

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

Report of the Trustees and
Financial Statements For The Year Ended 31 December 2021
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 2021

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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 2021

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 2021. 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)
Mrs H Miles
Revd K Plumpton
Mr D Walters

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 2021

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 2021 there were 4 Synod Officers; the Moderator, the Synod Clerk, the Synod Council Convenor 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
(A Company Limited by Guarantee)

Report of the Trustees
for the Year Ended 31 December 2021

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 of 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 2021 twenty 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. In October 2021 the review concluded that the mission and building projects panels become permanent. The budget for 2022 includes £750,000 for each panel.

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.

The United Reformed Church (Southern Synod) Trust Limited
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Report of the Trustees
for the Year Ended 31 December 2021

During 2021 the Trust was able to sell four properties relating to closed church buildings which contributed £5,326K to our income figure. The Trust gave grants to improve 20 church buildings and made 26 grants to churches to improve the manse accommodation for their ministers.

Over £373K was granted from the general and designated Funds to churches and other organisations to support their mission work. A new line of support is helping churches in their online worship. We continue to support youth and community work within the Southern Synod and "Turn the Tide" with £59,500 of grants to local churches.

The Trust agreed to continue to contribute to Inter Synod Resource Sharing with £35,000 being paid in 2021. 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 2021 was £13.383 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 £12.563m.

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. Over £1m was awarded in grants and loans to local churches in 2021 within this scheme.

The effect of Covid 19

The resultant dip in the stock market in early 2020 resulted in a fall in the value of the Trust's investments. During late 2020 and 2021 the value of the Trust's investments recovered to previous levels. The Trust's reserves 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.

From March 2020 through 2021, 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 2021

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.

During 2021 the Trust continued 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. The Trust, together with the other twelve synods, agreed to make contributions to clear the deficit by 2030 with our commitment being £5m in the period 2021 to 2024. In view of the healthy cash position of the Trust it made the first payment of £2,000,000 in December 2021. a review will take place in 2025 to ascertain whether further funds will be required. Due to the strength of the reserves of the Trust we do not anticipate any detrimental effect to the core financial position of the Trust due to the Trust's 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 £1,809,393 (2020: £1,915,223) and investments of £2,877,235 (2020: £2,844,274). 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
Mr J Denison
Revd B Fidler (appointed 11 February 2021)
Revd R Furley-Smith
Mr A Kirby
Mrs H Miles (appointed 4 November 2021)
Revd K Plumptre (appointed 9 September 2021)
Mr D Walters
Revd H Warmington (resigned 15 September 2021)
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 2021

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: 15-09-2022

Report of the Independent Auditors to the Members 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 2021 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 2021 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

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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
The United Reformed Church (Southern
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Matters on which we are required to report by exception

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

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:

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
The United Reformed Church (Southern
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(A Company Limited by Guarantee)

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter L Wallyn (Senior Statutory Auditor)
for and on behalf of Thornton Springer LLP
Chartered Accountants
Statutory Auditor
67 Westow Street
London
United Kingdom
SE19 3RW

Date:15/9/22.....

