

**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)**

CONTENTS

	Page
Reference and Administrative Details of the Company, its Trustees and Advisers	1
Trustees' Report	2 - 12
Independent Auditors' Report on the Financial Statements	13 - 16
Statement of Financial Activities	17
Balance Sheet	18 - 19
Statement of Cash Flows	20
Notes to the Financial Statements	21 - 43

**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
(A COMPANY LIMITED BY GUARANTEE)**

**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
(A COMPANY LIMITED BY GUARANTEE)**

**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
(A COMPANY LIMITED BY GUARANTEE)**

**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 occurring 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
		21,069,860	18,235,306
Current assets			
Debtors	18	47,297	62,647
Cash at bank and in hand		1,899,929	988,685
		1,947,226	1,051,332
Creditors: amounts falling due within one year	19	(797,286)	(793,638)
NET CURRENT ASSETS / LIABILITIES		1,149,940	257,694
Total assets less current liabilities		22,219,800	18,493,000
Creditors: amounts falling due after more than one year	20	(948,281)	(1,915,015)
Total net assets		21,271,519	16,577,985
Charity funds			
Restricted funds:			
Restricted funds		1,732,213	1,039,057
Restricted revaluation reserve		793,242	1,019,882
Total restricted funds	22	2,525,455	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	18,746,064	14,519,046
Total funds		21,271,519	16,577,985

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.

**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)

2.15 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.

**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)

2.19 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>	

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

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

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
	3,849,504	850,708

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	49,111	356,969	406,080	390,799
TOTAL 2022	85,458	305,341	390,799	

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	-
	63,091	63,091	12,669
TOTAL 2022	12,669	12,669	

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

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

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	

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

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

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>
	<u><u>333,257</u></u>	<u><u>333,257</u></u>	<u><u>250,859</u></u>
TOTAL 2022	<u>250,859</u>	<u>250,859</u>	
	<u><u>250,859</u></u>	<u><u>250,859</u></u>	

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

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

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

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

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

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

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

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.

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

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

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	-
Wrigton 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).

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

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

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
	329,171	325,505

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

	2023 No.	2022 No.
Staff engaged on charitable activities	13	13

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).

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

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

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
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
At 31 December 2023	<u>180,316</u>	<u>198</u>	<u>15,455</u>	<u>195,969</u>
NET BOOK VALUE				
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 Wrigton to freehold property at market value of £299,500. This transfer is to reflect the long term change of use of this property.

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

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

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)
	<hr/>
At 31 December 2023	4,640,394 <hr/>

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 Wrigton to freehold property at market value of £299,500. This transfer is to reflect the long term change of use of this property.

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

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

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
AT 31 DECEMBER 2023	12,279,029	195,834	12,474,863
NET BOOK VALUE			
AT 31 DECEMBER 2023	12,279,029	195,834	12,474,863
AT 31 DECEMBER 2022	10,992,576	256,112	11,248,688

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
	47,297	62,647

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

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

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
	797,286	793,638

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

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

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

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>16,577,985</u>	<u>4,338,897</u>	<u>(1,075,147)</u>	<u>-</u>	<u>1,429,784</u>	<u>21,271,519</u>

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

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

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>17,070,866</u>	<u>1,396,397</u>	<u>(735,520)</u>	<u>-</u>	<u>(1,153,758)</u>	<u>16,577,985</u>

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

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

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
	1,473,969	472,868

