

REGISTERED COMPANY NUMBER: 01555990 (England and Wales)

REGISTERED CHARITY NUMBER: 282729

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022
FOR**

**THE UNITED REFORMED CHURCH (WESSEX)
TRUST LIMITED**

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

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REPORT OF THE TRUSTEES

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 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01555990 (England and Wales)

Registered Charity number

282729

Registered office

120 Alma Road
Southampton
Hampshire
SO14 6UW

Trustees

Revd Nigel J W Appleton – *resigned 27 April 2023*
Mrs Susan A Brown
Mrs Margaret R Carrick Smith
Revd Clare Downing – *resigned 31 March 2023*
Mr Raymond M Dunnett – *Deputy Convener*
Mr Andrew N Gibb
Mr Colin F MacBean

Revd Julian J Macro
Mrs H Bridget Micklem – *appointed 22 June 2023*
Revd Dr Romilly W Micklem – *Convener*
Revd Glyn Millington
Mr John D Sinclair
Mr Peter J Stevenson – *resigned 12 March 2022*
Revd Anthea J Wickens – *resigned 30 April 2022*

All the Trustees give their time voluntarily and receive no benefits from the Company. Any expenses reclaimed from the Company are set out in note 11.

Company Secretary

Mr Stuart MacLean

Auditors

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Bankers

Barclays Bank plc, Barclays House, 1st Floor, 5 St. Ann's Street, East Quayside, Newcastle, NE1 2BH
CAF Bank Limited, Kings Hill, West Malling, Kent, ME19 4TA

Legal Advisers

Lester Aldridge LLP, Russell House, 31 Oxford Road, Bournemouth, Dorset, BH8 8EX

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OBJECTIVES AND ACTIVITIES

The charitable purpose of the Company, as set out in the 'objects' clause contained in the Company's Memorandum of Association, is:

- The advancement of the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages of the United Reformed Church, in particular (but without prejudice to the generality of the foregoing) by supporting the work of the Wessex Synod of that Church.

The aims of the Company are to support local churches in their outreach and mission, both directly through its staff, and indirectly through the Synod and its committees, groups and officers, and by the provision of resources, both financial and technical.

ENSURING DELIVERY OF THE COMPANY'S AIMS

The Trustees review the aims, objectives and activities of the Company on a regular basis and determine which activities to resource based on contribution to those agreed aims and objectives.

As trustee of the charitable funds of the Wessex Synod, the Company submits a detailed report of its activities to the meetings of the Synod and consults with and takes guidance from the Synod in respect of any application of the funds that falls outside the policies agreed by the Synod.

CHARITY OBJECTIVES

The main purpose of the Unrestricted Funds is to meet the financial needs of the Wessex Synod and the wider church, and to support the constituent local churches in a wide range of activities which further generally the Wessex Synod strategy and the religious purposes of the United Reformed Church. With regard to the financial needs of the wider church, the Wessex Synod continues to make significant annual grants to Inter-Synod Resource Sharing as a step towards addressing the significant differences in wealth, and hence potential for funding mission, that exists between all 13 Synods of the United Reformed Church.

PRINCIPAL ACTIVITIES

The principal activities of the Company include:

- The short, medium and long-term management, as trustee, of the Unrestricted Funds of the Company, which consist primarily of investment property, managed funds, cash, and loans to local churches and ministers;
- The realisation of best value from the disposal of redundant church buildings and manses, and the letting of temporarily vacant manses, pursuant to the resolution of the local church meeting and the approval of the Synod Executive;
- Trusteeship of the other funds shown in the financial statements, whose assets consist almost exclusively of managed funds and cash;
- The oversight of functional charity property, consisting almost exclusively of church buildings and manses, in legal matters and in advice or the provision of professional advice;
- Acting as employer for staff of the Company and of the Synod;
- Various tasks, primarily related to finance and property, in support of the work of the Wessex Synod and local churches, including making grants and loans towards projects within agreed budgets;
- Supporting the development and implementation of the Wessex Synod strategy, especially as it relates to matters of finance and property;
- Developing and proposing overall plans, policies and procedures regarding finance and property for presentation to the Synod for approval;
- Implementing and monitoring the financial and property plans, policies and procedures agreed by the Synod;
- Facilitating the Synod's oversight of contributions and its annual offer to the Ministry and Mission Fund and assisting with any proposed changes to the Synod Ministry and Mission Fund formula. Any change to the formula would require the approval of the Synod;
- Ensuring that local churches are kept fully aware of Synod financial and property policy and relevant legislation in whatever form is most appropriate;
- Enabling, supporting and overseeing the work of the Listed Buildings Advisory Committee, and taking any action arising therefrom; and

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PRINCIPAL ACTIVITIES, *continued*

- Acting as the Provincial Property Committee, receiving advice from the Listed Buildings Advisory Committee under Ecclesiastical Exemption concerning developments and alterations to Listed Buildings and buildings in Conservation Areas, and giving or withholding permission for such works in accordance with the Planning (Listed Buildings and Conservation Areas) Act 1990, conducting and recording that part of its business in accordance with the statutory requirement.

