

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED

England & Wales · Charity number 275364

Details

Status	Registered
Legal form	Charitable company
Company number	01328728
Registered	1978-03-21
Register	View on the Charity Commission register

Contact

Address	URC South Western Synod Office 20 Paul Street Taunton Somerset TA1 3PF
Phone	01823275470
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Website	www.urcsouthwest.org.uk

Activities

Objects: THE ADVANCEMENT OF THE CHRISTIAN RELIGION FOR THE BENEFIT OF THE PUBLIC IN ACCORDANCE WITH THE DOCTRINES, PRINCIPLES AND USAGES OF THE UNITED REFORMED CHURCH IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) BY SUPPORTING THE WORK OF THE SOUTH WESTERN SYNOD OF THAT CHURCH.

Activities: The provision of funds for the work of the South Western Synod of the United Reformed Church. Acting as property holding trustee of local churches. Acting as trustees of endowments of local churches. Acting as trustee for 'earmarked' funds not reflected in the accounts. Acting as trustee of various Charity Commissioners' schemes.

Classification

- **How:** Makes Grants To Organisations, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Other Defined Groups

Geography

- Scotland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,021,909	£1,250,227	£22,466,240	12
2023-12-31	£4,338,897	£1,075,147	£21,271,519	13
2022-12-31	£1,396,397	£735,520	£16,577,985	13
2021-12-31	£1,719,401	£3,679,127	£17,070,866	14
2020-12-31	£748,793	£565,440	£17,243,124	12

Trustees

Name	Role	Appointed
Dr IAN BISHOP HARRISON		2012-07-26
REV DICK GRAY		2011-09-28
Rev David Michael Downing		2024-10-05
Rev Richard Keith Pope		2026-03-14

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED

England & Wales - Charity number 275364

Accounts

Registered number: 01328728
Charity number: 275364

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

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**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Trustees Mr Ian Harrison, Trust Secretary
Mrs Janet Raven
Revd Neil Thorogood
Revd David Downing (appointed 5 October 2024)
Revd Richard Gray, Treasurer
Revd Robert Weston (resigned 10 June 2025)
Revd Sarah Simpson

Company registered number 01328728

Charity registered number 275364

Registered office 20 Paul Street
Taunton
Somerset
TA1 3PF

Company secretary Ian Harrison and Diane Phillips

Independent auditors Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Bankers Lloyds Bank PLC
2 Palace Avenue
Paignton
Devon

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent

Solicitors WBW Solicitors
The Forum
Barnfield Road
Exeter
EX1 1QR

Star Legal Ltd
40 High Street
Thornbury
BS35 2AJ

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The United Reformed Church (South Western Synod) Incorporated (the company) for the ended 31 December 2024. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

Objectives and activities

a. Policies and objectives

Objectives for 2024

The primary objective of the Synod is to support local churches by providing training, encouragement, specialist skills and financial support. It does this through invested funds and property sales which generate capital and income.

Summary of objects

1. The administration of the Trust's assets and the provision of funds for the work of the South Western Synod.
2. Acting as property holding trustee of local churches, within the terms of the United Reformed Church Acts 1972 and 1981 and 2000.
3. Acting as trustees of endowments of local churches and the Synod, with responsibility for administering them.
4. Acting as trustee for "earmarked" funds, which are not reflected in the accounts.
5. Acting as trustee of various Charity Commissioners' schemes.

The Charity has had "due regard to the guidance published by the Charity Commission" in respect of public benefit. Trustees and management consider that the functions below facilitate the provision of public worship for the public benefit.

Earmarked funds are those held by the Trust on behalf of churches within the Synod.

b. Strategies for achieving objectives

Explanation of aims

The primary aim of the Trust is to act as managing Trustee for all the tangible resources of the Synod and to fund the activities of the Synod. This latter is achieved by having sufficient income generating funds for the Synod to be an effective supporter of the churches. Thus, there are investment properties generating income and the potential for capital growth, and investments which generate income and some capital growth. The objective is to ensure that there is sufficient income for the needs for the foreseeable future for the work of the Synod. The figure is rising both by inflation and increased expectations as well as by governance requirements.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Objectives and activities (CONTINUED)

c. Activities undertaken to achieve objectives

The primary functions of the Synod and therefore the Trust are:

- To provide prophetic leadership for the Synod and to provide encouragement and support for churches, their leadership and ministers and to encourage them in prophetic witness and discipleship
- Provide funds to encourage and enable new and innovative ways of mission in the local churches
- Provide training and development for Ministers and lay people to enable them to proclaim the Gospel and lead mission
- Provide support for ecumenical activities at local and regional levels
- Provide legal and technical support in the maintenance and development of local church properties

d. Personnel

In order to further the life, work and witness of the synod, and its local churches, the following staff posts have been established and filled:

- Property and Trust Officer – Ms Diane Phillips is a fulltime employee of the Trust. She also serves as Assistant Trust Secretary.
- Synod Office Administrator - Mrs Hilary Bradshaw is a part-time employee of the Trust.
- Synod Secretary - Mrs Dinah Firmin: a part time employee of the Trust.
- Ms Rachel Leach has been appointed as Synod Clerk on a part time basis. She is paid a salary by the trust. She attends Executive and Trustee meetings but is not a Trustee due to her salaried status.
- Ms Paula McDonagh was appointed as a full-time Assistant Trust & Property Officer from November 2018. Her role changed in 2022 to become Finance Administrator supporting the treasurer.
- Ms Colleen Lewis was appointed as a full-time Property Officer in September 2022
- Ms Claire Partridge was appointed part time Safeguarding Officer in June 2023.
- Revd Roy Lowes is a part time member of staff concerned with Learning and training and is also acting in a partial role of Moderator (Completed role of Moderator November 2024).

We also have Synod Pastoral Advisors who act as a link between the Synod and the churches. All are part time and the Synod meets their expenses. They are:

- Revd Gerald England
- Revd Sue Cossey
- Revd James Thorneycroft
- Revd Stephen Newell
- Mrs Janet Gray

The officers of the Synod and Trust are:

- Moderator - Revd Ruth Whitehead: stipend, housing and support costs are met by the United Reformed Church centrally. Some hospitality and some expenses are met by the Trust. Ruth resigned in April 2023. Revd David Downing was appointed July 2024 and took up office in October 2024.
- Synod Clerk - Rachel Leach is paid a salary for her part time work as clerk.
- Trust Treasurer – Revd Richard Gray: apart from an honorarium as permitted under the governing document no costs are incurred other than legitimate approved expenses.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Objectives and activities (CONTINUED)

e. Grant making policies and other financial support

The Trust's policy on grant making is to make grants for capital expenditure projects and for Mission Projects and other activities through Enabling Grants as needed. This is done on an ad hoc basis as the need arises. It does not make grants to non URC bodies other than to Ecumenical Groups of which the URC SW Synod is a participant.

Property grants cover 50% of 5 yearly survey costs and asbestos survey costs provided that the report is shared with the Synod. Churches may apply for facelift grants no more often than once every 5 years for works associated with maintaining the church buildings in good order. The grant is 50% of costs to a maximum of £20,000. In addition, churches may apply for support for up to 20% of costs of works on the building. Where a church has a sharing agreement these grants are reduced according to the number of shares.

Mission grants are for the development of URC Mission in local churches. It would be expected that there is at least a matching contribution from the local church. These have been superseded by Enabling Grants.

In 2018 we introduced Enabling Grants to help churches with their work. There is a simplified form for grants of up to £5,000 and a more extended application for grants up to £50,000.

The Trust now provides churches with grants to undertake activities to make their buildings greener. These can include LED lighting, better insulation and improving windows where permitted. The trust is also offering AV Grants to improve communications in churches.

The Trust can also make loans to churches and ministers. Ministers' loans are to support purchase of a car and must be repaid within 4 years. Church loans are to support major works and to qualify there must be the capability of repayment within usually 5 years. Loan interest is charged at 1% above the Bank of England base rate.

Where a church needs to make significant investment in the fabric of a manse, but does not have the means to do so, the Trust may consider taking an equity share in the manse. All maintenance responsibility remains with the local church. If the manse is rented to a third party rent income would be apportioned between church and Trust according to their ownership share. Significant capital works costs would also be apportioned.

The Trust, in recognising that there was a significant deficit in the Pension provision for Ministers of Word and Scarcement has joined with other Synods to provide a grant to the United Reformed Church Retired Ministers Pensions Trust to help to fill in the deficit in assets. The Synod has committed a grant of up to £3 million with payments spread over a period of seven years to meet the deficit in the Fund which totals around £45 million. The grants committed by the synod have previously been accrued in the financial statements. £500,000 was paid out in 2024. It is anticipated that most of the funds will come from the sale of redundant properties.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Objectives and activities (CONTINUED)

f. Main activities undertaken to further the company's purposes for the public benefit

Having regard to the guidance published by the Charity Commission, the Trustees continued to provide public benefit by seeking to advance the Christian religion in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. The 110 local churches are all separate charities.

Worship and partnership

The Southwestern Synod of the United Reformed Church is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the area covered. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have several shared congregations.

Making a difference

As the Catch the Vision prayer states, we are 'God's people', being 'transformed by the gospel' in order to 'make a difference'. That 'difference' is being made in many ways, from the preaching of the gospel, through the pastoral care which helps individuals manage the traumas and transitions of life, to the community building undertaken by our Church Related Community Workers (CRCWs), and the funds that we raise to reduce world poverty through Commitment for Life. The Local Mission and Ministry Review process, through which the Synods challenge and support their churches, is another key vehicle for increasing the effectiveness of local witness and service.

Ethical and Environmental Considerations

The Synod has recently been accepted as an ECO Synod under a scheme run by Arocha. The Trust now provides churches with ECO grants.

We take sustainability seriously and most of our investments are invested in companies that are sustainable and have good environmental, social and governance characteristics.

We have fitted solar panels to one of our properties and offer support to local churches to do so where planning regulations permit.

g. Volunteers

The company is grateful for the unstinting efforts of its volunteers who are involved in many aspects of its work

- Currently our Synod Treasurer supports our bookkeeper. Estimated hours expended around 400.
- We have a number of people who serve on various Synod committees totalling around 500 hours

It is estimated that around 400 volunteer hours were provided during the year. If this is conservatively valued at £15 an hour the volunteer effort amounts to over £6,000. This figure has reduced due to more extensive use of video conferencing for many committees.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Achievements and performance

a. Key performance indicators

The primary indicators of the work of the Synod are that spending (apart from Grants) should be broadly in line with the budget prepared and that the income should be broadly in line with expectations. The other financial indicator should be that our overall balance sheet should not decrease significantly. Clearly the grant of £3M to the Pensions fund previously committed and accrued has an impact on our balance sheet, which we anticipate will be mitigated by the continuing sale of redundant properties.

Work is financed primarily from investment income and sale of properties; the latter can be difficult to predict. Much of our expenditure is concerned with staff salaries and other costs, which are relatively stable. Grants are allocated as necessary, and since some of these are for extended periods, these can have a short-term impact on our balance sheet.

In 2024 our overall performance was within our expectations.

b. Review of activities

Performance in 2024

2024 has been a continuing period of recovery for most churches. Investment returns from the stock exchange have gained value and dividends have been maintained. Deposit funds have received more reasonable interest since mid-2023. Staff have continued working partially from home since March 2020.

• **Support for churches**

The Synod has met its obligations in supporting churches through the efforts of the Synod Moderator and other members of the staff.

• **Ecumenical support**

The Synod has continued to support the work of the Ecumenical bodies and several ecumenical projects. Ecumenical grants totalled £5,060 and were given to 5 Churches Together groups working in the Synod. We have also supported County Shows where the churches are represented.

• **Property**

Property grants are offered to churches to enable premises to be effective for mission purposes. These grants included grants of 50% of the costs for 5 yearly surveys, grants of 50% of the costs for asbestos surveys, Facelift grants for major developments granted at most once every 5 years, and grants of up to 20% towards building costs for approved building works. Net grants of (£141,031) were made in the year including unused grants (£76,642 in 2023). Major recipients are listed in note 8 and a full list in an Annex that is separately available.

• **Chaplaincy**

The Synod supports Chaplaincy activities at the University of Bristol to the total of £14,000 drawn from committed liabilities.

As a part of its sharing with the other Synods the Trust paid grants of £50,000 to those Synods unable to meet their costs and has previously made provisions for future years of £100,000 (included in our liabilities).

The Trust also voluntarily shares 50% of the net proceeds of sales of redundant properties with the URC Trust who in turn share this with the Retired Ministers Pension Fund which is in deficit.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Achievements and performance (CONTINUED)

c. Investment policy and performance

The Trust's funds may be invested in any investment, security, or property (whether narrow or wider range) at the discretion of the Trustees. However, the Trust takes its ethical stance very seriously when making investment decisions.

Following the invasion of Ukraine by Russian forces we have checked our investments have no significant investments in Russia. We also avoid investment in Israeli companies due to Israel's actions towards Arab communities in the West Bank.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Financial statements

Income to meet the objects of the charity is derived from capital funds subject to Charity Commissioners' schemes, general purpose funds and from the sale of redundant properties and the closure of churches in accordance with Schedule 2 of the United Reformed Church Acts 1972 and 1981 and 2000. These funds are held for the religious and charitable work of the churches in the Southwestern Synod.

The total incoming resources for the year before investment gains and losses are £1,021,909 (£4,338,897 in 2023). £6,278 loans to ministers and £34,600 to one church (£Nil and £6,396 in 2023) were made during the year and repayments, conversions to capital and provisions totalled £3,129 and £21,000 respectively leaving balances of £9,667 & £205,174 (£6,276 & £189,588 in 2023) (Note 17).

Charitable expenditure by the Synod Trust (other than grant making) totalled £796,483 (£669,724 in 2023) and in addition grants to churches and other bodies totalled £444,599 (£401,596 in 2023) of which £141,031 (£76,642 in 2023) was for property related grants. Some of the grants are conditional and depend upon schemes being submitted.

All grant commitments are taken as liabilities from the date they are awarded. Some are one year (all property grants) and some commitments extend up to 5 years.

Various "earmarked" funds arising from the sale of properties are administered by the Trust Corporation until such time as the funds are required for new expenditure by local churches. Some of the funds may be released in due course to the Trust for general purposes because of 3 way meetings between church, Synod and Trust. These funds are not reflected in the accounts but note 29 gives the total of amounts involved.

The Charity Commissioners have established a number of schemes with the Trust Corporation as managing trustee, comprising funds arising from the apportionment of County Union Funds. The capital of these funds is maintained separately, but income arising may be used for general purposes and, where designated, for welfare purposes. These are Restricted Funds as defined by the Charities Act 2011 and details are shown in note 22.

Details of the funds amounting to £22,466,240 (of which £2,721,441 represents Charity Commissioners Scheme and other restricted funds) and how they are represented by assets are shown in the Balance Sheet and related notes.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

c. Principal risks and uncertainties

During the year the trustees have undertaken a review of the risks with which the Synod Trust is faced. This is carried out by means of an annual review to identify risks in their areas and to report, noting the measures that are being taken to manage the risk. The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into three areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with a declining membership and consequent reduction in resource, and:
- risks associated with our investment policy.

Reputational matters are taken very seriously, and the Trust has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the Moderator who will advise on its handling or, if the matter is particularly sensitive, may escalate to the Central organisation.

The Trust generally follows central URC policy in respect of investment decisions. There are clear exclusions for arms, gambling, tobacco, and fossil fuel extraction and supply, as it is the church's belief that these are not consistent with its values.

The Synod during 2021 made a commitment to the Retired Ministers Pension Fund of £3,000,000 to be paid over a period of 6 years. The 2022 to 2024 commitments of £500,000 per year have already been paid and we paid an additional £600,000 in 2023. As at 31 December 2024, £650,000 of the £3m commitment is still outstanding. Due to the excess contributions made to date the Charity expects to have paid off the commitment in full by 31 December 2026. This is to move the fund to a stable position.

The safeguarding of children and adults at risk is seen as a key responsibility of the Trust and its Directors. Revised guidance on safeguarding matters was issued to all churches in 2022 and materials are available on the United Reformed Church website. Churches are required to report annually on safeguarding matters to the synod's safeguarding officer. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

d. Reserves policy and reserves

At 31 December 2024 the Charity had unrestricted reserves amounting to £19,744,799. Included in this sum are £4,715,629, being the value of property and fixed assets actually used by the Synod, fixed asset investments of £10,450,000 that are being held primarily for income generation purposes along with investment properties of £3,728,544 and loans to Churches and ministers totalling £214,841. Residual free reserves amount after allowing for other smaller designations of funds amount to £631,697.

The Charity considers it appropriate to retain a minimum level of free reserves of equivalent to resources expected to be expended in approximately 12 months i.e. £600,000. This allows for fluctuations in the level of income and variations in cash flow. As house purchase is often involved, significant sums can be involved.

The Trust aims to provide for all expenditure, including grants, from its annual income. It does not hold Reserve Funds, except for the Revaluation of Assets Reserve. Capital is held to provide the income necessary to maintain its activities.

e. Material investments policy

The Trust's funds may be invested in any investment, security, or property at the discretion of the Trustees.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Structure, governance and management

a. Constitution

The United Reformed Church (Southwestern Synod) Incorporated referred to as "The Trust" is a Company Limited by Guarantee, number 01328728. It is a Registered Charity, number 275364, and its registered office is at Taunton URC, 20 Paul Street, Taunton TA1 3PF. In many respects the Trust operates as the manager of the assets which are used to fund and promote the work of the United Reformed Church Southwestern Synod (The Synod), which itself has no funds or assets.

It is governed by a Memorandum and Articles of Association. Its objects, inter alia, are to advance the Christian religion and propagate the gospel and to further the objects, purposes, and doctrines of the United Reformed Church, particularly within the Southwestern Synod area.

The principal object of the company is to support local churches by providing training, encouragement, specialist skills and financial support. It does this through invested funds and property sales which generate capital and income.

There have been no changes in the objectives since the last annual report.

b. Methods of appointment or election of Trustees

The existing Council has the power to appoint new members to fill vacancies on the Council.

As noted above, directors must be members of the Synod Executive Committee and are chosen by that committee to serve as Directors of the Trust because of availability and skills.

c. Policies adopted for the induction and training of Trustees

Trustee training is provided when needed to assist Directors to understand their role. Training was carried out on Safeguarding responsibilities of Trustees.

d. Organisational structure and decision-making policies

Most of the members of the company are members of its Council, and act as Trustees and Directors. The members of the Council who served throughout the year (unless otherwise indicated) were as listed on page 1 unless noted.

A number of Trust Officers have been appointed by the Council to carry out the day-to-day management of the company's affairs, and these are:

Revd David Downing Chair, Mr Ian Harrison - Secretary, Revd Richard Gray - Treasurer and supported by Ms Diane Philips Assistant Secretary.

All Trustees and Trust Officers act in a voluntary capacity. But Revd Richard Gray receives an Honorarium connected with his role of Staff Management and Bookkeeping as permitted under the governing document.

Under the terms of the Trust the Directors have delegated the day to day running of the Trust to the Officers. Significant decisions are brought to the Directors of the Trust for concurrence.

The primary purpose of the Trust is to enable to Synod to function effectively. Essentially power of spending Trust Funds is delegated by the Synod to its executive as noted above.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Structure, governance and management (CONTINUED)

e. Related party relationships

The United Reformed Church - Southwestern Synod and the United Reformed Church (Southwestern Synod) Incorporated

The Synod through its Executive arranged for the setting up of the United Reformed Church (Southwestern Synod) Incorporated ("The Trust") to be set up inter alia to take over and manage such assets as may be legally transferred [to the Synod] under the Trusts declared in the URC Acts, Schedule 2 parts I and II and to take over and manage or direct the management of the assets and liabilities of the Synod.

Following discussion with the Charity Commission, in November 1997 the Trust and General Purposes committee and Synod (March 1998) passed resolutions clarifying the situation. Among the important features of the Synod Trust interaction are:

- The Members of the Trust (directors) are drawn from the Synod Executive Committee. Any members of the Trust who cease to be members of Synod Executive Committee cease to be members of the Trust.
- The Trust has funds which are administered on behalf of the Synod or held in trust for local churches.
- The officers are charged with day to day management of the funds, subject always to ratification of their actions by the Synod Executive Committee.
- The Synod Executive Committee on behalf of Synod has the power to make grants; for Property grants it has delegated authority to the Synod Property Committee. The Synod Executive Committee is able to do so because ex officio the Moderator, Synod Treasurer, Trust Treasurer, Trust Secretary and the Synod Property & Trust officer are members of the Synod Property Committee and are all currently members of the Synod Executive Committee

From 2009 the Synod no longer has any funds or assets of its own. All funds are held and managed by the Trust.

f. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

There is no planned change in the overall pattern of activities or short terms aims. The steady state outgoings of the Synod Trust are likely to rise to £600,000 per year. This requires assets to be increased to enable this level of expenditure to be maintained without the need to draw on capital reserves for regular expenses.

At the end of 2024 we have 1 residential properties and 3 churches to dispose of.

We currently own in full or have a part share in a number of manses. It is our intention to take over ownership of all manses over the next few years, hopefully by agreement with the local churches. There are >40 manses not on our asset register, some of which are joint in ownership with other denominations.

Building and major refurbishment projects involving several churches in the Synod are in hand.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Funds held as custodian

The Synod Trust is the trustee for most of the churches of the Synod, (although the Elders of the local churches are responsible for day to day management of them) and is the charity trustee except for property disposals pursuant to section 117 of the Charities Act 2011. A description of the funds held on behalf of local churches is contained in the notes to the financial statements. These generally consist of churches and manses and specific investments held in trust for the use of churches in specific areas. The Trust also acts as the trustee for the Synod properties.

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

Other information

In order to maintain a suitable capital base, all redundant property assets transfer to the Synod Trust. The synod has agreed that 50% of the net asset value of redundant church buildings will be shared with the Ministers Pension Fund. Where assets of a church that is continuing in some form are sold, the Trust strategy is that usually 40% of the net receipts can be set aside for the continuing church to apply for and the balance reverts to the Trust. In some cases, the 40% can be larger with the consent of the Trust.

The Trust meets the expenses of its employees in line with the URC's Plan for Partnership. It also meets the costs of volunteers' expenses for work undertaken on behalf of the Synod or Trust.

The Trust's policy on investments is to make investments which are suitable for its charitable status, are diversified appropriately to the circumstances, and have regard to short and long term requirements. The needs of capital and income are considered with regard to priorities of balancing maximum income and increasing capital to keep pace with inflation. The policy is reviewed annually to ensure that it is adhered to. The Trust does not make contentious (i.e. non ethical) investments.

The major risk to which the Trust is exposed is the small number of persons who are primarily involved in its activities. As far as possible accounting and other systems minimise this risk. The Trust is aware of the need to ensure adequate succession to its main officers and aims to achieve this from the relatively small pool of suitable persons who are members of the URC.

Banking

The main banker is CAF Bank, with a small account held with Lloyds. We also have a deposit account with CCLA, in addition to investments.

Auditors

Bishop Fleming Audit Limited have indicated their willingness to continue in office as auditors. A resolution will be proposed at a meeting of the Executive (Directors) to appoint the auditors and to authorise the Council to fix their remuneration for the ensuing year.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Approved by order of the members of the board of Trustees and signed on their behalf by:

I Harrison

**Mr Ian Harrison
Trust Secretary**

Date: 26 September 2025

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

I Harrison
Mr Ian Harrison
Trustee

Date: 26 September 2025

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED

Opinion

We have audited the financial statements of The United Reformed Church (South Western Synod) Incorporated (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2024 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED (CONTINUED)

Other information

The other information comprises the information included in the Trustees' report and financial statements other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

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

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED (CONTINUED)

Auditors' 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 Auditors' 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:

- We have considered the nature of the sector, control environment, and financial performance of the charitable company;
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the UK Companies Act, Charities Acts, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of Trustees and management concerning actual and potential litigation claims or breaches of laws or regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of meetings of those charged with governance and reviewing any correspondence with HMRC or regulators;
- reviewing the financial statements disclosures and testing to supporting documentation to assess the recognition of revenue; and

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED (CONTINUED)

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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 Auditors' Report.

Use of our report

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

Bishop Fleming Audit Limited

**Alison Oliver FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming Audit Limited**

Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

29 September 2025

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	11,846	387,213	399,059	10,926
Charitable activities:	4				
Funds arising from closed Churches		-	166,577	166,577	3,849,504
Other charitable activities		-	11,707	11,707	9,296
Investments	5	60,356	383,477	443,833	406,080
Other income	6	-	733	733	63,091
Total income		72,202	949,707	1,021,909	4,338,897
Expenditure on:					
Raising funds	7	2,232	6,912	9,144	7,593
Charitable activities	8	83,200	1,157,883	1,241,083	1,067,554
Total expenditure		85,432	1,164,795	1,250,227	1,075,147
Net (expenditure)/income before net gains on investments		(13,230)	(215,088)	(228,318)	3,263,750
Net gains on investments		184,140	1,238,899	1,423,039	1,429,784
Net income		170,910	1,023,811	1,194,721	4,693,534
Transfers between funds	22	25,076	(25,076)	-	-
Net movement in funds		195,986	998,735	1,194,721	4,693,534
Reconciliation of funds:					
Total funds brought forward		2,525,455	18,746,064	21,271,519	16,577,985
Net movement in funds		195,986	998,735	1,194,721	4,693,534
Total funds carried forward		2,721,441	19,744,799	22,466,240	21,271,519

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 44 form part of these financial statements.

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	15	4,715,629	3,954,603
Investments	17	14,127,970	12,474,863
Investment property	16	3,728,544	4,640,394
		<u>22,572,143</u>	<u>21,069,860</u>
Current assets			
Debtors	18	113,483	47,297
Cash at bank and in hand		1,048,905	1,899,929
		<u>1,162,388</u>	<u>1,947,226</u>
Creditors: amounts falling due within one year	19	(465,108)	(797,286)
NET CURRENT ASSETS / LIABILITIES		<u>697,280</u>	1,149,940
Total assets less current liabilities		<u>23,269,423</u>	<u>22,219,800</u>
Creditors: amounts falling due after more than one year	20	(803,183)	(948,281)
Total net assets		<u><u>22,466,240</u></u>	<u><u>21,271,519</u></u>
Charity funds			
Restricted funds:			
Restricted funds		1,744,059	1,732,213
Restricted revaluation reserve		977,382	793,242
Total restricted funds	22	<u>2,721,441</u>	2,525,455
Unrestricted funds			
Unrestricted funds		14,874,175	14,556,169
Unrestricted revaluation reserve		4,870,624	4,189,895
Total unrestricted funds	22	<u>19,744,799</u>	18,746,064
Total funds		<u><u>22,466,240</u></u>	<u><u>21,271,519</u></u>

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728**

**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024**

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Revd Richard Gray

Trustee

Date: 26 September 2025



Mr Ian Harrison

Trustee

The notes on pages 22 to 44 form part of these financial statements.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

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

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities (see note 24)	(1,549,681)	(1,641,429)
Cash flows from investing activities		
Dividends, interests and rents from investments	443,833	406,080
Proceeds from the sale of tangible fixed assets	388,028	389,753
Purchase of tangible fixed assets	(1,054,976)	(864,995)
Proceeds from sale of investments	1,791,412	2,774,262
Purchase of investments	(869,640)	(152,427)
Net cash provided by investing activities	698,657	2,552,673
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(851,024)	911,244
Cash and cash equivalents at the beginning of the year	1,899,929	988,685
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (SEE NOTE 25)	1,048,905	1,899,929

The notes on pages 22 to 44 form part of these financial statements

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. GENERAL INFORMATION

The United Reformed Church (South Western Synod) Incorporated is a company limited by guarantee and is constituted under a Memorandum of Association dated 24 September 2009. The company is also a registered charity. The principal office is 18 Paul Street, Taunton, Somerset, England, TA1 3PF.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The United Reformed Church (South Western Synod) Incorporated meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and consider these sufficient for the charity to be able to continue as a going concern.

2.4 LOANS

Loans are stated at the value of the cumulative capital and the interest outstanding less provision for amounts that are considered to be doubtful.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. ACCOUNTING POLICIES (continued)

2.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. However, the Trustees' report provides more information about the contribution of volunteers.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 CLOSED CHURCHES AND TRANSFERS FROM COUNTY UNIONS

Assets, including investments and properties which come into the Trust's ownership as a result of transfers from County Unions or on the closure of Churches are reflected as an addition to the assets of the Trust in the accounting period in which the legal and beneficial entitlement to those properties passes to the Trust. Where there is no cost to the Trust, properties are recorded at a deemed cost which is calculated using the same method as stated below for the valuation of Investment Properties. Investments in stocks and shares are recorded at their open market valuation.

2.7 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. ACCOUNTING POLICIES (continued)

2.7 EXPENDITURE (CONTINUED)

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Grants that have been awarded but are not taken up after a period of two years are normally cancelled.

All expenditure is inclusive of irrecoverable VAT.

2.8 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.9 TAXATION

The company is considered to meet the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively to charitable purposes.

2.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 0.5% Straight line
Long-term leasehold property	- 1% Straight line
Office equipment	- 10% Straight line
Computer equipment	- 20% Straight line

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. ACCOUNTING POLICIES (continued)

2.11 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Listed investments are valued using closing quoted market prices.

Investment Properties are stated in the Balance Sheet based on independent valuation where available or, failing this, at the Board's estimation of market valuation having regard to suitable indices and transactions after the year end.

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Any movement in the market value over the year is taken to the Revaluation Reserve. If the transfer to Revaluation Reserve is to reflect a diminution in market value, then any excess over the balance currently held in the reserve will be transferred against the general funds.

No depreciation is provided on the Provincial Trusts Investment Properties.

2.12 ASSETS HELD IN TRUST FOR OTHERS

At the end of the year the Trust held investments and deposits on behalf of local churches and trusts. All of these assets are held to the order of local church and trusts concerned and are not shown in these financial statements.

The Trust Corporation also holds money in a bank account bearing its name which is held on trust for various local churches and cannot be expended by the Trust Corporation. These monies, which are detailed in the notes to the financial statements are not reflected on the balance sheet of these Financial Statements.

2.13 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.14 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. ACCOUNTING POLICIES (continued)

2.15 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.16 FINANCIAL INSTRUMENTS

The company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.17 PENSIONS

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity (scheme). Once the contributions have been paid, the company has no further obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown as creditors in the Balance Sheet. The assets of the scheme are held separately from the company in independently administered funds.

2.18 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 assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The charity owns a number of investment properties which are subject to annual valuation. Independent valuations by professionally qualified valuers are obtained at least every 5 years. In other years, the valuations are reviewed and updated by the trustees having regard to known information and suitable indices.

