

**REGISTERED COMPANY NUMBER: 1529484 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 282270**

**Report of the Trustees and**  
**Financial Statements For The Year Ended 31 December 2020**  
**for**

**The United Reformed Church (Southern**  
**Synod) Trust Limited**  
**(A Company Limited by Guarantee)**

**The United Reformed Church (Southern Synod) Trust Limited**  
**(A Company Limited by Guarantee)**

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**for the Year Ended 31 December 2020**

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**The United Reformed Church (Southern Synod) Trust Limited**  
**(A Company Limited by Guarantee)**

**Report of the Trustees**  
**for the Year Ended 31 December 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' effective January 2015.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

1529484 (England and Wales)

**Registered Charity number**

282270

**Registered office**

Synod Office  
East Croydon URC  
Addiscombe Grove  
Croydon  
CR0 5LP

**Trustees**

Miss L Austin  
Revd B Banks  
Mr J Denison  
Revd B Fidler  
Revd R Furley-Smith  
Mr A Kirby (Chairperson)  
Mr D Walters  
Revd H Warmington

**Company Secretary**

Mrs C Kingdom

**Auditors**

Thornton Springer LLP  
Chartered Accountants  
Statutory Auditor  
67 Westow Street  
London  
United Kingdom  
SE20 3RW

**Legal Representatives**

Veale Wasbrough Vizards LLP  
Second Floor, 3 Brindleyplace  
Birmingham  
B1 2JB

**Bankers**

CAF Bank  
25 Kings Hill Avenue, Kings Hill  
West Malling, Kent  
ME20 4JQ

**The United Reformed Church (Southern Synod) Trust Limited**  
**(A Company Limited by Guarantee)**

**Report of the Trustees**  
**for the Year Ended 31 December 2020**

**PRINCIPAL ACTIVITY & PUBLIC BENEFIT**

The Trust is a company limited by guarantee incorporated on 21 November 1980 and is a registered charity number 282270. On 24 November 2010 the trustees agreed to change the name of the Trust from The United Reformed Church (Southern Province) Trust Limited to The United Reformed Church (Southern Synod) Trust Limited. This was certified by Companies House on 8 December 2010.

Its object is to advance the Christian religion in accordance with the doctrine, principles and usages of the United Reformed Church, particularly in the South of England, for the benefit of the public. The trustees have given due consideration to and follow the Charity Commission's published guidance on the Public Benefit requirements.

It has achieved this by continuing to act as Corporate Trustee and Agent for the Southern Synod of The United Reformed Church by holding properties and assets and handling income and expenditure.

The Synod was set up as part of the formation of the United Reformed Church by the United Reformed Acts 1972 and 1981. The Southern Synod is the representative of the local churches within Southern Synod united for the purpose of dealing with matters of wider concern.

One of its main functions is to take action conducive to the propagation of the Gospel at home and abroad, the welfare of the United Reformed Church, the interests of the Church of Christ as a whole, and the well-being of the community in which the Church is based.

At the quarterly trustees' meetings, the trustees agree a broad strategy and areas of activity for the Trust, including consideration of any major grant-making. They ensure all activity supports mission and encourage church extension and the establishment of new causes.

The day to day administration of grants and the processing of applications prior to consideration by the relevant sub-committee are delegated to the Trust staff. The Synod Officers have the delegated authority to make decisions on grants and loans if it is not possible to wait for the next sub-committee meeting. During 2020 there were 3 Synod Officers; the Moderator, the Synod Clerk and the Synod Treasurer.

New trustees are selected from within the Synod. They are either Ministers of Religion or people who have otherwise been involved in the life of the Synod. Induction procedures and training are tailored to the previous experience and knowledge of the new trustees. As necessary, both new and existing trustees are reminded of their responsibilities and issued with a copy of the Charity Commission's guide "The Essential Trustee: What you need to know". Training sessions for all trustees are also arranged where necessary.

The Trust also acts as Corporate Trustee for most of the Local United Reformed Churches by holding various properties and investments on their behalf.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**Risk Management**

The trustees have asked each Synod Committee to regularly consider the major risks to which the Synod is exposed, which have been tabulated in a matrix, and to establish systems and procedures to manage those risks. This is an ongoing process in consultation with the wider United Reformed Church and other Synods. This risk assessment document is then reviewed by the trustees.



**The United Reformed Church (Southern Synod) Trust Limited**  
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**Report of the Trustees**  
**for the Year Ended 31 December 2020**

**OBJECTIVES AND ACTIVITIES**

The objects of the Trust and the Synod are to help and support local churches in their mission. The mission criteria used are the Synod:

1. is committed to looking for new opportunities for being the church in the geographical area of the Synod
2. is committed to supporting and resourcing the local churches to be faithful followers of Jesus Christ
3. is committed to caring pastorally for its local churches, ministers and staff
4. is committed to supporting and resourcing local churches to provide relevant, inspiring and engaging worship
5. is committed to being aware of the economic, political and social context of life in Southern England and will seek to help local churches address the implications of these issues for their life and work
6. is committed to the proper care and administration of its resources through its personnel, finances and buildings
7. is committed to the wider church of God through the United Reformed Church nationally, ecumenical relationships and the world church
8. is committed to addressing issues of justice, peace and the environment
9. is committed to regularly reviewing its life and mission in light of the above criteria always seeking the prompting and guidance of the Holy Spirit

The objectives for the year are shaped by these strategic aims and the Synod looks to achieve them through partnership with other Christian institutions, local councils and central government for the benefit of the public.

The Trust can make capital grants to local churches in order to help them make their buildings welcoming and safe for members of the public and to equip them better to fulfil their objectives. This can include support for extending and improving buildings to include more community facilities. In 2020 eighteen grants were made. There are also grants available to support mission projects and the employment of youth workers.