GRANT-MAKING POLICY

Policies for grant-giving have been agreed by the Wessex Synod and application forms and procedures ensure the full production of supporting information for all grant applications. Grants can be categorised as follows:

- Annual grants to local churches which will be paid in accordance with existing agreements;
- Grants for work supported by the Wessex Synod;
- Grants for the maintenance, repair and / or improvement of manses to provide suitable housing for ministers;
- Grants for ministerial housing allowances;
- Grants to local churches for church mission;
- Grants to local churches for uniting congregations;
- Grants for work supported by the General Assembly of the United Reformed Church;
- Grants to other Synods of the United Reformed Church pursuant to Inter-Synod Resource Sharing; and
- Grants to chaplaincies in higher education, industrial missions and other ecumenical situations.

Grants to local churches are made to assist their ministry as they seek to fulfil all current mission initiatives in their own situation, through:

- Responding to the needs of the community in which the church works; and
- Meeting the challenges and claims of the gospel in today's church and the world.

PUBLIC BENEFIT

The Trustees confirm that they had due regard to the Charity Commission's guidance (PB1 to PB3) on public benefit when exercising any powers or duties to which the guidance is relevant. Examples of this are given in this report.

ACHIEVEMENTS AND PERFORMANCE

Property Operations

- The Company manages the portfolio of residential and investment properties on behalf of the Synod and supports churches in managing their places of worship and assembly. This includes professional oversight of significant capital projects. The Company also realises the best value of redundant property by a programme of disposals.

The regular activities of the Company include:

- Fielding and responding to enquiries from ministers and church officers, agents and tenants;
- Managing residential occupancy: safety certifications, agreements, inventories and deposits;
- Effecting residential property repairs, maintenance and refurbishments, planned and unplanned;
- Managing rents, collections, delinquency and - occasionally - evictions;
- Capital enhancements and extensions;
- Exceptional acquisitions and disposals for best value;
- Managing major church building contracts, contractors and professional advisors; and
- Providing specialist legal and property management advice and guidance.

Church Congregations and Manses

At the end of the year there were 113 (2021: 116) local church congregations, including 33 Local Ecumenical Partnerships (2021: 33), a new Local Ecumenical Partnership having been formed at The Spire Church, Farnham and having lost a Local Ecumenical Partnership at Summertown United Reformed Church, Oxford. These resolutions-to-close were passed in 2022:

- 6 March 2022: Andover United Reformed Church.

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- 3 April 2022: Summertown United Reformed Church, Oxford.
- 31 May 2022 Sarisbury Green United Reformed Church.

When a church elects to close, any remaining assets following closure are, subject to receipt of all necessary approvals, transferred to the Company. The sale of any redundant church building normally involves:

- Retaining expert advice;
- Developing options for realising best value in a manner consistent with Charity Commission requirements; and
- Managing the approvals process, marketing and disposal in a safe and exemplary manner.

So far in 2023, Longham United Reformed Church resolved on 22 January 2023 to close the same day following a number of preparatory meetings.

At the end of the year there were 33 (2021: 36) manse occupied by ministers and 25 (2021: 22) further manse held pending possible future occupation by a minister, of which 23 (2021: 17) were let to tenants, 1 (2021: 5) was vacant pending refurbishment and occupation by tenants, and 1 (2021: 0) was vacant pending refurbishment and occupation by a minister. Some of the manse do not conform to the agreed Synod manse standard and so they will be let and sold in due course. Additional manse will only be purchased if required to house ministers.

Property Acquisitions

3 Berry Close, Oxford was acquired to serve as a manse during the year (2021: 0).

Throughout the year, the Trustees have been exploring options to acquire new premises to house the Synod and Trust offices.

Property Disposals

Two redundant manse were sold during the year (2021: 2) at: 1 Ruffield Close, Winchester and 3 Watercress Close, Bodicote, Banbury. Three investment properties were also sold during the year (2021: 1) at 14 Oakmount Avenue, Southampton, 49 Stourvale Road, Bournemouth and Tara Cottage, 29 Marsh Street, Warminster.