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2. ACCOUNTING POLICIES (continued)

2.19 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. INCOME FROM DONATIONS, LEGACIES AND GRANTS

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations - Property	-	387,213	387,213	-
Grants	11,846	-	11,846	10,926
	<u>11,846</u>	<u>387,213</u>	<u>399,059</u>	<u>10,926</u>
TOTAL 2023	<u>10,926</u>	<u>-</u>	<u>10,926</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Funds arising from Closed Churches	166,577	166,577	3,849,504
Training and conference receipts	7,750	7,750	5,425
Loan interest	3,957	3,957	3,871
TOTAL 2024	<u>178,284</u>	<u>178,284</u>	<u>3,858,800</u>
TOTAL 2023	<u>3,858,800</u>	<u>3,858,800</u>	

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4. INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

Funds arising from closed Churches comprise:

	2024	2022
	£	£
Capital funds - Property	-	3,538,434
Other funds	166,577	311,070
	<u>166,577</u>	<u>3,849,504</u>

5. INVESTMENT INCOME

	Restricted funds	Unrestricted funds	Total funds	Total funds
	2024	2024	2024	2023
	£	£	£	£
Rental income from investment properties	-	35,566	35,566	27,288
Income from listed investments	51,263	288,411	339,674	325,094
Bank interest	9,093	59,500	68,593	53,698
TOTAL 2024	<u>60,356</u>	<u>383,477</u>	<u>443,833</u>	<u>406,080</u>
TOTAL 2023	<u>49,111</u>	<u>356,969</u>	<u>406,080</u>	

6. OTHER INCOMING RESOURCES

	Unrestricted funds	Total funds	Total funds
	2024	2024	2023
	£	£	£
Sundry income	733	733	3,338
Gain on disposal of tangible fixed assets	-	-	59,753
	<u>733</u>	<u>733</u>	<u>63,091</u>
TOTAL 2023	<u>63,091</u>	<u>63,091</u>	

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7. INVESTMENT MANAGEMENT COSTS

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment management fees	2,232	6,912	9,144	7,593
TOTAL 2023	3,827	3,766	7,593	

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total 2024 £	Total 2023 £
Charitable activities	83,200	1,157,883	1,241,083	1,067,554
TOTAL 2023	39,460	1,028,094	1,067,554	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Charitable activities	380,966	444,599	415,517	1,241,082	1,067,554
TOTAL 2023	333,257	401,596	332,701	1,067,554	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Activities 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	77,420	77,420	133,018
Training and conferences	36,408	36,408	26,098
Church support	26,371	26,371	48,921
Pulpit supply relief	-	-	855
Ecumenical costs	10	10	87
MMF payments	83,364	83,364	39,838
Synod Pastoral Advisors	43,725	43,725	48,833
Property expenses	113,668	113,668	35,607
	<u>380,966</u>	<u>380,966</u>	<u>333,257</u>
TOTAL 2023	<u>333,257</u>	<u>333,257</u>	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2024 £	Total funds 2023 £
Staff costs	204,586	196,153
Depreciation	28,667	42,348
Synod Activities	2,031	2,779
Loss on disposal of tangible fixed assets	24,468	-
Pioneer special category minister	-	1,021
Other Special Category Ministers	7,257	6,029
Printing stationery & postage	18,403	8,217
Utilities/sundries	2,556	1,303
Synod office expenses and administrative costs	53,443	15,850
Property expenses	49,396	41,916
Governance costs	24,710	17,085
	415,517	332,701

10. NET INCOME/EXPENDITURE

This is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets - owned by the charity	28,667	41,800
Loss/(gain)on disposal of tangible fixed assets	24,468	(59,753)

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11. ANALYSIS OF GRANTS

	Grants to Institutions 2024 £	Total funds 2024 £	Total funds 2023 £
Institutional grants	444,599	444,599	401,596

All grants are payable to institutions. There were no grants to individuals in 2024 or 2023.

The company has made the following material grants to institutions during the year:

	2024 £	2023 £
Grants to institutions other than Churches	40,484	206,550
Enabling grants	236,076	105,480
Mission grants	200	1,079
Property grants:		
- Survey grants	12,009	6,734
- Facelift grants	44,119	1,930
- Building grants	84,903	67,978
	417,791	389,751
Other grants to institutions	26,808	11,845
	444,599	401,596

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11. ANALYSIS OF GRANTS (CONTINUED)

The Synod Trusts makes a number of grants to local churches and associated Ecumenical Partners.

Building/Property Grants

These comprise:

- Facelift Grants offered to local churches of up to 50% of cost to a maximum of £20,000 no more frequently than once every 5 years for major renovations
- Building Grants of 20% of the balance of any costs of expenditure on adaption, extension or repair and maintenance of local churches and manses
- Special Property Grants may be made in cases where the Executive determine such an award is desirable.
- 50% Grants are available to local churches for Survey Grants assessing the need of the church building or manse for repairs and maintenance of the structure. Churches are encouraged to carry out such surveys every 5 years.
- 50% grants are available to help churches carry out surveys for the presence of asbestos in the buildings.

Mission Grants

Mission grants of up to £5,000 per annum for up to 5 years for projects which enhance the Mission of the Local Church

Enabling Grants

Enabling grants are available to churches who would like to do something in their church life but need extra financial help. Small grants are offered up to £2,500 and larger grants up to £25,000 per annum.

Grants to institutions other than Churches

- Feasibility Grants are offered for up to 50% of the costs of a major Feasibility study of the suitability of the church for its mission. These are capped at £2,000.
- There are grants available for assistance with providing Chaplaincy services in Universities and retail areas.
- The Trust makes a Grant to other Synods in less fortunate financial position. This is managed via an Inter Synod Resource Sharing group.
- Grants are made to Churches Together in England Ecumenical bodies in the area covered by the Synod.
- Grants are made to a Benevolent Fund managed by the Synod Moderator for the alleviation of special needs among ministers in the area
- The Synod Trust has been asked by the URC Ministers Pension Fund to make a supplementary grant to fill a share of the shortfall of around £50 million in the Pension Fund assets to cover the greater liabilities caused by the Pension Regulator's requirement to use less risky investments to provide the assets that underpin the liabilities. The Synod Trust has amended its grant making to give 50% of the Synod Trust's net proceeds of the sale of any building or property until further notice. The Synod Trust committed in 2021 to making donations totalling £3,000,000 over the next 8 years, the first tranche of £250,000 having been paid in 2021. If property sales do not cover the commitment in any particular year the Synod Trust will meet any shortfall from its reserves.
- The Synod Trust further resolved to make no more contributions to the Retired Ministers Housing Trust as this now has sufficient funds to meet its likely commitments to Ministers retiring and needing to be provided with housing.

ANALYSIS OF GRANTS

A full summary of all grants made can be found on the charity website www.urcsouthwest.org.uk.

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Included within Institutional and Enabling grants are the following amounts of £10,000 or more:

	2024	2023
	£	£
Inter Synod Resource sharing	-	100,000
Bath Larkhall	-	53,208
Emmanuel Lunch Club	-	23,774
Trinity Henleaze	-	10,000
Wrington Group	100,596	31,500
Zion Frampton Cottrell	-	24,500
Exmouth Work Club	19,000	-
Flavel Ministry	52,508	-
Flavel Family Worker	22,500	-
Taunton Workwise	16,717	-
Pilgrim	14,725	-
	226,046	242,982

Included within Facelift grants are the following amounts of £10,000 or more:

	2024	2023
	£	£
Derriford	21,758	-
	21,758	-

Included within Building grants are the following amounts of £10,000 or more:

	2024	2023
	£	£
Trinty Henleaze	16,570	-
Haydon Wick	37,060	-
Portscatho	10,000	-
	63,630	-

13. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £15,300 (2023 - £13,080).

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14. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	234,329	280,098
Social security costs	16,657	17,968
Contribution to defined contribution pension schemes	31,021	31,105
	<u>282,007</u>	<u>329,171</u>

The average number of persons employed by the company during the year was as follows:

	2024	2023
	No.	No.
Staff engaged on charitable activities	<u>12</u>	<u>13</u>

No employee received remuneration amounting to more than £60,000 in either year.

All staff are paid centrally through the URC central office.

Except as detailed below, no trustee was paid or is due to be paid any remuneration out of Trust funds.

Staff costs are allocated between restricted and unrestricted expenditure based on which project the salary costs relate to.

TRUSTEES

Trustee Revd R Gray receives £1,000 honorarium in respect of Bookkeeping activities in addition to expenses (2023 - £1,000).

The above remuneration paid to Trustees is permitted in accordance with Section 185 of the Charities Act 2011.

During the year, no Trustees received any benefits in kind (2023 £NIL).

1 Trustee received reimbursement of expenses amounting to £458 in the current year, (2023: 1 Trustee - £265). 1 Trustee (2023: 1 Trustees - £2,400) received a housing allowance totalling £2,400 in respect of their Church ministerial post.

KEY MANAGEMENT PERSONNEL

The gross remuneration paid during the year in respect of key management personnel was £49,752 (2023 - £48,791). Pension and national insurance contributions were payable in addition totalling £13,056 (2023 - £12,893) giving total key management compensation of £62,809 (2023 - £61,683).

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15. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 January 2024	4,132,718	1,980	15,874	4,150,572
Additions	1,202,189	-	-	1,202,189
Disposals	(415,000)	(594)	-	(415,594)
At 31 December 2024	<u>4,919,907</u>	<u>1,386</u>	<u>15,874</u>	<u>4,937,167</u>
DEPRECIATION				
At 1 January 2024	180,316	198	15,455	195,969
Charge for the year	28,248	-	419	28,667
On disposals	(2,900)	(198)	-	(3,098)
At 31 December 2024	<u>205,664</u>	<u>-</u>	<u>15,874</u>	<u>221,538</u>
NET BOOK VALUE				
At 31 December 2024	<u>4,714,243</u>	<u>1,386</u>	<u>-</u>	<u>4,715,629</u>
At 31 December 2023	<u>3,952,402</u>	<u>1,782</u>	<u>419</u>	<u>3,954,603</u>

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16. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2024	4,640,394
Additions	240,000
Disposals	(1,400,000)
Revaluation	248,150
At 31 December 2024	<u>3,728,544</u>

The historical cost of investment properties at 31 December 2024 was £2,866,305 (2023 - £3,835,428).

Valuations of investment properties are based upon independent professional valuations within the past 5 years based upon open market values for actual or planned use. All valuers used are professionally qualified with recent experience in the location and class of the investment property at the time of making the valuation.

Where the independent valuations were undertaken prior to 31 December 2024, the trustees have reviewed and updated the valuations at 31 December 2024 having regard to suitable indices and transactions after the year end.

In addition to the surplus on revaluation noted above, realised gains on disposal of investment property during the year amounted to £381,090 and realised losses amounted to £13,807.

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17. FIXED ASSET INVESTMENTS (OTHER THAN PROPERTY)

	Listed investments £	Loans £	Total £
COST OR VALUATION			
At 1 January 2024	12,279,029	195,834	12,474,863
Additions	826,504	43,136	869,640
Disposals/ repayments	-	(24,129)	(24,129)
Revaluations	807,596	-	807,596
	<u>13,913,129</u>	<u>214,841</u>	<u>14,127,970</u>
AT 31 DECEMBER 2024	<u>13,913,129</u>	<u>214,841</u>	<u>14,127,970</u>
NET BOOK VALUE			
	<u>13,913,129</u>	<u>214,841</u>	<u>14,127,970</u>
AT 31 DECEMBER 2024	<u>13,913,129</u>	<u>214,841</u>	<u>14,127,970</u>
AT 31 DECEMBER 2023	<u>12,279,029</u>	<u>195,834</u>	<u>12,474,863</u>

The Synod Trust's capital may be invested in any investment, security or property (whether narrow or wide range) at the discretion of the Trustees.

Loans comprise loans to Churches of £205,174 (2023 - £189,560) and loans to ministers of £9,667 (20233 - £6,276).

18. DEBTORS

	2024 £	2023 £
DUE WITHIN ONE YEAR		
Other debtors	6,062	2,441
Prepayments and accrued income	107,421	44,856
	<u>113,483</u>	<u>47,297</u>

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19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Mission and enabling grants	5,082	9,865
Other committed grants	444,726	775,421
Accruals	15,300	12,000
	<u>465,108</u>	<u>797,286</u>

Included in other committed grants above is £150,000 in respect of the grant awarded to the United Reformed Church Trust Ltd in 2021 relating to the pension scheme for Church Ministers (see note 27).

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Other creditors	803,183	948,281
	<u>803,183</u>	<u>948,281</u>

As Mission Grants are often multi year grants, they are all taken on the books as liabilities from the date of approval. The amount likely to become due in the current year are taken as current year liabilities, and the balance taken as commitments due in 2-5 years. In addition, the grant awarded to the United Reformed Church Trust Ltd in 2021 relating to the pension scheme for Church Ministers (see note 27) is being paid by instalments. £500,000 is included within amounts falling due after more than one year and £150,000 is included within amounts falling due within one year.

21. FINANCIAL INSTRUMENTS

	2024	2023
	£	£
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	15,176,875	14,379,818
	<u>15,176,875</u>	<u>14,379,818</u>

Financial assets measured at fair value through income and expenditure comprises listed investments, loan investments and cash at bank and in hand

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22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
UNREST'D FUNDS						
Fixed asset fund	3,954,603	146,847	(28,667)	642,846	-	4,715,629
Loans funds	195,834	3,957	-	15,050	-	214,841
Investment property	4,640,394	240,000	-	(1,400,000)	248,150	3,728,544
Investment stocks and shares	9,450,000	-	-	1,000,000	-	10,450,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	501,145	558,903	(1,136,128)	(282,972)	990,749	631,697
	<u>18,746,064</u>	<u>949,707</u>	<u>(1,164,795)</u>	<u>(25,076)</u>	<u>1,238,899</u>	<u>19,744,799</u>
RESTRICT'D FUNDS						
General purpose fund	2,299,400	60,356	(85,432)	(755,327)	175,655	1,694,652
Closed churches fund	156,065	-	-	780,403	8,485	944,953
DFES fund	806	-	-	-	-	806
Training fund and grants	40,232	4,852	-	-	-	45,084
Other small restricted grants received	28,952	6,994	-	-	-	35,946
	<u>2,525,455</u>	<u>72,202</u>	<u>(85,432)</u>	<u>25,076</u>	<u>184,140</u>	<u>2,721,441</u>
TOTAL OF FUNDS	<u><u>21,271,519</u></u>	<u><u>1,021,909</u></u>	<u><u>(1,250,227)</u></u>	<u><u>-</u></u>	<u><u>1,423,039</u></u>	<u><u>22,466,240</u></u>

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22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
UNREST'D FUNDS						
Fixed asset fund	2,746,908	415,000	(41,800)	834,495	-	3,954,603
Loans funds	256,112	3,871	-	(64,149)	-	195,834
Investment property	3,760,066	3,123,333	-	(2,016,979)	(226,026)	4,640,394
Investment stocks and shares	7,250,000	-	-	2,200,000	-	9,450,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	501,872	736,656	(990,060)	(950,017)	1,202,694	501,145
	<u>14,519,046</u>	<u>4,278,860</u>	<u>(1,031,860)</u>	<u>3,350</u>	<u>976,668</u>	<u>18,746,064</u>
RESTRICT'D FUNDS						
General purpose fund	1,872,265	46,136	(42,786)	(3,350)	427,135	2,299,400
Closed churches fund	130,084	-	-	-	25,981	156,065
DFES fund	925	-	(119)	-	-	806
Training fund and grants	34,857	5,375	-	-	-	40,232
Other small restricted grants received	20,808	8,526	(382)	-	-	28,952
	<u>2,058,939</u>	<u>60,037</u>	<u>(43,287)</u>	<u>(3,350)</u>	<u>453,116</u>	<u>2,525,455</u>
TOTAL OF FUNDS	<u><u>16,577,985</u></u>	<u><u>4,338,897</u></u>	<u><u>(1,075,147)</u></u>	<u><u>-</u></u>	<u><u>1,429,784</u></u>	<u><u>21,271,519</u></u>

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The principal restricted funds above being the General Purpose and Closed Churches funds were established by the Charity Commissioners by a scheme on 5 October 1992 (CD(TI)275364A/1). The income from these funds is payable to the unrestricted funds.

The transfer of £25,076 from the General Purpose Fund to unrestricted funds represents the transfer of excess income from the General Purpose Fund as permitted. Funds arising from the closure of Churches previously recognised within restricted funds, have been transferred so that they are separately reported within Closed churches funds.

The fixed assets, loan and investment property designated funds represent the value of reserves tied up in those particular assets. The investment stocks and shares designated fund represents the proportion of listed investments that the charity currently deems appropriate to ring fence as being held for the long term for income generating purposes. The funds have been separately designated as they are not expected to be readily available for use as working capital in the short term. Transfers to/from each of these designated funds have been made in order to bring the closing balance to the value deemed appropriate by the Trustees.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	4,715,629	4,715,629
Fixed asset investments	2,915,571	11,212,399	14,127,970
Investment property	-	3,728,544	3,728,544
Current assets	-	1,162,388	1,162,388
Creditors due within one year	(194,130)	(270,978)	(465,108)
Creditors due in more than one year	-	(803,183)	(803,183)
TOTAL	2,721,441	19,744,799	22,466,240

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	3,954,603	3,954,603
Fixed asset investments	1,951,028	10,523,835	12,474,863
Investment property	-	4,640,394	4,640,394
Current assets	574,427	1,372,799	1,947,226
Creditors due within one year	-	(797,286)	(797,286)
Creditors due in more than one year	-	(948,281)	(948,281)
TOTAL	2,525,455	18,746,064	21,271,519

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	1,194,721	4,693,534
ADJUSTMENTS FOR:		
Depreciation and impairment charges	28,667	41,800
Non cash donations and capital funds	(387,213)	(3,538,434)
Losses/(gains) on investments	(1,423,029)	(1,424,760)
Dividends, interests and rents from investments	(443,833)	(406,080)
Loss/(gain) on the sale of fixed assets	24,468	(59,753)
Decrease/(increase) in debtors	(66,186)	15,350
Decrease in creditors	(477,276)	(963,086)
NET CASH USED IN OPERATING ACTIVITIES	(1,549,681)	(1,641,429)

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash in hand	1,048,905	1,899,929
TOTAL CASH AND CASH EQUIVALENTS	1,048,905	1,899,929

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	1,899,929	(851,024)	1,048,905
	1,899,929	(851,024)	1,048,905

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

27. PENSION COMMITMENTS

Pension scheme for lay staff

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,021 (2023 - £31,105). Contributions totalling £nil (2023 - £nil). were payable to the fund at the balance sheet date.

Pension scheme for Church Ministers

The Minister's Pension Scheme (which is the responsibility of the United Reformed Church Trust Ltd (URCTL)) was valued at 31 December 2020. URCTL were forced to accept a lower discount rate which meant that the fund was in deficit, and needs a large infusion of funds to meet its long term funding target.

During 2021 the Charity committed a figure of £3 million to URCTL over 9 years as a contribution towards the obligations that URCTL has to the Minister's Pension Scheme. The Charity agreed to contribute £500,000 per year, sourcing funds from the proceeds of sale of buildings no longer needed. The Charity actually contributed a total of £1.1m (of the £3m commitment) during 2023 due to the increased proceeds from the sale of manses. Accordingly, as at 31 December 2024, £650,000 of the £3m commitment is still outstanding. Due to the excess contribution made to date the Charity expects to have paid off the commitment in full by 31 December 2026.

28. RELATED PARTY TRANSACTIONS

Trustees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total remuneration in respect of these individuals excluding honoraria for other services is £Nil (2023 - £Nil).

The spouse of a Trustee is employed by the Charity and received a salary in respect of their employment of £8,136 (2023 - £7,746).

Details of the remuneration of key management personnel including non Trustees is set out in note 14.

There have been no transactions with related parties other than those stated above and in note 14.

29. EARMARKED FUNDS

The balances of Earmarked Funds held on behalf of local churches and trusts not otherwise reflected in these financial statements outstanding on 31 December were:

	2024	2023
	£	£
Capital funds	999,717	1,251,515
Income funds	308,542	530,996
	<u>1,308,259</u>	<u>1,782,511</u>

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED

England & Wales - Charity number 275364

Accounts

Registered number: 01328728
Charity number: 275364

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
INCORPORATED**
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

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**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Trustees	Revd Ruth Whitehead, (Chair until 21 March 2023) (resigned 21 March 2023) Mr Ian Harrison, Trust Secretary Mrs Janet Raven Revd Neil Thorogood Revd Richard Gray, Treasurer Revd Donald Macalister (resigned 11 March 2023) Revd Robert Weston Revd Sarah Simpson Mrs Gwen Jennings (resigned 6 November 2023)
Company registered number	01328728
Charity registered number	275364
Registered office	Taunton United Reformed Church 18 Paul Street Taunton Somerset TA1 3PF
Company secretary	Mr Ian Harrison
Chair	Revd Ruth Whitehead
Independent auditors	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Lloyds Bank PLC 2 Palace Avenue Paignton Devon CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent
Solicitors	WBW Solicitors The Forum Barnfield Road Exeter EX1 1QR Star Legal Ltd 40 High Street Thornbury BS35 2AJ

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The United Reformed Church (South Western Synod) Incorporated (the company) for the ended 31 December 2023. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

Objectives and activities

a. Policies and objectives

Summary of objects

1. The administration of the Trust's assets and the provision of funds for the work of the South Western Synod.
2. Acting as property holding trustee of local churches, within the terms of the United Reformed Church Acts 1972 and 1981 and 2000.
3. Acting as trustees of endowments of local churches and the Synod, with responsibility for administering them.
4. Acting as trustee for "earmarked" funds, which are not reflected in the accounts.
5. Acting as trustee of various Charity Commissioners' schemes.

The Charity has had "due regard to the guidance published by the Charity Commission" in respect of public benefit. Trustees and management consider that the functions below facilitate the provision of public worship for the public benefit.

Earmarked funds are those held by the Trust on behalf of churches within the Synod.

b. Strategies for achieving objectives

Explanation of aims

The primary aim of the Trust is to act as managing Trustee for all the tangible resources of the Synod and to fund the activities of the Synod. This latter is achieved by having sufficient income generating funds for the Synod to be an effective supporter of the churches. Thus, there are investment properties generating income and the potential for capital growth, and investments which generate income and some capital growth. The objective is to ensure that there is sufficient income for the needs for the foreseeable future for the work of the Synod. The figure is rising both by inflation and increased expectations as well as by governance requirements.

c. Activities undertaken to achieve objectives

The primary functions of the Synod and therefore the Trust are:

- To provide prophetic leadership for the Synod and to provide encouragement and support for churches, their leadership and ministers and to encourage them in prophetic witness and discipleship
- Provide funds to encourage and enable new and innovative ways of mission in the local churches
- Provide training and development for Ministers and lay people to enable them to proclaim the Gospel and lead mission
- Provide support for ecumenical activities at local and regional levels
- Provide legal and technical support in the maintenance and development of local church properties

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Objectives and activities (CONTINUED)

d. Personnel

In order to further the life, work and witness of the synod, and its local churches, the following staff posts have been established and filled:

- Property and Trust Officer – Ms Diane Phillips is a fulltime employee of the Trust and is Assistant Trust Secretary.
- Moderator's PA - Mrs Hilary Bradshaw is a part-time employee of the Trust.
- Synod Office Administrator - Mrs Dinah Firmin is a part-time employee of the Trust.
- Ms Rachel Leach was appointed as Synod Clerk on a part time basis. She is a Trust Officer, attends Executive and Trustee meetings but is not a Trustee due to her salaried status.
- Ms Paula McDonagh was appointed as a full-time Assistant Trust & Property Officer from November 2018. Her role changed in 2022 to become Finance Administrator supporting the treasurer.
- Ms Colleen Lewis was appointed as a part-time Property & Trust Administrator in September 2022.
- Ms Claire Partridge was appointed part time Safeguarding Officer in June 2023.
- Revd Roy Lowes is a part time member of staff concerned with Learning and training and is also acting in a partial role of Moderator.

We also have Synod Pastoral Advisors who act as a link between the Synod and the churches. All are part time and the Synod meets their expenses. They are:

- Revd Gerald England
- Revd Sue Cossey
- Revd James Thorneycroft
- Revd Stephen Newell
- Mrs Janet Gray

The officers of the Synod and Trust are:

- Moderator - Revd Ruth Whitehead: stipend, housing and support costs are met by the United Reformed Church centrally. Some hospitality and some expenses are met by the Trust.
- Synod Clerk - Rachel Leach is paid a salary for her part time work as clerk.
- Trust Secretary - Mr Ian Harrison, no costs are incurred other than legitimate approved expenses.
- Trust Treasurer – Revd Richard Gray: apart from an honorarium as permitted under the governing document no costs are incurred other than legitimate approved expenses.

Objectives for 2023

The primary objective of the Synod is to support local churches by providing training, encouragement, specialist skills and financial support. It does this through invested funds and property sales which generate capital and income.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Objectives and activities (CONTINUED)

e. Grant making policies and other financial support

The Trust's policy on grant making is to make grants for capital expenditure projects and for Mission Projects and other activities through Enabling Grants as needed. This is done on an ad hoc basis as the need arises. It does not make grants to non URC bodies other than to Ecumenical Groups of which the URC SW Synod is a participant.

Property grants cover 50% of 5 yearly survey costs and asbestos survey costs provided that the report is shared with the Synod. Churches may apply for facelift grants no more often than once every 5 years for works associated with maintaining the church buildings in good order. The grant is 50% of costs to a maximum of £20,000. In addition, churches may apply for support for up to 20% of costs of works on the building. Where a church has a sharing agreement these grants are reduced according to the number of shares. Mission grants are for the development of URC Mission in local churches. It would be expected that there is at least a matching contribution from the local church.

In 2018 we introduced Enabling Grants to help churches with their work. There is a simplified form for grants of up to £2,500 and a more extended application for grants up to £25,000. These grants were increased in October 2023 to £5,000 and £50,000

The Trust now provides churches with grants to undertake activities to make their buildings greener. These can include LED lighting, better insulation and improving windows where permitted.

The Trust can also make loans to churches and ministers. Ministers' loans are to support purchase of a car and must be repaid within 4 years. Church loans are to support major works and to qualify there must be the capability of repayment within usually 5 years. Loan interest is charged at 1% above the Bank of England base rate.

Where a church needs to make significant investment in the fabric of a manse, but does not have the means to do so, the Trust may consider taking an equity share in the manse. All maintenance responsibility remains with the local church. If the manse is rented to a third party rent income would be apportioned between church and Trust according to their ownership share. Significant capital works costs would also be apportioned.

The Trust, in recognising that there was a significant deficit in the Pension provision for Ministers of Word and Scarcement has joined with other Synods to provide a grant to the United Reformed Church Retired Ministers Pensions Trust to help to fill in the deficit in assets. The Synod has committed a grant of up to £3 million with payments spread over a period of seven years to meet the deficit in the Fund which totals around £45 million. The grants committed by the synod have previously been accrued in the financial statements. The next instalment of £1,100,000 was paid out in 2023. It is anticipated that most of the funds will come from the sale of redundant properties.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Objectives and activities (CONTINUED)

f. Main activities undertaken to further the company's purposes for the public benefit

Having regard to the guidance published by the Charity Commission, the Trustees continued to provide public benefit by seeking to advance the Christian religion in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. The 110 local churches are all separate charities.

Worship and partnership

The Southwestern Synod of the United Reformed Church is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the area covered. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have several shared congregations.

Making a difference

As the Catch the Vision prayer states, we are 'God's people', being 'transformed by the gospel' in order to 'make a difference'. That 'difference' is being made in many ways, from the preaching of the gospel, through the pastoral care which helps individuals manage the traumas and transitions of life, to the community building undertaken by our Church Related Community Workers (CRCWs), and the funds that we raise to reduce world poverty through Commitment for Life. The Local Mission and Ministry Review process, through which the Synods challenge and support their churches, is another key vehicle for increasing the effectiveness of local witness and service.

Ethical and Environmental Considerations

The Synod has recently been accepted as an ECO Synod under a scheme run by A Rocha. The Trust now provides churches with ECO grants.

We take sustainability seriously and most of our investments are invested in companies that are sustainable and have good environmental, social and governance characteristics.

We have fitted solar panels to one of our properties and offer support to local churches to do so where planning regulations permit.

g. Volunteers

The company is grateful for the unstinting efforts of its volunteers who are involved in many aspects of its work

- Currently our Synod Treasurer supports our bookkeeper. Estimated hours expended around 400.
- We have a number of people who serve on various Synod committees totalling around 500 hours

It is estimated that around 500 volunteer hours were provided during the year. If this is conservatively valued at £11 an hour the volunteer effort amounts to circa £5,000. This figure has reduced due to more extensive use of video conferencing for many committees.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Achievements and performance

a. Key performance indicators

The primary indicators of the work of the Synod are that spending (apart from Grants) should be broadly in line with the budget prepared and that the income should be broadly in line with expectations. The other financial indicator should be that our overall balance sheet should not decrease significantly. Clearly the grant of £3M to the Pensions fund has an impact on our balance sheet, which we anticipate will be mitigated by the continuing sale of redundant properties.

Work is financed primarily from investment income and sale of properties; the latter can be difficult to predict. Much of our expenditure is concerned with staff salaries and other costs, which are relatively stable. Grants are allocated as necessary, and since some of these are for extended periods, these can have a short-term impact on our balance sheet.

In 2023 our overall performance was within our expectations.

b. Review of activities

Performance in 2023

2023 has been a year of recovery for most churches. Investment returns from the stock exchange have gained significant value and dividends have been maintained. Deposit funds have received more reasonable interest since mid-2023. Staff have continued to work partially from home since March 2020.

• **Support for churches**

The Synod has met its obligations in supporting churches through the efforts of the Synod Moderator, Pastoral Advisors and other members of the staff.

• **Ecumenical support**

The Synod has continued to support the work of the Ecumenical bodies and several ecumenical projects. Ecumenical grants totalled £3,955 and were given to 3 Churches Together groups working in the Synod. We have also supported County Shows where the churches are represented.

• **Property**

Property grants are offered to churches to enable premises to be effective for mission purposes. These grants included grants of 50% of the costs for 5 yearly surveys, grants of 50% of the costs for asbestos surveys, Facelift grants for major developments granted at most once every 5 years, and grants of up to 10% towards building costs for approved building works. Net grants of (£76,642) were made in the year including unused grants (£60,394 in 2022). Major recipients are listed in note 11 and a full list in Annex v.

• **Chaplaincy**

The Synod supports Chaplaincy activities at the University of Bristol to the total of £14,000 drawn from committed liabilities.

As a part of its sharing with the other Synods the Trust made a grant of £30,000 to those Synods unable to meet their costs and has made provisions for future years of £100,000 (included in our liabilities).

The Trust also voluntarily shares 50% of the net proceeds of sales of redundant properties with the URC Trust who in turn share this with the Retired Ministers Pension Fund which is in deficit. This was increased from 10% temporarily to 50% in 2021 following a Synod resolution.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Achievements and performance (CONTINUED)

c. Investment policy and performance

The Trust's funds may be invested in any investment, security, or property (whether narrow or wider range) at the discretion of the Trustees. However, the Trust takes its Ethical stance very seriously when making investment decisions.