During 2019 a review of the existing system in which grants and loans were made available was completed and implemented in January 2020. It is designed to enhance the method by which funds are provided to improve church buildings and to support the mission work of the churches in their communities. A sum of £4,000,000 was designated for mission and building projects to be allocated during 2020 and 2021 with a further review in 2021 to consider whether the scheme should be extended.

The Trust also makes grants to various church organisations which operate within our area. We also support mission work abroad.

Since 2009 the principal decision making body is Synod Together which meets biannually, usually in March and October. The Synod operated through 5 Synod Areas; London, East Kent, West Kent and East Sussex, Surrey and Sussex, and Central Sussex United Area. Synod Areas normally meet 2 or 3 times each year, to deal with pastoral matters and provide advice to the Synod on property and finance matters.

The Trust employs 5 finance, property and support staff, in the Synod Office, four of whom are full time. There are now a further 3 field staff; Training and Development Officer, Mission Development Officer and Children and Youth Development Officer. We also meet 50% of the costs of a safeguarding officer employed by a neighboring synod, who spends half of her time working with Southern Synod.

**ACHIEVEMENTS AND PERFORMANCE**

By the nature of the Trust's aims it is difficult to have quantitative measures of performance and achievement, though we are confident that by supporting local churches in their mission aims, we are providing a public benefit.

During 2020 the Trust was able to sell two properties relating to closed church buildings which contributed £217K to our income figure. The Trust gave grants to improve 18 church buildings and made 20 grants to churches to improve the manse accommodation for their ministers.

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Report of the Trustees**  
**for the Year Ended 31 December 2020**

Over £250,000 was granted from the general and designated Funds to churches and other organisations to support their mission work. We continue to support youth and community work within the Southern Synod and "Turn the Tide" with £50,600 of grants to local churches.

The Trust agreed to continue to contribute to Inter Synod Resource Sharing with £35,000 being paid in 2020. Churches within the Synod also contributed substantial amounts towards the United Reformed Church's Ministry and Mission Fund.

**FINANCIAL REVIEW**

**Reserves Policy**

The Balance sheet on Page 10 indicates the amount in the Unrestricted Fund as at 31 December 2020 was £10.439 m. When this is adjusted for Endowment Funds, Fixed Assets and programme related investments it is calculated that the unrestricted fund assets readily available amount to £9.709m.

Although this amounts to more than 10 years of normal expenditure it is recognised that this has accumulated mainly from the disposal of redundant church buildings and that this income will not continue long term. The Synod Trust does not raise funds and investment income does not cover the costs of running the Synod Trust's normal activities. The Unrestricted General Funds are dependent on the uncertain income arising from the disposal of redundant church property to meet the shortfall and carry out all other mission work and support to member churches. From time to time the Trust has to invest in new property for programme related activities and this requires an above average amount to be kept in reserve.

The trustees, acting on advice of the Finance Committee have agreed to make more money available for mission in the Southern Synod based on a 10 year rolling budget. This will increase the annual expenditure and gradually reduce the historic reserves without putting the financial stability of the Trust in jeopardy. In 2019 a review of the mission grant and loans scheme was completed and implemented in January 2020. A sum of £4,000,000 was designated for mission and building projects to be allocated during 2020 and 2021 with a further review in 2021 to consider whether the scheme should be extended. Over £1m was awarded in grants and loans to local churches in 2020 within this scheme.

**The effect of Covid 19**

The resultant dip in the stock market resulted in a fall in the value of the Trust's investments. There has been some recovery in the values since March 2020. This fall has not had a serious effect on the Trust's reserves which continue to show a healthy position. The cash position of the Trust remains strong with no requirements to call on invested reserves. Grants and loans to local churches have returned to their normal level.

In March 2020, due to the effects of Covid 19 a decision was made for all synod staff to work remotely. This has been successful and all staff continued to work normally.

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Report of the Trustees**  
**for the Year Ended 31 December 2020**

**Investment policy and objectives**

The Trust investments are held in the Common Investment Funds run by independent professional investment managers. These investments aim to balance growth and income maximizing total return, whilst meeting the Ethical Criteria agreed by the United Reformed Church. The Trust funds can be invested up to 85 % in equities with a minimum of 15% in fixed interest funds. These ratios were reviewed in 2018 to ensure they are still appropriate to meet the Synod's cash flow requirements. The new ratios agreed were 60-80% in equities, 10-30% in Fixed interest and 0-20% in Property Funds.

In 2019 a review commenced concerning the possible divestment of holdings in fossil fuel producers. The Trustees agreed this should take place, in accordance with denominational guidance, and this was completed during the second quarter of 2020.

**FUTURE DEVELOPMENTS**

The Trust will continue its work in support of local churches within the Synod to develop and extend their mission.

The Trust is currently in discussions with the United Reformed Church regarding a solution to provide financial support to the Ministers Pension Fund which is in deficit. Due to the structure of the national church and ministerial appointments there is no legal obligation for the Trust but all of the regional and national bodies have been approached and there is wide acceptance that there is a moral obligation at the synod level and that such support does fall within the charitable purposes of the Trust. It is likely that the Trust will, together with the other twelve synods, make contributions to clear the deficit by 2030 with the majority of the funds being provided from 2022 to 2024. Due to the strength of the reserves of the Trust we do not anticipate any detrimental effect of the core financial position of the Trust due to the Trusts' participation in clearing the deficit.

The Trust will continue to participate in these national discussions which are likely to be concluded in 2021 and require significantly higher contributions over the next 10 years. The Trust continues to monitor and review the position to ensure that any such final commitment is affordable and does not put the financial stability of the Trust at risk.

**FUNDS HELD AS CUSTODIAN FOR OTHERS**

The trust holds cash deposits and investments on behalf of local churches. As at 31 December 2020 these amounted to bank deposits of £1,915,223 (2019: £2,229,022) and investments of £2,844,274 (2019: £3,488,632). Such investments are held in separate accounts and managed by an independent investment manager.

