assessments and having regard to resources available to the charity, the Directors have concluded that there is no material uncertainty and the financial statements can continue to be prepared on a going concern basis.

Funds Incorporated

The financial statements show the combined income, expenditure, assets and liabilities of the following funds which are administered for the benefit of the United Reformed Church within the Eastern Synod:-

Synod Administration Fund
Church Life and Mission Fund
Retired Ministers Housing Fund
Retired Ministers Holiday Fund
Manse Fund
Pioneer Fund
Heritage Fund

Funds administered on behalf of local churches are not included.

Description and Use of Funds

Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received.

Unrestricted income funds may be spent generally for furthering the Christian and charitable work of the United Reformed Church in the Eastern Province. The main fund in this category is the Church Life & Mission Fund. Certain funds have been allocated by the Resources Committee but the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

1. Accounting Policies *(continued)*

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

The charity receives grants which are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Individual church property

The Trust is sole Trustee of the land and buildings of most local URCs but they are not the property of the Synod and are not shown in the financial statements. Sale proceeds from redundant properties or from part thereof which come into Synod funds are treated as unrestricted income from general funds. The income is recognised when the amount can be measured reliably and it is probable that the income will be received.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of costs of managing investments and programme related investments;
- Expenditure on charitable activities includes costs of ministry, mission, training and property grants; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose. Grants payable to local churches, organisations and individuals are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

1. Accounting Policies *(continued)*

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include premises costs, office costs, governance costs, and salary costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Depreciation

Properties recognised in tangible fixed assets are recognised at cost. The residual values of the properties are such that the depreciation charge is negligible. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, on a straight line basis over their estimated useful economic lives as follows:-

Office Equipment (including computers)	- over five years
Fixtures and Fittings	- over ten years
Motor Vehicle	- over five years
Audio Visual	- over five years

No amounts under £50 are capitalised. The Trustees conduct an annual impairment review.

Investments

Listed investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Programme related investments are those held to further our charitable purposes. Programme related investments include investment in a percentage share of properties and bridging or other loans.

Related investments in properties are stated at cost subject to any adjustment arising from impairment which is considered on an annual basis. Gains on disposal of these investments are shown as other income in the SoFA. Investments by way of loans are stated at cost. Interest is charged on the loans at the COIF rate of interest, being the rate of interest the Trust would otherwise have earned.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

1. Accounting Policies *(continued)*

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Contribution to Pension Funds

The charity participates in a defined benefit scheme, The Pensions Trust Defined Benefit Scheme, which is a multi employer scheme where the underlying assets and liabilities are not separately identifiable. In accordance with the SORP, it is accounted for as a defined contribution scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

The charity also operates a defined contribution scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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.

Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgements relevant to the financial statements are:

Investments – estimate of fair value

Fixed assets – estimate of useful life and estimate of impairment

Indirect costs – allocation to activities

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

2. Analysis of Total Operating Income and Expenditure

2019 Total Funds £		2020 Total Funds £	Unrestricted £	Designated £	Restricted £
	Income from				
	Donations and legacies:				
130,000	Local church contributions	130,000	130,000	-	-
8,447	Donations	4,000	1,201	2,799	-
<u>138,447</u>		<u>134,000</u>	<u>131,201</u>	<u>2,799</u>	<u>-</u>
	Income from charitable activities:				
	<i>Rent and loan interest</i>				
106,869	Rental income	73,610	-	19,052	54,558
5,327	Loan interest	4,157	-	4,157	-
<u>112,196</u>		<u>77,767</u>	<u>-</u>	<u>23,209</u>	<u>54,558</u>
	<i>Other income</i>				
91,337	Miscellaneous	26,004	-	26,004	-
	Income from investments				
371,109	Investment income – excl. interest	306,687	26,788	230,978	48,921
9,676	Interest	24,871	3,625	19,940	1,306
168,680	Rental income	149,863	-	149,863	-
<u>549,465</u>		<u>481,421</u>	<u>30,413</u>	<u>400,781</u>	<u>50,227</u>
<u>891,445</u>	Total Operating Income	<u>719,192</u>	<u>161,614</u>	<u>452,793</u>	<u>104,785</u>
	Expenditure on raising funds				
91	Legal and professional	1,164	450	714	-
64,242	Synod manse scheme	32,240	-	-	32,240
29,870	Leasing of premises	10,788	-	10,453	335
1,848	Investment manager charges	1,501	20	1,263	218
<u>61,959</u>	Shared indirect costs (note 3)	<u>58,450</u>	<u>54,793</u>	<u>3,657</u>	<u>-</u>
<u>158,010</u>	Total Cost of Generating Funds	<u>104,143</u>	<u>55,263</u>	<u>16,087</u>	<u>32,793</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