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 2021

		Unrestricted Funds			31.12.21	31.12.20
		General Purposes	Designated	Restricted	Total	Total
		Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£
	Notes					
INCOME AND ENDOWMENTS:						
Income from Investments	2a	456,493	404,570	12,953	874,016	537,757
Income from charitable activities						
Donations and Legacies	2a	80,608	51,599	650	132,857	141,787
Other Income	2a	250,184	-	-	250,184	45
Total operating income		787,285	456,169	13,603	1,257,057	679,589
 Income on sale of properties	2a	5,326,500	750,000	-	6,076,500	3,448,000
Lease Premiums Received	2a	31,942			31,942	-
Profit/(Loss) on sale of properties	2a	-		197,500	197,500	101,000
Total Income and Endowments	2a	6,145,727	1,206,169	211,103	7,562,999	4,228,589
EXPENDITURE						
Expenditure on Charitable Activities	2b	762,258	1,105,647	10,483	1,878,388	1,884,862
Total operating expenditure	2b	762,258	1,105,647	10,483	1,878,388	1,884,862
 Payment to Inter-Synod Resource Sharing		35,000	-	-	35,000	25,000
Contribution to the Ministers' Pension Fund		5,000,000			5,000,000	-
 Purchase of Manse		-	583,000	-	583,000	670,000
Total Expenditure		5,797,258	1,688,647	10,483	7,496,388	2,579,862
Net Expenditure on Operating Account	2b	25,027	(649,478)	3,120	(621,331)	(1,205,273)
Net Income/(Expenditure)		348,469	(482,478)	200,620	66,611	1,648,727
 Transfers between Funds	8	1,070,189	(1,070,189)	-	-	-
Other Recognised Gains/(Losses)						
Net (Losses)/Gains on Investments	7	1,738,574	1,124,225	46,192	2,908,991	(1,632,999)
Net movement in funds		3,157,232	(428,442)	246,812	2,975,602	15,728
Total funds brought forward		10,438,848	13,086,225	875,004	24,400,077	24,384,349
Total funds carried forward	8	13,596,080	12,657,783	1,121,816	27,375,679	24,400,077

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 2021

	Notes	Unrestricted Funds		Restricted Funds	31.12.21	31.12.20
		General Purposes Funds	Designated Funds		Total Funds	Total Funds
		£	£	£	£	£
FIXED ASSETS						
Tangible assets	9	229,422	74,721	80	304,223	392,427
Investments	10	14,208,264	10,714,536	505,482	25,428,282	22,526,436
Social Investments	11	102,370	-	-	102,370	64,050
		<u>14,540,056</u>	<u>10,789,257</u>	<u>505,562</u>	<u>25,834,875</u>	<u>22,982,913</u>
CURRENT ASSETS						
Debtors: amounts falling due within one year	12	34,893	857	-	35,750	52,659
Cash at bank and in hand		3,376,355	2,960,544	616,254	6,953,153	3,563,677
		<u>3,411,248</u>	<u>2,961,401</u>	<u>616,254</u>	<u>6,988,903</u>	<u>3,616,336</u>
CREDITORS						
Amounts falling due within one year	13	(1,568,617)	(1,092,875)	-	(2,661,492)	(2,199,172)
NET CURRENT ASSETS / (LIABILITIES)		<u>1,842,631</u>	<u>1,868,526</u>	<u>616,254</u>	<u>4,327,411</u>	<u>1,417,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,382,687	12,657,783	1,121,816	30,162,286	24,400,077
CREDITORS						
Amounts falling due outside one year		(2,786,607)			(2,786,607)	-
NET ASSETS	14	<u><u>13,596,080</u></u>	<u><u>12,657,783</u></u>	<u><u>1,121,816</u></u>	<u><u>27,375,679</u></u>	<u><u>24,400,077</u></u>
FUNDS						
General Purposes					13,596,080	10,438,848
Designated					12,657,783	13,086,225
Restricted					1,121,816	875,004
TOTAL FUNDS	14				<u><u>27,375,679</u></u>	<u><u>24,400,077</u></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 2021

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021 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 15th Sept 2022 and were signed on its behalf by:


J Denison - Trustee

The United Reformed Church (Southern Synod) Trust Limited
(A Company Limited by Guarantee)
Statement of Cash Flows
Year Ended 31 December 2021