**TRUSTEES**

The Trustees during the year under review were:

Miss L Austin  
Revd B Banks  
Revd M Davies (died 8 October 2020)  
Mr J Denison  
Revd B Fidler (appointed 11 February 2021)  
Revd R Furley-Smith (appointed 1 October 2020)  
Mr A Kirby  
Mr D Walters  
Revd H Warmington  
Revd G Watt (resigned 13 April 2021)

**The United Reformed Church (Southern Synod) Trust Limited**  
**(A Company Limited by Guarantee)**

**Report of the Trustees**  
**for the Year Ended 31 December 2020**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of The United Reformed Church (Southern Synod) Trust Limited (A Company Limited by Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
  
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, Thornton Springer LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
J Denison - Trustee

Date: 22-09-2021

**Report of the Independent Auditors to the Trustees of**  
**The United Reformed Church (Southern**  
**Synod) Trust Limited**  
**(A Company Limited by Guarantee)**

**Opinion**

We have audited the financial statements of The United Reformed Church (Southern Synod) Trust Limited (A Company Limited by Guarantee) (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its result, 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



**Report of the Independent Auditors to the Trustees of**  
**The United Reformed Church (Southern**  
**Synod) Trust Limited**  
**(A Company Limited by Guarantee)**

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thornton Springer LLP  
Chartered Accountants  
Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
67 Westow Street  
London  
United Kingdom  
SE19 3RW



Date: 22/9/21

**The United Reformed Church (Southern Synod) Trust Limited**  
**(A Company Limited by Guarantee)**  
**Statement of Financial Activities (incorporating the Income and Expenditure Account)**  
**for the Year Ended 31 December 2020**

		Unrestricted Funds			31.12.20	31.12.19
		General Purposes Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£	£
	Notes					
INCOME AND ENDOWMENTS:						
Income from Investments	2a	264,160	262,664	10,933	537,757	827,441
Income from charitable activities						
Donations and Legacies	2a	128,496	12,500	791	141,787	31,644
Other Income	2a	-	45	-	45	3,358
Total operating income		392,656	275,209	11,724	679,589	862,443
Income on sale of properties	2a	116,000	3,332,000	-	3,448,000	2,160,000
Profit/(Loss) on sale of properties	2a	101,000		-	101,000	-
Total Income and Endowments	2a	609,656	3,607,209	11,724	4,228,589	3,022,443
EXPENDITURE						
Expenditure on Charitable Activities	2b	563,110	1,279,237	42,515	1,884,862	2,636,558
Total operating expenditure	2b	563,110	1,279,237	42,515	1,884,862	2,636,558
Payment to Inter-Synod						
Resource Sharing		25,000	-	-	25,000	25,000
Purchase of Manses		-	670,000	-	670,000	2,400,000
Total Expenditure		588,110	1,949,237	42,515	2,579,862	5,061,558
Net Expenditure on Operating Account	2b	(170,454)	(1,004,028)	(30,791)	(1,205,273)	(1,774,115)
Net Income/(Expenditure)		21,546	1,657,972	(30,791)	1,648,727	(2,039,115)
Transfers between Funds	8	999,998	(999,998)	-	-	-
Other Recognised Gains/(Losses)						
Net (Losses)/Gains on Investments	7	(966,156)	(639,427)	(27,416)	(1,632,999)	2,365,793
Net movement in funds		55,388	18,547	(58,207)	15,728	326,678
Total funds brought forward		10,383,460	13,067,678	933,211	24,384,349	24,057,671
Total funds carried forward	8	10,438,848	13,086,225	875,004	24,400,077	24,384,349

The notes form part of these financial statements

**The United Reformed Church (Southern Synod) Trust Limited**

**(A Company Limited by Guarantee)**

**Balance Sheet**

**At 31 December 2020**

		<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>31.12.20 Total Funds £</b>	<b>31.12.19 Total Funds £</b>
		<b>General Purposes Funds £</b>	<b>Designated Funds £</b>			
	Notes					
<b>FIXED ASSETS</b>						
Tangible assets	9	229,421	74,721	88,285	<b>392,427</b>	565,322
Investments	10	10,832,999	11,234,146	459,291	<b>22,526,436</b>	24,072,920
Social Investments	11	64,050	-	-	<b>64,050</b>	16,900
		<u>11,126,470</u>	<u>11,308,867</u>	<u>547,576</u>	<u><b>22,982,913</b></u>	<u>24,655,142</u>
<b>CURRENT ASSETS</b>						
Debtors: amounts falling due within one year	12	51,802	857	-	<b>52,659</b>	11,650
Cash at bank and in hand		<u>709,643</u>	<u>2,523,180</u>	<u>330,854</u>	<u><b>3,563,677</b></u>	<u>1,280,384</u>
		<u>761,445</u>	<u>2,524,037</u>	<u>330,854</u>	<u><b>3,616,336</b></u>	<u>1,292,034</u>
<b>CREDITORS</b>						
Amounts falling due within one year	13	<u>(1,449,067)</u>	<u>(746,679)</u>	<u>(3,426)</u>	<u><b>(2,199,172)</b></u>	<u>(1,562,827)</u>
<b>NET CURRENT ASSETS</b>		<u><b>(687,622)</b></u>	<u><b>1,777,358</b></u>	<u><b>327,428</b></u>	<u><b>1,417,164</b></u>	<u><b>(270,793)</b></u>
<b>/(LIABILITIES)</b>						
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
		10,438,848	13,086,225	875,004	<b>24,400,077</b>	24,384,349
<b>NET ASSETS</b>	14	<u><b>10,438,848</b></u>	<u><b>13,086,225</b></u>	<u><b>875,004</b></u>	<u><b>24,400,077</b></u>	<u><b>24,384,349</b></u>
<b>FUNDS</b>						
General Purposes					<b>10,438,848</b>	10,383,460
Designated					<b>13,086,225</b>	13,067,678
Restricted					<b>875,004</b>	933,211
<b>TOTAL FUNDS</b>	14				<u><b>24,400,077</b></u>	<u><b>24,384,349</b></u>

The notes form part of these financial statements



**The United Reformed Church (Southern Synod) Trust Limited**  
**(A Company Limited by Guarantee)**  
**Balance Sheet - continued**  
**At 31 December 2020**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020 and the members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102.