Following the invasion of Ukraine by Russian forces we have checked our investments have no significant investments in Russia. We also avoid investment in Israeli companies due to Israel's actions towards Arab communities in the West Bank.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Financial statements

Income to meet the objects of the charity is derived from capital funds subject to Charity Commissioners' schemes, general purpose funds and from the sale of redundant properties and the closure of churches in accordance with Schedule 2 of the United Reformed Church Acts 1972 and 1981 and 2000. These funds are held for the religious and charitable work of the churches in the Southwestern Synod.

The total incoming resources for the year before investment gains and losses are £4,338,897 (£1,396,397 in 2022). There was a very low level of deposit interest until later in the year, and we have therefore kept the deposit holdings as low as possible during the year. No new loans to ministers and £6,396 to 2 churches (£15,300 and £27,673 in 2022) were made during the year and repayments, conversions to capital and provisions totalled £14,339 and £52,334 respectively leaving balances of £6,276 & £189,588 (£20,615 & £236,497 in 2022) (Note 17).

Charitable expenditure by the Synod Trust (other than grant making) totalled £669,724 (£525,052 in 2022) and in addition grants to churches and other bodies totalled £401,596 (£202,788 in 2022) of which £76,642 (£67,272 in 2022) was for property related grants. Some of the grants are conditional and depend upon schemes being submitted.

All grant commitments are taken as liabilities from the date they are awarded. Some are one year (all property grants) and some commitments extend up to 5 years.

Various "earmarked" funds arising from the sale of properties are administered by the Trust Corporation until such time as the funds are required for new expenditure by local churches. Some of the funds may be released in due course to the Trust for general purposes because of 3 way meetings between church, Synod and Trust. These funds are not reflected in the accounts but note 29 gives the total of amounts involved.

The Charity Commissioners have established a number of schemes with the Trust Corporation as managing trustee, comprising funds arising from the apportionment of County Union Funds. The capital of these funds is maintained separately, but income arising may be used for general purposes and, where designated, for welfare purposes. These are Restricted Funds as defined by the Charities Act 2011 and details are shown in note 22.

Details of the funds amounting to £21,271,519 (of which £2,525,455 represents Charity Commissioners Scheme and other restricted funds) and how they are represented by assets are shown in the Balance Sheet.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

c. Principal risks and uncertainties

During the year the trustees have undertaken a review of the risks with which the Synod Trust is faced. This is carried out by means of an annual review to identify risks in their areas and to report, noting the measures that are being taken to manage the risk. The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into three areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with a declining membership and consequent reduction in resource, and;
- risks associated with our investment policy.

Reputational matters are taken very seriously, and the Trust has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the Moderator who will advise on its handling or, if the matter is particularly sensitive, may escalate to the Central organisation.

The Trust generally follows central URC policy in respect of investment decisions. There are clear exclusions for arms, gambling, tobacco, and fossil fuel extraction and supply, as it is the church's belief that these are not consistent with its values.

The Synod during 2021 made a commitment to the Retired Ministers Pension Fund of £3,000,000 to be paid over a period of 6 years. The 2022 & 2023 commitments of £500,000 per year have already been paid and we paid an additional £600,000 in 2023. As at 31 December 2023, £1.15m of the £3m commitment is still outstanding. Due to the excess contributions made to date the Charity expects to have paid off the commitment in full by 31 December 2026. This is to move the fund to a stable position.

The safeguarding of children and adults at risk is seen as a key responsibility of the Trust and its Directors. Revised guidance on safeguarding matters was issued to all churches in 2022 and materials are available on the United Reformed Church website. Churches are required to report annually on safeguarding matters to the synod's safeguarding officer. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

d. Reserves policy and reserves

At 31 December 2023 the Charity had unrestricted reserves amounting to £18,746,064. Included in this sum are £3,954,603 being the value of property actually used by the Synod, fixed asset investments of £9,450,000 that are being held primarily for income generation purposes along with investment properties of £4,640,394 and loans to Churches, and ministers totalling £195,834. Residual free reserves amount after allowing for other smaller designations of funds amount to £501,145.

The Charity considers it appropriate to retain a minimum level of free reserves of equivalent to resources expended in approximately 12 months i.e. £500,000. This allows for fluctuations in the level of income and variations in cash flow. As house purchase is often involved, significant sums can be involved.

The Trust aims to provide for all expenditure, including grants, from its annual income. It does not hold Reserve Funds, except for the Revaluation of Assets Reserve. Capital is held to provide the income necessary to maintain its activities.

e. Material investments policy

The Trust's funds may be invested in any investment, security, or property at the discretion of the Trustees.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Structure, governance and management

a. Constitution

The United Reformed Church (Southwestern Synod) Incorporated referred to as "The Trust" is a Company Limited by Guarantee, number 01328728. It is a Registered Charity, number 275364, and its registered office is at Taunton URC, 18 Paul Street, Taunton TA1 3PF. In many respects the Trust operates as the manager of the assets which are used to fund and promote the work of the United Reformed Church Southwestern Synod (The Synod), which itself has no funds or assets.

It is governed by a Memorandum and Articles of Association. Its objects, inter alia, are to advance the Christian religion and propagate the gospel and to further the objects, purposes, and doctrines of the United Reformed Church, particularly within the Southwestern Synod area.

The principal object of the company is to support local churches by providing training, encouragement, specialist skills and financial support. It does this through invested funds and property sales which generate capital and income.

There have been no changes in the objectives since the last annual report.

b. Methods of appointment or election of Trustees

The existing Council has the power to appoint new members to fill vacancies on the Council.

As noted above, directors must be members of the Synod Executive Committee and are chosen by that committee to serve as Directors of the Trust because of availability and skills.

c. Policies adopted for the induction and training of Trustees

Trustee training is provided when needed to assist Directors to understand their role. Training was carried out on Safeguarding responsibilities of Trustees.

d. Organisational structure and decision-making policies

Most of the members of the company are members of its Council, and act as Trustees and Directors. The members of the Council who served throughout the year (unless otherwise indicated) were as listed on page 1 unless noted.

The Council is also served by:

Ms Diane Philips (Assistant Secretary) who is also an employee of the Trust.

A number of Trust Officers have been appointed by the Council to carry out the day-to-day management of the company's affairs, and these are:

Revd Ruth Whitehead Chair, Mr Ian Harrison Secretary, Revd Richard Gray Treasurer, Ms Rachel Leach Synod Clerk and supported by Ms Diane Philips Assistant Secretary.

All Trustees and Trust Officers act in a voluntary capacity. But Revd Richard Gray receives an Honorarium connected with his role of Staff Management and Bookkeeping as permitted under the governing document.

Under the terms of the Trust the Directors have delegated the day to day running of the Trust to the Officers. Significant decisions are brought to the Directors of the Trust for concurrence.

The primary purpose of the Trust is to enable the Synod to function effectively. Essentially power of spending Trust Funds is delegated by the Synod to its executive as noted above.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Structure, governance and management (CONTINUED)

e. Related party relationships

The United Reformed Church Southwestern Synod and the United Reformed Church (Southwestern Synod) Incorporated

The Synod through its Executive arranged for the setting up of the United Reformed Church (Southwestern Synod) Incorporated ("The Trust") to be set up inter alia to take over and manage such assets as may be legally transferred [to the Synod] under the Trusts declared in the URC Acts, Schedule 2 parts I and II and to take over and manage or direct the management of the assets and liabilities of the Synod.

Following discussion with the Charity Commission, in November 1997 the Trust and General Purposes committee and Synod (March 1998) passed resolutions clarifying the situation. Among the important features of the Synod Trust interaction are:

- The Members of the Trust (directors) are drawn from the Synod Executive Committee. Any members of the Trust who cease to be members of Synod Executive Committee cease to be members of the Trust.
- The Trust has funds which are administered on behalf of the Synod or held in trust for local churches.
- The officers are charged with day to day management of the funds, subject always to ratification of their actions by the Synod Executive Committee.
- The Synod Executive Committee on behalf of Synod has the power to make grants; for Property grants it has delegated authority to the Synod Property Committee. The Synod Executive Committee is able to do so because ex officio the Moderator, Synod Treasurer, Trust Treasurer, Trust Secretary and the Synod Property & Trust officer are members of the Synod Property Committee and are all currently members of the Synod Executive Committee

From 2009 the Synod no longer has any funds or assets of its own. All funds are held and managed by the Trust.

f. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

There is no planned change in the overall pattern of activities or short terms aims. The steady state outgoings of the Synod Trust are likely to be around £500,000 per year. This requires assets to be increased to enable this level of expenditure to be maintained without the need to draw on capital reserves for regular expenses.

At the end of 2023 we have 4 residential properties and 5 redundant churches to dispose of. We also have 1 church leased with a view to subsequent purchase. We currently own 100% of 8 manses and have shares in 7 manses. It is our intention to take over ownership of all manses over the next few years, hopefully by agreement with the local churches. There are around 45 manses not on our asset register, some of which are joint in ownership with other denominations.

Building and major refurbishment projects involving several churches in the Synod are in hand.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Funds held as custodian

The Synod Trust is the trustee for most of the churches of the Synod, (although the Elders of the local churches are responsible for day to day management of them) and is the charity trustee except for property disposals pursuant to section 117 of the Charities Act 2011. A description of the funds held on behalf of local churches is contained in the notes to the financial statements. These generally consist of churches and manses and specific investments held in trust for the use of churches in specific areas. The Trust also acts as the trustee for the Synod properties.

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

Other information

In order to maintain a suitable capital base, all redundant property assets transfer to the Synod Trust. The synod has agreed that 50% of the net asset value of redundant church buildings will be shared with the Ministers Pension Fund. Where assets of a church that is continuing in some form are sold, the Trust strategy is that usually 40% of the net receipts can be set aside for the continuing church to apply for and the balance reverts to the Trust. In some cases, the 40% can be larger with the consent of the Trust.

The Trust meets the expenses of its employees in line with the URC's Plan for Partnership. It also meets the costs of volunteers' expenses for work undertaken on behalf of the Synod or Trust.

The Trust's policy on investments is to make investments which are suitable for its charitable status, are diversified appropriately to the circumstances, and have regard to short and long term requirements. The needs of capital and income are considered with regard to priorities of balancing maximum income and increasing capital to keep pace with inflation. The policy is reviewed annually to ensure that it is adhered to. The Trust does not make contentious (i.e. non ethical) investments.

The major risk to which the Trust is exposed is the small number of persons who are primarily involved in its activities. As far as possible accounting and other systems minimise this risk. The Trust is aware of the need to ensure adequate succession to its main officers and aims to achieve this from the relatively small pool of suitable persons who are members of the URC.

Banking

The main banker is CAF Bank, with a small account held with Lloyds. We also have a deposit account with CCLA, in addition to investments.

Auditors

Bishop Fleming LLP have indicated their willingness to continue in office as auditors. A resolution will be proposed at a meeting of the Executive (Directors) to appoint the auditors and to authorise the Council to fix their remuneration for the ensuing year.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mr Ian Harrison
Trust Secretary

Trustee

Date: 24 May 2024

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED

Opinion

We have audited the financial statements of The United Reformed Church (South Western Synod) Incorporated (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2023 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED (CONTINUED)

Other information

The other information comprises the information included in the Trustees' report and financial statements other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' report.

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

- the information given in the is inconsistent in any material respect with the financial statements; or
- the financial statements are not in agreement with the accounting records and returns
- certain disclosures of Trustees' remuneration specified by law are not made
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

- We have considered the nature of the sector, control environment, and financial performance of the charitable company;
- We have considered the results of enquiries with management, the directors in relation to their own identification and assessment of the risks of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Acts, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of Trustees management concerning actual and potential litigation claims or breaches of laws or regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of meetings of those charged with governance and reviewing any correspondence with HMRC or regulators;

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED (CONTINUED)

- reviewing the financial statements disclosures and testing to supporting documentation to assess the recognition of revenue; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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 Auditors' Report.

Use of our report

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

Bishop Fleming LLP

Tim Borton FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

28 May 2024

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	10,926	-	10,926	135,550
Charitable activities:	4				
Funds arising from closed Churches		-	3,849,504	3,849,504	850,000
Other charitable activities		-	9,296	9,296	7,379
Investments	5	49,111	356,969	406,080	390,799
Other income	6	-	63,091	63,091	12,669
Total income		60,037	4,278,860	4,338,897	1,396,397
Expenditure on:					
Raising funds	7	3,827	3,766	7,593	7,680
Charitable activities	8	39,460	1,028,094	1,067,554	727,840
Total expenditure		43,287	1,031,860	1,075,147	735,520
Net income before net gains/(losses) on investments		16,750	3,247,000	3,263,750	660,877
Net gains/(losses) on investments		453,116	976,668	1,429,784	(1,153,758)
Net income/(expenditure)		469,866	4,223,668	4,693,534	(492,881)
Transfers between funds	22	(3,350)	3,350	-	-
Net movement in funds		466,516	4,227,018	4,693,534	(492,881)
Reconciliation of funds:					
Total funds brought forward		2,058,939	14,519,046	16,577,985	17,070,866
Net movement in funds		466,516	4,227,018	4,693,534	(492,881)
Total funds carried forward		2,525,455	18,746,064	21,271,519	16,577,985

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 43 form part of these financial statements.

UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	3,954,603	2,746,908
Investments	17	12,474,863	11,248,686
Investment property	16	4,640,394	4,239,712
		<u>21,069,860</u>	<u>18,235,306</u>
Current assets			
Debtors	18	47,297	62,647
Cash at bank and in hand		1,899,929	988,685
		<u>1,947,226</u>	<u>1,051,332</u>
Creditors: amounts falling due within one year	19	(797,286)	(793,638)
NET CURRENT ASSETS / LIABILITIES		<u>1,149,940</u>	257,694
Total assets less current liabilities		<u>22,219,800</u>	<u>18,493,000</u>
Creditors: amounts falling due after more than one year	20	(948,281)	(1,915,015)
Total net assets		<u><u>21,271,519</u></u>	<u><u>16,577,985</u></u>
Charity funds			
Restricted funds:			
Restricted funds		1,732,213	1,039,057
Restricted revaluation reserve		793,242	1,019,882
Total restricted funds	22	<u>2,525,455</u>	2,058,939
Unrestricted funds			
Unrestricted funds		14,556,169	10,934,421
Unrestricted revaluation reserve		4,189,895	3,584,625
Total unrestricted funds	22	<u>18,746,064</u>	14,519,046
Total funds		<u><u>21,271,519</u></u>	<u><u>16,577,985</u></u>

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728**

**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023**

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Revd Richard Gray
Trustee
Date: 22 May 2024



Mr Ian Harrison
Trustee

The notes on pages 21 to 43 form part of these financial statements.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

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

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities (see note 24)	(1,641,429)	(1,124,050)
Cash flows from investing activities		
Dividends, interests and rents from investments	406,080	390,799
Proceeds from the sale of tangible fixed assets	389,753	-
Purchase of tangible fixed assets	(864,995)	(624,585)
Proceeds from sale of investments	2,774,262	1,491,762
Purchase of investments	(152,427)	(123,173)
Net cash provided by investing activities	2,552,673	1,134,803
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	911,244	10,753
Cash and cash equivalents at the beginning of the year	988,685	977,932
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (SEE NOTE 25)	1,899,929	988,685

The notes on pages 21 to 43 form part of these financial statements

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. GENERAL INFORMATION

The United Reformed Church (South Western Synod) Incorporated is a company limited by guarantee and is constituted under a Memorandum of Association dated 24 September 2009. The company is also a registered charity. The principal office is 18 Paul Street, Taunton, Somerset, England, TA1 3PF.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The United Reformed Church (South Western Synod) Incorporated meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and consider these sufficient for the charity to be able to continue as a going concern.

2.4 LOANS

Loans are stated at the value of the cumulative capital and the interest outstanding less provision for amounts that are considered to be doubtful.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES (continued)

2.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. However, the Trustees' report provides more information about the contribution of volunteers.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 CLOSED CHURCHES AND TRANSFERS FROM COUNTY UNIONS

Assets, including investments and properties which come into the Trust's ownership as a result of transfers from County Unions or on the closure of Churches are reflected as an addition to the assets of the Trust in the accounting period in which the legal and beneficial entitlement to those properties passes to the Trust. Where there is no cost to the Trust, properties are recorded at a deemed cost which is calculated using the same method as stated below for the valuation of Investment Properties. Investments in stocks and shares are recorded at their open market valuation.

2.7 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES (continued)

2.7 EXPENDITURE (CONTINUED)

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Grants that have been awarded but are not taken up after a period of two years are normally cancelled.

All expenditure is inclusive of irrecoverable VAT.

2.8 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.9 TAXATION

The company is considered to meet the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively to charitable purposes.

2.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 0.5% Straight line
Long-term leasehold property	- 1% Straight line
Office equipment	- 10% Straight line
Computer equipment	- 20% Straight line

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES (continued)

2.11 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Listed investments are valued using closing quoted market prices.

Investment Properties are stated in the Balance Sheet based on independent valuation where available or, failing this, at the Board's estimation of market valuation having regard to suitable indices and transactions after the year end.

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Any movement in the market value over the year is taken to the Revaluation Reserve. If the transfer to Revaluation Reserve is to reflect a diminution in market value, then any excess over the balance currently held in the reserve will be transferred against the general funds.

No depreciation is provided on the Provincial Trusts Investment Properties.

2.12 ASSETS HELD IN TRUST FOR OTHERS

At the end of the year the Trust held investments and deposits on behalf of local churches and trusts. All of these assets are held to the order of local church and trusts concerned and are not shown in these financial statements.

The Trust Corporation also holds money in a bank account bearing its name which is held on trust for various local churches and cannot be expended by the Trust Corporation. These monies, which are detailed in the notes to the financial statements are not reflected on the balance sheet of these Financial Statements.

2.13 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.14 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. ACCOUNTING POLICIES (continued)

2.15 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.16 FINANCIAL INSTRUMENTS

The company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.17 PENSIONS

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity (scheme). Once the contributions have been paid, the company has no further obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown as creditors in the Balance Sheet. The assets of the scheme are held separately from the company in independently administered funds.

2.18 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 assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The charity owns a number of investment properties which are subject to annual valuation. Independent valuations by professionally qualified valuers are obtained at least every 5 years. In other years, the valuations are reviewed and updated by the trustees having regard to known information and suitable indices.

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2. ACCOUNTING POLICIES (continued)

2.19 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. INCOME FROM DONATIONS, LEGACIES AND GRANTS

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Legacies	-	-	-	126,632
Grants	10,926	-	10,926	8,918
	<u>10,926</u>	<u>-</u>	<u>10,926</u>	<u>135,550</u>
TOTAL 2022	<u>8,918</u>	<u>126,632</u>	<u>135,550</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Funds arising from Closed Churches	3,849,504	3,849,504	850,708
Training and conference receipts	5,425	5,425	2,350
Loan interest	3,871	3,871	4,321
TOTAL 2023	<u>3,858,800</u>	<u>3,858,800</u>	<u>857,379</u>
TOTAL 2022	<u>857,379</u>	<u>857,379</u>	

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4. INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

Funds arising from closed Churches comprise:

	2023	2022
	£	£
Capital funds - Property	3,538,434	850,000
Other funds	311,070	708
	<u>3,849,504</u>	<u>850,708</u>

5. INVESTMENT INCOME

	Restricted funds 2023	Unrestricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Rental income from investment properties	-	27,288	27,288	40,401
Income from listed investments	45,288	279,806	325,094	349,949
Bank interest	3,823	49,875	53,698	449
TOTAL 2023	<u>49,111</u>	<u>356,969</u>	<u>406,080</u>	<u>390,799</u>
TOTAL 2022	<u>85,458</u>	<u>305,341</u>	<u>390,799</u>	

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£
Sundry income	3,338	3,338	12,669
Gain on disposal of tangible fixed assets	59,753	59,753	-
	<u>63,091</u>	<u>63,091</u>	<u>12,669</u>
TOTAL 2022	<u>12,669</u>	<u>12,669</u>	

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7. INVESTMENT MANAGEMENT COSTS

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	3,827	3,766	7,593	7,680
TOTAL 2022	3,058	4,622	7,680	

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Charitable activities	39,460	1,028,094	1,067,554	727,840
TOTAL 2022	53,305	674,535	727,840	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	333,257	401,596	332,701	1,067,554	727,840
TOTAL 2022	250,859	202,788	274,193	727,840	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	133,018	133,018	87,887
Training and conferences	26,098	26,098	18,848
Church support	48,921	48,921	18,723
Pulpit supply relief	855	855	-
Ecumenical costs	87	87	148
MMF payments	39,838	39,838	42,285
Pioneer special category minister	-	-	3,485
Synod Pastoral Advisors	48,833	48,833	49,365
Property expenses	35,607	35,607	30,118
	<u>333,257</u>	<u>333,257</u>	<u>250,859</u>
TOTAL 2022	<u>250,859</u>	<u>250,859</u>	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £	Total funds 2022 £
Staff costs	196,153	184,769
Depreciation	42,348	5,767
Synod Activities	2,779	4,737
Pioneer special category minister	1,021	1,020
Other Special Category Ministers	6,029	7,850
Children & Youth Development officer costs	-	2,520
Printing stationery & postage	8,217	6,217
Utilities/sundries	1,303	1,528
Synod office expenses	15,850	14,484
Property expenses	41,916	33,876
Governance costs	17,085	11,425
	332,701	274,193

10. NET INCOME/EXPENDITURE

This is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets - owned by the charity	41,800	5,473

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11. ANALYSIS OF GRANTS

	Grants to Institutions 2023 £	Total funds 2023 £	Total funds 2022 £
Institutional grants	401,596	401,596	202,788

All grants are payable to institutions. There were no grants to individuals in 2023 or 2022.

The company has made the following material grants to institutions during the year:

	2023 £	2022 £
Grants to institutions other than Churches	206,550	38,615
Enabling grants	105,480	68,341
Mission grants	1,079	25,700
Property grants:		
- Survey grants	6,734	8,474
- Facelift grants	1,930	35,986
- Building grants	67,978	15,934
	389,751	193,050
Other grants to institutions	11,845	9,738
	401,596	202,788

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11. ANALYSIS OF GRANTS (CONTINUED)

The Synod Trusts makes a number of grants to local churches and associated Ecumenical Partners.

Building/Property Grants

These comprise:

- Facelift Grants offered to local churches of up to 50% of cost to a maximum of £20,000 no more frequently than once every 5 years for major renovations
- Building Grants of 20% of the balance of any costs of expenditure on adaption, extension or repair and maintenance of local churches and manses
- Special Property Grants may be made in cases where the Executive determine such an award is desirable.
- 50% Grants are available to local churches for Survey Grants assessing the need of the church building or manse for repairs and maintenance of the structure. Churches are encouraged to carry out such surveys every 5 years.
- 50% grants are available to help churches carry out surveys for the presence of asbestos in the buildings.

Mission Grants

Mission grants of up to £5,000 per annum for up to 5 years for projects which enhance the Mission of the Local Church

Enabling Grants

Enabling grants are available to churches who would like to do something in their church life but need extra financial help. Small grants are offered up to £2,500 and larger grants up to £25,000 per annum.

Grants to institutions other than Churches

- Feasibility Grants are offered for up to 50% of the costs of a major Feasibility study of the suitability of the church for its mission. These are capped at £2,000.
- There are grants available for assistance with providing Chaplaincy services in Universities and retail areas.
- The Trust makes a Grant to other Synods in less fortunate financial position. This is managed via an Inter Synod Resource Sharing group.
- Grants are made to Churches Together in England Ecumenical bodies in the area covered by the Synod.
- Grants are made to a Benevolent Fund managed by the Synod Moderator for the alleviation of special needs among ministers in the area
- The Synod Trust has been asked by the URC Ministers Pension Fund to make a supplementary grant to fill a share of the shortfall of around £50 million in the Pension Fund assets to cover the greater liabilities caused by the Pension Regulator's requirement to use less risky investments to provide the assets that underpin the liabilities. The Synod Trust has amended its grant making to give 50% of the Synod Trust's net proceeds of the sale of any building or property until further notice. The Synod Trust committed in 2021 to making donations totalling £3,000,000 over the next 8 years, the first tranche of £250,000 having been paid in 2021. If property sales do not cover the commitment in any particular year the Synod Trust will meet any shortfall from its reserves.
- The Synod Trust further resolved to make no more contributions to the Retired Ministers Housing Trust as this now has sufficient funds to meet its likely commitments to Ministers retiring and needing to be provided with housing.

ANALYSIS OF GRANTS

A full summary of all grants made can be found on the charity website www.urcsouthwest.org.uk.

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Included within Institutional and Enabling grants are the following amounts of £10,000 or more:

	2023 £	2022 £
Inter Synod Resource sharing	100,000	25,000
Bath Larkhall	53,208	-
Emmanuel Lunch Club	23,774	-
Trinity Henleaze	10,000	-
Wrighton Group	31,500	-
Zion Frampton Cottrell	24,500	-
Plymstock	-	36,500
	<u>242,982</u>	<u>61,500</u>

Included within Mission grants are the following amounts of £10,000 or more:

	2023 £	2022 £
Cranbrook	-	25,000
	<u>-</u>	<u>25,000</u>

Included within Facelift grants are the following amounts of £10,000 or more:

	2023 £	2022 £
Hanham	-	10,000
Mangotsfield	-	10,000
	<u>-</u>	<u>20,000</u>

Included within Building grants are the following amounts of £10,000 or more:

	2023 £	2022 £
Barnstaple	-	10,314
	<u>-</u>	<u>10,314</u>

13. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £13,080 (2022 - £11,160).

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14. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	280,098	265,679
Social security costs	17,968	18,183
Contribution to defined contribution pension schemes	31,105	41,643
	<u>329,171</u>	<u>325,505</u>

The average number of persons employed by the company during the year was as follows:

	2023	2022
	No.	No.
Staff engaged on charitable activities	<u>13</u>	<u>13</u>

No employee received remuneration amounting to more than £60,000 in either year.

All staff are paid centrally through the URC central office.

Except as detailed below, no trustee was paid or is due to be paid any remuneration out of Trust funds.

Staff costs are allocated between restricted and unrestricted expenditure based on which project the salary costs relate to.

TRUSTEES

Trustee Revd R Gray receives £1,000 honorarium in respect of Bookkeeping activities in addition to expenses (2022 - £1,000).

The above remuneration paid to Trustees is permitted in accordance with Section 185 of the Charities Act 2011.

During the year, no Trustees received any benefits in kind (2022: £NIL).

1 Trustee received reimbursement of expenses amounting to £265 in the current year, (2022: 1 Trustee - £224). 1 Trustee (2022: 1 Trustees - £1,800) received a housing allowance totalling £2,400 in respect of their Church ministerial post.

KEY MANAGEMENT PERSONNEL

The gross remuneration paid by the charity during the year in respect of key management personnel was £48,791 (2022 - £50,056). Pension and national insurance contributions were payable in addition totalling £12,893 (2022 - £15,239) giving total key management compensation of £61,683 (2022 - £65,295).

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15. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 January 2023	2,885,203	-	15,874	2,901,077
Additions	1,278,015	1,980	-	1,279,995
Disposals	(330,000)	-	-	(330,000)
Transfer from investment property	299,500	-	-	299,500
	<u>4,132,718</u>	<u>1,980</u>	<u>15,874</u>	<u>4,150,572</u>
At 31 December 2023	<u>4,132,718</u>	<u>1,980</u>	<u>15,874</u>	<u>4,150,572</u>
DEPRECIATION				
At 1 January 2023	142,914	-	11,255	154,169
Charge for the year	37,402	198	4,200	41,800
	<u>180,316</u>	<u>198</u>	<u>15,455</u>	<u>195,969</u>
At 31 December 2023	<u>180,316</u>	<u>198</u>	<u>15,455</u>	<u>195,969</u>
NET BOOK VALUE				
	<u>3,952,402</u>	<u>1,782</u>	<u>419</u>	<u>3,954,603</u>
At 31 December 2023	<u>3,952,402</u>	<u>1,782</u>	<u>419</u>	<u>3,954,603</u>
At 31 December 2022	<u>2,742,289</u>	<u>-</u>	<u>4,619</u>	<u>2,746,908</u>

During the year the Synod has transferred their investment property, 18 Brooklyn Wrington to freehold property at market value of £299,500. This transfer is to reflect the long term change of use of this property.

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16. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2023	4,239,712
Additions	3,131,650
Disposals	(2,205,442)
Revaluation	(226,026)
Transfer to tangible fixed assets	(299,500)
At 31 December 2023	4,640,394

The historical cost of investment properties at 31 December 2023 was £4,077,111 (2022 - £2,700,031).

Valuations of investment properties are based upon independent professional valuations within the past 5 years based upon open market values for actual or planned use. All valuers used are professionally qualified with recent experience in the location and class of the investment property at the time of making the valuation.

Where the independent valuations were undertaken prior to 31 December 2023, the trustees have reviewed and updated the valuations at 31 December 2023 having regard to suitable indices and transactions after the year end.

In addition to the surplus on revaluation noted above, realised gains on disposal of investment property during the year amounted to £536,221 and realised losses amounted to £37,947.

During the year the Synod has transferred their investment property, 18 Brooklyn Wroughton to freehold property at market value of £299,500. This transfer is to reflect the long term change of use of this property.

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17. FIXED ASSET INVESTMENTS (OTHER THAN PROPERTY)

	Listed investments £	Loans £	Total £
COST OR VALUATION			
At 1 January 2023	10,992,576	256,112	11,248,688
Additions	133,943	10,268	144,211
Disposals/ repayments	-	(70,546)	(70,546)
Revaluations	1,152,510	-	1,152,510
	<u>12,279,029</u>	<u>195,834</u>	<u>12,474,863</u>
AT 31 DECEMBER 2023	<u>12,279,029</u>	<u>195,834</u>	<u>12,474,863</u>
NET BOOK VALUE			
	<u>12,279,029</u>	<u>195,834</u>	<u>12,474,863</u>
AT 31 DECEMBER 2023	<u>12,279,029</u>	<u>195,834</u>	<u>12,474,863</u>
AT 31 DECEMBER 2022	<u>10,992,576</u>	<u>256,112</u>	<u>11,248,688</u>

The Synod Trust's capital may be invested in any investment, security or property (whether narrow or wide range) at the discretion of the Trustees.

Loans comprise loans to Churches of £189,560 (2022 - £235,498) and loans to ministers of £6,276 (2022 - £20,614).

18. DEBTORS

	2023 £	2022 £
DUE WITHIN ONE YEAR		
Other debtors	2,441	13,106
Prepayments and accrued income	44,856	49,541
	<u>47,297</u>	<u>62,647</u>

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19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Mission and enabling grants	9,865	12,744
Other committed grants	775,421	769,994
Accruals	12,000	10,900
	<u>797,286</u>	<u>793,638</u>

Included in other committed grants above is £500,000 in respect of the grant awarded to the United Reformed Church Trust Ltd in 2021 relating to the pension scheme for Church Ministers (see note 27).