	Notes	2021 £	2020 £
Cash flow from operating activities:			
Net cash provided/used in operating activities	A	2,390,079	1,698,234
Cash flows from investing activities:			
Dividends and interest from investments		749,378	449,692
Purchase of fixed assets		(4,306)	(6,968)
Proceeds from the sale of fixed assets		285,500	276,000
Purchase of investments		(682,855)	(17,340,851)
Issue of Programme Related Loans		(51,520)	(50,000)
Repayment of Programme Related Loans		13,200	2,850
Proceeds from the sale of investments		690,000	17,254,336
Net cash provided by/used in investing activities		999,397	585,059
Change in cash and cash equivalents in the reporting period		3,389,476	2,283,293
Cash and cash equivalents at the beginning of the reporting period	B	3,563,677	1,280,384
Cash and cash equivalents at the end of the reporting period	B	6,953,153	3,563,677
Notes to the statement of cash flows			
A	Reconciliation of net income/expenditure to net cash flow from operating activities		
	Net income/expenditure for the reporting period (as per the statement of financial activities)	2,975,602	15,728
	Adjustments for:		
	Depreciation charges	4,043	4,403
	(Gains)/losses on investments	(2,908,991)	1,632,999
	Dividends and interest from investments	(749,378)	(449,692)
	Loss/(profit) on the sale of fixed assets	(197,033)	-100,540
	Decrease/(increase) in debtors	16,909	-41,009
	Increase/(decrease) in creditors	3,248,927	636,345
	Net cash provided by operating activities	2,390,079	1,698,234
B	Analysis of cash and cash equivalents		
	Cash at bank and in hand	6,953,153	3,563,677

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 2021

1 ACCOUNTING POLICIES

General Information

The United Reformed Church (Southern Synod) Trust Limited is a charitable company, limited by guarantee and is registered in England and Wales. The charitable company's registered number and registered office address can be found on the Company Information page.

Accounting convention

The charity constitutes a public benefit entity as defined by FRS102. 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.

Going concern basis

The financial statements have been prepared on a going concern basis. The directors have considered budgets, cash flows and the impact of subsequent events, including that of COVID19. Whilst the economic shutdown in response to COVID 19 has had a significant impact on the charity's operations, the directors are satisfied that the charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty and the going concern basis of preparing the financial statements continues to be appropriate.

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.

The United Reformed Church (Southern Synod) Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021

1 ACCOUNTING POLICIES (continued)

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.

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.

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

Notes to the Financial Statements
for the Year Ended 31 December 2021

1 ACCOUNTING POLICIES (continued)

Individual Church Property, including Pastoral Manses

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 manses, 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.

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.

The United Reformed Church (Southern Synod) Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021

1 ACCOUNTING POLICIES (continued)

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.

Financial instruments

The charity only has financial assets and financial liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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 trustees, 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 2021

2 INCOME AND EXPENDITURE

a) Analysis of Total Income

	Unrestricted Funds		Restricted Funds £	31.12.21 Total Funds £	31.12.20 Total Funds £
	General Purposes Funds £	Designated Funds £			
Income from generated funds					
Rents Received	13,100	111,538		124,638	88,065
Investment income-listed investments	439,302	292,759	12,910	744,971	444,317
Interest	4,091	273	43	4,407	5,375
	<u>456,493</u>	<u>404,570</u>	<u>12,953</u>	<u>874,016</u>	<u>537,757</u>
Income from charitable activities					
Donations and Legacies					
Donations	3,505	51,599	494	55,598	13,295
Monies from closed churches	77,103			77,103	128,336
Quinquennial contribution received			156	156	156
	<u>80,608</u>	<u>51,599</u>	<u>650</u>	<u>132,857</u>	<u>141,787</u>
Other income					
Training course contributions	125			125	-
Discounting of Long Term Creditor	213,393			213,393	
Grants awarded no longer required	36,666			36,666	45
	<u>250,184</u>	<u>-</u>	<u>-</u>	<u>250,184</u>	<u>45</u>
Total operating income	<u>787,285</u>	<u>456,169</u>	<u>13,603</u>	<u>1,257,057</u>	<u>679,589</u>
Income on sale of properties					
-of closed churches	5,326,500			5,326,500	116,000
- Lease Premiums Received	31,942			31,942	-
-of surplus manses		750,000		750,000	3,332,000
	<u>5,358,442</u>	<u>750,000</u>	<u>-</u>	<u>6,108,442</u>	<u>3,448,000</u>
Profit/(Loss) on sale of fixed asset:					
-other property			197,500	197,500	101,000
	<u>-</u>	<u>-</u>	<u>197,500</u>	<u>197,500</u>	<u>101,000</u>
Total income	<u>6,145,727</u>	<u>1,206,169</u>	<u>211,103</u>	<u>7,562,999</u>	<u>4,228,589</u>