The financial statements were approved by the Board of Trustees on 09-09-2021 and were signed on its behalf by:

  
.....  
J Denison - Trustee

The notes form part of these financial statements

**The United Reformed Church (Southern Synod) Trust Limited**  
**(A Company Limited by Guarantee)**  
**Statement of Cash Flows**  
**Year Ended 31 December 2020**

	Notes	2020 £	2019 £
<b>Cash flow from operating activities:</b>			
<b>Net cash provided/used in operating activities</b>	A	<b>1,698,234</b>	<b>(1,468,571)</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		449,692	670,757
Purchase of fixed assets		(6,968)	(1,090)
Proceeds from the sale of fixed assets		276,000	250
Purchase of investments		(17,340,851)	(20,400,172)
Issue of Programme Related Loans		(50,000)	(17,000)
Repayment of Programme Related Loans		2,850	100
Proceeds from the sale of investments		17,254,336	20,449,991
<b>Net cash provided by/used in investing activities</b>		<b>585,059</b>	<b>702,836</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>2,283,293</b>	<b>(765,735)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	B	<b>1,280,384</b>	<b>2,046,119</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	B	<b>3,563,677</b>	<b>1,280,384</b>
<b>Notes to the statement of cash flows</b>			
<b>A Reconciliation of net income/expenditure to net cash flow from operating activities</b>			
<b>Net income/expenditure for the reporting period (as per the statement of financial activities)</b>		<b>15,728</b>	<b>326,678</b>
<b>Adjustments for:</b>			
Depreciation charges		4,403	3,594
(Gains)/losses on investments		1,632,999	(2,365,793)
Dividends and interest from investments		(449,692)	(670,757)
Loss/(profit) on the sale of fixed assets		(100,540)	9
Decrease/(increase) in debtors		(41,009)	90,846
Increase/(decrease) in creditors		636,345	1,146,852
<b>Net cash provided by operating activities</b>		<b>1,698,234</b>	<b>(1,468,571)</b>
<b>B Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		<b>3,563,677</b>	<b>1,280,384</b>

The notes form part of these financial statements

**The United Reformed Church (Southern Synod) Trust Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value, and in accordance with the Financial Reporting Standard 102, the Charities Statement of Recommended Practice (FRS102), the Companies Act 2006 and the Charities Act 2011.

**Funds Included**

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

General Purposes Fund  
Manse Fund  
Synod Mission Fund  
Alfriston Mission Project  
Funds held for uniting churches  
Church Buildings Fund  
Retired Ministers Housing Fund  
Welfare Fund  
Milton Hall Fund  
Woolwich Fund

Funds administered on behalf of local churches are not included.

**Description and Use of Funds**

Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received. Endowment funds are permanent endowments which are required to be retained, but the income from these funds can be used for the benefit of the charity, subject in certain cases to specific restrictions contained in the original endowment.

Unrestricted income funds may be spent generally for furthering the Christian and charitable work of the United Reformed Church in the Southern Synod. The main fund in this category is the General Purposes Fund. Certain funds have been allocated for Manses, although the Synod retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds. There are also three other smaller designated funds arising from the sale of redundant church buildings.

**General Purposes Funds**

The General Purposes Fund is the main fund of the charity and is an unrestricted fund. It is made up of both General Purposes and Church Aid, the initial fund set up after the URC came into force and General Purposes Fund coming from the apportionment scheme in respect of the London Congregational Union.

The Manse Fund is a Designated Fund which came into being in 1996 by approval of the Synod. The Synod Mission Fund and Funds held for uniting churches have arisen from the sale of a church building in 2012 following an uniting of two existing churches. The united church can apply to the latter fund for a project to develop and further their mission whereas the Synod Mission Fund is available to all churches within the Synod for similar projects. The Alfriston Mission Project is a fund arising from the sale of a church hall in Alfriston which has been designated to develop in the mission activities and community facilities of the former Alfriston URC building.

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**1 ACCOUNTING POLICIES (continued)**

**Restricted Funds**

The Church Building fund came from the apportionment scheme in respect of the London Congregational Union. (LCU) Its funds can only be used for the upkeep, repair, improvement extension, provision and erection of church buildings.

The Retired Ministers Housing funds both have a house for a retired minister. They operate in Kent and Sussex.

The Welfare fund came from the LCU. Its purpose is relieving, in cases of need, ministers, members of churches and retired ministers.

The Milton Hall fund can be used for general purposes but only within the inner London Boroughs South of the River Thames.

The Woolwich fund is for work in the London Borough of Greenwich.

**Contribution to Pension Funds**

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

**Income**

All incoming resources are included in the statement of financial activities when there is sufficient certainty that the receipt of income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of financial activities when receivable.

**Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The Synod is not registered for VAT so all irrecoverable VAT is charged with the related cost.

All costs are treated by the finance committee as relating to the unrestricted fund unless there is a specific requirement on the individual funds.

**Individual Church Property, including Pastoral Manse**

These assets are not shown in the financial statements as they are not the exclusive property of the Synod. Sale proceeds from redundant properties or from part thereof are treated as unrestricted income for general funds and not shown until received.