2. Analysis of Total Operating Income and Expenditure (Continued)

2019 Total Funds £		2020 Total Funds £	Unrestricted £	Designated £	Restricted £
Expenditure on Charitable Activities					
Ministry & Mission:-					
100,437	Grants (note 5)	330,213	-	330,213	
53,974	Pioneer development officer	54,968	-	54,968	-
2,578	Retired ministers housing society	3,435	-	-	3,435
<u>38,550</u>	Shared indirect costs (note 3)	<u>39,156</u>	<u>18,264</u>	<u>20,892</u>	-
<u>195,539</u>		<u>427,772</u>	<u>18,264</u>	<u>406,073</u>	<u>3,435</u>
Training:-					
(4,148)	Ministers (note 5)	(2,000)	-	(2,000)	-
-	Students (note 5)	750	-	750	-
9	Lay training (note 5)	(60)	-	(60)	-
5,161	Synod organised events	4,995	-	4,995	-
54,472	Mission and development officer	52,262	-	52,262	-
	Children and youth development officer	58,373	-	58,373	-
<u>38,550</u>	Shared indirect costs (note 3)	<u>39,156</u>	<u>18,264</u>	<u>20,892</u>	-
<u>149,953</u>		<u>153,476</u>	<u>18,264</u>	<u>135,212</u>	-
Property:-					
233,451	Church building grants (note 5)	(41,953)	-	(41,953)	-
41,275	Property facelift (note 5)	18,150	-	18,150	-
	Quinquennial survey grants (note 5)	3,141	-	3,141	-
<u>103,899</u>	Shared indirect costs (note 3)	<u>98,111</u>	<u>91,321</u>	<u>6,790</u>	-
<u>386,363</u>		<u>77,449</u>	<u>91,321</u>	<u>(13,872)</u>	-
<u>731,855</u>	Total Charitable Expenditure	<u>658,697</u>	<u>127,849</u>	<u>527,413</u>	<u>3,435</u>
<u>889,865</u>	Total Operating Expenditure	<u>762,840</u>	<u>183,112</u>	<u>543,500</u>	<u>36,228</u>
	Net Income/(Expenditure) on Operating Account				
<u>1,580</u>		<u>(43,648)</u>	<u>(21,498)</u>	<u>(90,707)</u>	<u>68,557</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

2019 Comparative figures

a) Analysis of Total Operating Income and Expenditure

	2019 Total Funds £	Unrestricted £	Designated £	Restricted £
Income from				
Donations and legacies:				
Grants – Ministry and Mission	-	-	-	-
Local church contributions	130,000	130,000	-	-
Donations	<u>8,447</u>	<u>-</u>	<u>8,447</u>	<u>-</u>
	<u>138,447</u>	<u>130,000</u>	<u>8,447</u>	<u>-</u>
Income from charitable activities:				
Rent and loan interest				
Rental income	106,869	-	25,088	81,781
Loan interest	<u>5,327</u>	<u>-</u>	<u>5,327</u>	<u>-</u>
	<u>112,196</u>	<u>-</u>	<u>30,415</u>	<u>81,781</u>
Other income				
Miscellaneous	<u>91,337</u>	<u>155</u>	<u>91,182</u>	<u>-</u>
Income from investments				
Investment income – excl. interest	371,109	42,384	265,440	63,285
Interest	9,676	2,968	4,723	1,985
Rental income	<u>168,680</u>	<u>-</u>	<u>168,680</u>	<u>-</u>
	<u>549,465</u>	<u>45,352</u>	<u>438,843</u>	<u>65,270</u>
Total Operating Income	891,445	175,507	568,887	147,051

Expenditure on raising funds				
Legal and professional	91	-	91	-
Synod manse scheme	64,242	-	(43)	64,285
Leasing of premises	29,870	2,114	27,433	323
Investment manager charges	1,848	70	1,212	566
Shared indirect costs (note 3)	<u>61,959</u>	<u>58,633</u>	<u>3,326</u>	<u>-</u>
Total Cost of Generating Funds	<u>158,010</u>	<u>60,817</u>	<u>32,019</u>	<u>65,174</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

2019 Comparative figures

2. Analysis of Total Operating Income and Expenditure (Continued)

	2019 Total Funds £	Unrestricted £	Designated £	Restricted £
Expenditure on Charitable Activities				
Ministry & Mission:-				
Grants (note 5)	100,437	-	100,437	-
Pioneer development officer	53,974	-	53,974	-
Retired ministers housing society	2,578	-	-	2,578
Minister pension fund	-	-	-	-
Shared indirect costs (note 3)	38,550	19,545	19,005	-
	<u>195,539</u>	<u>19,545</u>	<u>173,416</u>	<u>2,578</u>
Training:-				
Ministers (note 5)	(4,148)	-	(4,148)	-
Students (note 5)	-	-	-	-
Lay training (note 5)	9	-	9	-
Synod organised events	5,161	-	5,161	-
Mission and development officer	54,472	-	54,472	-
Children and youth development officer	55,909	-	55,909	-
Shared indirect costs (note 3)	38,550	19,545	19,005	-
	<u>149,953</u>	<u>19,545</u>	<u>130,408</u>	<u>-</u>
Property:-				
Church building grants (note 5)	233,451	-	233,451	-
Property facelift (note 5)	41,275	-	41,275	-
Quinquennial survey grants (note 5)	7,738	-	7,738	-
Shared indirect costs (note 3)	103,899	97,722	6,177	-
	<u>386,363</u>	<u>97,722</u>	<u>288,641</u>	<u>-</u>
Total Charitable Expenditure	<u>731,855</u>	<u>136,812</u>	<u>592,465</u>	<u>2,578</u>
Total Operating Expenditure				
	<u>889,865</u>	<u>197,629</u>	<u>624,484</u>	<u>67,752</u>
Net Income/(Expenditure) on Operating Account				
	<u>1,580</u>	<u>(22,122)</u>	<u>(55,597)</u>	<u>79,299</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