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other creditors	948,281	1,915,015

As Mission Grants are often multi year grants, they are all taken on the books as liabilities from the date of approval. The amount likely to become due in the current year are taken as current year liabilities, and the balance taken as commitments due in 2-5 years. In addition, the grant awarded to the United Reformed Church Trust Ltd in 2021 relating to the pension scheme for Church Ministers (see note 27) is being paid by instalments. £650,000 is included within amounts falling due after more than one year and £500,000 is included within amounts falling due within one year.

21. FINANCIAL INSTRUMENTS

	2023	2022
	£	£
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	14,379,818	12,237,248

Financial assets measured at fair value through income and expenditure comprises listed investments, loan investments and cash at bank and in hand

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22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
UNREST'D FUNDS						
Fixed asset fund	2,746,908	415,000	(41,800)	834,495	-	3,954,603
Loans funds	256,112	3,871	-	(64,149)	-	195,834
Investment property	3,760,066	3,123,333	-	(2,016,979)	(226,026)	4,640,394
Investment stocks and shares	7,250,000	-	-	2,200,000	-	9,450,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	501,872	736,656	(990,060)	(950,017)	1,202,694	501,145
	<u>14,519,046</u>	<u>4,278,860</u>	<u>(1,031,860)</u>	<u>3,350</u>	<u>976,668</u>	<u>18,746,064</u>
RESTRICT'D FUNDS						
General purpose fund	1,872,265	46,136	(42,786)	(3,350)	427,135	2,299,400
Closed churches fund	130,084	-	-	-	25,981	156,065
DFES fund	925	-	(119)	-	-	806
Training fund and grants	34,857	5,375	-	-	-	40,232
Other small restricted grants received	20,808	8,526	(382)	-	-	28,952
	<u>2,058,939</u>	<u>60,037</u>	<u>(43,287)</u>	<u>(3,350)</u>	<u>453,116</u>	<u>2,525,455</u>
TOTAL OF FUNDS	<u><u>16,577,985</u></u>	<u><u>4,338,897</u></u>	<u><u>(1,075,147)</u></u>	<u><u>-</u></u>	<u><u>1,429,784</u></u>	<u><u>21,271,519</u></u>

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22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
UNREST'D FUNDS						
Fixed asset fund	2,571,811	-	(5,747)	180,844	-	2,746,908
Loans funds	266,185	4,422	-	(14,495)	-	256,112
Investment property	3,166,944	850,390	-	(637,004)	379,736	3,760,066
Investment stocks and shares	7,800,000	-	-	(550,000)	-	7,250,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	1,038,058	484,635	(673,410)	1,015,588	(1,362,999)	501,872
	<u>14,847,086</u>	<u>1,339,447</u>	<u>(679,157)</u>	<u>(5,067)</u>	<u>(983,263)</u>	<u>14,519,046</u>
RESTRICT'D FUNDS						
General purpose fund	2,024,317	48,032	(53,099)	5,067	(152,052)	1,872,265
Closed churches fund	148,527	-	-	-	(18,443)	130,084
DFES fund	925	-	-	-	-	925
Training fund and grants	29,185	3,672	-	-	-	32,857
Other small restricted grants received	20,826	5,246	(3,264)	-	-	22,808
	<u>2,223,780</u>	<u>56,950</u>	<u>(56,363)</u>	<u>5,067</u>	<u>(170,495)</u>	<u>2,058,939</u>
TOTAL OF FUNDS	<u><u>17,070,866</u></u>	<u><u>1,396,397</u></u>	<u><u>(735,520)</u></u>	<u><u>-</u></u>	<u><u>(1,153,758)</u></u>	<u><u>16,577,985</u></u>

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The principal restricted funds above being the General Purpose and Closed Churches funds were established by the Charity Commissioners by a scheme on 5 October 1992 (CD(TI)275364A/1). The income from these funds is payable to the unrestricted funds.

The transfer of £3,350 from the General Purpose Fund to unrestricted funds represents the transfer of excess income from the General Purpose Fund as permitted.

The fixed assets, loan and investment property designated funds represent the value of reserves tied up in those particular assets. The investment stocks and shares designated fund represents the proportion of listed investments that the charity currently deems appropriate to ring fence as being held for the long term for income generating purposes. The funds have been separately designated as they are not expected to be readily available for use as working capital in the short term. Transfers to/from each of these designated funds have been made in order to bring the closing balance to the value deemed appropriate by the Trustees.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	3,954,603	3,954,603
Fixed asset investments	1,951,028	10,523,835	12,474,863
Investment property	-	4,640,394	4,640,394
Current assets	574,427	1,372,799	1,947,226
Creditors due within one year	-	(797,286)	(797,286)
Creditors due in more than one year	-	(948,281)	(948,281)
TOTAL	2,525,455	18,746,064	21,271,519

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	2,746,908	2,746,908
Fixed asset investments	1,761,092	9,487,594	11,248,686
Investment property	480,000	3,759,712	4,239,712
Current assets	-	1,051,332	1,051,332
Creditors due within one year	(182,153)	(611,485)	(793,638)
Creditors due in more than one year	-	(1,915,015)	(1,915,015)
TOTAL	2,058,939	14,519,046	16,577,985

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	4,693,534	(492,881)
ADJUSTMENTS FOR:		
Depreciation and impairment charges	41,800	5,747
Non cash donations and capital funds	(3,538,434)	(850,000)
Losses/(gains) on investments	(1,424,760)	1,165,500
Dividends, interests and rents from investments	(406,080)	(390,799)
Loss/(gain) on the sale of fixed assets	(59,753)	(11,584)
Decrease/(increase) in debtors	15,350	(42,130)
Decrease in creditors	(963,086)	(507,903)
NET CASH USED IN OPERATING ACTIVITIES	(1,641,429)	(1,124,050)

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	1,899,929	988,685
TOTAL CASH AND CASH EQUIVALENTS	1,899,929	988,685

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	988,685	911,244	1,899,929
	988,685	911,244	1,899,929

**UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

27. PENSION COMMITMENTS

Pension scheme for lay staff

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,105. Contributions totalling £nil were payable to the fund at the balance sheet date. In the previous year, the company contributed £41,643 to the United Reformed Church Final Salary Scheme, a pension scheme principally for lay staff which is administered by TPT Retirement Solutions Trust. The scheme was closed to future accrual on 28 February 2023 when the defined contribution scheme was set up.

Pension scheme for Church Ministers

The Minister's Pension Scheme (which is the responsibility of the United Reformed Church Trust Ltd (URCTL)) was valued at 31 December 2020. URCTL were forced to accept a lower discount rate which meant that the fund was in deficit, and needs a large infusion of funds to meet its long term funding target.

During 2021 the Charity committed a figure of £3 million to URCTL over 9 years as a contribution towards the obligations that URCTL has to the Minister's Pension Scheme. The Charity agreed to contribute £500,000 per year, sourcing funds from the proceeds of sale of buildings no longer needed. The Charity actually contributed a total of £1.1m (of the £3m commitment) during the year due to the increased proceeds from the sale of manses. As at 31 December 2023, £1.15m of the £3m commitment is still outstanding. Due to the excess contribution made to date the Charity expects to have paid off the commitment in full by 31 December 2026.

28. RELATED PARTY TRANSACTIONS

Trustees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total remuneration in respect of these individuals excluding honoraria for other services is £Nil (2022 - £Nil).

The spouse of a Trustee is employed by the Charity and received a salary in respect of their employment of £7,746 (2022 - £6,720).

Details of the remuneration of key management personnel including non Trustees is set out in note 14.

There have been no transactions with related parties other than those stated above and in note 14.

29. EARMARKED FUNDS

The balances of Earmarked Funds held on behalf of local churches and trusts not otherwise reflected in these financial statements outstanding on 31 December were:

	2023 £	2022 £
Capital funds	1,251,515	343,902
Income funds	222,454	128,966
	<u>1,473,969</u>	<u>472,868</u>

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED

England & Wales - Charity number 275364

Accounts

Registered number: 01328728
Charity number: 275364

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
INCORPORATED**

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

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**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Trustees	Revd Ruth Whitehead, (Chair until 21 March 2023) (resigned 21 March 2023) Mr Ian Harrison, Trust Secretary Mrs Janet Raven Revd Neil Thorogood Revd Richard Gray, Treasurer Revd Donald Macalister (resigned 11 April 2023) Revd Robert Weston (appointed 1 April 2022) Revd Sarah Simpson (appointed 11 May 2022) Mrs Gwen Jennings (appointed 24 June 2022)
Company registered number	01328728
Charity registered number	275364
Registered office	Taunton United Reformed Church 18 Paul Street Taunton Somerset TA1 3PF
Company secretary	Mr Ian Harrison
Chair	Revd Ruth Whitehead
Independent auditors	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Lloyds Bank PLC 2 Palace Avenue Paignton Devon CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent
Solicitors	WBW Solicitors The Forum Barnfield Road Exeter EX1 1QR Star Legal Ltd 40 High Street Thornbury BS35 2AJ

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The United Reformed Church (South Western Synod) Incorporated (the company) for the ended 31 December 2022. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Summary of objects

1. The administration of the Trust's assets and the provision of funds for the work of the South Western Synod.
2. Acting as property holding trustee of local churches, within the terms of the United Reformed Church Acts 1972 and 1981 and 2000.
3. Acting as trustees of endowments of local churches and the Synod, with responsibility for administering them.
4. Acting as trustee for "earmarked" funds, which are not reflected in the accounts.
5. Acting as trustee of various Charity Commissioners' schemes.

The Charity has had "due regard to the guidance published by the Charity Commission" in respect of public benefit. Trustees and management consider that the functions below facilitate the provision of public worship for the public benefit.

Earmarked funds are those held by the Trust on behalf of churches within the Synod.

b. Strategies for achieving objectives

Explanation of aims

The primary aim of the Trust is to act as managing Trustee for all the tangible resources of the Synod and to fund the activities of the Synod. This latter is achieved by having sufficient income generating funds for the Synod to be an effective supporter of the churches. Thus, there are investment properties generating income and the potential for capital growth, and investments which generate income and some capital growth. The objective is to ensure that there is sufficient income for the needs for the foreseeable future for the work of the Synod. The figure is rising both by inflation and increased expectations as well as by governance requirements.

c. Activities undertaken to achieve objectives

The primary functions of the Synod and therefore the Trust are:

- To provide prophetic leadership for the Synod and to provide encouragement and support for churches, their leadership and ministers and to encourage them in prophetic witness and discipleship
- Provide funds to encourage and enable new and innovative ways of mission in the local churches
- Provide training and development for Ministers and lay people to enable them to proclaim the Gospel and lead mission
- Provide support for ecumenical activities at local and regional levels
- Provide legal and technical support in the maintenance and development of local church properties

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Objectives and activities (CONTINUED)

d. Personnel

In order to further the life, work and witness of the synod, and its local churches, the following staff posts have been established and filled:

- Property and Trust Officer – Ms Diane Phillips is a fulltime employee of the Trust and is Assistant Trust Secretary.
- Moderator's PA - Mrs Hilary Bradshaw is a part-time employee of the Trust.
- Synod Office Administrator - Mrs Dinah Firmin is a part-time employee of the Trust.
- Synod Safeguarding Officer - Mrs Janice Murphy is a full-time employee of the Trust.
- Ms Rachel Leach was appointed as Synod Clerk in June 2022 on a part time basis. She is a Trust Officer, attends Executive and Trustee meetings but is not a Trustee due to her salaried status.
- Ms Paula McDonagh was appointed as a full-time Assistant Trust & Property Officer from November 2018. Her role changed in 2022 to become Finance Administrator supporting the treasurer.
- Ms Colleen Lewis was appointed as a part-time Property & Trust Administrator in September 2022.

The officers of the Synod and Trust are:

- Moderator - Revd Ruth Whitehead: stipend, housing and support costs are met by the United Reformed Church centrally. Some hospitality and some expenses are met by the Trust.
- Synod Clerk - Rachel Leach is paid a salary for her part time work as clerk.
- Trust Secretary - Mr Ian Harrison, no costs are incurred other than legitimate approved expenses.
- Trust Treasurer – Revd Richard Gray: apart from an honorarium as permitted under the governing document no costs are incurred other than legitimate approved expenses.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Objectives and activities (CONTINUED)

e. Grant making policies and other financial support

The Trust's policy on grant making is to make grants for capital expenditure projects and for Mission Projects and other activities through Enabling Grants as needed. This is done on an ad hoc basis as the need arises. It does not make grants to non URC bodies other than to Ecumenical Groups of which the URC SW Synod is a participant.

Property grants cover 50% of 5 yearly survey costs and asbestos survey costs provided that the report is shared with the Synod. Churches may apply for facelift grants no more often than once every 5 years for works associated with maintaining the church buildings in good order. The grant is 50% of costs to a maximum of £10,000. In addition, churches may apply for support for up to 10% of costs of works on the building. Where a church has a sharing agreement these grants are reduced according to the number of shares. Mission grants are for the development of URC Mission in local churches. It would be expected that there is at least a matching contribution from the local church.

In 2018 we introduced Enabling Grants to help churches with their work. There is a simplified form for grants of up to £2,500 and a more extended application for grants up to £25,000.

The Trust now provides churches with grants to undertake activities to make their buildings greener. These can include LED lighting, better insulation and improving windows where permitted. The Trust can also make loans to churches and ministers. Ministers' loans are to support purchase of a car and must be repaid within 4 years. Church loans are to support major works and to qualify there must be the capability of repayment within usually 5 years. Loan interest is charged at 1% above the Bank of England base rate. Where a church needs to make significant investment in the fabric of a manse, but does not have the means to do so, the Trust may consider taking an equity share in the manse. All maintenance responsibility remains with the local church. If the manse is rented to a third party rent income would be apportioned between church and Trust according to their ownership share. Significant capital works costs would also be apportioned.

The Trust, in recognising that there was a significant deficit in the Pension provision for Ministers of Word and Scarcement has joined with other Synods to provide a grant to the United Reformed Church Retired Ministers Pensions Trust to help to fill in the deficit in assets. The Synod has committed a grant of up to £3 million with payments spread over a period of seven years to meet the deficit in the Fund which totals around £45 million. The grants committed by the synod have previously been accrued in the financial statements. The next instalment of £500,000 was paid out in 2022. It is anticipated that most of the funds will come from the sale of redundant properties.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Objectives and activities (CONTINUED)

f. Main activities undertaken to further the company's purposes for the public benefit

Having regard to the guidance published by the Charity Commission, the Trustees continued to provide public benefit by seeking to advance the Christian religion in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. The 110 local churches are all separate charities.

Worship and partnership

The Southwestern Synod of the United Reformed Church is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the area covered. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have several shared congregations.

Making a difference

As the Catch the Vision prayer states, we are 'God's people', being 'transformed by the gospel' in order to 'make a difference'. That 'difference' is being made in many ways, from the preaching of the gospel, through the pastoral care which helps individuals manage the traumas and transitions of life, to the community building undertaken by our Church Related Community Workers (CRCWs), and the funds that we raise to reduce world poverty through Commitment for Life. The Local Mission and Ministry Review process, through which the Synods challenge and support their churches, is another key vehicle for increasing the effectiveness of local witness and service.

Ethical and Environmental Considerations

The Synod has recently been accepted as an ECO Synod under a scheme run by A Rocha. The Trust now provides churches with ECO grants.

We take sustainability seriously and most of our investments are invested in companies that are sustainable and have good environmental, social and governance characteristics.

We have fitted solar panels to one of our properties and offer support to local churches to do so where planning regulations permit.

g. Volunteers

The company is grateful for the unstinting efforts of its volunteers who are involved in many aspects of its work

- Currently our Synod Treasurer supports our bookkeeper. Estimated hours expended around 400.
- We have a number of people who serve on various Synod committees totalling around 500 hours

It is estimated that around 900 volunteer hours were provided during the year. If this is conservatively valued at £11 an hour the volunteer effort amounts to circa £10,000. This figure has reduced due to more extensive use of video conferencing for many committees.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Achievements and performance

a. Key performance indicators

The primary indicators of the work of the Synod are that spending (apart from Grants) should be broadly in line with the budget prepared and that the income should be broadly in line with expectations. The other financial indicator should be that our overall balance sheet should not decrease significantly. Clearly the grant of £3M to the Pensions fund has an impact on our balance sheet, which we anticipate will be mitigated by the continuing sale of redundant properties.

Work is financed primarily from investment income and sale of properties; the latter can be difficult to predict. Much of our expenditure is concerned with staff salaries and other costs, which are relatively stable. Grants are allocated as necessary, and since some of these are for extended periods, these can have a short-term impact on our balance sheet.

In 2022 our overall performance was within our expectations.

b. Review of activities

Performance in 2022

Staff have largely been working partially from home since March 2020. 2022 continued to be a challenging year, recovering from the effects of the COVID pandemic affecting some of the normal activities of the Synod and its associated churches. Investment valuations on the stock exchange have fallen in 2022 but dividends have been maintained. Deposit funds have received ultra-low interest until later in 2022.

• **Support for churches**

The Synod has met its obligations in supporting churches through the efforts of the Synod Moderator, Pastoral Advisors and other members of the staff.

• **Ecumenical support**

The Synod has continued to support the work of the Ecumenical bodies and several ecumenical projects. Ecumenical grants totalled £5,060 and were given to 5 Churches Together groups working in the Synod. We have also supported County Shows where the churches are represented.

• **Property**

Property grants are offered to churches to enable premises to be effective for mission purposes. These grants included grants of 50% of the costs for 5 yearly surveys, grants of 50% of the costs for asbestos surveys, Facelift grants for major developments granted at most once every 5 years, and grants of up to 10% towards building costs for approved building works. Net grants of (£60,394) were made in the year including unused grants (£67,272 in 2021). Major recipients are listed in note 11 and a full list in Annex v.

• **Chaplaincy**

The Synod supports Chaplaincy activities at the University of Bristol to the total of £14,000 drawn from committed liabilities. It also supports the Chaplaincy and Exeter University with a grant of £7,000 per year for 5 years towards the cost of the Free Church Chaplain.

As a part of its sharing with the other Synods the Trust made a grant of £25,000 to those Synods unable to meet their costs and has made provisions for future years of £75,000 (included in our liabilities).

The Trust also voluntarily shares 10% of the net proceeds of sales of redundant properties with the URC Trust who in turn share this with the Retired Ministers Pension Fund which is in deficit. This was increased temporarily to 50% in 2021 following a Synod resolution.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Achievements and performance (CONTINUED)

c. Investment policy and performance

The Trust's funds may be invested in any investment, security, or property (whether narrow or wider range) at the discretion of the Trustees. However, the Trust takes its Ethical stance very seriously when making investment decisions.

Following the invasion of Ukraine by Russian forces we have checked our investments have no significant investments in Russia. We also avoid investment in Israeli companies due to Israel's actions towards Arab communities in the West Bank.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Financial statements

Income to meet the objects of the charity is derived from capital funds subject to Charity Commissioners' schemes, general purpose funds and from the sale of redundant properties and the closure of churches in accordance with Schedule 2 of the United Reformed Church Acts 1972 and 1981 and 2000. These funds are held for the religious and charitable work of the churches in the Southwestern Synod.

The total incoming resources for the year before investment gains and losses are £1,396,397 (£1,719,401 in 2021). There was a very low level of deposit interest until later in the year, and we have therefore kept the deposit holdings as low as possible during the year. New loans to ministers of £19,428 to 4 ministers and £79,163 to 5 churches (£0 and £228,124 in 2021) were made during the year and repayments, conversions to capital and provisions totalled £4,453 and £104,210 respectively leaving balances of £20,614 & £235,498 (£5,640 & £260,545 in 2021) (Note 17).

Charitable expenditure by the Synod Trust (other than grant making) totalled £525,052 (£421,403 in 2021) and in addition grants to churches and other bodies totalled £202,788 (£3,240,929 in 2021) of which £60,394 (£67,272 in 2021) was for property related grants. Some of the grants are conditional and depend upon schemes being submitted.

All grant commitments are taken as liabilities from the date they are awarded. Some are one year (all property grants) and some commitments extend up to 5 years.

Various "earmarked" funds arising from the sale of properties are administered by the Trust Corporation until such time as the funds are required for new expenditure by local churches. Some of the funds may be released in due course to the Trust for general purposes because of 3 way meetings between church, Synod and Trust. These funds are not reflected in the accounts but note 29 gives the total of amounts involved.

The Charity Commissioners have established a number of schemes with the Trust Corporation as managing trustee, comprising funds arising from the apportionment of County Union Funds. The capital of these funds is maintained separately, but income arising may be used for general purposes and, where designated, for welfare purposes. These are Restricted Funds as defined by the Charities Act 2011 and details are shown in note 22.

Details of the funds amounting to £16,577,985 (of which £2,058,939 represents Charity Commissioners Scheme and other restricted funds) and how they are represented by assets are shown in the Balance Sheet.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

c. Principal risks and uncertainties

During the year the trustees have undertaken a review of the risks with which the Synod Trust is faced. This is carried out by means of an annual review to identify risks in their areas and to report, noting the measures that are being taken to manage the risk. The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into three areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with a declining membership and consequent reduction in resource, and;
- risks associated with our investment policy.

Reputational matters are taken very seriously, and the Trust has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the Moderator who will advise on its handling or, if the matter is particularly sensitive, may escalate to the Central organisation.

The Trust generally follows central URC policy in respect of investment decisions. There are clear exclusions for arms, gambling, tobacco, and fossil fuel extraction and supply, as it is the church's belief that these are not consistent with its values.

The Synod during 2021 made a commitment to the Retired Ministers Pension Fund of £3,000,000 to be paid over a period of 6 years. The 2022 commitment of £500,000 has already been paid and we shall pay further instalments of £500,000 for the next 2 years and at a rate of £250,000 per year for the remaining 3 years. This is to move the fund to a stable position.

d. Reserves policy and reserves

At 31 December 2022 the Charity had unrestricted reserves amounting to £14,519,046. Included in this sum are £2,746,908 being the value of property actually used by the Synod, fixed asset investments of £7,250,000 that are being held primarily for income generation purposes along with investment properties of £3,760,066 and loans to Churches, and ministers totalling £256,112. Residual free reserves amount after allowing for other smaller designations of funds amount to £501,872.

The Charity considers it appropriate to retain a minimum level of free reserves of equivalent to resources expended in approximately 12 months i.e. £500,000. This allows for fluctuations in the level of income and variations in cash flow. As house purchase is often involved, significant sums can be involved.

The Trust aims to provide for all expenditure, including grants, from its annual income. It does not hold Reserve Funds, except for the Revaluation of Assets Reserve. Capital is held to provide the income necessary to maintain its activities.

e. Material investments policy

The Trust's funds may be invested in any investment, security, or property at the discretion of the Trustees.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Structure, governance and management

a. Constitution

The United Reformed Church (Southwestern Synod) Incorporated referred to as "The Trust" is a Company Limited by Guarantee, number 01328728. It is a Registered Charity, number 275364, and its registered office is at Taunton URC, 18 Paul Street, Taunton TA1 3PF. In many respects the Trust operates as the manager of the assets which are used to fund and promote the work of the United Reformed Church Southwestern Synod (The Synod), which itself has no funds or assets.

It is governed by a Memorandum and Articles of Association. Its objects, inter alia, are to advance the Christian religion and propagate the gospel and to further the objects, purposes, and doctrines of the United Reformed Church, particularly within the Southwestern Synod area.

The principal object of the company is to support local churches by providing training, encouragement, specialist skills and financial support. It does this through invested funds and property sales which generate capital and income.

There have been no changes in the objectives since the last annual report.

b. Methods of appointment or election of Trustees

The existing Council has the power to appoint new members to fill vacancies on the Council.

As noted above, directors must be members of the Synod Executive Committee and are chosen by that committee to serve as Directors of the Trust because of availability and skills.

c. Policies adopted for the induction and training of Trustees

Trustee training is provided when needed to assist Directors to understand their role. Training was carried out on Safeguarding responsibilities of Trustees.

d. Organisational structure and decision-making policies

Most of the members of the company are members of its Council, and act as Trustees and Directors. The members of the Council who served throughout the year (unless otherwise indicated) were as listed on page 1 unless noted.

The Council is also served by:

Ms Diane Philips (Assistant Secretary) who is also an employee of the Trust.

A number of Trust Officers have been appointed by the Council to carry out the day-to-day management of the company's affairs, and these are:

Revd Ruth Whitehead Chair, Mr Ian Harrison Secretary, Revd Richard Gray Treasurer, Ms Rachel Leach Synod Clerk and supported by Ms Diane Philips Assistant Secretary.

All Trustees and Trust Officers act in a voluntary capacity. But Revd Richard Gray receives an Honorarium connected with his role of Staff Management and Bookkeeping as permitted under the governing document.

Under the terms of the Trust the Directors have delegated the day to day running of the Trust to the Officers. Significant decisions are brought to the Directors of the Trust for concurrence.

The primary purpose of the Trust is to enable to Synod to function effectively. Essentially power of spending Trust Funds is delegated by the Synod to its executive as noted above.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Structure, governance and management (CONTINUED)

e. Related party relationships

The United Reformed Church Southwestern Synod and the United Reformed Church (Southwestern Synod) Incorporated

The Synod through its Executive arranged for the setting up of the United Reformed Church (Southwestern Synod) Incorporated ("The Trust") to be set up inter alia to take over and manage such assets as may be legally transferred [to the Synod] under the Trusts declared in the URC Acts, Schedule 2 parts I and II and to take over and manage or direct the management of the assets and liabilities of the Synod.

Following discussion with the Charity Commission, in November 1997 the Trust and General Purposes committee and Synod (March 1998) passed resolutions clarifying the situation. Among the important features of the Synod Trust interaction are:

- The Members of the Trust (directors) are drawn from the Synod Executive Committee. Any members of the Trust who cease to be members of Synod Executive Committee cease to be members of the Trust.
- The Trust has funds which are administered on behalf of the Synod or held in trust for local churches.
- The officers are charged with day to day management of the funds, subject always to ratification of their actions by the Synod Executive Committee.
- The Synod Executive Committee on behalf of Synod has the power to make grants; for Property grants it has delegated authority to the Synod Property Committee. The Synod Executive Committee is able to do so because ex officio the Moderator, Synod Treasurer, Trust Treasurer, Trust Secretary and the Synod Property & Trust officer are members of the Synod Property Committee and are all currently members of the Synod Executive Committee

From 2009 the Synod no longer has any funds or assets of its own. All funds are held and managed by the Trust.

f. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

There is no planned change in the overall pattern of activities or short terms aims. The steady state outgoings of the Synod Trust are likely to be around £500,000 per year. This requires assets to be increased to enable this level of expenditure to be maintained without the need to draw on capital reserves for regular expenses.

At the end of 2022 we have 1 residential property and 3 churches to dispose of. We also have 1 church leased with a view to subsequent purchase.

Building and major refurbishment projects involving several churches in the Synod are in hand.

Funds held as custodian

The Synod Trust is the trustee for most of the churches of the Synod, (although the Elders of the local churches are responsible for day to day management of them) and is the charity trustee except for property disposals pursuant to section 117 of the Charities Act 2011. A description of the funds held on behalf of local churches is contained in the notes to the financial statements. These generally consist of churches and manses and specific investments held in trust for the use of churches in specific areas. The Trust also acts as the trustee for the Synod properties.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

Other information

In order to maintain a suitable capital base, all redundant property assets transfer to the Synod Trust. The synod has agreed that 50% of the net asset value of redundant church buildings will be shared with the Ministers Pension Fund. Where assets of a church that is continuing in some form are sold, the Trust strategy is that usually 40% of the net receipts can be set aside for the continuing church to apply for and the balance reverts to the Trust. In some cases, the 40% can be larger with the consent of the Trust.

The Trust meets the expenses of its employees in line with the URC's Plan for Partnership. It also meets the costs of volunteers' expenses for work undertaken on behalf of the Synod or Trust.

The Trust's policy on investments is to make investments which are suitable for its charitable status, are diversified appropriately to the circumstances, and have regard to short and long term requirements. The needs of capital and income are considered with regard to priorities of balancing maximum income and increasing capital to keep pace with inflation. The policy is reviewed annually to ensure that it is adhered to. The Trust does not make contentious (i.e. non ethical) investments.

The major risk to which the Trust is exposed is the small number of persons who are primarily involved in its activities. As far as possible accounting and other systems minimise this risk. The Trust is aware of the need to ensure adequate succession to its main officers and aims to achieve this from the relatively small pool of suitable persons who are members of the URC.

Banking

The main banker is CAF Bank, with a small account held with Lloyds. We also have a deposit account with CCLA, in addition to investments.

Auditors

Bishop Fleming LLP have indicated their willingness to continue in office as auditors. A resolution will be proposed at a meeting of the Executive (Directors) to appoint the auditors and to authorise the Council to fix their remuneration for the ensuing year.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

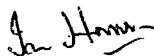
Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr Ian Harrison
Trust Secretary



Date: 14/9/23

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)

Opinion

We have audited the financial statements of The United Reformed Church (South Western Synod) Incorporated (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2022 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) (CONTINUED)

Other information

The other information comprises the information included in the Trustees' report and financial statements other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' report.

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

- the information given in the is inconsistent in any material respect with the financial statements; or
- the financial statements are not in agreement with the accounting records and returns
- certain disclosures of Trustees' remuneration specified by law are not made
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

- We have considered the nature of the sector, control environment, and financial performance of the charitable company;
- We have considered the results of enquiries with management, the directors in relation to their own identification and assessment of the risks of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur on the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Acts, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of Trustees management concerning actual and potential litigation claims or breaches of laws or regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of meetings of those charged with governance and reviewing any correspondence with HMRC or regulators;

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) (CONTINUED)

- reviewing the financial statements disclosures and testing to supporting documentation to assess the recognition of revenue; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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 Auditors' Report.

Use of our report

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



Tim Borton FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

28 September 2023

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	8,918	126,632	135,550	140,859
Charitable activities:	4				
Funds arising from closed Churches		-	850,000	850,000	1,187,392
Other charitable activities		-	7,379	7,379	1,821
Investments	5	48,032	342,767	390,799	374,863
Other income	6	-	12,669	12,669	14,466
Total income		56,950	1,339,447	1,396,397	1,719,401
Expenditure on:					
Raising funds	7	3,058	4,622	7,680	16,795
Charitable activities	8	53,305	674,535	727,840	3,662,332
Total expenditure		56,363	679,157	735,520	3,679,127
Net income/(expenditure) before net (losses)/gains on investments		587	660,290	660,877	(1,959,726)
Net (losses)/gains on investments		(170,495)	(983,263)	(1,153,758)	1,787,468
Net expenditure		(169,908)	(322,973)	(492,881)	(172,258)
Transfers between funds	22	5,067	(5,067)	-	-
Net movement in funds		(164,841)	(328,040)	(492,881)	(172,258)
Reconciliation of funds:					
Total funds brought forward		2,223,780	14,847,086	17,070,866	17,243,124
Net movement in funds		(164,841)	(328,040)	(492,881)	(172,258)
Total funds carried forward		2,058,939	14,519,046	16,577,985	17,070,866

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 45 form part of these financial statements.