Non-pastoral manse, which are used for Synod related activities are included in the Balance Sheet at cost, subject to an impairment review and any deficits are accounted for in the Statement of Financial Activities on properties marketed for sale.

**Jointly Owned Property**

Property owned with The URC Retired Ministers Housing Society Limited is held under the terms of an agreement with the Society whereby the Charity receives no income from the property but contributes towards the cost of maintenance and repair of the property. The property is included in the Balance Sheet at cost.

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**1 ACCOUNTING POLICIES (continued)**

**Custodian Trusteeship**

Assets held by the charity as custodian trustee are not shown in the financial statements. The details of those funds are included in the Trustees' annual report.

**Depreciation**

Depreciation is provided on all tangible fixed assets, apart from property, at rates calculated to write off the cost on a straight line basis over their estimated useful economic lives as follows:-

Fixtures, Fittings & Equipment - over four years

Computer Equipment-over three years

Motor Vehicles-over four years

No amounts under £100 are capitalised.

The trustees recognise that the cost of buildings used as functional assets have a finite life and, in the normal course of events, would be depreciated to their expected residual value. However, those properties that fall into this category are located in an area of the country where that part of the cost that is attributable to land, which does not depreciate, is significantly higher than in other parts of the country. Furthermore, the Charity has a policy of maintaining its properties to a high level, which extends the life of the assets beyond their normal expected lives. Taking these factors into account the trustees consider that any depreciation on the buildings would consequently be immaterial and depreciation is not therefore charged.

**Operating Leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

**Grants**

Grants payable to local churches, organisations and individuals are charged in the year of approval. The value of grants approved, but still to be paid is included in the balance sheet as a current liability.

**Investments**

Investments are stated at fair value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**Support and Indirect Costs**

Support expenditure has been allocated directly to the relevant activity cost category.

Indirect costs which include premises and office costs have been allocated on the basis of each activity costs as a proportion of the total direct costs, shown in note 3.

**Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the opinion of the directors, there are no special disclosures required in respect of judgements and estimation uncertainty.

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**2 INCOME AND EXPENDITURE**

**a) Analysis of Total Income**

	Unrestricted Funds		Restricted Funds £	31.12.20 Total Funds £	31.12.19 Total Funds £
	General Purposes Funds £	Designated Funds £			
<b>Income from generated funds</b>					
Rents Received	16,651	69,398	2,016	<b>88,065</b>	137,292
Investment income-listed investments	246,362	191,134	6,821	<b>444,317</b>	680,453
Interest	<u>1,147</u>	<u>2,132</u>	<u>2,096</u>	<u><b>5,375</b></u>	<u>9,696</u>
	<u>264,160</u>	<u>262,664</u>	<u>10,933</u>	<u><b>537,757</b></u>	<u>827,441</u>
<b>Income from charitable activities</b>					
Donations and Legacies					
Donations	160	12,500	635	<b>13,295</b>	16,828
Monies from closed churches	128,336			<b>128,336</b>	2,310
Quinquennial contribution received			<u>156</u>	<u><b>156</b></u>	<u>12,506</u>
	<u>128,496</u>	<u>12,500</u>	<u>791</u>	<u><b>141,787</b></u>	<u>31,644</u>
Other income					
Grant for mission work				-	2,000
Grants awarded no longer required		45		<b>45</b>	-
Insurance Claim				-	1,358
	<u>-</u>	<u>45</u>	<u>-</u>	<u><b>45</b></u>	<u>3,358</u>
<b>Total operating income</b>	<u><b>392,656</b></u>	<u><b>275,209</b></u>	<u><b>11,724</b></u>	<u><b>679,589</b></u>	<u>862,443</u>
Income on sale of properties					
-of closed churches	116,000			<b>116,000</b>	1,430,000
-of surplus manse		3,332,000		<b>3,332,000</b>	730,000
	<u>116,000</u>	<u>3,332,000</u>	<u>-</u>	<u><b>3,448,000</b></u>	<u>2,160,000</u>
Profit/(Loss) on sale of fixed asset:					
-other property	101,000			<b>101,000</b>	-
	<u>101,000</u>	<u>-</u>	<u>-</u>	<u><b>101,000</b></u>	<u>-</u>
<b>Total income</b>	<u><b>609,656</b></u>	<u><b>3,607,209</b></u>	<u><b>11,724</b></u>	<u><b>4,228,589</b></u>	<u>3,022,443</u>

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**2 INCOME AND EXPENDITURE (continued)**

**b) Analysis of Total Expenditure**

	Unrestricted Funds			31.12.20	31.12.19
	General Purposes	Designated	Restricted	Total	Total
	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£
<b>Expenditure on Charitable Activities</b>					
<b>Ministry &amp; Mission:-</b>					
Mission Officer	52,499			52,499	54,138
Ecumenical Officer	620			620	2,056
Grants (note 4)	29,999	220,839	11,787	262,625	176,011
Shared indirect costs (note 3)	36,851		205	37,056	21,273
	<u>119,969</u>	<u>220,839</u>	<u>11,992</u>	<u>352,800</u>	<u>253,478</u>
<b>Training:-</b>					
Training of Ministers & Lay preachers (note 4)	2,135			2,135	14,878
Students (note 4)				-	571
Development Officer for education & learning	51,364			51,364	52,388
Children's & Youth Development Officer	50,023			50,023	50,562
Safeguarding Officer	21,394			21,394	1,552
Other training costs	2,399			2,399	4,534
Shared indirect costs (note 3)	57,908			57,908	11,440
	<u>185,223</u>	<u>-</u>	<u>-</u>	<u>185,223</u>	<u>135,925</u>
<b>Property:-</b>					
Church building grants (note 4)	20,000	779,163		799,163	1,265,734
Manse Repairs (note 4)		191,164		191,164	336,107
Manse Expenses		16,022		16,022	16,894
Quinquennial Costs		3,825	30,258	34,083	67,556
Expenses on Sale & Purchase of Property	18,160	56,691		74,851	143,775
Other property costs	13,000	7,400	265	20,665	144,290
Staff costs	87,725			87,725	67,645
Shared indirect costs (note 3)	63,173			63,173	154,440
	<u>202,058</u>	<u>1,054,265</u>	<u>30,523</u>	<u>1,286,846</u>	<u>2,196,441</u>