3. Indirect Costs

2019 Total Funds £		2020 Total Funds £	Unrestricted £	Designated £	Restricted £
	Premises Costs:-				
12,240	Rent	12,240	12,240	-	-
5,016	Insurance	-	-	-	-
1,179	Gas and electricity	2,309	2,309	-	-
1,972	Cleaning	2,129	2,129	-	-
1,055	Property repairs	626	626	-	-
<u>180</u>	Water charges	<u>179</u>	<u>179</u>	<u>-</u>	<u>-</u>
21,642		17,483	17,483	-	-
	Office Costs				
2,592	Telephone, internet and website	2,301	2,301	-	-
2,824	Postage and stationery	3,843	3,843	-	-
3,659	Depreciation	2,984	2,752	232	-
4,521	Computer costs	5,733	5,733	-	-
1,077	Refreshments and office consumables	371	371	-	-
472	Equipment repairs	1,527	1,527	-	-
4,862	Insurance	689	689	-	-
4,145	Staff travel, subsistence and training	1,732	1,732	-	-
150	Staff events	224	224	-	-
(37)	Year book and communications	(4)	-	(4)	-
3,442	Photocopier lease and copy costs	3,414	3,582	(168)	-
1,233	Moderator expenses	1,684	-	1,684	-
<u>1,133</u>	Sundries	<u>464</u>	<u>464</u>	<u>-</u>	<u>-</u>
30,073		24,962	23,218	1,744	-
154,665	Employment costs	157,511	120,895	36,616	-
	Synod Related Costs:-				
2,098	Synod Council and general assembly	15	15	-	-
2,805	Synod treasurer and clerk costs	1,172	1,172	-	-
-	Honoraria	1,500	1,500	-	-
13,326	Audit and accountancy	8,850	8,850	-	-
12,212	Committee and office holder costs	3,903	1,656	2,247	-
<u>6,137</u>	Legal and professional	<u>19,477</u>	<u>7,853</u>	<u>11,624</u>	<u>-</u>
36,578		34,917	21,046	13,871	-
242,958	Total Indirect Costs	234,873	182,642	52,231	-

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

3. Indirect Costs (continued)

			Total £	Unrestricted £	Designated £	Restricted £
Premises costs			17,483	17,483	-	-
Office costs			24,962	23,218	1,744	-
Synod related costs			34,917	21,046	13,871	-
Employment costs			157,511	120,895	36,616	-
Total Indirect Costs			234,873	182,642	52,231	-
	% Unrestr.	% Desig.	Total £	Unrestricted £	Designated £	Restricted £
Funds generated	30	07	58,450	54,793	3,657	-
Ministry & Mission	10	40	39,156	18,264	20,892	-
Training	10	40	39,156	18,264	20,892	-
Property	50	13	98,111	91,321	6,790	-
Total	100	100	234,873	182,642	52,231	-

2019 Comparative figures

3. Indirect Costs

	2019 Total Funds £	Unrestricted £	Designated £	Restricted £
Premises Costs:-				
Rent	12,240	12,240	-	-
Insurance	5,016	5,016	-	-
Gas and electricity	1,179	1,179	-	-
Cleaning	1,972	1,972	-	-
Property repairs	1,055	1,055	-	-
Water charges	180	180	-	-
	21,642	21,642	-	-
Office Costs				
Telephone, internet and website	2,592	2,592	-	-
Postage and stationery	2,824	2,824	-	-
Depreciation	3,659	2,645	1,014	-
Computer costs	4,521	4,521	-	-
Refreshments and office consumables	1,077	1,077	-	-
Equipment repairs	472	472	-	-
Insurance	4,862	4,862	-	-
Staff travel, subsistence and training	4,145	4,145	-	-
Staff events	150	150	-	-
Year book and communications	(37)	-	(37)	-
Photocopier lease and copy costs	3,442	3,610	(168)	-
Moderator expenses	1,233	-	1,233	-
Sundries	1,133	918	215	-
	30,073	27,816	2,257	-
Employment costs	154,665	117,926	36,739	-

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

2019 Comparative figures

Synod Related Costs:-				
Synod Council and general assembly	2,098	2,098	-	-
Synod treasurer and clerk costs	2,805	2,805	-	-
Audit and accountancy	13,326	13,326	-	-
Committee and office holder costs	12,212	9,785	2,427	-
Legal and professional	6,137	47	6,090	-
	<u>36,578</u>	<u>28,061</u>	<u>8,517</u>	<u>-</u>
Total Indirect Costs	<u>242,958</u>	<u>195,445</u>	<u>47,513</u>	<u>-</u>