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	2,746,908	2,571,811
Investments	17	11,248,686	13,168,718
Investment property	16	4,239,712	3,548,444
		<u>18,235,306</u>	<u>19,288,973</u>
Current assets			
Debtors	18	62,647	20,517
Cash at bank and in hand		988,685	977,932
		<u>1,051,332</u>	<u>998,449</u>
Creditors: amounts falling due within one year	19	(793,638)	(784,118)
NET CURRENT ASSETS / LIABILITIES		<u>257,694</u>	<u>214,331</u>
Total assets less current liabilities		<u>18,493,000</u>	<u>19,503,304</u>
Creditors: amounts falling due after more than one year	20	(1,915,015)	(2,432,438)
Total net assets		<u><u>16,577,985</u></u>	<u><u>17,070,866</u></u>
Charity funds			
Restricted funds:			
Restricted funds	22	1,039,057	1,033,403
Restricted revaluation reserve	22	1,019,882	1,190,377
		<u>2,058,939</u>	<u>2,223,780</u>
Total restricted funds	22	2,058,939	2,223,780
Unrestricted funds			
General funds	22	10,934,421	10,179,640
Unrestricted revaluation reserve	22	3,584,625	4,667,446
		<u>14,519,046</u>	<u>14,847,086</u>
Total unrestricted funds	22	14,519,046	14,847,086
Total funds		<u><u>16,577,985</u></u>	<u><u>17,070,866</u></u>

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728**

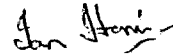
**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022**

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Revd Richard Gray



Mr Ian Harrison

Date: 19/9/23.

The notes on pages 21 to 45 form part of these financial statements.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	£	£
Cash flows from operating activities		
Net cash used in operating activities (see note 23)	(1,124,050)	(371,495)
Cash flows from investing activities		
Dividends, interests and rents from investments	390,799	374,863
Purchase of tangible fixed assets	(624,585)	(99,558)
Proceeds from sale of investments	1,491,762	699,523
Purchase of investments	(123,173)	(547,527)
Net cash provided by investing activities	1,134,803	427,301
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	10,753	55,806
Cash and cash equivalents at the beginning of the year	977,932	922,126
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (SEE NOTE 24)	988,685	977,932

The notes on pages 21 to 45 form part of these financial statements

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. GENERAL INFORMATION

The United Reformed Church (South Western Synod) Incorporated is a company limited by guarantee and is constituted under a Memorandum of Association dated 24 September 2009. The company is also a registered charity. The principal office is 18 Paul Street, Taunton, Somerset, England, TA1 3PF.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The United Reformed Church (South Western Synod) Incorporated meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and consider these sufficient for the charity to be able to continue as a going concern.

2.4 LOANS

Loans are stated at the value of the cumulative capital and the interest outstanding less provision for amounts that are considered to be doubtful.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)

2.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. However, the Trustees' report provides more information about the contribution of volunteers.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 CLOSED CHURCHES AND TRANSFERS FROM COUNTY UNIONS

Assets, including investments and properties which come into the Trust's ownership as a result of transfers from County Unions or on the closure of Churches are reflected as an addition to the assets of the Trust in the accounting period in which the legal and beneficial entitlement to those properties passes to the Trust. Where there is no cost to the Trust, properties are recorded at a deemed cost which is calculated using the same method as stated below for the valuation of Investment Properties. Investments in stocks and shares are recorded at their open market valuation.

2.7 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)

2.7 EXPENDITURE (CONTINUED)

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Grants that have been awarded but are not taken up after a period of two years are normally cancelled.

All expenditure is inclusive of irrecoverable VAT.

2.8 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.9 TAXATION

The company is considered to meet the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively to charitable purposes.

2.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% Straight line
Long-term leasehold property	- 2% Straight line
Office equipment	- 10% Straight line
Computer equipment	- 20% Straight line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)

2.11 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Listed investments are valued using closing quoted market prices.

Investment Properties are stated in the Balance Sheet based on independent valuation where available or, failing this, at the Board's estimation of market valuation having regard to suitable indices and transactions after the year end.

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Any movement in the market value over the year is taken to the Revaluation Reserve. If the transfer to Revaluation Reserve is to reflect a diminution in market value, then any excess over the balance currently held in the reserve will be transferred against the general funds.

No depreciation is provided on the Provincial Trusts Investment Properties.

2.12 ASSETS HELD IN TRUST FOR OTHERS

At the end of the year the Trust held investments and deposits on behalf of local churches and trusts. All of these assets are held to the order of local church and trusts concerned and are not shown in these financial statements.

The Trust Corporation also holds money in a bank account bearing its name which is held on trust for various local churches and cannot be expended by the Trust Corporation. These monies, which are detailed in the notes to the financial statements are not reflected on the balance sheet of these Financial Statements.

2.13 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.14 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)

2.15 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.16 FINANCIAL INSTRUMENTS

The company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.17 PENSIONS

The company operates a defined pension benefits pension scheme for lay staff.

The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS102, the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period.

2.18 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 assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The charity owns a number of investment properties which are subject to annual valuation. Independent valuations by professionally qualified valuers are obtained at least every 5 years. In other years, the valuations are reviewed and updated by the trustees having regard to known information and suitable indices.

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2. ACCOUNTING POLICIES (continued)

2.19 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. INCOME FROM DONATIONS, LEGACIES AND GRANTS

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations - Property	-	-	-	105,825
Legacies	-	126,632	126,632	3,000
Grants	8,918	-	8,918	32,034
	<u>8,918</u>	<u>126,632</u>	<u>135,550</u>	<u>140,859</u>
TOTAL 2021	<u>32,034</u>	<u>108,825</u>	<u>140,859</u>	

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4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Funds arising from Closed Churches	850,708	850,708	1,187,392
Loan interest	4,321	4,321	721
Training and conference receipts	2,350	2,350	1,100
TOTAL 2022	857,379	857,379	1,189,213
TOTAL 2021	1,189,213	1,189,213	

Funds arising from closed Churches comprise:

	2022 £	2021 £
Capital funds - Property	850,000	1,166,700
Other funds	708	20,692
	850,708	1,187,392

5. INVESTMENT INCOME

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income from investment properties	2,975	37,426	40,401	55,370
Income from listed investments	44,608	305,341	349,949	319,451
Bank interest	449	-	449	42
TOTAL 2022	48,032	342,767	390,799	374,863
TOTAL 2021	50,443	324,420	374,863	

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6. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Sundry income	12,669	12,669	14,466
TOTAL 2021	<u>14,466</u>	<u>14,466</u>	

7. INVESTMENT MANAGEMENT COSTS

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment management fees	3,058	4,622	7,680	16,795
TOTAL 2021	<u>2,187</u>	<u>14,608</u>	<u>16,795</u>	

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Charitable activities	53,305	674,535	727,840	3,662,332
TOTAL 2021	<u>1,790</u>	<u>3,660,542</u>	<u>3,662,332</u>	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	250,859	202,788	274,193	727,840	3,662,332
TOTAL 2021	<u>166,247</u>	<u>3,240,929</u>	<u>255,156</u>	<u>3,662,332</u>	

ANALYSIS OF DIRECT COSTS

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	87,887	87,887	88,155
Training and conferences	18,848	18,848	12,249
Church support	18,723	18,723	3,137
Ecumenical costs	148	148	20,393
MMF payments	42,285	42,285	-
Pioneer special category minister	3,485	3,485	4,183
Other Special Category Ministers	-	-	3,278
Synod Pastoral Advisors	49,365	49,365	36,444
Property expenses	30,118	30,118	(1,592)
	<u>250,859</u>	<u>250,859</u>	<u>166,247</u>
TOTAL 2021	<u>166,247</u>	<u>166,247</u>	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2022 £	Total funds 2021 £
Staff costs	184,769	173,057
Depreciation	5,767	5,473
Synod Activities	4,737	1,614
Pioneer special category minister	1,020	-
Other Special Category Ministers	7,850	7,000
Children & Youth Development officer costs	2,520	14,977
Printing stationery & postage	6,217	5,094
Utilities/sundries	1,528	4,237
Synod office expenses	14,484	10,273
Property expenses	33,876	18,320
Governance costs	11,425	15,111
	274,193	255,156

10. NET INCOME/EXPENDITURE

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets - owned by the charity	5,767	5,473

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11. ANALYSIS OF GRANTS

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds 2021 £
Institutional grants	202,788	202,788	3,240,929

All grants are payable to institutions. There were no grants to individuals in 2022 or 2021.

The company has made the following material grants to institutions during the year:

	2022 £	2021 £
Grants to institutions other than Churches	38,615	3,044,695
Enabling grants	68,341	100,049
Mission grants	25,700	27,123
Property grants:		
- Survey grants	8,474	4,065
- Facelift grants	35,986	48,229
- Building grants	15,934	14,978
Other grants	9,738	1,790
	202,788	3,240,929
	202,788	3,240,929

**NOTES TO THE FINANCIAL STATEMENTS
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11. ANALYSIS OF GRANTS (CONTINUED)

The Synod Trusts makes a number of grants to local churches and associated Ecumenical Partners.

Building/Property Grants

These comprise:

- Facelift Grants offered to local churches of up to 50% of cost to a maximum of £10,000 no more frequently than once every 5 years for major renovations
- Building Grants of 10% of the balance of any costs of expenditure on adaption, extension or repair and maintenance of local churches and manses
- Special Property Grants may be made in cases where the Executive determine such an award is desirable.
- 50% Grants are available to local churches for Survey Grants assessing the need of the church building or manse for repairs and maintenance of the structure. Churches are encouraged to carry out such surveys every 5 years.
- 50% grants are available to help churches carry out surveys for the presence of asbestos in the buildings.

Mission Grants

Mission grants of up to £5,000 per annum for up to 5 years for projects which enhance the Mission of the Local Church

Enabling Grants

Enabling grants are available to churches who would like to do something in their church life but need extra financial help. Small grants are offered up to £2,500 and larger grants up to £25,000 per annum.

Grants to institutions other than Churches

- Feasibility Grants are offered for up to 50% of the costs of a major Feasibility study of the suitability of the church for its mission. These are capped at £2,000.
- There are grants available for assistance with providing Chaplaincy services in Universities and retail areas.
- The Trust makes a Grant to other Synods in less fortunate financial position. This is managed via an Inter Synod Resource Sharing group.
- Grants are made to Churches Together in England Ecumenical bodies in the area covered by the Synod.
- Grants are made to a Benevolent Fund managed by the Synod Moderator for the alleviation of special needs among ministers in the area
- The Synod Trust has been asked by the URC Ministers Pension Fund to make a supplementary grant to fill a share of the shortfall of around £50 million in the Pension Fund assets to cover the greater liabilities caused by the Pension Regulator's requirement to use less risky investments to provide the assets that underpin the liabilities. The Synod Trust has amended its grant making to give 50% of the Synod Trust's net proceeds of the sale of any building or property until further notice. The Synod Trust committed in 2021 to making donations totalling £3,000,000 over the next 8 years, the first tranche of £250,000 having been paid in 2021. If property sales do not cover the commitment in any particular year the Synod Trust will meet any shortfall from its reserves.
- The Synod Trust further resolved to make no more contributions to the Retired Ministers Housing Trust as this now has sufficient funds to meet its likely commitments to Ministers retiring and needing to be provided with housing.

ANALYSIS OF GRANTS

A full summary of all grants made can be found on the charity website www.urcsouthwest.org.uk.

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Included within Institutional and Enabling grants are the following amounts of £10,000 or more:

	2022 £	2021 £
Inter Synod Resource sharing	25,000	35,000
Retired Ministers Pension Fund	-	3,000,000
Bridgwater	-	15,818
Derriford	-	12,000
Flavel projects	-	12,793
Newton Abbot	-	10,000
Plymstock	36,500	-
Teignmouth	-	31,500
	<u>61,500</u>	<u>3,117,111</u>

Included within Mission grants are the following amounts of £10,000 or more:

	2022 £	2021 £
Emmanuel Swindon	-	10,170
Pilgrim Plymouth	-	15,625
Cranbrook	25,000	-
	<u>25,000</u>	<u>25,795</u>

Included within Facelift grants are the following amounts of £10,000 or more:

	2022 £	2021 £
Glastonbury	-	10,000
Lynton	-	10,000
Redland Park	-	10,000
Hanham	10,000	-
Mangotsfield	10,000	-
	<u>20,000</u>	<u>30,000</u>

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Included within Building grants are the following amounts of £10,000 or more:

	2022 £	2021 £
Barnstaple	10,314	-
	<u>10,314</u>	<u>-</u>

13. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £13,080 (2021 - £11,160).

14. STAFF COSTS

	2022 £	2021 £
Wages and salaries	265,679	247,253
Social security costs	18,183	15,821
Contribution to defined contribution pension schemes	41,643	37,888
	<u>325,505</u>	<u>300,962</u>

The average number of persons employed by the company during the year was as follows:

	2022 No.	2021 No.
Staff engaged on charitable activities	<u>13</u>	<u>14</u>

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14. STAFF COSTS (CONTINUED)

No employee received remuneration amounting to more than £60,000 in either year.

All staff are paid centrally through the URC central office.

Except as detailed below, no trustee was paid or is due to be paid any remuneration out of Trust funds.

Staff costs are allocated between restricted and unrestricted expenditure based on which project the salary costs relate to.

TRUSTEES

Trustee Revd R Gray receives £1,000 honorarium in respect of Bookkeeping activities in addition to expenses (2021 - £1,000).

The above remuneration paid to Trustees is permitted in accordance with Section 185 of the Charities Act 2011.

During the year, no Trustees received any benefits in kind (2021: £NIL).

2 Trustees received reimbursement of expenses amounting to £224 in the current year, (2021: 1 Trustee - £144). 1 Trustee (2021: 0 Trustees) received a housing allowance totalling £1,800 in respect of their Church ministerial post.

KEY MANAGEMENT PERSONNEL

The gross remuneration paid by the charity during the year in respect of key management personnel was £50,056 (2021 - £33,189). Pension and national insurance contributions were payable in addition totalling £18,433 (2021 - £10,711) giving total key management compensation of £68,489 (2021 - £43,900).

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15. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 January 2022	2,705,559	1,980	15,874	2,723,413
Additions	624,585	-	-	624,585
Transfer to investment property	(444,941)	-	-	(444,941)
At 31 December 2022	<u>2,885,203</u>	<u>1,980</u>	<u>15,874</u>	<u>2,903,057</u>
DEPRECIATION				
At 1 January 2022	142,864	1,683	7,055	151,602
Charge for the year	1,250	297	4,200	5,747
Transfers between classes	(1,200)	-	-	(1,200)
At 31 December 2022	<u>142,914</u>	<u>1,980</u>	<u>11,255</u>	<u>156,149</u>
NET BOOK VALUE				
At 31 December 2022	<u><u>2,742,289</u></u>	<u><u>-</u></u>	<u><u>4,619</u></u>	<u><u>2,746,908</u></u>
At 31 December 2021	<u><u>2,562,695</u></u>	<u><u>297</u></u>	<u><u>8,819</u></u>	<u><u>2,571,811</u></u>

During the year the Synod has transferred their freehold property, 157 Hampstead Road and 18 Brooklyn, Wrington to investment property at cost value of £206,384 and £237,757 respectively. These transfers are to reflect the long term change of use of these properties.

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16. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2022	3,548,444
Additions	850,035
Disposals	(1,080,744)
Surplus on revaluation	478,236
Transfer from tangible fixed assets	443,741
At 31 December 2022	<u>4,239,712</u>

The historical cost of investment properties at 31 December 2022 was £2,700,031 (2021 - £2,480,805).

Valuations of investment properties are based upon independent professional valuations within the past 5 years based upon open market values for actual or planned use. All valuers used are professionally qualified with recent experience in the location and class of the investment property at the time of making the valuation.

Where the independent valuations were undertaken prior to 31 December 2022, the trustees have reviewed and updated the valuations at 31 December 2022 having regard to suitable indices and transactions after the year end.

In addition to the surplus on revaluation noted above, realised gains on disposal of investment property during the year amounted to £100,777 and realised losses amounted to £89,035.

During the year the Synod has transferred their freehold property, 157 Hampstead Road and 18 Brooklyn Wroughton to investment property at cost value of £206,384 and £237,757 respectively. These transfers are to reflect the long term change of use of these properties.

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17. FIXED ASSET INVESTMENTS (OTHER THAN PROPERTY)

	Listed investments £	Loans £	Total £
COST OR VALUATION			
At 1 January 2022	12,902,533	266,185	13,168,718
Additions	20,126	103,012	123,138
Disposals/ repayments	(286,349)	(113,085)	(399,434)
Revaluations	(1,643,736)	-	(1,643,736)
AT 31 DECEMBER 2022	10,992,574	256,112	11,248,686
NET BOOK VALUE			
AT 31 DECEMBER 2022	10,992,574	256,112	11,248,686
AT 31 DECEMBER 2021	12,902,533	266,185	13,168,718

The Synod Trust's capital may be invested in any investment, security or property (whether narrow or wide range) at the discretion of the Trustees.

Loans comprise loans to Churches of £235,498 (2021 - £260,545) and loans to ministers of £20,614 (2021 - £5,640).

18. DEBTORS

	2022 £	2021 £
DUE WITHIN ONE YEAR		
Other debtors	13,106	8,311
Prepayments and accrued income	49,541	12,206
	62,647	20,517

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19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Mission and enabling grants	12,744	14,747
Other committed grants	769,994	760,071
Accruals	10,900	9,300
	<u>793,638</u>	<u>784,118</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Mission and other committed grants	1,915,015	2,432,438
	<u>1,915,015</u>	<u>2,432,438</u>

As Mission Grants are often multi year grants, they are all taken on the books as liabilities from the date of approval. The amount likely to become due in the current year are taken as current year liabilities, and the balance taken as commitments due in 2-5 years. In addition, the grant awarded to the United Reformed Church Trust Ltd in 2021 (see note 27) is being paid by instalments over the 9 years ended 31 December 2029. £1.75m is included within amounts falling due after more than one year and a further £500,000 is included within amounts falling due within one year.

21. FINANCIAL INSTRUMENTS

	2022	2021
	£	£
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	12,237,248	14,146,650
	<u>12,237,248</u>	<u>14,146,650</u>

Financial assets measured at fair value through income and expenditure comprises listed investments, loan investments and cash at bank and in hand

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22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
UNREST'D FUNDS						
Fixed asset fund	2,571,811	-	(5,747)	180,844	-	2,746,908
Loans funds	266,185	4,422	-	(14,495)	-	256,112
Investment property	3,166,944	850,390	-	(637,004)	379,736	3,760,066
Investment stocks and shares	7,800,000	-	-	(550,000)	-	7,250,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	1,038,058	484,635	(673,410)	1,015,588	(1,362,999)	501,872
	<u>14,847,086</u>	<u>1,339,447</u>	<u>(679,157)</u>	<u>(5,067)</u>	<u>(983,263)</u>	<u>14,519,046</u>
RESTRICT'D FUNDS						
General purpose fund	2,024,317	48,032	(53,099)	5,067	(152,052)	1,872,265
Closed church fund	148,527	-	-	-	(18,443)	130,084
DFES fund	925	-	-	-	-	925
Training fund and grants	29,185	3,672	-	-	-	32,857
Other small restricted grants received	20,826	5,246	(3,264)	-	-	22,808
	<u>2,223,780</u>	<u>56,950</u>	<u>(56,363)</u>	<u>5,067</u>	<u>(170,495)</u>	<u>2,058,939</u>
TOTAL OF FUNDS	<u><u>17,070,866</u></u>	<u><u>1,396,397</u></u>	<u><u>(735,520)</u></u>	<u><u>-</u></u>	<u><u>(1,153,758)</u></u>	<u><u>16,577,985</u></u>

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22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
UNREST'D FUNDS						
Fixed asset fund	2,738,630	30,620	(5,473)	(191,966)	-	2,571,811
Loans funds	186,242	721	-	79,222	-	266,185
Investment property	2,487,080	830,721	-	(289,716)	138,859	3,166,944
Investment stocks and shares	7,800,000	-	-	-	-	7,800,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	2,098,740	774,862	(3,669,677)	480,960	1,353,173	1,038,058
	<u>15,314,780</u>	<u>1,636,924</u>	<u>(3,675,150)</u>	<u>78,500</u>	<u>1,492,032</u>	<u>14,847,086</u>
RESTRICT'D FUNDS						
General purpose fund	1,778,593	50,443	(3,977)	(78,500)	277,758	2,024,317
Closed church fund	130,849	-	-	-	17,678	148,527
DFES fund	925	-	-	-	-	925
Training fund and grants	7,436	21,749	-	-	-	29,185
Other small restricted grants received	10,541	10,285	-	-	-	20,826
	<u>1,928,344</u>	<u>82,477</u>	<u>(3,977)</u>	<u>(78,500)</u>	<u>295,436</u>	<u>2,223,780</u>
TOTAL OF FUNDS	<u>17,243,124</u>	<u>1,719,401</u>	<u>(3,679,127)</u>	<u>-</u>	<u>1,787,468</u>	<u>17,070,866</u>

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The principal restricted funds above being the General Purpose and Closed Churches funds were established by the Charity Commissioners by a scheme on 5 October 1992 (CD(TI)275364A/1).

The income from the restricted General and Closed Churches Funds is payable to the General Fund and the transfer of £5,067 above represents the transfer of excess expenditure back to unrestricted funds.

The fixed assets, loan and investment property designated funds represent the value of reserves tied up in those particular assets. The investment stocks and shares designated fund represents the proportion of listed investments that the charity currently deems appropriate to ring fence as being held for the long term for income generating purposes. The funds have been separately designated as they are not expected to be readily available for use as working capital in the short term.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	2,746,908	2,746,908
Fixed asset investments	1,761,092	9,487,594	11,248,686
Investment property	480,000	3,759,712	4,239,712
Current assets	-	1,051,332	1,051,332
Creditors due within one year	(182,153)	(611,485)	(793,638)
Creditors due in more than one year	-	(1,915,015)	(1,915,015)
TOTAL	2,058,939	14,519,046	16,577,985

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	2,571,811	2,571,811
Fixed asset investments	2,030,087	11,138,631	13,168,718
Investment property	381,500	3,166,944	3,548,444
Current assets	-	998,449	998,449
Creditors due within one year	(187,807)	(596,311)	(784,118)
Creditors due in more than one year	-	(2,432,438)	(2,432,438)
TOTAL	2,223,780	14,847,086	17,070,866

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(492,881)	(172,258)
ADJUSTMENTS FOR:		
Depreciation and impairment charges	5,747	5,473
Non cash donations and capital funds	(850,000)	(1,166,700)
Losses/(gains) on investments	1,165,500	(1,756,847)
Dividends, interests and rents from investments	(390,799)	(374,863)
Loss/(gain) on the sale of fixed assets	(11,584)	(30,621)
Non cash donations and capital funds converted to cash	-	336,700
Increase in debtors	(42,130)	(9,093)
Increase/(decrease) in creditors	(507,903)	2,796,714
NET CASH USED IN OPERATING ACTIVITIES	(1,124,050)	(371,495)

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	988,685	977,932
TOTAL CASH AND CASH EQUIVALENTS	988,685	977,932

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	977,932	10,753	988,685
	977,932	10,753	988,685

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27. PENSION COMMITMENTS

Pension scheme for lay staff

During the year, the company contributed £41,643 (2021: £37,888) 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 company is unable to identify its share of the underlying assets and liabilities – each member in the scheme pays a common contribution rate.

The most recent formal actuarial review of the scheme was at 30 September 2020, 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 scheme was closed to future accrual on 28 February 2023. A new defined contribution scheme has a been set up and staff will be moved to this scheme.

Pension scheme for Church Ministers

The Minister's Pension Scheme (which is the responsibility of the United Reformed Church Trust Ltd (URCTL)) was valued at 31 December 2020. URCTL were forced to accept a lower discount rate which meant that the fund was in deficit, and needs a large infusion of funds to meet its long term funding target.

During 2021 the Charity committed a figure of £3 million to URCTL over 9 years as a contribution towards the obligations that URCTL has to the Minister's Pension Scheme. This will be made up from the proceeds of sale of buildings no longer needed. This will probably include both manses and church buildings, and will likely involve a significantly higher share going to the fund. The Charity has committed specific figures from 2021 for each year and if buildings proceeds are insufficient to meet any commitments, the Charity shall use reserves to meet the shortfall. The commitment has been included within expenditure in note 11 to the financial statements, for the comparative financial period.

28. RELATED PARTY TRANSACTIONS

Trustees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total remuneration in respect of these individuals excluding honoraria for other services is £Nil (2021 - £Nil).

The spouse of a Trustee is employed by the Charity and received a salary in respect of their employment of £6,720 (2021 - £6,900).

Details of the remuneration of key management personnel including non Trustees is set out in note 14.

There have been no transactions with related parties other than those stated above and in note 14.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

29. EARMARKED FUNDS

The balances of Earmarked Funds held on behalf of local churches and trusts not otherwise reflected in these financial statements outstanding on 31 December were:

	2022	2021
	£	£
Capital funds	343,902	394,647
Income funds	128,966	117,729
Invested funds	472,862	522,151
	945,730	1,034,527

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED

England & Wales - Charity number 275364

Accounts

Registered number: 01328728
Charity number: 275364

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

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**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees

Revd Ruth Whitehead, Chairman
Mr Ian Harrison, Trust Secretary
Mrs Janet Raven (appointed 9 September 2021)
Mr Neil Thorogood (appointed 9 September 2021)
Revd Christopher Baillie (Resigned 11 November 2021)
Revd Richard Gray, Treasurer
Mrs Jill Stidson (Term ended 20 May 2021)
Revd Donald Macalister
Revd Lythan Nevard (Resigned 24 June 2021)
Mrs Maria Mills (Term ended 11 November 2021)
Revd Robert Western (appointed 1 April 2022)
Revd Sarah Simpson (appointed 15 May 2022)
Mrs Gwen Jennings (appointed 24 June 2022)

Company registered number 01328728

Charity registered number 275364

Registered office Taunton United Reformed Church
18 Paul Street
Taunton
Somerset
TA1 3PF

Company secretary Mr Ian Harrison

Chairman Revd Ruth Whitehead

Independent auditors Bishop Fleming LLP
Chartered Accountants
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Bankers Lloyds Bank PLC
2 Palace Avenue
Paignton
Devon

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Solicitors

WBW Solicitors
The Forum
Barnfield Road
Exeter
EX1 1QR

Star Legal Ltd
40 High Street
Thornbury
BS35 2AJ

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The United Reformed Church (South Western Synod) Incorporated (the company) for the ended 31 December 2020. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Summary of objects

1. The administration of the Trust's assets and the provision of funds for the work of the South Western Synod.
2. Acting as property holding trustee of local churches, within the terms of the United Reformed Church Acts 1972 and 1981 and 2000.
3. Acting as trustees of endowments of local churches and the Synod, with responsibility for administering them.
4. Acting as trustee for "earmarked" funds, which are not reflected in the accounts.
5. Acting as trustee of various Charity Commissioners' schemes.

The Charity has had "due regard to the guidance published by the Charity Commission" in respect of public benefit. Trustees and management consider that the functions below facilitate the provision of public worship for the public benefit.

Earmarked funds are those held by the Trust on behalf of churches within the Synod.

Objectives for 2021

The primary objective of the Synod is to support local churches by providing training, encouragement, specialist skills and financial support. It does this through invested funds and property sales which generate capital and income.

b. Strategies for achieving objectives

Explanation of aims

The primary aim of the Trust is to act as managing Trustee for all the tangible resources of the Synod and to fund the activities of the Synod. This latter is achieved by having sufficient income generating funds for the Synod to be an effective supporter of the churches. Thus, there are investment properties generating income and the potential for capital growth, and investments which generate income and some capital growth. The objective is to ensure that there is sufficient income for the needs for the foreseeable future for the work of the Synod. The figure is rising both by inflation and increased expectations as well as by governance requirements.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Objectives and activities (CONTINUED)

c. Activities undertaken to achieve objectives

The primary functions of the Synod and therefore the Trust are:

- To provide prophetic leadership for the Synod and to provide encouragement and support for churches, their leadership and ministers and to encourage them in prophetic witness and discipleship
- Provide funds to encourage and enable new and innovative ways of mission in the local churches
- Provide training and development for Ministers and lay people to enable them to proclaim the Gospel and lead mission
- Provide support for ecumenical activities at local and regional levels
- Provide legal and technical support in the maintenance and development of local church properties

d. Personnel

In order to further the life, work and witness of the synod, and its local churches, the following staff posts have been established and filled:

- Property and Trust Officer - Mr Raoul Hewitt is a part time employee of the Trust.
- Synod Office Administrator - Mrs Hilary Bradshaw: a part time employee of the Trust.
- Synod Secretary - Mrs Dinah Firmin: a part time employee of the Trust.
- Synod Safeguarding Officer - Ms Janice Murphy: a full time employee of the Trust.
- Mrs Gwen Jennings has been appointed as Synod Clerk on a part time basis. She is paid a salary by the trust. She attends Executive and Trustee meetings but was not a Trustee during the year due to her salaried status. Gwen resigned at the end of 2021.
- Ms Paula MacDonagh was appointed Assistant Trust & Property Officer from November 2018.
- Ms Diane Philips was appointed Trust & Property Officer for the synod in June 2021. She is a full-time employee.

The officers of the Synod and Trust are:

- Moderator - Revd Ruth Whitehead: stipend, housing and support costs are met by the United Reformed Church centrally. Some hospitality and some expenses are met by the Trust.
- Synod Clerk Mrs Gwen Jennings is paid a salary for her part time work as clerk.
- Trust Treasurer – Revd Richard Gray: apart from an honorarium as permitted under the governing document no costs are incurred other than legitimate approved expenses.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Objectives and activities (CONTINUED)

e. Grant making policies and other financial support

The Trust's policy on grant making is to make grants for capital expenditure projects and for Mission Projects and other activities through Enabling Grants as needed. This is done on an ad hoc basis as the need arises. It does not make grants to non URC bodies other than to Ecumenical Groups of which the URC SW Synod is a participant.

Property grants cover 50% of 5 yearly survey costs and asbestos survey costs provided that the report is shared with the Synod. Churches may apply for facelift grants no more often than once every 5 years for works associated with maintaining the church buildings in good order. The grant is 50% of costs to a maximum of £10,000. In addition, churches may apply for support for up to 10% of costs of works on the building. Where a church has a sharing agreement these grants are reduced according to the number of shares.

Mission grants are for the development of URC Mission in local churches. It would be expected that there is at least a matching contribution from the local church.

In 2018 we introduced Enabling Grants to help churches with their work. There is a simplified form for grants of up to £2,500 and a more extended application for grants up to £25,000.

The Trust now provides churches with grants to undertake activities to make their buildings greener. These can include LED lighting, better insulation and improving windows where permitted.

The Trust can also make loans to churches and ministers. Ministers' loans are to support purchase of a car and must be repaid within 4 years. Church loans are to support major works and to qualify there must be the capability of repayment within usually 5 years. Loan interest is charged at 1% above the Bank of England base rate.

Where a church needs to make significant investment in the fabric of a manse, but does not have the means to do so, the Trust may consider taking an equity share in the manse. All maintenance responsibility remains with the local church. If the manse is rented to a third party rent income would be apportioned between church and Trust according to their ownership share. Significant capital works costs would also be apportioned.