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
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**2 INCOME AND EXPENDITURE (continued)**

**b) Analysis of Total Expenditure**

	Unrestricted Funds		Restricted Funds £	31.12.20	31.12.19
	General Purposes Funds £	Designated Funds £		Total Funds £	Total Funds £
<b>Governance:-</b>					
Synod Meetings	-			-	2,238
Provincial Committees	675			675	3,354
Honoraria Synod Clerk and Treasurer	1,000			1,000	1,000
Synod Clerk's expenses	70			70	(1,278)
Synod Treasurer's expenses	301			301	66
Legal Costs	24,029			24,029	22,838
Audit Fees	9,180			9,180	9,572
Investment management costs	3,057	4,133		7,190	9,110
Shared indirect costs (note 3)	17,548			17,548	3,813
	<u>55,860</u>	<u>4,133</u>	<u>-</u>	<u>59,993</u>	<u>50,713</u>
<b>Total expenditure on charitable activities</b>	<u><b>563,110</b></u>	<u><b>1,279,237</b></u>	<u><b>42,515</b></u>	<u><b>1,884,862</b></u>	<u><b>2,636,558</b></u>
<b>Net expenditure on operating account</b>	<u><b>(170,454)</b></u>	<u><b>(1,004,028)</b></u>	<u><b>(30,791)</b></u>	<u><b>(1,205,273)</b></u>	<u><b>(1,774,115)</b></u>



**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**3 INDIRECT COSTS**

	Unrestricted Funds		Restricted Funds £	31.12.20	31.12.19
	General Purposes Funds £	Designated Funds £		Total Funds £	Total Funds £
<b>Premises Costs:-</b>					
Synod rent & Hire of Rooms	18,447			18,447	20,906
Redecoration Costs				-	158
Synod Electricity	605			605	1,212
Insurance	940			940	928
Cleaning	1,203			1,203	95
	<u>21,195</u>	<u>-</u>	<u>-</u>	<u>21,195</u>	<u>23,299</u>
<b>Office Costs:-</b>					
Synod Employment Costs	119,681			119,681	122,481
Car & Travel Expenses	3,333			3,333	3,597
Miscellaneous	1,015			1,015	5,611
Depreciation	4,198		205	4,403	3,594
Loss on Disposal of Fixed Assets	460			460	9
Telephone	4,544			4,544	4,179
Stationery and Publications	1,750			1,750	2,323
Postage	550			550	1,230
Photocopier-Lease and Meter	726			726	1,009
Equipment and Consumable Costs	13,857			13,857	16,808
IT and Website	4,010			4,010	3,825
Advertising				-	2,487
Catering	161			161	515
	<u>154,285</u>	<u>-</u>	<u>205</u>	<u>154,490</u>	<u>167,668</u>
Total Indirect Costs	<u>175,480</u>	<u>-</u>	<u>205</u>	<u>175,685</u>	<u>190,967</u>
	Total £	Ministry & Mission £	Training £	Property £	Governance £
Total Indirect Costs	175,480	36,851	57,908	63,173	17,548
% of Direct Costs	100%	21%	33%	36%	10%

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**4 GRANTS**

The following grants have been charged in furtherance of the charitable objects during the year:-

	<b>Institutions</b>		<b>Individuals</b>	
	<b>Number</b>	<b>Amount £</b>	<b>Number</b>	<b>Amount £</b>
Ministry and Mission:				
Other mission projects	3	11,448		
Ecumenical situations	4	5,980		
Local Church Missions	17	193,485		
Youth & Children's Work	6	50,600		
Welfare Grants			3	1,112
	<b>30</b>	<b>261,513</b>	<b>3</b>	<b>1,112</b>
Training:				
Ministers & lay preachers	-	-	11	2,135
Students	-	-		-
	<b>-</b>	<b>-</b>	<b>11</b>	<b>2,135</b>
Property:				
Local Churches	38	799,163	-	-
Manse	25	191,164	-	-
	<b>63</b>	<b>990,327</b>	<b>-</b>	<b>-</b>
Total Grants Charged	<b>93</b>	<b>1,251,840</b>	<b>14</b>	<b>3,247</b>

**5 EMPLOYMENT EMOLUMENTS**

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
Wages & salaries	<b>268,882</b>	252,549
Employers national insurance	<b>25,961</b>	24,632
Pension costs	<b>66,154</b>	65,585
	<b>360,997</b>	<b>342,766</b>
The average number of employees during the year was as follows:		
Ministry & Mission	<b>1</b>	1
Training	<b>2</b>	2
Property	<b>2</b>	2
Administration	<b>3</b>	3
	<b>8</b>	<b>8</b>

No employee received £60,000 per annum or more.

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**6 TRUSTEES' REMUNERATION AND BENEFITS**

The following honorarium, which is included in Trustees Expenses, was paid to a trustee during the year, in accordance with the governing document and approved by the Charity Commission:-

	31.12.20	31.12.19
	£	£
Mr J Denison (Synod Treasurer)	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

During the year one trustee (2019: five) were reimbursed out of pocket expenses mainly for telephone costs and travelling totalling £361 (2019: £1,118). Two trustees (2019: three) were also paid a total of £995 (2019: £2,972) relating to their positions as stipendiary ministers, comprising training grants and reimbursement of ministerial expenses.