	Total £	Unrestricted £	Designated £	Restricted £
Premises costs	21,642	21,642	-	-
Office costs	30,073	27,816	2,257	-
Synod related costs	36,578	28,061	8,517	-
Employment costs	154,665	117,926	36,739	-
Total Indirect Costs	<u>242,958</u>	<u>195,445</u>	<u>47,513</u>	<u>-</u>

	% Unrestr.	% Desig.	Total £	Unrestricted £	Designated £	Restricted £
Funds generated	30	07	61,959	58,633	3,326	-
Ministry & Mission	10	40	38,550	19,545	19,005	-
Training	10	40	38,550	19,545	19,005	-
Property	50	13	103,899	97,722	6,177	-
Total	<u>100</u>	<u>100</u>	<u>242,958</u>	<u>195,445</u>	<u>47,513</u>	<u>-</u>

4. Proceeds on Sale of Property

2019 Total Funds £	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
787,005	1,503,132	-	1,400,153	102,979

2019 Comparative figures

Proceeds on Sale of Property				
	2019 Total Funds £	Unrestricted £	Designated £	Restricted £
Proceeds arising from church closures/disposals	<u>787,005</u>	<u>-</u>	<u>-</u>	<u>787,005</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

5. Grants

The following grants have been charged during the year:-

	Institutions		Individuals	
	Number	Amount £	Number	Amount £
Mission:				
Youth and Children's work			6	9,257
Youth work grants				
Churches Together in Suffolk	1	681		
Churches Together in Norfolk and Waveney	1	406		
Shared Churches in Ely				
Cambridgeshire work relations group				
University of East Anglia	1	2,000		
CTEEL	1	1,402		
Resource Sharing	1	60,000		
Sundry mission grants	4	85,617		
Sundry grants	8	156,260		
Berechurch Road House for Mission	1	12,000		
Sundry minister grants	1	1,140		
Ministry:				
Moderator's benevolent fund	1	1,450		
Retired Ministers' Housing Society	1	3,435		
		<u>324,391</u>		<u>9,257</u>
Training:				
Continual Minister Education			9	(2,043)
Minister spring school			2	42
Student book grants			3	750
Lay training			2	(60)
				<u>(1,311)</u>
Property:				
Local churches	5	(41,953)		
Project facelift	3	18,150		
Quinquennial survey grants	7	3,141		
		<u>(20,662)</u>		<u>-</u>
Total Grants Charged		<u>303,729</u>		<u>7,946</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

2019 Comparative figures

5. Grants

The following grants have been charged during the year:-

	Institutions		Individuals	
	Number	Amount £	Number	Amount £
Mission:				
Youth and Children's work			8	6,096
Youth work grants				
Churches Together in Suffolk	1	681		-
Churches Together in Norfolk and Waveney	1	400		-
Shared Churches in Ely				
Cambridgeshire work relations group				
University of East Anglia	2	13,333		-
CTEEL	1	1,402		-
Resource Sharing	1	60,000		-
Sundry mission grants	3	2,100		-
Sundry grants	1	67		-
Berechurch Road House for Mission	1	11,720		-
Sundry minister grants	1	150		-
Ministry:				
Moderator's benevolent fund	1	1,900		-
Retired Ministers' Housing Society	1	2,578		-
Ministers pension fund		-		-
		<u>94,331</u>		<u>6,096</u>
Training:				
Continual Minister Education			23	1,100
Student book grants			-	-
Lay training			10	9
				<u>1,109</u>
Property:				
Local churches	15	233,451		-
Project facelift	2	41,275		-
Quinquennial survey grants	10	7,738		-
		<u>282,464</u>		<u>-</u>
Total Grants Charged		376,795		7,025

6. Payments to Trustees and related party transactions

Reimbursed expenses were paid to three Trustees of the Synod in aggregate of £2,766 (2019: £3,986). The Treasurer was paid an honoraria of £1,500 (2019: £Nil) in respect of their role within the Synod. No other remuneration or expenses were paid to the Trustees or members of the Resources Committee, other than the reimbursement of travel expenses.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

7. Employment Emoluments	2020	2019
	£	£
Wages and salaries	214,775	203,005
Employers national insurance	19,597	19,086
Pension costs	<u>33,774</u>	<u>32,976</u>
	<u>268,146</u>	<u>255,067</u>
The average number of employees was	<u>6</u>	<u>6</u>

No employee received more than £60,000 (2019 (4: None) per annum or more. All staff are employed by the Synod other than the Moderator whose contracts of employment is held by Church House.

The charity operates both a defined benefit and a direct contribution pension scheme and contributions are charged as expenditure as they become payable (note 19).