The United Reformed Church (Southern Synod) Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021

2 INCOME AND EXPENDITURE (continued)

b) Analysis of Total Expenditure

	Unrestricted Funds			31.12.21	31.12.20
	General Purposes	Designated	Restricted	Total	Total
	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£
Expenditure on Charitable Activities					
Ministry & Mission:-					
Mission Officer	52,305			52,305	52,499
Ecumenical Officer	266			266	620
Grants (note 4)	27,649	343,365	2,044	373,058	262,625
Shared indirect costs (note 3)	36,398		205	36,603	37,056
	<u>116,618</u>	<u>343,365</u>	<u>2,249</u>	<u>462,232</u>	<u>352,800</u>
Training:-					
Training of Ministers & Lay preachers (note 4)	12,290			12,290	2,135
Students (note 4)	500			500	-
Training & Development Officer	51,913			51,913	51,364
Children's & Youth Development Officer	50,395			50,395	50,023
Safeguarding Officer	22,589			22,589	21,394
Other training costs	1,375			1,375	2,399
Shared indirect costs (note 3)	57,197			57,197	57,908
	<u>196,259</u>	<u>-</u>	<u>-</u>	<u>196,259</u>	<u>185,223</u>
Property:-					
Church building grants (note 4)		586,446		586,446	799,163
Manse Repairs (note 4)		118,590		118,590	191,164
Manse Expenses		14,541		14,541	16,022
Quinquennial Costs		5,400	156	5,556	34,083
Expenses on Sale & Purchase of Property	228,711	19,297		248,008	74,851
Other property costs	30,195	6,480	8,078	44,753	20,665
Staff costs	89,031			89,031	87,725
Shared indirect costs (note 3)	62,397			62,397	63,173
	<u>410,334</u>	<u>750,754</u>	<u>8,234</u>	<u>1,169,322</u>	<u>1,286,846</u>

The United Reformed Church (Southern Synod) Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021

2 INCOME AND EXPENDITURE (continued)

b) Analysis of Total Expenditure

	Unrestricted Funds		Restricted Funds £	31.12.21 Total Funds £	31.12.20 Total Funds £
	General Purposes Funds £	Designated Funds £			
Governance:-					
Synod Meetings	48			48	-
Provincial Committees	281			281	675
Honoraria Synod Clerk and Treasurer	1,000			1,000	1,000
Synod Clerk's expenses				-	70
Synod Treasurer's expenses	149			149	301
Legal Costs	7,092	7,886		14,978	24,029
Audit Fees	9,580			9,580	9,180
Investment management costs	3,565	3,642		7,207	7,190
Shared indirect costs (note 3)	17,332			17,332	17,548
	<u>39,047</u>	<u>11,528</u>	<u>-</u>	<u>50,575</u>	<u>59,993</u>
Total expenditure on charitable activities	<u>762,258</u>	<u>1,105,647</u>	<u>10,483</u>	<u>1,878,388</u>	<u>1,884,862</u>
Net expenditure on operating account	<u>25,027</u>	<u>(649,478)</u>	<u>3,120</u>	<u>(621,331)</u>	<u>(1,205,273)</u>

The United Reformed Church (Southern Synod) Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021