Two redundant church sites were sold during the year (2021: 0) at Medstead and Worpleston (Guildford) and at the end of the year 14 (2021: 12) redundant church sites were at different stages of disposal, being:

Andover	Bury Road (Gosport)	Chandler's Ford
Finchdean	Freemantle (Southampton)	Hope Church Freshwater Bay
Lytchett Minster	Newbury	Pheasant's Hill
Sarisbury Green	Stanford-in-the Vale	Summertown (Oxford)
Walkford (Christchurch)	Weybridge	

Longfleet is not now considered a redundant church site because the Bournemouth International Church are using the premises as one church on two sites.

8 (2021: 10) former manse have been identified by the Company at the year-end as redundant, of which 5 (2021: 5) are on church sites and let to tenants or in other use and 3 were let to tenants (2021: 3). No properties were vacant and for sale (2021: 2).

Grants and Grant commitments

Grants are offered and paid out by the Company under its grant-making policy. When grants are offered by the Company they are recorded as future commitments and drawn down as projects continue, sometimes over several years. It is not unusual for previous grant commitments to be written-back into the funds as a result of projects not proceeding or not requiring the committed funds.

Grants for church mission projects are made from the Church Mission Fund and the Special Reserve Fund in support of building projects, the costs of church workers and other smaller projects. Within the Special Reserve Fund is a sub-reserve made in 2016 of £200,000 (residual balance in 2021: £92,214; 2022: £62,214) designated to potentially meet the direct costs of some very early-stage conceptual pioneer ministry projects in such situations as large-scale housing developments. In 2021, just such a project was presented to Trustees, and an initial draw-down of £107,786 for a 3-year employment was approved and in 2022 an additional draw-down for the same project of £30,000 for this 3-year employment was also approved.

Other grants to churches may be made from the General Fund, for example to assist with the cost of urgent repairs due to storm damage. The Company also supports from its General Fund several ecumenical projects, Inter-Synod Resource Sharing and General Assembly's Commitment for Life programme.

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REVIEW OF SIGNIFICANT CHARITABLE ACTIVITIES UNDERTAKEN

The Company continues to achieve its aims of supporting local churches in their outreach and mission and the wider United Reformed Church, both directly through its staff, and indirectly through the Synod and its committees, groups and officers, and by the provision of resources, both financial and technical.

At its meeting on 12 March 2022, the Wessex Synod endorsed the Trustees' decision to make an offer to contribute up to £9 million over the period 2022 - 2030 towards the deficit of the United Reformed Church Ministers' Pension Fund. This offer was made with the condition that the current 'defined benefit' scheme be closed.

A payment schedule of £1.2 million per annum for the five years 2022-26 has been agreed with the URC Trust, with a review to be made following the next actuarial valuation. Four further annual payments of £0.75 million may then be made.

The URC's General Assembly resolved in July 2022 to close the defined benefit pension scheme to future accruals and following the delayed closure of the scheme on 28 February 2023, the condition set by the Company for releasing its contributions towards the deficit reduction programme was met and the Company's previously deferred first payment of £1.2 million was released to the URC Trust on 23 March 2023.

The following Trustees declare an interest in the URC Ministers' Pension Fund as deferred members or pensioner members of the scheme: Revd Julian Macro, Revd Dr Romilly Micklem and Revd Glyn Millington.

FUTURE PLANS

One of the challenges that the Company faces is responding to its broad remit as a facilitating, sharing and enabling body for the Wessex Synod, its individual local churches and the wider United Reformed Church.

The Company therefore seeks to encourage grant applications for projects with a significant mission focus but is aware of the need to release funds on a steady basis within the available resources.

The Company's short and medium range plans draw upon the Wessex Synod strategy in order to establish the areas and activities that require special focus and ensure that the Company's grants and loans resources are available to meet prioritised objectives.

The Company is presently concentrating its resources on progressing several difficult sales of redundant church property and following those disposals will again review the level of reserves that are required to allow the Company to operate from its investment income. The surplus will be allocated firstly to donations to the URC Trust to enable it to cover the deficit within the URC Ministers' Pension Fund. Once the pattern of forecast sales is shown to cover this commitment, a portion of the annual surplus will be allocated to the Company's grant-making policy which will seek to at least maintain for the foreseeable future enough regular allocation to the Church Mission Fund and allocate additional funds to the Special Reserve Fund. The Company will then also review its grant-making policy again with the aim of releasing all the increased Special Reserve Fund over up to 10 years.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Company is limited by guarantee as defined by the Companies Act 2006 and is a charity and a trust corporation within the terms of the Law of Property (Amendment) Act 1926.