**7 GAINS/(LOSSES) ON INVESTMENTS**

	31.12.20	31.12.19
	£	£
Realised gains/(losses) on investments sold	(1,714,272)	4,690,680
Less: Gains/(losses) previously recognised in Synod accounts	<u>(862,052)</u>	<u>(3,213,609)</u>
Net gains/(losses) in year on investments sold	<u>(2,576,324)</u>	<u>1,477,071</u>
Unrealised gains/(losses) on investments for the year	943,325	888,722
Net gains/(losses) on Investments for the Year	<u>(1,632,999)</u>	<u>2,365,793</u>

**8 MOVEMENT IN FUNDS**

Fund:-		Balance 01.01.20	Income	Expenditure	Transfers between Funds	Gains/(losses) on Investments	Balance 31.12.20
		£	£	£		£	£
General Purposes	Unrestricted	9,937,465	609,656	(588,110)	999,998	(956,399)	10,002,610
	Endowment	445,995				(9,757)	436,238
Manse	Designated	8,741,586	3,607,209	(949,235)		(639,427)	10,760,133
Alfriston Mission Project	Designated	170,538					170,538
Synod Mission Fund	Designated	4,024,444		(1,000,002)	(999,998)		2,024,444
Fund held for Uniting	Designated	131,110					131,110
Church Building	Restricted	29,987	365	(30,258)			94
	Endowment	10,614				658	11,272
Welfare	Restricted	33,694	1,120	(1,112)		(2,176)	31,526
	Endowment	2,843				176	3,019
Retired Ministers'	Restricted	119,107	3,269	(265)		136	122,247
Housing	Endowment	177,000					177,000
Milton Hall	Restricted	113,106	4,272	(10,880)		(4,956)	101,542
	Endowment	249,285				(6,597)	242,688
Woolwich	Restricted	197,575	2,698			(14,657)	185,616
		<u>24,384,349</u>	<u>4,228,589</u>	<u>(2,579,862)</u>	<u>-</u>	<u>(1,632,999)</u>	<u>24,400,077</u>

In 2020 £2,000,000 was committed by the Trust for grants to local churches in for mission and building projects. During 2020, £1,000,002 was awarded and the unused allocation £999,998 was transferred back to general reserves.

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**9 TANGIBLE FIXED ASSETS**

	Freehold Property £	Fixtures, Fittings & Equipment £	Totals £
<b>COST</b>			
At 1 January 2020	562,496	21,609	584,105
Additions in year	-	6,968	6,968
Disposals in year	(175,000)	(3,371)	(178,371)
At 31 December 2020	387,496	25,206	412,702
<b>DEPRECIATION</b>			
At 1 January 2020	-	18,783	18,783
Charge for period	-	4,403	4,403
Eliminated for disposals	-	(2,911)	(2,911)
At 31 December 2020	-	20,275	20,275
<b>NET BOOK VALUE</b>			
At 31 December 2020	387,496	4,931	392,427
At 31 December 2019	562,496	2,826	565,322

**10 FIXED ASSET LISTED INVESTMENTS**

	UNRESTRICTED FUNDS		RESTRICTED FUNDS		TOTALS
	Fixed Interest Securities £	UK Equities Fund £	Fixed Interest Securities £	UK Equities Fund £	£
As at 1 January 2020	3,401,642	18,496,781	135,151	351,555	22,385,129
Purchases	743,470	17,515,499		297,435	18,556,404
Sales	(845,861)	(18,633,244)		(351,555)	(19,830,660)
Net gains/(losses) fair value	151,044	765,576	8,383	18,322	943,325
	3,450,295	18,144,612	143,534	315,757	22,054,198
Cash held for Investment	472,238				472,238
Fair Value at 31 December 2020	3,922,533	18,144,612	143,534	315,757	22,526,436
Cost at 31 December 2020	3,673,970	17,735,772	130,080	297,435	21,837,257

All investment funds are held in the UK and are held in the Affirmative Common Investment Funds.

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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**11 SOCIAL INVESTMENTS**

	31.12.20	31.12.19
	£	£
Loans to Local Churches	173,302	126,152
Loan to World Church Partner	200,000	200,000
Less Provision made for non-recoverability	-	(309,252)
Less Amounts Written Off	(309,252)	-
	<u>64,050</u>	<u>16,900</u>

Loans made to local churches and ministers are normally repayable between three and five years and interest is charged at 5% per annum on the outstanding balance.

**12 DEBTORS**

	31.12.20	31.12.19
	£	£
Sundry debtors	<u>52,659</u>	<u>11,650</u>

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Other creditors	124,540	166,208
Grants not drawn	<u>2,074,632</u>	<u>1,396,619</u>
	<u>2,199,172</u>	<u>1,562,827</u>

**14 DISPOSITION OF FUNDS AS AT 31 December 2020**

Fund:-		Tangible Fixed Assets	Investments	Social Investments	Debtors/ Creditors	Cash & Deposits	TOTALS
		£	£	£	£	£	£
General Purposes	Unrestricted	229,421	10,396,761	64,050	(1,397,265)	709,643	10,002,610
	Endowment	-	436,238				436,238
Manse	Designated	74,721	8,524,799		(36,475)	2,197,088	10,760,133
Alfriston Mission Project	Designated	-				170,538	170,538
Synod Mission Fund	Designated	-	2,709,347		(709,347)	24,444	2,024,444
Fund held for Uniting Churches	Designated	-				131,110	131,110
Church Building	Restricted	-			(2,472)	2,566	94
	Endowment	-	11,272				11,272
Welfare	Restricted	-	27,008		(35)	4,553	31,526
	Endowment	-	3,019				3,019
Retired Ministers' Housing	Restricted	-	2,322			119,925	122,247
	Endowment	88,000				89,000	177,000
Milton Hall	Restricted	285	43,700		(919)	58,476	101,542
	Endowment	-	242,688				242,688
Woolwich	Restricted	-	129,282			56,334	185,616
		<u>392,427</u>	<u>22,526,436</u>	<u>64,050</u>	<u>(2,146,513)</u>	<u>3,563,677</u>	<u>24,400,077</u>

**The United Reformed Church (Southern Synod) Trust Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

## **15 PENSION SCHEME**

The United Reformed Church (Southern Synod) Trust Ltd contributes to a lay staff pension scheme known as the "Final Salary" scheme, which is administered by TPT Retirement Solutions (formerly The Pensions Trust). The United Reformed Church is the principal employer in the scheme and eleven synods and Northern College are participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities— each employer pays a common contribution rate.