The Trust, in recognising that there was a significant deficit in the Pension provision for Ministers of Word and Scarcement has joined with other Synods to provide a grant to the United Reformed Church Retired Ministers Pensions Trust to help to fill in the deficit in assets. The Synod has committed a grant of £3 million with payments spread over a period of seven years to meet the deficit in the Fund which totals around £45 million. The first instalment of £250,000 was paid out in 2021. It is anticipated that most of the funds will come from the sale of redundant properties.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Objectives and activities (CONTINUED)

f. Main activities undertaken to further the company's purposes for the public benefit

Having regard to the guidance published by the Charity Commission, the Trustees continued to provide public benefit by seeking to advance the Christian religion in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. The 110 local churches are all separate charities.

Worship and partnership

The Southwestern Synod of the United Reformed Church is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the area covered. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have several shared congregations.

Making a difference

As the Catch the Vision prayer states, we are 'God's people', being 'transformed by the gospel' in order to 'make a difference'. That 'difference' is being made in many ways, from the preaching of the gospel, through the pastoral care which helps individuals manage the traumas and transitions of life, to the community building undertaken by our Church Related Community Workers (CRCWs), and the funds that we raise to reduce world poverty through Commitment for Life. The Local Mission and Ministry Review process, through which the Synods challenge and support their churches, is another key vehicle for increasing the effectiveness of local witness and service

Ethical and Environmental Considerations

The Synod has recently been accepted as an ECO Synod under a scheme run by Arocha. We also offer grants to churches to improve their environmental criteria. We take sustainability seriously and most of our investments are invested in companies that are sustainable and have good environmental, social and governance characteristics. We have fitted solar panels to one of our properties and offer support to local churches to do so where planning regulations permit.

g. Volunteers

The company is grateful for the unstinting efforts of its volunteers who are involved in many aspects of its work.

- Currently our Synod Treasurer supports our bookkeeper. Estimated hours expended around 200.
- We have several line managers who offer us around 50 hours of volunteer effort.
- We have a number of people who serve on various Synod committees totalling around 500 hours

It is estimated that around 500 volunteer hours were provided during the year. This is significantly reduced due to the COVID epidemic. If this is conservatively valued at £10 an hour the volunteer effort amounts to over £5,000. This figure has reduced due to more extensive use of video conferencing for many committees.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Achievements and performance

a. Key performance indicators

The primary indicators of the work of the Synod are that spending (apart from Grants) should be broadly in line with the budget prepared and that the income should be broadly in line with expectations. The other financial indicator should be that our overall balance sheet should not decrease significantly. Clearly the grant of £3M to the Pensions fund has an impact on our balance sheet, which we anticipate will be mitigated by the continuing sale of redundant properties.

Work is financed primarily from investment income and sale of properties; the latter can be difficult to predict. Much of our expenditure is concerned with staff salaries and other costs, which are relatively stable. Grants are allocated as necessary, and since some of these are for extended periods, these can have a short-term impact on our balance sheet.

In 2021 our overall performance was within our expectations, apart from the decision to make a £3M grant to the Pension Fund,

b. Review of activities

Performance in 2021

2021 continued to be a challenging year, mainly due to the COVID pandemic affecting much of the normal activities of the Synod and its associated churches. Investment returns from the stock exchange have increased in their value and dividends have been maintained. Deposit funds have received ultra-low interest. The pandemic has meant that staff have largely been working from home since March 2020. No staff have been furloughed.

- **Support for churches**
The Synod has met its obligations in supporting churches through the efforts of the Synod Moderator and other members of the staff.
- **Ecumenical support**
The Synod has continued to support the work of the Ecumenical bodies and several ecumenical projects. Ecumenical grants totalled £5,060 and were given to 5 Churches Together groups working in the Synod. We have also supported County Shows where the churches are represented.
- **Property**
Property grants are offered to churches to enable premises to be effective for mission purposes. These grants included grants of 50% of the costs for 5 yearly surveys, grants of 50% of the costs for asbestos surveys, Facelift grants for major developments granted at most once every 5 years, and grants of up to 10% towards building costs for approved building works. Net grants of £67,272 were made in the year including unused grants (£(2,671) in 2020). Major recipients are listed in note 11 and a full list in Annex v.
- **Chaplaincy**
The Synod supports Chaplaincy activities at the University of Bristol to the total of £14,000 drawn from committed liabilities.
- **Other support**
As a part of its sharing with the other Synods the Trust made a grant of £25,000 to those Synods unable to meet their costs and has made provisions for future years of £75,000. The in year charge to the Statement of Financial Activities was £35,000.

The Trust also voluntarily shares 10% of the net proceeds of sales of redundant properties with the URC Trust who in turn share this with the Retired Ministers Pension Fund which is in deficit. This was increased to 50% in 2021 following a Synod resolution.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Achievements and performance (CONTINUED)

c. Investment policy and performance

The Trust's funds may be invested in any investment, security or property (whether narrow or wider range) at the discretion of the Trustees. However, the Trust takes its Ethical stance very seriously when making investment decisions.

Following the invasion of Ukraine by Russian forces we have checked our investments have no significant investments in Russia

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

b. Financial statements

Income to meet the objects of the charity is derived from capital funds subject to Charity Commissioners' schemes, general purpose funds and from the sale of redundant properties and the closure of churches in accordance with Schedule 2 of the United Reformed Church Acts 1972 and 1981 and 2000. These funds are held for the religious and charitable work of the churches in the Southwestern Synod.

The total incoming resources for the year before investment gains and losses are £1,719,401 (£748,793 in 2020). There was a very low level of deposit interest, and we have therefore kept the deposit holdings as low as possible during the year. New loans to ministers of £0 and £228,124 to 3 churches (£6,534 and £368,382 to 4 churches in 2020) were made during the year and repayments, conversions to capital and provisions totalled £3,270 and £145,632 respectively leaving balances of £5,640 & £260,545 (£8,831 & £177,411 in 2020) (Note 16).

Charitable expenditure by the Synod Trust (other than grant making) totalled £421,403 (£365,685 in 2020) and in addition grants to churches and other bodies totalled £3,240,929 (£193,690 in 2020) of which £67,272 (£(2,671) in 2020) was for property related grants. Some of the grants are conditional and depend upon schemes being submitted.

All grant commitments are taken as liabilities from the date they are awarded. Some are one year (all property grants) and some commitments extend up to 5 years.

The Synod has during 2021 made a commitment to the Retired Ministers Pension Fund of £3,000,000 to be paid over a period of 7 years. The 2021 commitment of £250,000 has already been paid and we shall pay further instalments of £500,000 for the next 4 years and at a rate of £250,000 per year for the remaining 3 years. This is to move the fund to a stable position.

Various "earmarked" funds arising from the sale of properties are administered by the Trust Corporation until such time as the funds are required for new expenditure by local churches. Some of the funds may be released in due course to the Trust for general purposes because of 3 way meetings between church, Synod and Trust. These funds are not reflected in the accounts, but note 28 gives the total of amounts involved.

The Charity Commissioners have established a number of schemes with the Trust Corporation as managing trustee, comprising funds arising from the apportionment of County Union Funds. The capital of these funds is maintained separately, but income arising may be used for general purposes and, where designated, for welfare purposes. These are Restricted Funds as defined by the Charities Act 2011 and details are shown in note 21.

Details of the funds amounting to £17,070,866 (of which £2,223,780 represents Charity Commissioners Scheme and other restricted funds) and how they are represented by assets are shown in the Balance Sheet.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

c. Principal risks and uncertainties

During the year the trustees have undertaken a review of the risks with which the Synod Trust is faced. This is carried out by means of an annual review to identify risks in their areas and to report, noting the measures that are being taken to manage the risk. The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into three areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters;
- risks associated with a declining membership and consequent reduction in resources: and
- Risks associated with our investment policy

Reputational matters are taken very seriously, and the Trust has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the Moderator who will advise on its handling or, if the matter is particularly sensitive, may escalate to the Central organisation.

The Trust generally follows central URC policy in respect of investment decisions. There are clear exclusions for arms, gambling, tobacco, and fossil fuel extraction and supply, as it is the church's belief that these are not consistent with its values.

The safeguarding of children and adults at risk is seen as a key responsibility of the Trust. Revised guidance on safeguarding matters was issued to all churches in 2020 and materials are available on the Trust's website. Churches are required to report annually on safeguarding matters to the synod's safeguarding officer. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

d. Reserves policy and reserves

At 31 December 2021 the Charity had unrestricted reserves amounting to £14,847,086. Included in this sum are £2,571,811 being the value of property actually used by the Synod, fixed asset investments of £7,800,000 that are being held primarily for income generation purposes along with investment properties of £3,166,944 and loans to Churches, and ministers totalling £266,185. Residual free reserves amount after allowing for other smaller designations of funds amount to £1,038,058.

The Charity considers it appropriate to retain a minimum level of free reserves of equivalent to resources expended of approximately 12 months i.e. £450,000. This allows for fluctuations in the level of income and variations in cash flow. As house purchase is often involved, significant sums can be involved. The Charity will consider how funds in excess of the minimum should be applied.

The Trust aims to provide for all expenditure, including grants, from its annual income. It does not hold Reserve Funds, except for the Revaluation of Assets Reserve. Capital is held to provide the income necessary to maintain its activities.

e. Material investments policy

The Trust's funds may be invested in any investment, security or property (whether narrow or wider range) at the discretion of the Trustees.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Structure, governance and management

a. Constitution

The United Reformed Church (Southwestern Synod) Incorporated referred to as "The Trust" is a Company Limited by Guarantee, number 01328728. It is a Registered Charity, number 275364, and its registered office is at Taunton United Reformed Church, 18 Paul Street, Taunton, Somerset, TA1 3PF. In many respects the Trust operates as the manager of the assets which are used to fund and promote the work of the United Reformed Church Southwestern Synod (The Synod), which itself has no funds or assets.

It is governed by a Memorandum and Articles of Association. Its objects, inter alia, are to advance the Christian religion and propagate the gospel and to further the objects, purposes and doctrines of the United Reformed Church, particularly within the Southwestern Synod area.

The principal object of the company is to support local churches by providing training, encouragement, specialist skills and financial support. It does this through invested funds and property sales which generate capital and income.

There have been no changes in the objectives since the last annual report.

b. Methods of appointment or election of Trustees

The existing Council has the power to appoint new members to fill vacancies on the Council.

As noted above, directors must be members of the Synod Executive Committee and are chosen by that committee to serve as Directors of the Trust because of availability and skills.

c. Policies adopted for the induction and training of Trustees

Trustee training is provided when needed to assist Directors to understand their role. Training was carried out on Safeguarding responsibilities of Trustees.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Structure, governance and management (CONTINUED)

d. Organisational structure and decision-making policies

Most of the members of the company are members of its Council, and act as Trustees and Directors. The members of the Council who served throughout the year (unless otherwise indicated) were as listed on page 1 unless noted.

The Council is also served by:

Mr Raoul Hewitt (Assistant Secretary) who is also an employee of the Trust. He will be succeeded in 2022 by Diane Philips.

A number of Trust Officers have been appointed by the Council to carry out the day to day management of the company's affairs, and these are:

Revd Ruth Whitehead - Chair, Mr Ian Harrison - Secretary, Revd Richard Gray - Treasurer and supported by Mr Raoul Hewitt - Assistant Secretary.

All Trustees and Trust Officers act in a voluntary capacity, but Revd Richard Gray receives an Honorarium connected with his bookkeeping role as permitted under the governing document.

Under the terms of the Trust the Directors have delegated the day to day running of the Trust to the Officers. Significant decisions are brought to the Directors of the Trust for concurrence.

The primary purpose of the Trust is to enable the Synod to function effectively. Essentially power of spending Trust Funds is delegated by the Synod to its executive as noted above.

e. Related party relationships

The United Reformed Church South Western Synod and the United Reformed Church (South Western Synod) Incorporated

The Synod through its Executive arranged for the setting up of the United Reformed Church (South Western Synod) Incorporated ("The Trust") to be set up inter alia to take over and manage such assets as may be legally transferred [to the Synod] under the Trusts declared in the URC Acts, Schedule 2 parts I and II and to take over and manage or direct the management of the assets and liabilities of the Synod.

Following discussion with the Charity Commission, in November 1997 the Trust and General Purposes committee and Synod (March 1998) passed resolutions clarifying the situation. Among the important features of the Synod Trust interaction are:

- The Members of the Trust (directors) are drawn from the Synod Executive Committee. Any members of the Trust who cease to be members of Synod Executive Committee cease to be members of the Trust.
- The Trust has funds which are administered on behalf of the Synod or held in trust for local churches.
- The officers are charged with day to day management of the funds, subject always to ratification of their actions by the Synod Executive Committee.
- The Synod Executive Committee on behalf of Synod has the power to make grants; for Property grants it has delegated authority to the Synod Property Committee. The Synod Executive Committee is able to do so because ex officio the Moderator, Synod Treasurer, Trust Treasurer, Trust Secretary and the Synod Property & Trust officer are members of the Synod Property Committee and are all currently members of the Synod Executive Committee.

From 2009 the Synod no longer has any funds or assets of its own. All funds are held and managed by the Trust.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Structure, governance and management (CONTINUED)

f. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Future Developments

There is no planned change in the overall pattern of activities or short terms aims. The steady state outgoings of the Synod Trust are likely to be around £450,000 per year. This requires assets to be increased to enable this level of expenditure to be maintained without the need to draw on capital reserves for regular expenses.

At the end of 2021 we have 1 residential property and 4 churches to dispose of. We also have 1 church leased with a view to subsequent purchase.

Building and major refurbishment projects involving a number of churches in the Synod are in hand.

Funds held as custodian

The Synod Trust is the trustee for most of the churches of the Synod, (although the Elders of the local churches are responsible for day to day management of them) and is the charity trustee except for property disposals pursuant to section 117 of the Charities Act 2011. A description of the funds held on behalf of local churches is contained in the notes to the financial statements. These generally consist of churches and manses and specific investments held in trust for the use of churches in specific areas. The Trust also acts as the trustee for the Synod properties.

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Other information

In order to maintain a suitable capital base, all redundant property assets transfer to the Synod Trust. The synod has agreed that 50% of the net asset value of redundant church buildings will be shared with the Ministers Pension Fund. Where assets of a church that is continuing in some form are sold, the Trust strategy is that usually 40% of the net receipts can be set aside for the continuing church to apply for and the balance reverts to the Trust. In some cases, the 40% can be larger with the consent of the Trust.

The Trust meets the expenses of its employees in line with the URC's Plan for Partnership. It also meets the costs of volunteers' expenses for work undertaken on behalf of the Synod or Trust.

The Trust's policy on investments is to make investments which are suitable for its charitable status, are diversified appropriately to the circumstances, and have regard to short and long term requirements. The needs of capital and income are considered with regard to priorities of balancing maximum income and increasing capital to keep pace with inflation. The policy is reviewed annually to ensure that it is adhered to. The Trust does not make contentious (i.e. non ethical) investments.

The major risk to which the Trust is exposed is the small number of persons who are primarily involved in its activities. As far as possible accounting and other systems minimise this risk. The Trust is aware of the need to ensure adequate succession to its main officers and aims to achieve this from the relatively small pool of suitable persons who are members of the URC.

Banking

The main banker is CAF Bank, with a small account held with Lloyds. We also have a deposit account with CCLA, in addition to investments.

Auditors

Bishop Fleming LLP have indicated their willingness to continue in office as auditors. A resolution will be proposed at a meeting of the Executive (Directors) to appoint the auditors and to authorise the Council to fix their remuneration for the ensuing year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The Trustees' report was approved by order of the members of the board of Trustees on
20 September 2022 and signed on their behalf by:

Mr Ian Harrison
Trust Secretary

Ian Harrison

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)

Opinion

We have audited the financial statements of The United Reformed Church (South Western Synod) Incorporated (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 2021 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statement 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) (CONTINUED)

Other information

The other information comprises the information included in the Trustees' report and financial statements other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Trustees' report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

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 Trustees' 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
- certain disclosures of Trustees' remuneration specified by law are not made
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the 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.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with this Act.

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 Auditors' 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:

- We have considered the nature of the sector, control environment, and financial performance of the charitable company;
- We have considered the results of enquiries with management, the directors in relation to their own identification and assessment of the risks of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Acts, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation claims or breaches of laws or regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of meetings of those charged with governance and reviewing any correspondence with HMRC or regulators;
- reviewing the financial statements disclosures and testing to supporting documentation to assess the

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) (CONTINUED)

recognition of revenue; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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 Auditors' report.

Use of our report

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



Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

29 September 2022

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	32,034	108,825	140,859	253,894
Charitable activities:	4				
Funds arising from closed Churches		-	1,187,392	1,187,392	137,268
Other charitable activities		-	1,821	1,821	1,355
Investments	5	50,443	324,420	374,863	349,385
Other income	6	-	14,466	14,466	6,891
Total income		82,477	1,636,924	1,719,401	748,793
Expenditure on:					
Raising funds	7	2,187	14,608	16,795	6,065
Charitable activities	8	1,790	3,660,542	3,662,332	559,375
Total expenditure		3,977	3,675,150	3,679,127	565,440
Net income/(expenditure) before net gains on investments		78,500	(2,038,226)	(1,959,726)	183,353
Net gains on investments		295,436	1,492,032	1,787,468	770,104
Net income/(expenditure)		373,936	(546,194)	(172,258)	953,457
Transfers between funds	21	(78,500)	78,500	-	-
Net movement in funds		295,436	(467,694)	(172,258)	953,457
Reconciliation of funds:					
Total funds brought forward		1,928,344	15,314,780	17,243,124	16,289,667
Net movement in funds		295,436	(467,694)	(172,258)	953,457
Total funds carried forward		2,223,780	14,847,086	17,070,866	17,243,124

The Statement of financial activities includes all gains and losses recognised in the year.

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

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	2,571,811	2,738,630
Investments	16	13,168,718	11,153,705
Investment property	15	3,548,444	2,837,081
		<u>19,288,973</u>	<u>16,729,416</u>
Current assets			
Debtors	17	20,517	11,424
Cash at bank and in hand		977,932	922,126
		<u>998,449</u>	<u>933,550</u>
Creditors: amounts falling due within one year	18	(784,118)	(238,883)
NET CURRENT ASSETS / LIABILITIES		<u>214,331</u>	<u>694,667</u>
Total assets less current liabilities		<u>19,503,304</u>	<u>17,424,083</u>
Creditors: amounts falling due after more than one year	19	(2,432,438)	(180,959)
NET ASSETS		<u>17,070,866</u>	<u>17,243,124</u>
Total net assets		<u><u>17,070,866</u></u>	<u><u>17,243,124</u></u>
Charity funds			
Restricted funds:			
Restricted funds	21	1,033,403	1,033,404
Restricted revaluation reserve	21	1,190,377	894,940
Total restricted funds	21	<u>2,223,780</u>	<u>1,928,344</u>
Unrestricted funds			
General funds	21	10,179,640	12,101,512
Unrestricted revaluation reserve	21	4,667,446	3,213,268
Total unrestricted funds	21	<u>14,847,086</u>	<u>15,314,780</u>
Total funds		<u><u>17,070,866</u></u>	<u><u>17,243,124</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the Trustees on
20 September 2022 and signed on their behalf by:

Ruth J. Whitehead

Revd Ruth Whitehead

Mr Ian Harrison

I. Harrison

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

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities (see note 23)	(371,495)	(295,341)
Cash flows from investing activities		
Dividends, interests and rents from investments	374,863	349,385
Purchase of tangible fixed assets	(99,558)	(298,692)
Proceeds from sale of investments	699,523	1,246,291
Purchase of investments	(547,527)	(891,975)
Net cash provided by investing activities	427,301	405,009
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	55,806	109,668
Cash and cash equivalents at the beginning of the year	922,126	812,458
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (SEE NOTE 24)	977,932	922,126

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

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

The United Reformed Church (South Western Synod) Incorporated is a company limited by guarantee and is constituted under a Memorandum of Association dated 24 September 2009. The company is also a registered charity. The principal office is 18 Paul Street, Taunton, Somerset, England, TA1 3PF.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The United Reformed Church (South Western Synod) Incorporated meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and consider these sufficient for the charity to be able to continue as a going concern. The trustees have assessed this basis with reference to Covid-19 and have deemed it to be reasonable.

2.4 LOANS

Loans are stated at the value of the cumulative capital and the interest outstanding less provision for amounts that are considered to be doubtful.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. However, the Trustees' report provides more information about the contribution of volunteers.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 CLOSED CHURCHES AND TRANSFERS FROM COUNTY UNIONS

Assets, including investments and properties which come into the Trust's ownership as a result of transfers from County Unions or on the closure of Churches are reflected as an addition to the assets of the Trust in the accounting period in which the legal and beneficial entitlement to those properties passes to the Trust. Where there is no cost to the Trust, properties are recorded at a deemed cost which is calculated using the same method as stated below for the valuation of Investment Properties. Investments in stocks and shares are recorded at their open market valuation.

2.7 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.7 EXPENDITURE (CONTINUED)

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Grants that have been awarded but are not taken up after a period of two years are normally cancelled.

All expenditure is inclusive of irrecoverable VAT.

2.8 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.9 TAXATION

The company is considered to meet the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively to charitable purposes.

2.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% Straight line
Long-term leasehold property	- 2% Straight line
Office equipment	- 10% Straight line
Computer equipment	- 20% Straight line

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.11 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Listed investments are valued using closing quoted market prices.

Investment Properties are stated in the Balance Sheet based on independent valuation where available or, failing this, at the Board's estimation of market valuation having regard to suitable indices and transactions after the year end.

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Any movement in the market value over the year is taken to the Revaluation Reserve. If the transfer to Revaluation Reserve is to reflect a diminution in market value, then any excess over the balance currently held in the reserve will be transferred against the general funds.

No depreciation is provided on the Provincial Trusts Investment Properties.

2.12 ASSETS HELD IN TRUST FOR OTHERS

At the end of the year the Trust held investments and deposits on behalf of local churches and trusts. All of these assets are held to the order of local church and trusts concerned and are not shown in these financial statements.

The Trust Corporation also holds money in a bank account bearing its name which is held on trust for various local churches and cannot be expended by the Trust Corporation. These monies, which are detailed in the notes to the financial statements are not reflected on the balance sheet of these Financial Statements.

2.13 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.14 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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2. ACCOUNTING POLICIES (continued)

2.15 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.16 FINANCIAL INSTRUMENTS

The company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.17 PENSIONS

The company operates a defined pension benefits pension scheme for lay staff.

The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS102, the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period.

2.18 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 assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The charity owns a number of investment properties which are subject to annual valuation. Independent valuations by professionally qualified valuers are obtained at least every 5 years. In other years, the valuations are reviewed and updated by the trustees having regard to known information and suitable indices.

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2. ACCOUNTING POLICIES (continued)

2.19 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. INCOME FROM DONATIONS, LEGACIES AND GRANTS

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations - Property	-	105,825	105,825	240,000
Legacies	-	3,000	3,000	-
Grants	32,034	-	32,034	13,894
	<u>32,034</u>	<u>108,825</u>	<u>140,859</u>	<u>253,894</u>
TOTAL 2020	<u>13,894</u>	<u>240,000</u>	<u>253,894</u>	

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4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Funds arising from Closed Churches	1,187,392	1,187,392	137,268
Loan interest	721	721	1,355
Training and conference receipts	1,100	1,100	-
TOTAL 2021	<u>1,189,213</u>	<u>1,189,213</u>	<u>138,623</u>
TOTAL 2020	<u>138,623</u>	<u>138,623</u>	

Funds arising from closed Churches comprise:

	2021 £	2020 £
Capital funds - Property	1,166,700	120,000
Other funds	20,692	17,268
	<u>1,187,392</u>	<u>137,268</u>

5. INVESTMENT INCOME

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income from investment properties	7,140	48,230	55,370	57,220
Income from listed stock exchange investments	43,298	276,153	319,451	290,902
Bank interest	5	37	42	1,263
TOTAL 2021	<u>50,443</u>	<u>324,420</u>	<u>374,863</u>	<u>349,385</u>
TOTAL 2020	<u>49,364</u>	<u>300,021</u>	<u>349,385</u>	

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6. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Sundry income	14,466	14,466	6,891
TOTAL 2020	6,891	6,891	

7. INVESTMENT MANAGEMENT COSTS

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	2,187	14,608	16,795	6,065
TOTAL 2020	-	6,065	6,065	

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	1,790	3,660,542	3,662,332	559,375
TOTAL 2020	11,686	547,689	559,375	

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8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £	Total funds 2020 £
Direct and support costs excluding governance	261,212	5,473	3,395,647	3,662,332	559,375
TOTAL 2020	235,638	5,673	318,064	559,375	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	166,247	3,240,929	255,156	3,662,332	559,375
TOTAL 2020	159,784	193,690	205,901	559,375	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	88,155	88,155	98,952
Training and Conferences	12,249	12,249	13,915
Church Support	3,137	3,137	3,334
Pulpit supply relief	-	-	90
Safeguarding	20,393	20,393	-
Miscellaneous direct costs including youth activities and MMF	-	-	1,732
Pioneer special category minister	4,183	4,183	-
Other special category ministers	3,278	3,278	4,749
Synod Pastoral Advisors	36,444	36,444	19,386
Property expenses	(1,592)	(1,592)	17,626
	<u>166,247</u>	<u>166,247</u>	<u>159,784</u>
TOTAL 2020	<u>159,784</u>	<u>159,784</u>	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	173,057	173,057	136,686
Depreciation and Impairment	5,473	5,473	5,673
Synod Activities	1,614	1,614	6,661
Synod office parking	7,000	7,000	6,880
Staff expenses and training	14,977	14,977	5,402
Printing Stationery and postage	5,094	5,094	5,298
Utilities/sundries	4,237	4,237	3,725
Synod office expenses	10,273	10,273	9,517
Property expenses	18,320	18,320	15,778
Governance costs including auditors remuneration	15,111	15,111	10,281
	<u>255,156</u>	<u>255,156</u>	<u>205,901</u>
TOTAL 2020	<u>205,901</u>	<u>205,901</u>	

10. NET INCOME/EXPENDITURE

	2021 £	2020 £
Depreciation of tangible fixed assets - owned by the charity	<u>5,473</u>	<u>5,674</u>

11. ANALYSIS OF GRANTS

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Institutional grants	<u>3,240,929</u>	<u>3,240,929</u>	<u>193,690</u>

All grants are payable to institutions. There were no grants to individuals in 2021 or 2020.

The company has made the following material grants to institutions during the year:

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11. ANALYSIS OF GRANTS (CONTINUED)

	2021 £	2020 £
Grants to institutions other than Churches	3,044,695	86,260
Enabling grants	100,049	126,034
Mission grants	27,123	(17,693)
Property grants:		
- Survey grants	4,065	3,197
- Facelift grants	48,229	(10,013)
- Building grants	14,978	(1,740)
- Feasibility grants	-	5,885
Other grants	1,790	1,760
	<u>3,240,929</u>	<u>193,690</u>
	<u>3,240,929</u>	<u>193,690</u>

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11. ANALYSIS OF GRANTS (CONTINUED)

The Synod Trusts makes a number of grants to local churches and associated Ecumenical Partners.

Building/Property Grants

These comprise:

- Facelift Grants offered to local churches of up to 50% of cost to a maximum of £10,000 no more frequently than once every 5 years for major renovations
- Building Grants of 10% of the balance of any costs of expenditure on adaption, extension or repair and maintenance of local churches and manses
- Special Property Grants may be made in cases where the Executive determine such an award is desirable.
- 50% Grants are available to local churches for Survey Grants assessing the need of the church building or manse for repairs and maintenance of the structure. Churches are encouraged to carry out such surveys every 5 years.
- 50% grants are available to help churches carry out surveys for the presence of asbestos in the buildings.

Mission Grants

Mission grants of up to £5,000 per annum for up to 5 years for projects which enhance the Mission of the Local Church

Enabling Grants

Enabling grants are available to churches who would like to do something in their church life but need extra financial help. Small grants are offered up to £2500 and larger grants up to £25000 per annum.

Grants to institutions other than Churches

- Feasibility Grants are offered for up to 50% of the costs of a major Feasibility study of the suitability of the church for its mission. These are capped at £2000.
- There are grants available for assistance with providing Chaplaincy services in Universities and retail areas.
- The Trust makes a Grant to other Synods in less fortunate financial position. This is managed via an Inter Synod Resource Sharing group.
- Grants are made to Churches Together in England Ecumenical bodies in the area covered by the Synod.
- Grants are made to a Benevolent Fund managed by the Synod Moderator for the alleviation of special needs among ministers in the area
- The Synod Trust has been asked by the URC Ministers Pension Fund to make a supplementary grant to fill a share of the shortfall of around £50 million in the Pension Fund assets to cover the greater liabilities caused by the Pension Regulator's requirement to use less risky investments to provide the assets that underpin the liabilities. The Synod Trust has amended its grant making to give 50% of the Synod Trust's net proceeds of the sale of any building or property until further notice. The Synod Trust has committed to making donations totalling £3,000,000 over the next 8 years, the first tranche of £250,000 having been paid in 2021. If property sales do not cover the commitment in any particular year the Synod Trust will meet any shortfall from its reserves.
- The Synod Trust further resolved to make no more contributions to the Retired Ministers Housing Trust as this now has sufficient funds to meet its likely commitments to Ministers retiring and needing to be provided with housing.

ANALYSIS OF GRANTS

A full summary of all grants made can be found on the charity website www.urcsouthwest.org.uk.

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Included within Institutional and Enabling grants are the following amounts of £10,000 or more:

	2021 £	2020 £
Inter Synod Resource sharing	35,000	25,000
Retired Ministers Pension Fund	3,000,000	15,670
Exeter University Free Church Chaplaincy	-	35,000
Bridgwater	15,818	-
Taunton workwise	-	15,000
Zion Grampton Cottrell	-	20,000
Derriford	12,000	-
Flavel projects	12,793	-
Flavel ministry	-	65,000
Teignmouth	31,500	-
Newton Abbot	10,000	-
	<u>3,117,111</u>	<u>175,670</u>

Included within Mission grants are the following amounts of £10,000 or more:

	2021 £	2020 £
Emmanuel Swindon	10,170	-
Pilgrim Plymouth	15,625	-
	<u>25,795</u>	<u>-</u>

Included within Facelift grants are the following amounts of £10,000 or more:

	2021 £	2020 £
Axminster	-	-
Bideford Lavington	-	10,000
Glastonbury	10,000	-
Emmanuel Hayden Wick	-	10,000
Korean Church	-	10,000
Lynton	10,000	-
Redland Park	10,000	-
	<u>30,000</u>	<u>30,000</u>

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Included within Building grants are the following amounts of £10,000 or more:

	2021 £	2020 £
Barnstaple	-	11,238
	<u>-</u>	<u>11,238</u>

12. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £11,160 (2020 - £10,020).