8. Gains/(Losses) on Investments	2020	2019
	£	£
Realised (losses)/gains on investments sold	(494,874)	513
Unrealised gain on fair value movement of investments for the year	<u>562,245</u>	<u>1,616,616</u>
Net Gain/(Loss) on Investments for the Year	<u>67,371</u>	<u>1,617,129</u>

9. Movement in Funds

	1.1.2020	Incoming	Outgoing	Transfers	Change in investment value	31.12.2020
	£	£	£	£	£	£
Unrestricted						
Synod administration	<u>1,461,258</u>	<u>161,614</u>	<u>(183,112)</u>	<u>20,000</u>	<u>(94,440)</u>	<u>1,365,320</u>
Unrestricted Designated						
Church Life & Mission	9,175,432	988,414	(538,459)	(20,000)	176,227	9,781,614
Heritage Fund	692,782	20,812	(51)	-	29,234	742,777
Manse Fund	443,395	-	-	-	-	443,395
Pioneer Fund	<u>582,097</u>	<u>843,720</u>	<u>(4,990)</u>	<u>-</u>	<u>12,807</u>	<u>1,433,634</u>
Total Designated Funds	<u>10,893,706</u>	<u>1,852,946</u>	<u>(543,500)</u>	<u>(20,000)</u>	<u>218,268</u>	<u>12,401,420</u>
Total Unrestricted Funds	<u>12,354,964</u>	<u>2,014,560</u>	<u>(726,612)</u>	<u>-</u>	<u>123,828</u>	<u>13,766,740</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

9. Movement on Funds (continued)

	1.1.2020 £	Incoming £	Outgoing £	Transfers £	Change in investment value £	31.12.2020 £
Restricted						
Church Life & Mission	1,178,316	20,507	-	-	(67,210)	1,131,613
Retired Ministers Housing	948,841	15,608	(3,442)	-	(7,562)	953,445
Retired Ministers Holiday	11,665	178	(2)	-	(625)	11,216
Manse fund	<u>5,917,411</u>	<u>171,471</u>	<u>(32,784)</u>	<u>-</u>	<u>18,940</u>	<u>6,075,038</u>
Total Restricted Funds	<u>8,056,233</u>	<u>207,764</u>	<u>(36,228)</u>	<u>-</u>	<u>(56,457)</u>	<u>8,171,312</u>
Total Funds	<u>20,411,197</u>	<u>2,222,324</u>	<u>(762,840)</u>	<u>-</u>	<u>67,371</u>	<u>21,938,052</u>

Prior Year						
	1.1.2019 £	Incoming £	Outgoing £	Transfers £	Change in investment value £	31.12.2019 £
Unrestricted						
Synod administration	<u>1,321,232</u>	<u>175,507</u>	<u>(197,629)</u>	<u>20,000</u>	<u>142,148</u>	<u>1,461,258</u>
Unrestricted Designated						
Church Life & Mission	7,976,053	531,978	(387,621)	(20,000)	1,075,022	9,175,432
Heritage Fund	696,071	27,413	(132,343)	-	101,641	692,782
Manse Fund	443,395	-	-	-	-	443,395
Pioneer Fund	<u>632,595</u>	<u>9,496</u>	<u>(104,520)</u>	<u>-</u>	<u>44,526</u>	<u>582,097</u>
Total Designated Funds	<u>9,748,114</u>	<u>568,887</u>	<u>(624,484)</u>	<u>(20,000)</u>	<u>1,221,189</u>	<u>10,893,706</u>
Total Unrestricted Funds	<u>11,069,346</u>	<u>744,394</u>	<u>(822,113)</u>	<u>-</u>	<u>1,363,337</u>	<u>12,354,964</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

9. Movement on Funds (continued)

Prior Year					Change in investment value	
	1.1.2019	Incoming	Outgoing	Transfers	value	31.12.2019
	£	£	£	£	£	£
Restricted						
Church Life & Mission	1,038,510	31,856	-	-	107,950	1,178,316
Retired Ministers Housing	853,121	19,070	(2,604)	-	79,254	948,841
Retired Ministers Holiday	10,495	285	(8)	-	893	11,665
Manse fund	<u>5,034,011</u>	<u>882,845</u>	<u>(65,140)</u>	<u>-</u>	<u>65,695</u>	<u>5,917,411</u>
Total Restricted Funds	<u>6,936,137</u>	<u>934,056</u>	<u>(67,752)</u>	<u>-</u>	<u>253,792</u>	<u>8,056,233</u>
Total Funds	<u>18,005,483</u>	<u>1,678,450</u>	<u>(889,865)</u>	<u>-</u>	<u>1,617,129</u>	<u>20,411,197</u>