3 INDIRECT COSTS

	Unrestricted Funds			31.12.21	31.12.20
	General Purposes	Designated	Restricted	Total	Total
	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£
Premises Costs:-					
Synod rent & Hire of Rooms	18,000			18,000	18,447
Synod Electricity	1,500			1,500	605
Insurance	943			943	940
Cleaning	133			133	1,203
	<u>20,576</u>	<u>-</u>	<u>-</u>	<u>20,576</u>	<u>21,195</u>
Office Costs:-					
Synod Employment Costs	120,800			120,800	119,681
Car & Travel Expenses	2,880			2,880	3,333
Miscellaneous	2,194			2,194	1,015
Depreciation	3,838		205	4,043	4,403
Loss on Disposal of Fixed Assets	467			467	460
Telephone	5,184			5,184	4,544
Stationery and Publications	1,681			1,681	1,750
Postage	671			671	550
Photocopier-Lease and Meter	641			641	726
Equipment and Consumable Costs	10,001			10,001	13,857
IT and Website	4,190			4,190	4,010
Catering	201			201	161
	<u>152,748</u>	<u>-</u>	<u>205</u>	<u>152,953</u>	<u>154,490</u>
Total Indirect Costs	<u>173,324</u>	<u>-</u>	<u>205</u>	<u>173,529</u>	<u>175,685</u>
	Total	Ministry & Mission	Training	Property	Governance
	£	£	£	£	£
Total Indirect Costs	173,324	36,398	57,197	62,397	17,332
% of Direct Costs	100%	12%	24%	60%	4%

The United Reformed Church (Southern Synod) Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021

4 GRANTS

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

	Institutions		Individuals	
	Number	Amount £	Number	Amount £
Ministry and Mission:				
Other mission projects	3	6,210		
Ecumenical situations	3	2,800		
Local Church Missions	25	303,628		
Youth & Children's Work	5	59,500		
Welfare Grants			2	920
	36	372,138	2	920
Training:				
Ministers & lay preachers	-	-	20	12,290
Students	-	-	2	500
	-	-	22	12,790
Property:				
Local Churches	74	586,446	-	-
Manse	30	118,590	-	-
	104	705,036	-	-
Total Grants Charged	140	1,077,174	24	13,710

5 EMPLOYMENT EMOLUMENTS

	31.12.21	31.12.20
	£	£
Wages & salaries	247,157	268,882
Employers national insurance	28,573	25,961
Pension costs	81,607	66,154
	357,337	360,997

The average number of employees during the year was as follows:

Ministry & Mission	1	1
Training	2	2
Property	2	2
Administration	3	3
	8	8

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 2021

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:-

	31.12.21	31.12.20
	£	£
Mr J Denison (Synod Treasurer)	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

During the year five trustees (2020: one) were reimbursed out of pocket expenses mainly for telephone costs and travelling totalling £240 (2020: £361). Two trustees (2020: two) were also paid a total of £269 (2020: £995) relating to their positions as stipendiary ministers, comprising training grants and reimbursement of ministerial expenses.

7 GAINS/(LOSSES) ON INVESTMENTS

	31.12.21	31.12.20
	£	£
Realised gains/(losses) on investments sold	65,132	(1,714,272)
Less: Gains/(losses) previously recognised in Synod accounts	<u>(38,420)</u>	<u>(862,052)</u>
Net gains/(losses) in year on investments sold	26,712	(2,576,324)
Unrealised gains/(losses) on investments for the year	2,882,278	943,325
Net gains/(losses) on Investments for the Year	<u>2,908,990</u>	<u>(1,632,999)</u>