13. STAFF COSTS

	2021 £	2020 £
Wages and salaries	247,253	212,177
Social security costs	15,821	13,182
Contribution to defined contribution pension schemes	37,888	34,414
	<u>300,962</u>	<u>259,773</u>

The average number of persons employed by the company during the year was as follows:

	2021 No.	2020 No.
Staff engaged on charitable activities	<u>14</u>	<u>12</u>

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13. STAFF COSTS (CONTINUED)

No employee received remuneration amounting to more than £60,000 in either year.

All staff are paid centrally through the URC central office.

Except as detailed below, no trustee was paid or is due to be paid any remuneration out of Trust funds.

Staff costs are allocated between restricted and unrestricted expenditure based on which project the salary costs relate to.

TRUSTEES

Trustee Revd R Gray receives £1,000 honorarium in respect of Bookkeeping activities in addition to expenses (2020 - £1,000).

The above remuneration paid to Trustees is permitted in accordance with Section 185 of the Charities Act 2011.

During the year, no Trustees received any benefits in kind (2020: £NIL).

1 Trustee received reimbursement of expenses amounting to £144 in the current year, (2020: 2 Trustees - £344).

KEY MANAGEMENT PERSONNEL

The gross remuneration paid by the charity during the year in respect of key management personnel was £33,189 (2020 - £32,621). Pension and national insurance contributions were payable in addition totalling £10,711 (2020 - £11,145) giving total key management compensation of £43,900 (2020 - £43,766).

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14. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
COST					
At 1 January 2021	2,455,395	412,910	1,980	15,874	2,886,159
Additions	99,558	-	-	-	99,558
Transfers between classes	150,606	(412,910)	-	-	(262,304)
At 31 December 2021	<u>2,705,559</u>	<u>-</u>	<u>1,980</u>	<u>15,874</u>	<u>2,723,413</u>
DEPRECIATION					
At 1 January 2021	141,914	800	1,287	3,528	147,529
Charge for the year	1,550	-	396	3,527	5,473
Transfers between classes	(600)	(800)	-	-	(1,400)
At 31 December 2021	<u>142,864</u>	<u>-</u>	<u>1,683</u>	<u>7,055</u>	<u>151,602</u>
NET BOOK VALUE					
At 31 December 2021	<u><u>2,562,695</u></u>	<u><u>-</u></u>	<u><u>297</u></u>	<u><u>8,819</u></u>	<u><u>2,571,811</u></u>
At 31 December 2020	<u><u>2,313,481</u></u>	<u><u>412,110</u></u>	<u><u>693</u></u>	<u><u>12,346</u></u>	<u><u>2,738,630</u></u>

During the year the Synod has transferred their investment property, 2 Meadow View, Bridgewater property to Freehold property at cost value of £395,226. The Synod has also transferred the freehold property, 2 Belle Vue Lynton and Leasehold 109 Egerton Road, Bristol to investment property at net book value of £657,330. These transfers are to reflect the long term change of use of these properties.

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15. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2021	2,837,081
Additions	830,721
Disposals	(520,000)
Surplus on revaluation	139,738
Transfers between classes	260,904
At 31 December 2021	<u>3,548,444</u>

The historical cost of investment properties at 31 December 2021 was £2,480,805 (2020 - £1,901,948).

Valuations of investment properties are based upon independent professional valuations within the past 5 years based upon open market values for actual or planned use. All valuers used are professionally qualified with recent experience in the location and class of the investment property at the time of making the valuation.

Where the independent valuations were undertaken prior to 31 December 2021, the trustees have reviewed and updated the valuations at 31 December 2021 having regard to suitable indices and transactions after the year end.

In addition to the deficit on revaluation noted above, realised gains on disposal of investment property during the year amounted to £30,621.

During the year the Synod has transferred their investment property, 2 Meadow View, Bridgewater property to Freehold property at cost value of £395,226. The Synod has also transferred the freehold property, 2 Belle Vue Lynton and Leasehold 109 Egerton Road, Bristol to investment property at net book value of £657,330. These transfers are to reflect the long term change of use of these properties.

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16. FIXED ASSET INVESTMENTS (OTHER THAN PROPERTY)

	Listed investments £	Loans £	Total £
COST OR VALUATION			
At 1 January 2021	10,967,463	186,242	11,153,705
Additions	317,961	228,845	546,806
Disposals	-	(148,902)	(148,902)
Revaluations	1,617,109	-	1,617,109
AT 31 DECEMBER 2021	12,902,533	266,185	13,168,718
NET BOOK VALUE			
AT 31 DECEMBER 2021	12,902,533	266,185	13,168,718
AT 31 DECEMBER 2020	10,967,463	186,242	11,153,705

The Synod Trust's capital may be invested in any investment, security or property (whether narrow or wide range) at the discretion of the Trustees.

Loans comprise loans to Churches of £260,545 (2020 - £177,411) and loans to ministers of £5,640 (2020 - £8,831).

17. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Other debtors	8,311	4,541
Prepayments and accrued income	12,206	6,883
	20,517	11,424

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18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Mission and enabling grants	14,747	20,341
Other committed grants	760,071	210,542
Accruals	9,300	8,000
	<u>784,118</u>	<u>238,883</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Mission and other committed grants	2,432,438	180,959
	<u>2,432,438</u>	<u>180,959</u>

As Mission Grants are often multi year grants, they are all taken on the books as liabilities from the date of approval. The amount likely to become due in the current year are taken as current year liabilities, and the balance taken as commitments due in 2-5 years. In addition, the grant awarded to the United Reformed Church Trust Ltd (see note 26) is being paid by instalments over the 9 years ended 31 December 2029. £2.25m is included within amounts falling due after more than one year and a further £500,000 is included within amounts falling due within one year.

20. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	14,146,650	12,075,831
	<u>14,146,650</u>	<u>12,075,831</u>

Financial assets measured at fair value through income and expenditure comprises listed investments, loan investments and cash at bank and in hand

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21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
UNREST'D FUNDS						
Fixed asset fund	2,738,630	30,620	(5,473)	(191,966)	-	2,571,811
Loans funds	186,242	721	-	79,222	-	266,185
Investment property	2,487,080	830,721	-	(289,716)	138,859	3,166,944
Investment stocks and shares	7,800,000	-	-	-	-	7,800,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	2,098,740	774,862	(3,669,677)	480,960	1,353,173	1,038,058
	<u>15,314,780</u>	<u>1,636,924</u>	<u>(3,675,150)</u>	<u>78,500</u>	<u>1,492,032</u>	<u>14,847,086</u>
RESTRICT'D FUNDS						
General purpose fund	1,778,593	50,443	(3,977)	(78,500)	277,758	2,024,317
Closed church fund	130,849	-	-	-	17,678	148,527
DFES fund	925	-	-	-	-	925
Training fund and grants	7,436	21,749	-	-	-	29,185
Other small restricted grants received	10,541	10,285	-	-	-	20,826
	<u>1,928,344</u>	<u>82,477</u>	<u>(3,977)</u>	<u>(78,500)</u>	<u>295,436</u>	<u>2,223,780</u>
TOTAL OF FUNDS	<u><u>17,243,124</u></u>	<u><u>1,719,401</u></u>	<u><u>(3,679,127)</u></u>	<u><u>-</u></u>	<u><u>1,787,468</u></u>	<u><u>17,070,866</u></u>

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21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
UNREST'D FUNDS						
Fixed asset fund	2,445,611	-	(5,674)	298,693	-	2,738,630
Loans funds	13,113	1,355	-	171,774	-	186,242
Investment property	3,501,389	120,000	-	(1,108,700)	(25,609)	2,487,080
Investment stocks and shares	7,800,000	-	-	-	-	7,800,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	621,789	564,180	(548,080)	689,805	771,046	2,098,740
	<u>14,385,990</u>	<u>685,535</u>	<u>(553,754)</u>	<u>51,572</u>	<u>745,437</u>	<u>15,314,780</u>
RESTRICT'D FUNDS						
General purpose fund	1,767,298	49,364	(3,382)	(51,572)	16,885	1,778,593
Closed church fund	123,067	-	-	-	7,782	130,849
DFES fund	1,035	-	(110)	-	-	925
Training fund and grants	1,736	5,700	-	-	-	7,436
Other small restricted grants received	10,541	8,194	(8,194)	-	-	10,541
	<u>1,903,677</u>	<u>63,258</u>	<u>(11,686)</u>	<u>(51,572)</u>	<u>24,667</u>	<u>1,928,344</u>
TOTAL OF FUNDS	<u>16,289,667</u>	<u>748,793</u>	<u>(565,440)</u>	<u>-</u>	<u>770,104</u>	<u>17,243,124</u>

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The principal Restricted Funds were established by the Charity Commissioners by a scheme on 5 October 1992 (CD(TI)275364A/1).

The income from the restricted General and Closed Churches Funds is payable to the General Fund and the transfer of £78,500 above represents the payment of the income for the year to unrestricted funds.

The fixed assets, loan and investment property designated funds represent the value of reserves tied up in those particular assets. The investment stocks and shares designated fund represents the proportion of listed investments that the charity currently deems appropriate to ring fence as being held for the long term for income generating purposes. The funds have been separately designated as they are not expected to be readily available for use as working capital in the short term.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	2,571,811	2,571,811
Fixed asset investments	2,030,087	11,138,631	13,168,718
Investment property	381,500	3,166,944	3,548,444
Current assets	-	998,449	998,449
Creditors due within one year	(187,807)	(596,311)	(784,118)
Creditors due in more than one year	-	(2,432,438)	(2,432,438)
TOTAL	2,223,780	14,847,086	17,070,866

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	2,738,630	2,738,630
Fixed asset investments	1,766,150	9,387,555	11,153,705
Investment property	350,000	2,487,081	2,837,081
Current assets	-	933,550	933,550
Creditors due within one year	(187,806)	(51,077)	(238,883)
Creditors due in more than one year	-	(180,959)	(180,959)
TOTAL	1,928,344	15,314,780	17,243,124

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(172,258)	953,457
ADJUSTMENTS FOR:		
Depreciation and impairment charges	5,473	5,674
Non cash donations and capital funds	(1,166,700)	(120,002)
Losses on investments	(1,756,847)	(837,010)
Dividends, interests and rents from investments	(374,863)	(349,385)
Loss/(gain) on the sale of fixed assets	(30,621)	65,551
Non cash donations and capital funds converted to cash	336,700	-
Decrease/(increase) in debtors	(9,093)	13,378
Increase/(decrease) in creditors	2,796,714	(27,004)
NET CASH USED IN OPERATING ACTIVITIES	(371,495)	(295,341)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	977,932	922,126
TOTAL CASH AND CASH EQUIVALENTS	977,932	922,126

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	922,126	55,806	977,932
	922,126	55,806	977,932

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. PENSION COMMITMENTS

Pension scheme for lay staff

The company contributed £37,888 (2020: £33,314) 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 employer contribution rate for 2021 was 32.6%. The scheme is a defined benefit scheme but the company is unable to identify its share of the underlying assets and liabilities – each member in the scheme pays a common contribution rate.

The most recent formal actuarial review of the scheme was at 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

Pension scheme for Church Ministers

The Minister's Pension Scheme (which is the responsibility of the United Reformed Church Trust Ltd (URCTL)) was valued at 31 December 2020. URCTL were forced to accept a lower discount rate which meant that the fund was in deficit, and needs a large infusion of funds to meet its long term funding target.

During 2021 the Charity has committed a figure of £3 million to URCTL over 8 years as a contribution towards the obligations that URCTL has to the Minister's Pension Scheme. This will be made up from the proceeds of sale of buildings no longer needed. This will probably include both manses and church buildings, and will likely involve a significantly higher share going to the fund. The Charity has committed specific figures from 2021 for each year and if buildings proceeds are insufficient to meet any commitments, the Charity shall use reserves to meet the shortfall. The commitment has been included within expenditure in note 11 to the financial statements.

27. RELATED PARTY TRANSACTIONS

Trustees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total remuneration in respect of these individuals excluding honoraria for other services is £Nil (2020 - £Nil).

The spouse of a Trustee is employed by the Charity and received a salary in respect of their employment of £6,900 (2020 - £6,720).

Details of the remuneration of key management personnel including non Trustees is set out in note 13.

There have been no transactions with related parties other than those stated above and in note 13.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

28. EARMARKED FUNDS

The balances of Earmarked Funds held on behalf of local churches and trusts not otherwise reflected in these financial statements outstanding on 31 December were:

	2021	2020
	£	£
Capital funds	394,647	435,491
Income funds	117,729	86,659
Invested funds	522,151	522,151
	<u>1,034,527</u>	<u>1,044,301</u>

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) INCORPORATED

England & Wales - Charity number 275364

Accounts

Registered number: 01328728
Charity number: 275364

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
INCORPORATED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

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**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees	Revd Ruth Whitehead, Chairman Mr Ian Harrison, Trust Secretary Mr David Hayden, Trust Officer (Resigned 10 September 2020) Revd Christopher Baillie Revd Richard Gray, Treasurer Mrs Jill Stidson Revd Donald Macalister Revd Lythan Nevard Mrs Maria Mills
Company registered number	01328728
Charity registered number	275364
Registered office	18 Paul Street Taunton Somerset TA1 3PF
Company secretary	Mr Ian Harrison
Chairman	Revd Ruth Whitehead
Independent auditors	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Lloyds Bank PLC 2 Palace Avenue Paignton Devon CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent
Solicitors	WBW Solicitors The Forum Barnfield Road Exeter EX1 1QR Star Legal Ltd 40 High Street Thornbury BS35 2AJ

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The United Reformed Church (South Western Synod) Incorporated (the company) for the ended 31 December 2020. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small 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.

Objectives and activities

a. Policies and objectives

Summary of objects

1. The administration of the Trust's assets and the provision of funds for the work of the South Western Synod.
2. Acting as property holding trustee of local churches, within the terms of the United Reformed Church Acts 1972 and 1981 and 2000.
3. Acting as trustees of endowments of local churches and the Synod, with responsibility for administering them.
4. Acting as trustee for "earmarked" funds, which are not reflected in the accounts.
5. Acting as trustee of various Charity Commissioners' schemes.

The Charity has had "due regard to the guidance published by the Charity Commission" in respect of public benefit. Trustees and management consider that the functions below facilitate the provision of public worship for the public benefit.

Earmarked funds are those held by the Trust on behalf of churches within the Synod.

Objectives for 2020

The primary objective of the Synod is to support local churches by providing training, encouragement, specialist skills and financial support. It does this through invested funds and property sales which generate capital and income.

b. Strategies for achieving objectives

Explanation of aims

The primary aim of the Trust is to act as managing trustee for all the tangible resources of the Synod and to fund the activities of the Synod. This latter is achieved by having sufficient income generating funds for the Synod to be an effective supporter of the churches. Thus, there are investment properties generating income and the potential for capital growth, and investments which generate income and some capital growth. The objective is to ensure that there is sufficient income for the needs for the foreseeable future for the work of the Synod. The figure is rising both by inflation and increased expectations as well as by governance requirements.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Objectives and activities (CONTINUED)

c. Activities undertaken to achieve objectives

The primary functions of the Synod and therefore the Trust are:

- To provide prophetic leadership for the Synod and to provide encouragement and support for churches, their leadership and ministers and to encourage them in prophetic witness and discipleship
- Provide funds to encourage and enable new and innovative ways of mission in the local churches
- Provide training and development for Ministers and lay people to enable them to proclaim the Gospel and lead mission
- Provide support for ecumenical activities at local and regional levels
- Provide legal and technical support in the maintenance and development of local church properties

d. Personnel

In order to further the life, work and witness of the synod, and its local churches, the following staff posts have been established and filled:

- Property and Trust Officer - Mr Raoul Hewitt is a part time employee of the Trust. The Trust meets all salary and pension costs and incurred approved expenses.
- Synod Office Administrator - Mrs Hilary Bradshaw: part time employee of the Trust. The Trust meets all salary and pension costs and incurred approved expenses.
- Synod Secretary - Mrs Dinah Firmin: a part time employee of the Trust. The Trust meets all salary and pension costs and approved incurred expenses.
- Mrs Gwen Jennings has been appointed as Synod Clerk on a part time basis. She is paid a salary by the trust. She attends Executive and Trustee meetings but is not a Trustee due to her salaried status.
- Ms Michelle Howard was appointed a Church Development Worker commencing on 2 January 2018. She has been paid a salary from that date.
- Ms Paula MacDonagh was appointed Assistant Trust & Property Officer from November 2018.
- Synod Safeguarding officer - Ms Janice Murphy is a full time employee of the Trust. The Trust meets all her costs including salary, pension and expenses.
- Synod Stepwise co-ordinator - Revd Roy Lowes was appointed in October 2020 on a part time basis. The Trust meets all costs.
- Synod Pastoral advisors - The Synod employs up to 6 Pastoral advisors with responsibilities for linking local churches to the Synod and forming the Pastoral committee. These may be lay or ordained staff and all costs are met by the Trust. They are paid on a part time basis.
- Rural Minister for East Devon - Revd Aiyana Gardner was appointed in August 2020. Her stipend is met by the URC centrally. Her costs are largely met by the Synod with contributions from the churches she serves. She also serves as a part time minister to Heavitree & Pinhoe URC, who meet their share of her costs. She is housed in a manse at Axminster.

The officers of the Synod and of the Trust are:

- Moderator - Revd Ruth Whitehead: stipend, housing and support costs are met by the United Reformed Church centrally. Some hospitality and some expenses are met by the Trust.
- Synod Clerk - Mrs Gwen Jennings is paid a salary for her part time work as clerk.
- Trust Treasurer – Revd Richard Gray: apart from an honorarium - no costs are incurred other than legitimate approved expenses.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Objectives and activities (CONTINUED)

e. Grant making policies and other financial support

The Trust's policy on grant making is to make grants for capital expenditure projects and for Mission Projects as needed. This is done on an ad hoc basis as the need arises. It does not make grants to non URC bodies other than to Ecumenical Groups of which the URC SW Synod is a participant. It also makes grants to URC local churches that normally have ministry provided by a URC minister to cover provision of preaching where the usual minister is unavailable for reasons of sickness, training or seeking a new appointment.

Property grants cover 50% of 5 yearly survey costs and asbestos survey costs provided that the report is shared with the Synod. Churches may apply for facelift grants no more often than once every 5 years for works associated with maintaining the church buildings in good order. The grant is 50% of costs to a maximum of £10,000. In addition, churches may apply for support for up to 10% of costs of works on the building. Where a church has a sharing agreement these grants are reduced according to the number of shares.

Mission grants are for the development of URC Mission in local churches. It would be expected that there is at least a matching contribution from the local church.

In 2018 we introduced Enabling Grants to help churches with their work. There is a simplified form for grants of up to £2,500 and a more extended application for grants up to £25,000.

The URC runs two defined benefit pension schemes, one for ministers and one for lay staff. Due to the additional prudence required by the Pensions Regulator the Minister's' Pension Funds requires additional payments to ensure there are sufficient funds to meet the liabilities of the fund. The Synod Trust has committed 10% of the proceeds of sale of redundant church buildings to this, with the balance made up from Trust funds. The Lay scheme is presently in a good position. For 2021 we have indicated a potential willingness to commit significant funds to meeting the needs of the liabilities of the Ministers Pension Fund. The URC shall also be taking a resolution to General Assembly to terminate both defined benefit schemes and replace them for future service by a Defined Contribution Scheme. This will reduce the costs of future service pensions, but will leave the existing scheme deficit in place which will require funding. Further details are provided in note 26 to the financial statements.

The Trust can also make loans to churches and ministers. Ministers' loans are to support purchase of a car and must be repaid within 4 years. Church loans are to support major works and to qualify there must be the capability of repayment within usually 5 years. Loan interest is charged at 1% above the Bank of England base rate.

Where a church needs to make significant investment in the fabric of a manse, but does not have the means to do so, the Trust may consider taking an equity share in the manse. All maintenance responsibility remains with the local church. If the manse is rented to a third party rent income would be apportioned between church and Trust according to their ownership share. Significant capital works costs would also be apportioned.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Objectives and activities (CONTINUED)

f. Main activities undertaken to further the company's purposes for the public benefit

Having regard to the guidance published by the Charity Commission, the Trustees continued to provide public benefit by seeking to advance the Christian religion in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. The 108 local churches are all separate charities.

Worship and partnership

The South Western Synod of the United Reformed Church is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the area covered. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have several shared congregations.

Making a difference

As the Catch the Vision prayer states, we are 'God's people', being 'transformed by the gospel' in order to 'make a difference'. That 'difference' is being made in many ways, from the preaching of the gospel, through the pastoral care which helps individuals manage the traumas and transitions of life, to the community building undertaken by our Church Related Community Workers (CRCWs), and the funds that we raise to reduce world poverty through Commitment for Life. The Local Mission and Ministry Review process, through which the Synods challenge and support their churches, is another key vehicle for increasing the effectiveness of local witness and service.

g. Volunteers

The company is grateful for the unstinting efforts of its volunteers who are involved in many aspects of its work.

- Currently our Synod Treasurer supports our bookkeeper. Estimated hours expended around 200.
- We have several line managers who offer us around 50 hours of volunteer effort.
- We have a number of people who serve on various Synod committees totalling around 500 hours

It is estimated that around 1200 volunteer hours were provided during the year. If this is conservatively valued at £10 an hour the volunteer effort amounts to over £12,000.

Strategic report

Achievements and performance

a. Key performance indicators

The primary indicators of the work of the Synod are that spending (apart from Grants) should be broadly in line with the budget prepared and that the income should be broadly in line with expectations. The other financial indicator should be that our overall balance sheet should not decrease significantly.

Work is financed primarily from investment income and sale of properties; the latter can be difficult to predict. Much of our expenditure is concerned with staff salaries and other costs, which are relatively stable. Grants are allocated as necessary, and since some of these are for extended periods, these can have a short-term impact on our balance sheet.

In 2020 our overall performance was within our expectations.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Strategic report (CONTINUED)

Achievements and performance (CONTINUED)

b. Review of activities

Performance in 2020

2020 continued to be a challenging year, with ultra-low deposit returns and a property market that has made it challenging to sell redundant properties. However, investment returns from the stock exchange have almost maintained their value and dividends have been maintained. This was further exacerbated by government restrictions related to the COVID pandemic. This has meant that staff have largely been working from home since March 2020. No staff have been furloughed.

- **Support for churches**
The Synod has met its obligations in supporting churches through the efforts of the Synod Moderator and other members of the staff.
- **Ecumenical support**
The Synod has continued to support the work of the Ecumenical bodies and several ecumenical projects. Ecumenical grants totalled £4,940 and were given to 5 Churches Together groups working in the Synod. We have also supported County Shows where the churches are represented.
- **Property**
Property grants are offered to churches to enable premises to be effective for mission purposes. These grants included grants of 50% of the costs for 5 yearly surveys, grants of 50% of the costs for asbestos surveys, Facelift grants for major developments granted at most once every 5 years, and grants of up to 10% towards building costs for approved building works. Net grants of (£2,671) were made in the year including the release of unused grants from prior years (£186,824 in 2019). Major recipients are listed in note 11 and a full list in Annex v.
- **Chaplaincy**
The Synod supports Chaplaincy activities at the University of Bristol to the total of £14,000 drawn from committed liabilities.
- **Other support**
As a part of its sharing with the other Synods the Trust made a grant of £20,000 to those Synods unable to meet their costs and made provisions for future years of £65,000. The Synod Trust recognises that it has a responsibility as a part of the URC family to ensure that Pensions earned by both minister and Lay staff are fully funded. Therefore we have committed 10% of proceeds of sale of redundant church buildings to the Minister's Pension Fund. This year In 2020 we contributed £15,670 to this fund.

c. Investment policy and performance

The Trust's funds may be invested in any investment, security or property (whether narrow or wider range) at the discretion of the Trustees.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

b. Financial statements

Income to meet the objects of the charity is derived from capital funds subject to Charity Commissioners' schemes, general purpose funds and from the sale of redundant properties and the closure of churches in accordance with Schedule 2 of the United Reformed Church Acts 1972 and 1981 and 2000. These funds are held for the religious and charitable work of the churches in the South Western Synod.

The total incoming resources for the year before investment gains and losses are £748,793 (£2,025,741 in 2019). There was a very low level of deposit interest, and we have therefore kept the deposit holdings as low as possible during the year. New loans to ministers of £6,534 and £368,382 to 4 churches (£0 and £249,765 to 3 churches in 2019) were made during the year and repayments, conversions to capital and provisions totalled £3,307 and £199,835 respectively leaving balances of £8,831 & £177,411 (£5,539 & £7,574 in 2019) (Note 16).

Charitable expenditure by the Synod Trust (other than grant making) totalled £371,750 (£557,292 in 2019) and in addition grants to churches and other bodies totalled £193,690 (£232,900 in 2019) of which £(2,671) (£186,824 in 2019) was for property related grants. The grant figures are net of the release of prior year grants which have not been taken up. Some of the grants are conditional and depend upon schemes being submitted.

All grant commitments are taken as liabilities from the date they are awarded. Some are one year (all property grants) and some commitments extend up to 5 years.

Various "earmarked" funds arising from the sale of properties are administered by the Trust Corporation until such time as the funds are required for new expenditure by local churches. Some of the funds may be released in due course to the Trust for general purposes as a result of 3 way meetings between church, Synod and Trust. These funds are not reflected in the accounts, but note 28 gives the total of amounts involved.

The Charity Commissioners have established a number of schemes with the Trust Corporation as managing trustee, comprising funds arising from the apportionment of County Union Funds. The capital of these funds is maintained separately, but income arising may be used for general purposes and, where designated, for welfare purposes. These are Restricted Funds as defined by the Charities Act 2011 and details are shown in note 21.

Details of the funds amounting to £17,243,124 (of which £1,928,344 represents Charity Commissioners Scheme and other restricted funds) and how they are represented by assets are shown in the Balance Sheet.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

c. Principal risks and uncertainties

During the year the trustees have undertaken a review of the risks with which the Synod Trust is faced. This is carried out by means of an annual review to identify risks in their areas and to report, noting the measures that are being taken to manage the risk. The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into two areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with a declining membership and consequent reduction in resource.

Reputational matters are taken very seriously and the Trust has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the Moderator who will advise on its handling or, if the matter is particularly sensitive, may escalate to the Central organisation.

We have also begun to be involved in consideration of the URC Ministers Retirement Fund which provides pensions for ministers. As a result of government concerns about risks of default on commitments to defined benefit pension schemes the URC and its Pension Fund Trustees have asked the Synod Trusts for help with reducing the level of risk and committing to providing back-up contingency funds to meet any shortfalls in the funds available to pay pensions. The Synod Trust has indicated a potential willingness to help, but details are still to be determined on how this might be realised.

The safeguarding of children and adults at risk is seen as a key responsibility of the Trust. Revised guidance on safeguarding matters was issued to all churches in 2020 and materials are available on the Trust's website. Churches are required to report annually on safeguarding matters to the synod's safeguarding officer. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

2020 saw the advent of the COVID-19 pandemic which forced many businesses to close down. The Synod Trust has not seen any material changes in our finances directly as a result of COVID as most of our income comes from sale of buildings or investments. We have seen minor reductions in travel budgets. Our investment income has remained fairly robust and valuations have increased in 2020. Many of our churches have seen significant falls in income in 2020 which has caused many to reduce their giving to the M&M fund. We decided not to top up the giving in 2020 as the Central funds were in a slight surplus.

d. Reserves policy and reserves

At 31 December 2020 the Charity had unrestricted reserves amounting to £15,314,780. Included in this sum are £2,738,630 being the value of property actually used by the Synod, fixed asset investments of £7,800,000 that are being held primarily for income generation purposes along with investment properties of £2,487,080 and loans to Churches, and ministers totalling £186,242. Residual free reserves amount after allowing for other smaller designations of funds amount to £2,098,740.

The Charity considers it appropriate to retain a minimum level of free reserves of equivalent to resources expended in approximately 12 months i.e. £450,000. This allows for fluctuations in the level of income and variations in cash flow. As house purchase is often involved, significant sums can be involved. In 2021 we have committed to provide an additional £2 million to the Minister's Pension Fund over the next 5 years and a further £1 million in the 5 years following. This will significantly reduce our reserves.

The Trust aims to provide for all expenditure, including grants, from its annual income. It does not hold Reserve Funds, except for the Revaluation of Assets Reserve. Capital is held to provide the income necessary to maintain its activities.

e. Material investments policy

The Trust's funds may be invested in any investment, security or property (whether narrow or wider range) at the discretion of the Trustees.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Structure, governance and management

a. Constitution

The United Reformed Church (South Western Synod) Incorporated referred to as "The Trust" is a Company Limited by Guarantee, number 01328728. It is a Registered Charity, number 275364, and its registered office is at 18 Paul Street, Taunton, Somerset, TQ1 3PF. In many respects the Trust operates as the manager of the assets which are used to fund and promote the work of the United Reformed Church South Western Synod (The Synod), which itself has no funds or assets.

It is governed by a Memorandum and Articles of Association. Its objects, inter alia, are to advance the Christian religion and propagate the gospel and to further the objects, purposes and doctrines of the United Reformed Church, particularly within the South Western Synod area.

The principal object of the company is to support local churches by providing training, encouragement, specialist skills and financial support. It does this through invested funds and property sales which generate capital and income.

There have been no changes in the objectives since the last annual report.

b. Methods of appointment or election of Trustees

The existing Council has the power to appoint new members to fill vacancies on the Council.

As noted above, directors must be members of the Synod Executive Committee and are chosen by that committee to serve as Directors of the Trust because of availability and skills.

c. Policies adopted for the induction and training of Trustees

Trustee training is provided when needed to assist Directors to understand their role. Training was carried out on Safeguarding responsibilities of Trustees.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Structure, governance and management (CONTINUED)

d. Organisational structure and decision-making policies

Most of the members of the company are members of its Council, and act as Trustees and Directors. The members of the Council who served throughout the year (unless otherwise indicated) were as listed on page 1 unless noted.

The Council is also served by:

Mr Raoul Hewitt (Assistant Secretary) who is also an employee of the Trust

A number of Trust Officers have been appointed by the Council to carry out the day to day management of the company's affairs, and these are:

Revd Ruth Whitehead Chair, Mr Ian Harrison Secretary, Revd Richard Gray Treasurer together with Mr David Hayden (until August 2020) Trust Officer and supported by Mr Raoul Hewitt Assistant Secretary.

All Trustees and Trust Officers act in a voluntary capacity. Revd Richard Gray receives an Honorarium connected with his Bookkeeping role.

Under the terms of the Trust the Directors have delegated the day to day running of the Trust to the Officers. Significant decisions are brought to the Directors of the Trust for concurrence.

The primary purpose of the Trust is to enable to Synod to function effectively. Essentially power of spending Trust Funds is delegated by the Synod to its executive as noted above.

e. Related party relationships

The United Reformed Church South Western Synod and the United Reformed Church (South Western Synod) Incorporated

The Synod through its Executive arranged for the setting up of the United Reformed Church (South Western Synod) Incorporated ("The Trust") to be set up inter alia to take over and manage such assets as may be legally transferred [to the Synod] under the Trusts declared in the URC Acts, Schedule 2 parts I and II and to take over and manage or direct the management of the assets and liabilities of the Synod.