10. Tangible Fixed Assets

	Audio Visual	Fixtures & Fittings	Office Equip-ment	Computer Equip-ment	Motor Vehicle	Property	Total
Cost	£	£	£	£	£	£	£
At 1 January 2020	4,093	25,998	5,561	17,704	23,842	7,290,305	7,367,503
Additions	-	1,435	-	-	-	-	1,435
Disposals	-	-	-	-	-	(240,000)	(240,000)
At 31 December 2020	<u>4,093</u>	<u>27,433</u>	<u>5,561</u>	<u>17,704</u>	<u>23,842</u>	<u>7,050,305</u>	<u>7,128,938</u>
Depreciation							
At 1 January 2020	4,093	17,269	4,444	13,749	18,011	-	57,566
Charged during the year	-	1,171	279	1,534	2,799	-	5,783
At 31 December 2020	<u>4,093</u>	<u>18,440</u>	<u>4,723</u>	<u>15,283</u>	<u>20,810</u>	<u>-</u>	<u>63,349</u>
Net Book Value							
At 31 December 2020	<u>-</u>	<u>8,993</u>	<u>838</u>	<u>2,421</u>	<u>3,032</u>	<u>7,050,305</u>	<u>7,065,589</u>
At 31 December 2019	-	<u>8,729</u>	<u>1,117</u>	<u>3,955</u>	<u>5,831</u>	<u>7,290,305</u>	<u>7,309,937</u>

There are no capital commitments at the year end.

At the year end, the Synod Manse Scheme had beneficial ownership of 27 properties valued at approximately £9.622million registered in the name of the URC (Eastern Province) Trust. Of this, 18 properties totalling £6.44million are included within note 10.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

11. Investments

	Bonds and Stock £	Investment Funds Equities £	Total £
At 1 January 2020	662,772	10,619,697	11,282,469
Additions	112,500	3,462,967	3,575,467
Disposals	(173,000)	(3,380,645)	(3,553,645)
Realised gain	-	(455,950)	(455,950)
Unrealised gains on revaluation	<u>27,849</u>	<u>534,395</u>	<u>562,244</u>
At 31 December 2020	<u>630,121</u>	<u>10,780,464</u>	<u>11,410,585</u>

Historical cost at year end	<u>569,310</u>	<u>4,799,949</u>	<u>5,369,259</u>
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The investments are invested within a number of Charity Investment Funds, managed by CCLA and Epworth.

12. Programme Related Investments

	Loans £	Property £	Total £
At 1 January 2020	646,901	297,555	944,456
New amounts advanced	-	-	-
Repayments received	(130,469)	-	(130,469)
Interest charged	<u>4,157</u>	<u>-</u>	<u>4,157</u>
At 31 December 2020	<u>520,589</u>	<u>297,555</u>	<u>818,144</u>

By decision of the Resources Committee, the Synod is committed to loans, not yet made, totalling £80,000 (2019: £80,000). All loans are subject to the COIF rate of interest that would otherwise have been received.

The Synod has no contingent liability arising from any undertaking to guarantee the repayment of loans made by the General Assembly of the URC to congregations in the Synod.

In relation to the Residential property, no interest is charged on the initial value of the investment. A proportion of the costs of repair are met by the Trust during the period of investment but the benefit should arise on disposal of the properties when the Trust receives a proportion of the proceeds relating to the investment proportion of the total original cost.

13. Debtors

	2020 £	2019 £
Other debtors	679,277	111,727
CME and lay training payments recoverable	<u>1,335</u>	<u>1,335</u>
	<u>680,612</u>	<u>113,062</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

	2020	Restated 2019
	£	£
14. Cash on Deposit, at Bank and in Hand		
Cash at bank and in hand	1,407,238	2,432,209
Bank deposits held for local churches	2,795,001	3,995,000
CCLA Charities Deposit Fund	248,887	238,603
Barclays Bank current account	235,296	562,816
Epworth Affirmative Deposit Fund	1,627,140	880,636
CAF 60 Day Deposit Account	400,000	400,000
Cambs and Counties 180 Day Deposit	360,761	350,000
Petty cash	154	154
	<u>5,667,239</u>	<u>6,427,209</u>

	2020	Restated 2019
	£	£
15. Creditors: Amounts falling due within one year		
Grants approved awaiting payment	219,235	396,535
Receipts in advanced	1,146	2,919
Accrued expenses	15,750	14,250
Other creditors	3,078,833	5,178,696
Ministry and mission fund	155,350	58,771
Pension, PAYE and NIC	8,557	7,818
	<u>3,478,871</u>	<u>5,658,989</u>

Included within other creditors is an amount of £2,795,001 (2019: £3,995,000) held in a bank account on behalf of certain churches.

	2020	2019
	£	£
16. Creditors: Amounts falling after more than one year		
Grants approved awaiting payment	13,961	6,947
Other creditors	211,285	-
	<u>225,246</u>	<u>6,947</u>

17. Operating Lease Commitments

The office used by the company is situated on land that is registered in the name of The United Reformed Church (Eastern Province) Trust and held on statutory trust in favour of Whittlesford United Reformed Church. The agreement term has lapsed however, the Trust continues to pay a sum of £1,020 per month to the Church for use of the building.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

18. Disposition of Funds as at 31 December 2020

The Church Life & Mission Fund has been created from the asset apportionments of former Trustee bodies and the sale of proceeds of redundant churches. Income only is used for grants and training support but the capital can be loaned to churches in accordance with the Synod Finance Policy. Included within these funds is Project Facelift which is used for the benefit of smaller churches.