During 2020 The United Reformed Church (Southern Synod) Trust Ltd contributed 28.2% (2019:28.2%) of basic salary in respect of members of the Final Salary scheme. In 2020 this amounted to £66,154 (2019 : £65,585). Members contributed at the rate of 7.5% of pensionable salary throughout the accounting period.

Triennial actuarial valuations of the Final Salary scheme are performed by a professionally qualified actuary. The most recent formal actuarial review of the scheme was at 30 September 2019, when the scheme had a surplus of £2,689,000. The assumptions underlying that valuation include:

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

## **16 COMMITMENTS**

### **Property**

The office forms part of a property registered in the name of the United Reformed Church (Southern Synod) Trust Limited and held on statutory trusts in favour of East Croydon United Reformed Church. Under an informal agreement, the Trust company pays rent of £18,000 to the local church for the use of the Synod offices.

### **Contributions to the URC Ministers' Pension Scheme**

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

### **Church Grant Funding**

The Synod Trust has agreed a sum of up to £355,000 as possible further funding of a church rebuilding project in Eastbourne. This is 50% of the maximum possible shortfall on the project with the remaining 50% being guaranteed by the partner denomination. The Trustees are hopeful that alternative funding will be found and this guarantee will not be required so no provision has been made in the financial statements.

## **17 CONTINGENT ASSETS**

At the year end, the property of four churches, held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the company, were held following the churches closure. The proceeds will revert to Synod on the sale in accordance with the Statutory Trusts on which the property are held. Professional advice is being sought prior to disposal.

## **18 SIGNIFICANT RISKS AND UNCERTAINTIES**

During the early months of 2020 the World Health Organisation declared Covid-19 a pandemic. The UK Government's response to this was to apply lockdowns across the country and prioritise the development of vaccines. This impacted many businesses, institutions, social services, families and individuals, to list but a few. Our Synod was no exception. Our office was closed and, in common with other organisations, staff were required to work from home. Our regular suppliers and advisors were similarly affected.

During the year the Trustees made the decision to change the focus of our investment strategy from ethical investments to non-fossil fuel ethical investments. This change was more in keeping with the teachings of the United Reformed Church and the financial effect of this change was considered secondary. Inevitably, with the impact of the pandemic on investment values, the disposal of fossil fuel investments resulted in losses. However, purchases of new investments would have also benefitted from the depressed investment market.

The balance sheet of the Synod continues to be robust and the pandemic and change in investment strategy will not, in the opinion of the Trustees, materially affect the risks and uncertainties that have been identified by the Trustees. For these reasons the Trustees consider that the Synod will continue as a going concern and the financial statements have been prepared on that basis.

**The United Reformed Church (Southern Synod) Trust Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**19 COMPARATIVE ANALYSIS BY FUND**

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

	2019			
	Unrestricted Funds		Restricted	Total
	General Purposes	Designated	Funds	Funds
	Funds	Funds	Funds	Funds
	£	£	£	£
<b>INCOME AND ENDOWMENTS:</b>				
<b>Income from Investments</b>	426,038	384,644	16,759	<b>827,441</b>
<b>Income from charitable activities</b>				
Donations and Legacies	15,050	3,378	13,216	<b>31,644</b>
Other Income	2,000	1,358	-	<b>3,358</b>
<b>Total operating income</b>	<b>443,088</b>	<b>389,380</b>	<b>29,975</b>	<b>862,443</b>
 Income on sale of properties	 1,430,000	 730,000	 -	 <b>2,160,000</b>
<b>Total Income and Endowments</b>	<b>1,873,088</b>	<b>1,119,380</b>	<b>29,975</b>	<b>3,022,443</b>
<b>EXPENDITURE</b>				
Expenditure on Charitable Activities	2,159,486	395,562	81,510	<b>2,636,558</b>
<b>Total operating expenditure</b>	<b>2,159,486</b>	<b>395,562</b>	<b>81,510</b>	<b>2,636,558</b>
 Payment to Inter-Synod Resource Sharing	 25,000	 -	 -	 <b>25,000</b>
 Purchase of Manses	 -	 2,400,000	 -	 <b>2,400,000</b>
<b>Total Expenditure</b>	<b>2,184,486</b>	<b>2,795,562</b>	<b>81,510</b>	<b>5,061,558</b>
<b>Operating Account</b>				
<b>Net Income/(Expenditure)</b>	<b>(311,398)</b>	<b>(1,676,182)</b>	<b>(51,535)</b>	<b>(2,039,115)</b>
 <b>Transfers between Funds</b>	 <b>(4,000,000)</b>	 <b>4,000,000</b>		
 <b>Other Recognised Gains/(Losses)</b>				
Net (Losses)/Gains on Investments	1,515,041	798,757	51,995	<b>2,365,793</b>
<b>Net movement in funds</b>	<b>(2,796,357)</b>	<b>3,122,575</b>	<b>460</b>	<b>326,678</b>
 Total funds brought forward	 13,179,817	 9,945,103	 932,751	 <b>24,057,671</b>
<b>Total funds carried forward</b>	<b>10,383,460</b>	<b>13,067,678</b>	<b>933,211</b>	<b>24,384,349</b>