Following discussion with the Charity Commission, in November 1997 the Trust and General Purposes committee and Synod (March 1998) passed resolutions clarifying the situation. Among the important features of the Synod Trust interaction are:

- The Members of the Trust (directors) are drawn from the Synod Executive Committee. Any members of the Trust who cease to be members of Synod Executive Committee cease to be members of the Trust.
- The Trust has funds which are administered on behalf of the Synod or held in trust for local churches.
- The officers are charged with day to day management of the funds, subject always to ratification of their actions by the Synod Executive Committee.
- The Synod Executive Committee on behalf of Synod has the power to make grants; for Property grants it has delegated authority to the Synod Property Committee. The Synod Executive Committee is able to do so because ex officio the Moderator, Synod Treasurer, Trust Treasurer, Trust Secretary and the Synod Property & Trust officer are members of the Synod Property Committee and are all currently members of the Synod Executive Committee.

From 2009 the Synod no longer has any funds or assets of its own. All funds are held and managed by the Trust.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Structure, governance and management (CONTINUED)

f. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Future Developments

There is no planned change in the overall pattern of activities or short terms aims. The steady state outgoings of the Synod Trust are likely to be around £450,000 per year. This requires assets to be increased to enable this level of expenditure to be maintained without the need to draw on capital reserves for regular expenses.

We still have 2 properties to dispose of, having sold our previous Office premises, 1 church, and 2 manses in 2020. A further church will close in 2021. We have a buyer for one of our redundant church buildings and we have leased it to the prospective purchaser for a period of up to 5 years to enable them to raise the funds required to purchase the building. We are hopeful of a similar scheme with another redundant building in 2021 being purchased by a Community Group.

Building and major refurbishment projects involving a number of churches in the Synod are in hand.

Funds held as custodian

The Synod Trust is the trustee for most of the churches of the Synod, (although the Elders of the local churches are responsible for day to day management of them) and is the charity trustee except for property disposals pursuant to section 117 of the Charities Act 2011. A description of the funds held on behalf of local churches is contained in the notes. These generally consist of churches and manses and specific investments held in trust for the use of churches in specific areas. The Trust also acts as the trustee for the Synod properties.

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Other information

In order to maintain a suitable capital base, all redundant property assets transfer to the Synod Trust. The synod has agreed that 10% of the net asset value of redundant church buildings will be shared with the Ministers Pension Fund. Where assets of a church that is continuing in some form are sold, the Trust strategy is that usually 40% of the net receipts can be set aside for the continuing church to apply for and the balance reverts to the Trust. In some cases, the 40% can be larger with the consent of the Trust.

The Trust meets the expenses of its employees in line with the URC's Plan for Partnership. It also meets the costs of volunteers' expenses for work undertaken on behalf of the Synod or Trust.

The Trust's policy on investments is to make investments which are suitable for its charitable status, are diversified appropriately to the circumstances, and have regard to short and long term requirements. The needs of capital and income are considered with regard to priorities of balancing maximum income and increasing capital to keep pace with inflation. The policy is reviewed annually to ensure that it is adhered to. The Trust does not make contentious (i.e. non ethical) investments.

The major risk to which the Trust is exposed is the small number of persons who are primarily involved in its activities. As far as possible accounting and other systems minimise this risk. The Trust is aware of the need to ensure adequate succession to its main officers and aims to achieve this from the relatively small pool of suitable persons who are members of the URC.

Banking

The main banker is CAF Bank, with a small account held with Lloyds. We also have a deposit account with CCLA, in addition to investments.

Auditors

Bishop Fleming LLP have indicated their willingness to continue in office as auditors. A resolution will be proposed at a meeting of the Executive (Directors) to appoint the auditors and to authorise the Council to fix their remuneration for the ensuing year.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by order of the members of the board of Trustees on
and signed on their behalf by:

Rev'd Ruth Whitehead

Ruth J. Whitehead

29/9/21

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)

Opinion

We have audited the financial statements of The United Reformed Church (South Western Synod) Incorporated (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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 Trustees' report including the Strategic 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.

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.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and report in accordance with this Act.

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 Auditors' 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:

- We have considered the nature of the sector, control environment, and financial performance of the charitable company;
- We have considered the results of enquiries with management, the directors in relation to their own identification and assessment of the risks of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified incorrect revenue recognition to be a significant risk. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override of controls, including through the use of journal entries, this being a further significant risk.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Acts, the Charities SORP and tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or avoid a material penalty. These included employment and health and safety legislation.

Our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation claims or breaches of laws or regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of meetings of those charged with governance and reviewing any correspondence with HMRC or regulators;
- reviewing the financial statements disclosures and testing to supporting documentation to assess the recognition of revenue; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD) (CONTINUED)

entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

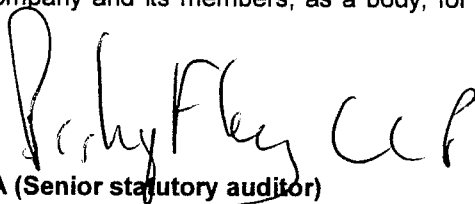
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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 Auditors' report.

Use of our report

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



Tim Borton FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP

Chartered Accountants
Statutory Auditors

2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter

EX1 3QS

Date:

14 October 2021

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations and legacies	3	13,894	240,000	253,894	596,823
Charitable activities:	4				
Funds arising from closed Churches		-	137,268	137,268	1,014,553
Other charitable activities		-	1,355	1,355	10,527
Investments	5	49,364	300,021	349,385	332,067
Other income	6	-	6,891	6,891	71,771
TOTAL INCOME		63,258	685,535	748,793	2,025,741
EXPENDITURE ON:					
Raising funds	7	-	6,065	6,065	1,871
Charitable activities	8	11,686	547,689	559,375	790,192
TOTAL EXPENDITURE		11,686	553,754	565,440	792,063
Net gains on investments		24,667	745,437	770,104	1,902,833
NET INCOME		76,239	877,218	953,457	3,136,511
Transfers between funds	21	(51,572)	51,572	-	-
NET MOVEMENT IN FUNDS		24,667	928,790	953,457	3,136,511
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,903,677	14,385,990	16,289,667	13,153,156
Net movement in funds		24,667	928,790	953,457	3,136,511
TOTAL FUNDS CARRIED FORWARD		1,928,344	15,314,780	17,243,124	16,289,667

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 46 form part of these financial statements.

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	14	2,738,630	2,445,612
Investments	16	11,153,705	9,626,920
Investment property	15	2,837,081	3,826,721
		<u>16,729,416</u>	<u>15,899,253</u>
CURRENT ASSETS			
Debtors	17	11,424	24,802
Cash at bank and in hand		922,126	812,458
		<u>933,550</u>	<u>837,260</u>
Creditors: amounts falling due within one year	18	(238,883)	(302,173)
NET CURRENT ASSETS / LIABILITIES		<u>694,667</u>	<u>535,087</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,424,083</u>	<u>16,434,340</u>
Creditors: amounts falling due after more than one year	19	(180,959)	(144,673)
NET ASSETS		<u>17,243,124</u>	<u>16,289,667</u>
TOTAL NET ASSETS		<u><u>17,243,124</u></u>	<u><u>16,289,667</u></u>
CHARITY FUNDS			
Restricted funds:			
Restricted funds		1,033,404	1,197,394
Restricted revaluation reserve		894,940	706,283
Total restricted funds	21	<u>1,928,344</u>	<u>1,903,677</u>
Unrestricted funds			
General funds		12,101,512	11,568,494
Unrestricted revaluation reserve		3,213,268	2,817,496
Total unrestricted funds	21	<u>15,314,780</u>	<u>14,385,990</u>
TOTAL FUNDS		<u><u>17,243,124</u></u>	<u><u>16,289,667</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01328728

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the Trustees on
29 September 2021 and signed on their behalf by:

Ruth J. Whitehead

Revd Ruth Whitehead

Ian Harrison

Mr Ian Harrison

The notes on pages 22 to 46 form part of these financial statements.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities (see note 23)	(295,341)	(468,846)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	349,385	332,067
Proceeds from the sale of tangible fixed assets	-	347,575
Purchase of tangible fixed assets	(298,692)	(235,396)
Proceeds from sale of investments	1,246,291	3,261,067
Purchase of investments	(891,975)	(2,544,161)
NET CASH PROVIDED BY INVESTING ACTIVITIES	405,009	1,161,152
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	109,668	692,306
Cash and cash equivalents at the beginning of the year	812,458	120,152
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (SEE NOTE 24)	922,126	812,458

The notes on pages 22 to 46 form part of these financial statements

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION

The United Reformed Church (South Western Synod) Incorporated is a company limited by guarantee and is constituted under a Memorandum of Association dated 24 September 2009. The company is also a registered charity. The principal office is 18 Paul Street, Taunton, Somerset, England, TA1 3PF.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The United Reformed Church (South Western Synod) Incorporated meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and consider these sufficient for the charity to be able to continue as a going concern. The trustees have assessed this basis with reference to Covid-19 and have deemed it to be reasonable.

2.4 LOANS

Loans are stated at the value of the cumulative capital and the interest outstanding less provision for amounts that are considered to be doubtful.

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. However, the Trustees' report provides more information about the contribution of volunteers.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 CLOSED CHURCHES AND TRANSFERS FROM COUNTY UNIONS

Assets, including investments and properties which come into the Trust's ownership as a result of transfers from County Unions or on the closure of Churches are reflected as an addition to the assets of the Trust in the accounting period in which the legal and beneficial entitlement to those properties passes to the Trust. Where there is no cost to the Trust, properties are recorded at a deemed cost which is calculated using the same method as stated below for the valuation of Investment Properties. Investments in stocks and shares are recorded at their open market valuation.

2.7 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. ACCOUNTING POLICIES (continued)

2.7 EXPENDITURE (CONTINUED)

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Grants that have been awarded but are not taken up after a period of two years are normally cancelled.

All expenditure is inclusive of irrecoverable VAT.

2.8 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.9 TAXATION

The company is considered to meet the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively to charitable purposes.

2.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% Straight line
Long-term leasehold property	- 2% Straight line
Office equipment	- 10% Straight line
Computer equipment	- 20% Straight line

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2. ACCOUNTING POLICIES (continued)

2.11 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Listed investments are valued using closing quoted market prices.

Investment Properties are stated in the Balance Sheet based on independent valuation where available or, failing this, at the Board's estimation of market valuation having regard to suitable indices and transactions after the year end.

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Any movement in the market value over the year is taken to the Revaluation Reserve. If the transfer to Revaluation Reserve is to reflect a diminution in market value, then any excess over the balance currently held in the reserve will be transferred against the general funds.

No depreciation is provided on the Provincial Trusts Investment Properties.

2.12 ASSETS HELD IN TRUST FOR OTHERS

At the end of the year the Trust held investments and deposits on behalf of local churches and trusts. All of these assets are held to the order of local church and trusts concerned and are not shown in these financial statements.

The Trust Corporation also holds money in a bank account bearing its name which is held on trust for various local churches and cannot be expended by the Trust Corporation. These monies, which are detailed in the notes to the financial statements are not reflected on the balance sheet of these Financial Statements.

2.13 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.14 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. ACCOUNTING POLICIES (continued)

2.15 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.16 FINANCIAL INSTRUMENTS

The company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.17 PENSIONS

The company operates a defined pension benefits pension scheme for lay staff.

The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS102, the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period.

2.18 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 assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The charity owns a number of investment properties which are subject to annual valuation. Independent valuations by professionally qualified valuers are obtained at least every 5 years. In other years, the valuations are reviewed and updated by the trustees having regard to known information and suitable indices.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.19 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. INCOME FROM DONATIONS

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations - Property	-	240,000	240,000	545,106
Legacies	-	-	-	25,000
Grants	13,894	-	13,894	26,717
	<u>13,894</u>	<u>240,000</u>	<u>253,894</u>	<u>596,823</u>
TOTAL 2019	<u>15,167</u>	<u>581,656</u>	<u>596,823</u>	

**THE UNITED REFORMED CHURCH (SOUTH WESTERN SYNOD)
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4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Funds arising from Closed Churches	137,268	137,268	1,014,553
Loan interest	1,355	1,355	495
Training and conference receipts	-	-	10,032
TOTAL 2020	<u>138,623</u>	<u>138,623</u>	<u>1,025,080</u>
TOTAL 2019	<u>1,025,080</u>	<u>1,025,080</u>	

Funds arising from closed Churches comprise:

	2020 £	2019 £
Capital funds - Property	120,000	980,024
Capital funds - Investments	-	-
Other funds	17,268	34,529
	<u>137,268</u>	<u>1,014,553</u>

5. INVESTMENT INCOME

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income from investment properties	7,140	50,080	57,220	40,861
Income from listed stock exchange investments	42,124	248,778	290,902	289,491
Bank interest	100	1,163	1,263	1,715
TOTAL 2020	<u>49,364</u>	<u>300,021</u>	<u>349,385</u>	<u>332,067</u>
TOTAL 2019	<u>50,167</u>	<u>281,900</u>	<u>332,067</u>	

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6. OTHER INCOMING RESOURCES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sundry income	6,891	6,891	10,182
Gain on disposal of tangible fixed assets	-	-	61,589
	<u>6,891</u>	<u>6,891</u>	<u>71,771</u>
TOTAL 2019	<u>71,771</u>	<u>71,771</u>	

7. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment management fees	6,065	6,065	1,871
	<u>1,871</u>	<u>1,871</u>	
TOTAL 2019	<u>1,871</u>	<u>1,871</u>	

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	11,686	547,689	559,375	790,192
	<u>15,941</u>	<u>774,251</u>	<u>790,192</u>	
TOTAL 2019	<u>15,941</u>	<u>774,251</u>	<u>790,192</u>	

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8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Summary by expenditure type

	Staff costs 2020 £	Depreciation & Impairment 2020 £	Other costs 2020 £	Total funds 2020 £	Total funds 2019 £
Direct and support costs excluding governance	235,638	5,673	318,064	559,375	790,192
TOTAL 2019	227,923	139,178	423,091	790,192	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	159,784	193,690	205,901	559,375	790,192
TOTAL 2019	204,848	232,900	352,444	790,192	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	98,952	98,952	93,073
Training and Conferences	13,915	13,915	44,226
Church Support	3,334	3,334	2,982
Pulpit supply relief	90	90	90
Miscellaneous direct costs including youth activities and MMF	1,732	1,732	1,924
Pioneer special category minister	-	-	22
Other special category ministers	4,749	4,749	6,549
Bookstall	-	-	805
Synod Pastoral Advisors	19,386	19,386	26,214
Property expenses	17,626	17,626	28,963
	<u>159,784</u>	<u>159,784</u>	<u>204,848</u>
TOTAL 2019	<u>204,848</u>	<u>204,848</u>	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	136,686	136,686	134,851
Depreciation and Impairment	5,673	5,673	139,178
Synod Activities	6,661	6,661	11,217
Synod office parking	6,880	6,880	4,667
Staff expenses and training	5,402	5,402	9,833
Printing Stationery and postage	5,298	5,298	8,759
Utilities/sundries	3,725	3,725	4,199
Synod office expenses	9,517	9,517	14,910
Property expenses	15,778	15,778	13,812
Governance costs including auditors remuneration	10,281	10,281	11,018
	<u>205,901</u>	<u>205,901</u>	<u>352,444</u>
TOTAL 2019	<u>352,444</u>	<u>352,444</u>	

10. NET INCOME/EXPENDITURE

	2020 £	2019 £
Depreciation of tangible fixed assets - owned by the charity	5,674	1,446
Impairment of tangible fixed assets - owned by the charity	-	136,364
	<u>5,674</u>	<u>136,364</u>

11. ANALYSIS OF GRANTS

	Grants to Institutions 2020 £	Total funds 2020 £	Total funds 2019 £
Institutional grants	193,690	193,690	232,900
	<u>193,690</u>	<u>193,690</u>	<u>232,900</u>

All grants are payable to institutions. There were no grants to individuals in 2020 or 2019.

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11. ANALYSIS OF GRANTS (CONTINUED)

The company has made the following grants to institutions during the year (net of adjustments for grants cancelled and not taken up):

	2020	2019
	£	£
Grants to institutions other than Churches	86,260	29,860
Enabling grants	126,034	12,627
Mission grants	(17,693)	2,149
Property grants:		
- Survey grants	3,197	2,813
- Facelift grants	(10,013)	83,977
- Building grants	(1,740)	98,034
- Feasibility grants	5,885	2,000
Other grants	1,760	1,440
	<hr/> 193,690	<hr/> 232,900
	<hr/> 193,690 <hr/>	<hr/> 232,900 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. ANALYSIS OF GRANTS (CONTINUED)

The Synod Trusts makes a number of grants to local churches and associated Ecumenical Partners.

Building/Property Grants

These comprise:

- Facelift Grants offered to local churches of up to 50% of cost to a maximum of £10,000 no more frequently than once every 5 years for major renovations
- Building Grants of 10% of the balance of any costs of expenditure on adaption, extension or repair and maintenance of local churches and manses
- Special Property Grants may be made in cases where the Executive determine such an award is desirable.
- 50% Grants are available to local churches for Survey Grants assessing the need of the church building or manse for repairs and maintenance of the structure. Churches are encouraged to carry out such surveys every 5 years.
- 50% grants are available to help churches carry out surveys for the presence of asbestos in the buildings.

Mission Grants

Mission grants of up to £5,000 per annum for up to 5 years for projects which enhance the Mission of the Local Church

Enabling Grants

Enabling grants are available to churches who would like to do something in their church life but need extra financial help. Small grants are offered up to £2500 and larger grants up to £25000 per annum.

Grants to institutions other than Churches

- Feasibility Grants are offered for up to 50% of the costs of a major Feasibility study of the suitability of the church for its mission. These are capped at £2000.
- There are grants available for assistance with providing Chaplaincy services in Universities and retail areas.
- The Trust makes a Grant to other Synods in less fortunate financial position. This is managed via an Inter Synod Resource Sharing group.
- Grants are made to Churches Together in England Ecumenical bodies in the area covered by the Synod.
- Grants are made to a Benevolent Fund managed by the Synod Moderator for the alleviation of special needs among ministers in the area
- The Synod agreed to offer 10% of the net proceeds of sale of redundant church buildings to each of the Retired Ministers Housing Trust of the United Reformed Church and the Retired Ministers Pension Fund of the United Reformed Church, both of which organisations needed additional funds.

ANALYSIS OF GRANTS

A full summary of all grants made can be found on the charity website www.urcsouthwest.org.uk.

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. **Included within Institutional and Enabling grants are the following amounts of £10,000 or more:**

	2020	2019
	£	£
Inter Synod Resource sharing	25,000	20,000
Retired Ministers Pension Fund	15,670	-
Exeter University Free Church Chaplaincy	35,000	-
	<u>75,670</u>	<u>20,000</u>

. **Included within Mission grants are the following amounts of £10,000 or more:**

	2020	2019
	£	£
Redland Park	-	15,000
	<u>-</u>	<u>15,000</u>

. **Included within Facelift grants are the following amounts of £10,000 or more:**

	2020	2019
	£	£
Axminster	-	10,000
Bideford	10,000	-
Heavitree & Pinhoe	-	10,000
Horfield	-	10,000
Immanuel Swindon	-	10,000
Emmanuel Hayden Wick	10,000	-
Korean Church	10,000	-
	<u>30,000</u>	<u>40,000</u>

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Included within Building grants are the following amounts of £10,000 or more:

	2020 £	2019 £
Axminster	-	23,750
Bridgwater Westfield	-	24,000
Ottery St Mary	-	10,240
Wells	-	14,500
Barnstaple	11,238	-
	<u>11,238</u>	<u>72,490</u>

12. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £10,020 (2019 - £9,730).

13. STAFF COSTS

	2020 £	2019 £
Wages and salaries	188,042	180,985
Social security costs	13,182	12,833
Contribution to defined contribution pension schemes	34,414	34,105
	<u>235,638</u>	<u>227,923</u>

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Staff engaged on charitable activities	<u>12</u>	<u>11</u>

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13. STAFF COSTS (CONTINUED)

No employee received remuneration amounting to more than £60,000 in either year.

All staff are paid centrally through the URC central office.

Except as detailed below, no trustee was paid or is due to be paid any remuneration out of Trust funds.

Staff costs are allocated between restricted and unrestricted expenditure based on which project the salary costs relate to.

TRUSTEES

Trustee Revd R Gray receives £1,000 honorarium in respect of Bookkeeping activities in addition to expenses (2019 - £1,000).

The above remuneration paid to Trustees is permitted in accordance with Section 185 of the Charities Act 2011.

During the year, no Trustees received any benefits in kind (2019: £NIL).

2 Trustees received reimbursement of expenses amounting to £344 in the current year, (2019: 6 Trustees - £4,682).

KEY MANAGEMENT PERSONNEL

The gross remuneration paid by the charity during the year in respect of key management personnel was £32,621 (2019 - £32,451). Pension and national insurance contributions were payable in addition totalling £11,145 (2019 - £10,959) giving total key management compensation of £43,766 (2020 - £43,410).

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14. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
COST					
At 1 January 2020	2,156,703	412,910	1,980	15,874	2,587,467
Additions	298,692	-	-	-	298,692
At 31 December 2020	<u>2,455,395</u>	<u>412,910</u>	<u>1,980</u>	<u>15,874</u>	<u>2,886,159</u>
DEPRECIATION					
At 1 January 2020	140,264	700	891	-	141,855
Charge for the year	1,650	100	396	3,528	5,674
At 31 December 2020	<u>141,914</u>	<u>800</u>	<u>1,287</u>	<u>3,528</u>	<u>147,529</u>
NET BOOK VALUE					
At 31 December 2020	<u>2,313,481</u>	<u>412,110</u>	<u>693</u>	<u>12,346</u>	<u>2,738,630</u>
At 31 December 2019	<u>2,016,439</u>	<u>412,210</u>	<u>1,089</u>	<u>15,874</u>	<u>2,445,612</u>

15. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2020	3,826,721
Additions	120,002
Disposals	(1,108,700)
Deficit on revaluation	(942)
At 31 December 2020	<u>2,837,081</u>

The historical cost of investment properties at 31 December 2020 was £1,901,948 (2019 - £2,639,422).

Valuations of investment properties are based upon independent professional valuations within the past 5 years based upon open market values for actual or planned use. All valuers used are professionally qualified with recent experience in the location and class of the investment property at the time of making the valuation.

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15. INVESTMENT PROPERTY (CONTINUED)

Where the independent valuations were undertaken prior to 31 December 2020, the trustees have reviewed and updated the valuations at 31 December 2020 having regard to suitable indices and transactions after the year end.

In addition to the deficit on revaluation noted above, realised losses on disposal of investment property during the year amounted to £65,551.

16. FIXED ASSET INVESTMENTS (OTHER THAN PROPERTY)

	Listed investments £	Loans £	Total £
COST OR VALUATION			
At 1 January 2020	9,613,807	13,113	9,626,920
Additions	517,059	376,271	893,330
Disposals	-	(203,142)	(203,142)
Revaluations	836,597	-	836,597
AT 31 DECEMBER 2020	10,967,463	186,242	11,153,705
NET BOOK VALUE			
AT 31 DECEMBER 2020	10,967,463	186,242	11,153,705
AT 31 DECEMBER 2019	9,613,807	13,113	9,626,920

The Synod Trust's capital may be invested in any investment, security or property (whether narrow or wide range) at the discretion of the Trustees.

Loans comprise loans to Churches of £177,411 (2019 - £7,574) and loans to ministers of £8,831 (2019 - £5,539).

17. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Other debtors	4,541	24,802
Prepayments and accrued income	6,883	-
	11,424	24,802

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18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Mission and enabling grants	20,341	42,175
Other committed grants	210,542	249,948
Accruals	8,000	10,050
	<u>238,883</u>	<u>302,173</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Mission and other committed grants	<u>180,959</u>	<u>144,673</u>

As Mission Grants are often multi year grants, they are all taken on the books as liabilities from the date of approval. The amount likely to become due in the current year are taken as current year liabilities, and the balance taken as commitments due in 2-5 years.

20. FINANCIAL INSTRUMENTS

	2020 £	2019 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>12,075,831</u>	<u>10,439,378</u>

Financial assets measured at fair value through income and expenditure comprises listed investments, loan investments and cash at bank and in hand

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21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
UNREST'D FUNDS						
Fixed asset fund	2,445,611	-	(5,674)	298,693	-	2,738,630
Loans funds	13,113	1,355	-	171,774	-	186,242
Investment property	3,501,389	120,000	-	(1,108,700)	(25,609)	2,487,080
Investment stocks and shares	7,800,000	-	-	-	-	7,800,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	621,789	564,180	(548,080)	689,805	771,046	2,098,740
	<u>14,385,990</u>	<u>685,535</u>	<u>(553,754)</u>	<u>51,572</u>	<u>745,437</u>	<u>15,314,780</u>
RESTRICT'D FUNDS						
General purpose fund	1,767,298	49,364	(3,382)	(51,572)	16,885	1,778,593
Closed church fund	123,067	-	-	-	7,782	130,849
DFES fund	1,035	-	(110)	-	-	925
Training fund and grants	1,736	5,700	-	-	-	7,436
Other small restricted grants received	10,541	8,194	(8,194)	-	-	10,541
	<u>1,903,677</u>	<u>63,258</u>	<u>(11,686)</u>	<u>(51,572)</u>	<u>24,667</u>	<u>1,928,344</u>
TOTAL OF FUNDS	<u><u>16,289,667</u></u>	<u><u>748,793</u></u>	<u><u>(565,440)</u></u>	<u><u>-</u></u>	<u><u>770,104</u></u>	<u><u>17,243,124</u></u>

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21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
UNREST'D FUNDS						
Fixed asset fund	2,929,639	61,589	(1,050)	(544,567)	-	2,445,611
Loans funds	47,068	495	-	(34,450)	-	13,113
Investment property	1,971,307	1,299,071	-	(183,753)	414,764	3,501,389
Investment stocks and shares	6,000,000	-	-	1,800,000	-	7,800,000
Taunton fund	4,088	-	-	-	-	4,088
Free reserves	560,642	599,251	(775,072)	(987,837)	1,224,805	621,789
	<u>11,512,744</u>	<u>1,960,406</u>	<u>(776,122)</u>	<u>49,393</u>	<u>1,639,569</u>	<u>14,385,990</u>
RESTRICT'D FUNDS						
General purpose fund	1,521,971	50,167	-	(49,393)	244,553	1,767,298
Closed church fund	104,356	-	-	-	18,711	123,067
DFES fund	1,809	-	(774)	-	-	1,035
Training fund and grants	1,736	10,223	(10,223)	-	-	1,736
Other small restricted grants received	10,541	4,944	(4,944)	-	-	10,541
	<u>1,640,413</u>	<u>65,334</u>	<u>(15,941)</u>	<u>(49,393)</u>	<u>263,264</u>	<u>1,903,677</u>
TOTAL OF FUNDS	<u>13,153,157</u>	<u>2,025,740</u>	<u>(792,063)</u>	<u>-</u>	<u>1,902,833</u>	<u>16,289,667</u>

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The principal Restricted Funds were established by the Charity Commissioners by a scheme on 5 October 1992 (CD(TI)275364A/1).

The income from the restricted General and Closed Churches Funds is payable to the General Fund and the transfer of £51,572 above represents the payment of the income for the year to unrestricted funds.

The fixed assets, loan and investment property designated funds represent the value of reserves tied up in those particular assets. The investment stocks and shares designated fund represents the proportion of listed investments that the charity currently deems appropriate to ring fence as being held for the long term for income generating purposes. The funds have been separately designated as they are not expected to be readily available for use as working capital in the short term.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	2,738,630	2,738,630
Fixed asset investments	1,766,150	9,387,555	11,153,705
Investment property	350,000	2,487,081	2,837,081
Current assets	-	933,550	933,550
Creditors due within one year	(187,806)	(51,077)	(238,883)
Creditors due in more than one year	-	(180,959)	(180,959)
TOTAL	1,928,344	15,314,780	17,243,124

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	2,445,612	2,445,612
Fixed asset investments	1,602,160	8,024,760	9,626,920
Investment property	325,333	3,501,388	3,826,721
Current assets	-	837,259	837,259
Creditors due within one year	(23,817)	(278,356)	(302,173)
Creditors due in more than one year	-	(144,673)	(144,673)
TOTAL	1,903,676	14,385,990	16,289,666

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23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	953,457	3,136,511
ADJUSTMENTS FOR:		
Depreciation and impairment charges	5,674	134,760
Non cash donations and capital funds	(120,002)	(1,310,000)
(Gains)/losses on investments	(837,010)	(1,902,833)
Dividends, interests and rents from investments	(349,385)	(332,067)
Loss/(profit) on the sale of fixed assets and fixed asset investments	65,551	(195,330)
Decrease/(increase) in debtors	13,378	(22,722)
Increase/(decrease) in creditors	(27,004)	22,835
NET CASH USED IN OPERATING ACTIVITIES	(295,341)	(468,846)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	922,126	812,458
TOTAL CASH AND CASH EQUIVALENTS	922,126	812,458

25. ANALYSIS OF NET FUNDS

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	812,458	109,668	922,126
	812,458	109,668	922,126

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26. PENSION COMMITMENTS

Pension scheme for lay staff

The company contributed £33,314 (2019: £34,105) 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 employer contribution rate for 2020 was 32.6%. The scheme is a defined benefit scheme but the company is unable to identify its share of the underlying assets and liabilities – each member in the scheme pays a common contribution rate.

The most recent formal actuarial review of the scheme was at 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

Pension scheme for Church Ministers

The Minister's Pension Scheme (which is the responsibility of the United Reformed Church Trust Ltd (URCTL)) was valued at 31 December 2020. URCTL were forced to accept a lower discount rate which meant that the fund was in deficit, and needs a large infusion of funds to meet its long term funding target.

In 2020 we contributed a figure of £15,670 from the sale of redundant church buildings. Since the year end, for 2021 and beyond we have indicated a potential willingness to commit a figure of £3 million to URCTL over 10 years as a contribution towards the obligations that URCTL has to the Minister's Pension Scheme. This will be made up from the proceeds of sale of buildings no longer needed. This will probably include both manses and church buildings, and will likely involve a significantly higher share going to the fund. The intention is to commit specific figures from 2021 for each year and if buildings proceeds are insufficient to meet any commitments that we agree, we shall use reserves to meet the shortfall.

27. RELATED PARTY TRANSACTIONS

All Trustees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total remuneration in respect of these individuals excluding honoraria for other services is £Nil (2019 - £Nil).

Details of the remuneration of key management personnel is set out in note 13.

There have been no transactions with related parties other than those stated in note 13.

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28. EARMARKED FUNDS

The balances of Earmarked Funds held on behalf of local churches and trusts not otherwise reflected in these financial statements outstanding on 31 December were:

	2020 £	2019 £
Capital funds	435,491	525,449
Income funds	86,659	122,249
Invested funds	522,151	1,377,401
	<u>1,044,301</u>	<u>2,025,099</u>