In October 2005 the Synod Manse Policy was endorsed. A number of property sales were recognised and set aside as initial funding. The fund is designed to allow churches to release their interest in a property to the Synod's control thereby allowing Synod to position manses where they are required and to ensure that the houses within the manse scheme are kept in a good state of repair.

The Retired Ministers' Housing Fund is available to help in housing ministers in retirement.

The Retired Ministers' Holiday Fund was established from the sale proceeds of the Synod caravan and is used to benefit ministers.

The Heritage Fund has been set up specifically to support those churches who have the responsibility of maintaining buildings which are listed on the National Register. Grants of up to 50% of the cost will be awarded up to a maximum of £25,000 providing churches can demonstrate that they have regularly maintained their properties up to a reasonable standard. The money to support such grants comes from part of the proceeds of sales of redundant Listed buildings.

The Pioneer Fund was approved by Synod in October 2008 with the sole purpose to support churches envisioned with a pioneer project costing in excess of £250,000. In March 2013, Synod meeting amended the normal minimum project cost to £100,000. The money in this fund comes from part of the proceeds of sales of redundant buildings which are not Listed.

The Pioneer St Neots Fund is a sub-fund of the work of the Pioneer Fund set aside to support a five year project in the St Neots area.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

18. Disposition of Funds as at 31 December 2020 (continued)

	Fixed Assets £	Investments £	Programme Related Investments £	Debtors £	Bank and Cash £	Liabilities £	Total 2020 £
Unrestricted							
Synod Administration	<u>12,997</u>	<u>1,295,091</u>	<u>90,051</u>	<u>1,430</u>	<u>(23,198)</u>	<u>(11,051)</u>	<u>1,365,320</u>
Unrestricted Designated							
Church Life & Mission Income	1,092,165	7,321,833	389,753	631,980	1,092,087	(746,204)	9,781,614
Manse fund	-	401,000	-	-	42,395		443,395
Heritage	-	656,956	-	35,768	200,713	(150,660)	742,777
Pioneer LF	-	-	-	-	98,776	(1,201)	97,575
Pioneer	-	<u>132,795</u>	<u>60,034</u>	<u>4,978</u>	<u>1,138,252</u>	-	<u>1,336,059</u>
Total Unrestricted Designated Funds	<u>1,092,165</u>	<u>8,512,584</u>	<u>449,787</u>	<u>672,726</u>	<u>2,572,223</u>	<u>(898,065)</u>	<u>12,401,420</u>
Total Unrestricted Funds	<u>1,105,162</u>	<u>9,807,675</u>	<u>539,838</u>	<u>674,156</u>	<u>2,549,025</u>	<u>(909,116)</u>	<u>13,766,740</u>
Restricted							
Funds held for Churches	-	-	-	-	2,795,001	(2,795,001)	-
Church Life & Mission Capital	-	973,267	-	-	158,346	-	1,131,613
Ret'd Ministers Housing	-	597,385	256,590	-	99,470	-	953,445
Ret'd Ministers Holiday	-	8,245	-	-	2,971	-	11,216
Manse fund	<u>5,960,427</u>	<u>24,013</u>	<u>21,716</u>	<u>6,456</u>	<u>62,426</u>	-	<u>6,075,038</u>
Total Restricted Funds	<u>5,960,427</u>	<u>1,602,910</u>	<u>278,306</u>	<u>6,456</u>	<u>3,118,214</u>	<u>(2,795,001)</u>	<u>8,171,312</u>
TOTAL FUNDS	<u>7,065,589</u>	<u>11,410,585</u>	<u>818,144</u>	<u>680,612</u>	<u>5,667,239</u>	<u>(3,704,117)</u>	<u>21,938,052</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

18. Disposition of Funds as at 31 December 2020 (continued)

PRIOR YEAR	Fixed Assets £	Investments £	Programme Related Investments £	Debtors £	Restated Bank and Cash £	Restated Liabilities £	Total 2019 £
Unrestricted							
Synod Administration	<u>14,316</u>	<u>1,371,792</u>	<u>90,051</u>	<u>1,430</u>	<u>(2,488)</u>	<u>(13,843)</u>	<u>1,461,258</u>
Unrestricted Designated							
Church Life & Mission Income	848,221	7,119,590	516,065	77,836	1,994,435	(1,380,715)	9,175,432
Manse fund	532,049	401,000	-	-	(489,654)	-	443,395
Heritage	-	627,721	-	22,163	268,101	(225,203)	692,782
Pioneer	-	119,988	60,034	4,978	448,272	(51,175)	582,097
Total Unrestricted Designated Funds	<u>1,380,270</u>	<u>8,268,299</u>	<u>576,099</u>	<u>104,977</u>	<u>2,221,154</u>	<u>(1,657,093)</u>	<u>10,893,706</u>
Total Unrestricted Funds	<u>1,394,586</u>	<u>9,640,091</u>	<u>666,150</u>	<u>106,407</u>	<u>2,218,666</u>	<u>(1,670,936)</u>	<u>12,354,964</u>
Restricted							
Funds held for Churches	-	-	-	-	3,995,000	(3,995,000)	-
Church Life & Mission Capital	-	1,027,586	-	-	150,730	-	1,178,316
Ret'd Ministers Housing	-	600,964	256,590	-	91,287	-	948,841
Ret'd Ministers Holiday	-	8,754	-	-	2,911	-	11,665
Manse fund	<u>5,915,351</u>	<u>5,074</u>	<u>21,716</u>	<u>6,655</u>	<u>(31,385)</u>	<u>-</u>	<u>5,917,411</u>
Total Restricted Funds	<u>5,915,351</u>	<u>1,642,378</u>	<u>278,306</u>	<u>6,455</u>	<u>4,208,543</u>	<u>(3,995,000)</u>	<u>8,056,233</u>
TOTAL FUNDS	<u>7,309,937</u>	<u>11,282,469</u>	<u>944,456</u>	<u>113,062</u>	<u>6,427,209</u>	<u>(5,665,936)</u>	<u>20,411,197</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