The Company's objects and powers are declared in its Memorandum of Association dated 15 December 1980, as amended by special resolutions dated 25 June 1998, 22 September 2005 and 27 April 2017, and provision for its governance and administration is made in its Articles of Association. The Company was incorporated on 14 April 1981.

The Wessex Synod is one of the 13 Synods of the United Reformed Church and has the sole power of electing Trustees to the Company. The Synod has given the Trustees' Meeting authority to appoint new Trustees, but any Trustee so appointed may not serve for more than 1 year without being elected by the Synod. The maximum registrable membership of the Company is 24, with the members also being Trustees of the Company. At least 75% of the Trustees must be members of the United Reformed Church.

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Once in each calendar year 1/3 of the Trustees for the time being, or, if their number is not a multiple of 3, then the number nearest to but not exceeding 1/3 shall retire from office. The Trustees to retire on each occasion include, so far as necessary to obtain the number required, any Trustee who wishes to retire and not offer themselves for re-election, and any further Trustees to retire shall be those who have been the longest in office since their last election. A retiring Trustee shall be eligible for re-election.

The applicable elections and re-elections were considered and agreed at the Synod meeting on 12 March 2022 and were considered at the Annual General Meeting of the Company on 30 June 2022.

Risk Assessment and Management

The Trustees have a duty to identify and review the risks to which the Company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Company and the Synod have undertaken and documented an annual joint Risk Assessment and have undertaken or are going to undertake the necessary actions arising from their review of the outcomes of those assessments.

The Trustees have identified that the nature of the Company's operations is such that the greatest principal risk to the Company's operations is its small number of staff and the risk of their absence, for example because of prolonged illness. The Trustees manage the risks associated with the health and well-being of its staff through existing line management systems, practical support from volunteers, and the Human Resources and Facilities Committee, and guard against fraud and error by undertaking periodic reviews with staff of all internal controls and operating procedures of the Company. The resulting documented procedures are annually reviewed by the Auditors against current best practice and are well understood by the Trustees and the staff and are rigorously enforced.

Recruitment, Appointment and Training of Trustees

The most important qualification for appointment to the Company as a Trustee is a thorough awareness of the workings of the United Reformed Church and of the Wessex Synod in particular. Ideally, this should have been gained through an active role in the life of the Synod and / or the wider church. Expertise and experience in such areas as law, human resources, finance and property are particularly useful if gained in the context of the councils and operations of the United Reformed Church. The combined expertise and experience of the Trustees has so far proved very adequate for the full range of the Company's activities.

The current Trustees who also hold or have in the year to 31 December 2022 held significant posts either on behalf of the Synod or on behalf of General Assembly are:

Name	Synod	Synod Executive	Other
Revd Clare Downing	Moderator	Member	General Assembly Ministerial Moderator-2020-22
Mr Raymond Dunnett (Trust Deputy Convener)	-	Member	-
Revd Julian Macro	-	-	Trustee of the United Reformed Church Trust
Mrs H Bridget Micklem	-	-	Trustee and Chair of the United Reformed Church Ministers' Pension Trust
Revd Dr Romilly Micklem (Trust Convener)	-	Member	-

Prospective Trustees are proposed by the Synod Nominations Group and then usually meet with the Chair of the Company, Executive Officer and one other Trustee who explain and discuss the responsibilities of the task and the ways of working of the Trustees. A copy of the latest Annual Report and Accounts is provided to aid understanding, but prospective Trustees are also invited to attend a Trustees' Meeting before making any decision. An appointment would normally then be made by the Trustees' Meeting on the recommendation of the group that met the prospective Trustee and would be subject to the new Trustee signing a declaration indicating his or her eligibility to act. A new Trustee is also provided with electronic copies of the Charity Commission publications CC3 and CC3a and a secure link to a SharePoint folder providing access to all the minutes and associated documents of the Trustees' meetings from March 2019 to date.

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Training for new and existing Trustees is largely limited to that which is gained during service. Many matters are discussed in some detail at Trustees' Meetings and the style of the meetings is such as to encourage sharing of knowledge and provide an opportunity for exploration of relevant regulations and legal requirements. Annual visits by the Company's two main Investment Managers provide an excellent opportunity for in-depth appreciation of this important aspect of the Company's activities. The Trustees are encouraged to attend the seminars offered by the Company's professional advisers and report back to the Trustees on their thoughts and findings. The Trustees also have in-house training on topical issues when necessary.