8 MOVEMENT IN FUNDS

Fund:-		Balance 01.01.21	Income	Expenditure	Transfers between Funds	Gains/(losses) on Investments	Balance 31.12.21
		£	£	£		£	£
General Purposes	Unrestricted	10,002,610	6,145,727	(5,797,258)	1,070,189	1,687,463	13,108,731
	Endowment	436,238				51,111	487,349
Manse	Designated	10,760,133	1,206,169	(758,836)		1,124,225	12,331,691
Alfriston Mission Project	Designated	170,538					170,538
Synod Mission Fund	Designated	2,024,444		(929,811)	(1,070,189)		24,444
Fund held for Uniting	Designated	131,110					131,110
Church Building	Restricted	94	228	(156)			166
	Endowment	11,272				(672)	10,600
Welfare	Restricted	31,526	1,376	(920)		3,481	35,463
	Endowment	3,019				(180)	2,839
Retired Ministers' Housing	Restricted	122,247	197,546	(8,077)		(138)	311,578
	Endowment	177,000					177,000
Milton Hall	Restricted	101,542	7,041	(1,330)		7,579	114,832
	Endowment	242,688				13,703	256,391
Woolwich	Restricted	185,616	4,912			22,419	212,947
		<u>24,400,077</u>	<u>7,562,999</u>	<u>(7,496,388)</u>	<u>-</u>	<u>2,908,991</u>	<u>27,375,679</u>

In 2019 £2,000,000 was committed by the Trust for grants to local churches in for mission and building projects for 2021. During 2021, £929,882 was awarded and the unused allocation £1,070,118 was transferred back to general reserves. £1,500,000 was allocated in 2021 for 2022 grant making.

The United Reformed Church (Southern Synod) Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021

9 TANGIBLE FIXED ASSETS

	Fixtures,		
	Property	Equipment	Totals
	£	£	£
COST			£
At 1 January 2021	387,496	25,206	412,702
Additions in year		4,306	4,306
Disposals in year	(88,000)	(1,845)	(89,845)
At 31 December 2021	299,496	27,667	327,163
3,376,355			
DEPRECIATION			
At 1 January 2021	-	20,275	20,275
Charge for period	-	4,043	4,043
Eliminated for disposals	-	(1,378)	(1,378)
At 31 December 2021	-	22,940	22,940
NET BOOK VALUE			
At 31 December 2021	299,496	4,727	304,223
At 31 December 2020	387,496	4,931	392,427

10 FIXED ASSET LISTED INVESTMENTS

	UNRESTRICTED FUNDS		RESTRICTED FUNDS		
	Fixed Interest	UK	Fixed Interest	UK	TOTALS
	Securities	Equities Fund	Securities	Equities Fund	
	£	£	£	£	£
As at 1 January 2021	3,450,295	18,144,612	143,534	315,757	22,054,198
Purchases	510,000				510,000
Sales		(663,288)			(663,288)
Net gains/(losses) fair value	(197,957)	3,034,044	(8,567)	54,758	2,882,278
	3,762,338	20,515,368	134,967	370,515	24,783,188
Cash held for Investment	645,094				645,094
Fair Value at 31 December 2021	4,407,432	20,515,368	134,967	370,515	25,428,282
Cost at 31 December 2021	3,164,828	16,478,106	130,080	297,435	20,070,449

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

The United Reformed Church (Southern Synod) Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021

11 SOCIAL INVESTMENTS

	31.12.21	31.12.20
	£	£
Loans to Local Churches	102,370	173,302
Loan to World Church Partner	-	200,000
Less Provision made for non-recoverability	-	-
Less Amounts Written Off	-	(309,252)
	<u>102,370</u>	<u>64,050</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

	31.12.21	31.12.20
	£	£
Sundry debtors	<u>34,893</u>	<u>52,659</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Other creditors	67,854	124,540
Grants not drawn	<u>2,592,781</u>	<u>2,074,632</u>
	<u>2,660,635</u>	<u>2,199,172</u>

14 CREDITORS: AMOUNTS FALLING DUE OUTSIDE ONE YEAR

	31.12.21	31.12.20
	£	£
Contribution to Ministers' Pension Fund	<u>2,786,607</u>	<u>-</u>
	<u>2,786,607</u>	<u>-</u>