19. Pension Scheme

The Trust contributed £6,420 (2019: £6,420) to The United Reformed Church Final Salary Scheme, a pension scheme principally for lay staff which is administered by TPT Retirement Solutions Trust (formerly The Pensions Trust). The scheme is a defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities – each member in the scheme pays a common contribution rate – and accordingly it has accounted for its contributions as if it were a defined contribution scheme.

The most recent formal actuarial review of the scheme was at 30 September 2019, when the scheme had a surplus of £2,689,000. The assumptions underlying that valuation include:

- Discount rate of 1.4% pa
- Pensionable earnings growth of 2.5% for three years, 2.75% thereafter
- Price inflation and pension increases of 2.55%
- Retirement age (active members) of 65, with maximum commutation

The employer contribution rate is 26%.

A defined contribution scheme has also been opened for more recently appointed staff. Contributions for the year to this scheme were £21,834 (2019: £26,556).

20. Commitments to the URC Pension Scheme

The pension scheme for ministers run nationally as a central function of the United Reformed Church has been in deficit for some years despite several attempts to resolve the underfunding based on the valuation approach required of the scheme actuaries. After the most recent valuation, all Synods were requested to confirm an ongoing willingness to help reduce the underfunding. At the balance sheet date, no further commitments had been given.

21. Contingent Assets

At the year end, the property of five churches are held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the Company following church closures. The proceeds of sale will revert to the Trust on sale in accordance with the Statutory Trusts on which the properties are held.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

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Year Ended 31 December 2020

22. Financial Instruments

Financial instruments measured at fair value in the financial statements are fixed asset listed investments totalling £11,410,585 (2019: £11,282,469).

23. Comparative Analysis by Fund

The key components from the prior year figures are analysed below by fund:-

		2019		
	Total £	Unrestricted £	Designated £	Restricted £
Income				
Grants received, church levy and donations	138,447	130,000	8,447	-
Rent and loan interest	112,196	-	30,415	81,781
Other incoming resources	91,337	155	91,182	-
Investments	<u>549,465</u>	<u>45,352</u>	<u>438,843</u>	<u>65,270</u>
Total operating income	891,445	175,507	568,887	147,051
Profits on sale of property	<u>787,005</u>	-	-	<u>787,005</u>
Total Income	<u>1,678,450</u>	<u>175,507</u>	<u>568,887</u>	<u>934,056</u>
Expenditure				
Raising funds	158,010	60,817	32,019	65,174
Charitable activities	<u>731,855</u>	<u>136,812</u>	<u>592,465</u>	<u>2,578</u>
	<u>889,865</u>	<u>197,629</u>	<u>624,484</u>	<u>67,752</u>
Net Income for the year	1,580	(22,122)	(55,597)	79,299
Net income before transfers	788,585	(22,122)	(55,597)	866,304
Transfers between funds	-	<u>20,000</u>	<u>(20,000)</u>	-
	<u>788,585</u>	<u>(2,122)</u>	<u>(75,597)</u>	<u>866,304</u>
Realised gains/(losses) on investments	513	456	35	22
Unrealised gains/(losses) on investments	1,616,616	141,692	1,221,154	253,770
Net Movement in funds for the year	2,405,714	140,026	1,145,592	1,120,096
Fund balances brought forward	<u>18,005,483</u>	<u>1,321,232</u>	<u>9,748,114</u>	<u>6,936,137</u>
Fund balances carried forward	<u>20,411,197</u>	<u>1,461,258</u>	<u>10,893,706</u>	<u>8,056,233</u>

24. Prior Year Adjustment

It has been identified that funds held on behalf of Churches are being held in the sole name of the Trust and therefore a prior year adjustment has been made to bring the bank balance and equal liability onto the balance sheet. There is no impact on the income and expenditure account. Cash at bank has increased by £3,995,000 and creditors increased by £3,995,000 which were previously stated at £2,432,209 and £1,663,989 respectively.