15 DISPOSITION OF FUNDS AS AT 31 December 2021

Fund:-		Tangible Fixed Assets	Investments	Social Investments	Debtors/ Creditors	Cash & Deposits	TOTALS
		£	£	£	£	£	£
General Purposes	Unrestricted	229,422	13,720,915	102,370	(4,320,331)	3,376,355	13,108,731
	Endowment	-	487,349				487,349
Manse	Designated	74,721	9,645,414		(22,896)	2,634,452	12,331,691
Alfriston Mission Project	Designated	-				170,538	170,538
Synod Mission Fund	Designated	-	1,069,122		(1,069,122)	24,444	24,444
Fund held for Uniting Churches	Designated	-				131,110	131,110
Church Building	Restricted	-				166	166
	Endowment	-	10,600				10,600
Welfare	Restricted	-	30,489			4,974	35,463
	Endowment	-	2,839				2,839
Retired Ministers' Housing	Restricted	-	2,184			309,394	311,578
	Endowment	-				177,000	177,000
Milton Hall	Restricted	80	51,278			63,474	114,832
	Endowment	-	256,391				256,391
Woolwich	Restricted	-	151,701			61,246	212,947
		<u>304,223</u>	<u>25,428,282</u>	<u>102,370</u>	<u>(5,412,349)</u>	<u>6,953,153</u>	<u>27,375,679</u>

The United Reformed Church (Southern Synod) Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021

16 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 2021 The United Reformed Church (Southern Synod) Trust Ltd contributed 32.6% (2020:28.2%) of basic salary in respect of members of the Final Salary scheme. In 2021 this amounted to £81,607 (2020 : £66,154). 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

17 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. 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. At the balance sheet date, a commitment of £3,000,000 to be paid by 2024 and this is included in long-term creditors. A further £3 million has been offered if a review in 2024/5 indicates it is required and this would be due in the period 2025 to 2030. This is not a firm commitment and therefore no provision is included in the financial statements for this additional sum..

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.

18 CONTINGENT ASSETS

At the year end, the property of three 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.

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

Notes to the Financial Statements
for the Year Ended 31 December 2021

19 COMPARATIVE ANALYSIS BY FUND

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

	2020			
	Unrestricted Funds		Restricted Funds	Total Funds
	General Purposes Funds £	Designated Funds £	£	£
INCOME AND ENDOWMENTS:				
Income from Investments	264,160	262,664	10,933	537,757
Income from charitable activities				-
Donations and Legacies	128,496	12,500	791	141,787
Other Income	-	45	-	45
Total operating income	392,656	275,209	11,724	679,589
				-
				-
Income on sale of properties	116,000	3,332,000	-	3,448,000
Profit/(Loss) on sale of properties	101,000		-	101,000
				-
Total Income and Endowments	609,656	3,607,209	11,724	4,228,589
EXPENDITURE				
Expenditure on Charitable Activities	563,110	1,279,237	42,515	1,884,862
Total operating expenditure	563,110	1,279,237	42,515	1,884,862
Payment to Inter-Synod Resource Sharing	25,000	-	-	25,000
Purchase of Manses	-	670,000	-	670,000
Total Expenditure	588,110	1,949,237	42,515	2,579,862
Net Expenditure on Operating Account	(170,454)	(1,004,028)	(30,791)	(1,205,273)
Net Income/(Expenditure)	21,546	1,657,972	(30,791)	1,648,727
Transfers between Funds	999,998	(999,998)	-	-
Other Recognised Gains/(Losses)				
Net (Losses)/Gains on Investments	(966,156)	(639,427)	(27,416)	(1,632,999)
Net movement in funds	55,388	18,547	(58,207)	15,728
Total funds brought forward	10,383,460	13,067,678	933,211	24,384,349
Total funds carried forward	10,438,848	13,086,225	875,004	24,400,077