Relationship with the Wessex Synod of the United Reformed Church

The Company holds the financial assets of the Wessex Synod of the United Reformed Church in trust. The different categories of trusteeship are as follows:

- The church buildings and manses of local churches are held on the Statutory Trusts of the United Reformed Church Acts 1972, 1981 and 2000 ('the Statutory Trusts') and decisions concerning such property are governed by Schedule 2 of the United Reformed Church Act 1972 (as amended) ('the 1972 Act'), under which approval of both the local church meeting and the Synod is required in order for the Company to let or dispose of any such property.
- The Unrestricted Funds have arisen almost entirely as a result of the disposal of interests in redundant property. Under the terms of the Statutory Trusts, under which such property was formerly held, the Unrestricted Funds may be used for other charitable purposes connected with the work of the United Reformed Church. In accordance with Synod policy, local churches in the Synod normally resolve that such proceeds of sale will be added to the Unrestricted Funds of the Company.
- There are several Restricted and Endowment Funds for which the Company is Charity Trustee, and which are governed by Trust Instruments other than the United Reformed Church Acts. The Company acts in its sole discretion within the terms of such Trust Instruments and in response to the needs of the beneficiaries.

Wessex Synod

The Synod Officers and the appointed representatives of the constituent local churches in the Wessex Synod met twice in 2022 as the Wessex Synod to support, enable and co-ordinate the work of the Synod and its local churches.

At its meeting on 12 March 2022, the Synod approved a proposal to move one 'full' Synod meeting in-person, in October, plus 2 'business' meetings per year, online.

Further information about the responsibilities of the Synod, the Synod Executive Committee and other Synod committees and groups is available on the Synod website: www.urcwestsex.org.uk

Organisational Structure of the Company

The Trustees normally meet 5 times a year, or as often as is necessary to effectively discharge their terms of reference. The business includes policy making, receiving and acting upon reports from its Committees, the Ministry and Mission Fund Secretary, the Synod Treasurer and the Executive Officer, meeting Investment Managers and considering and approving matters relevant to churches and manses, and grants and loans towards projects within agreed budgets. The business of the Trustees in their capacity as the Synod Provincial Property Committee also includes receiving and acting upon reports from the Listed Buildings Advisory Committee.

The Company has 4 standing committees which have delegated authority to deal with certain areas of the Company's work and meet as often as is necessary to effectively discharge their terms of reference. Each committee provides reports to the Company on their work and, where applicable, the decisions taken on behalf of the Company. The committees are the: Human Resources and Facilities Committee; Investment Committee; Property Disposals Committee; and Welfare Committee.

Indemnity Insurance

Indemnity insurance is in place to cover, up to £1,000,000, the liability of the Trustees in relation to negligence, default, breach of duty or breach of trust. This cover has been arranged through Ansvr Insurance Company Limited.

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Staffing (including Key Management Personnel)

The day-to-day administration of the Company is undertaken by the Executive Officer and Company Secretary, Mr Stuart MacLean, supported by 4 members of staff. The Company does not directly use volunteers in support of its day-to-day operations; however, there is an indirect dependency upon the volunteers who run the local churches for whose property the Company is the Trustee and those who act on behalf of the Synod.

FINANCIAL REVIEW

Reserves Policy

The total amount of reserves held in the Unrestricted Funds at the end of the year were £37,146,773 (2021: £46,617,066), the movement being due to:

• Grant payment to Minsters' Pension Fund	£9,000,000	(2021: £NIL)
• Donations from fewer closed churches	£999,251	(2021: £1,470,000)
• Losses (2021: gains) on investment assets	£1,403,169	(2021: £2,368,176)
• Decreased realised gains on property disposals	£47,498	(2021: £813,370)

Remaining additions to the unrestricted reserves mean that the Company continues to achieve its stated policy of holding sufficient assets to allow the Company to operate from its income without having to impose a cost on the local churches of the Wessex Synod to contribute towards the costs of sustaining its charitable objectives. The need to hold any funds in excess of that level will be regularly reviewed and justified, or alternatively plans will be developed and implemented for those funds to be used in furtherance of the Company's stated charitable objectives.

There have been no significant events which have had a financial effect of sufficient quantifiable reliability on the Company to warrant adjusting the 2022 accounts.

Cash

The year-end cash position was £4,358,411 (2021: £1,974,765). The Company always aims to maximise its managed investment income by seeking to limit the level of cash held, with any excess over short term cash flow requirements being invested in managed investment income units until required. However, the Company's income and expenditure is often sporadic and significant with large sums being realised from property disposals and being required for grant payments or manse purchases. This can lead to substantial cash balances from time to time.

Investment Policy

The Company is Trustee of a wide range of charities for differing purposes as categorised below:

- 1. Unrestricted funds for the benefit of the United Reformed Church, with particular preference for the Wessex Synod of the United Reformed Church.**
The investment objective for these funds is to maximise total return with a view to a steady increase in both income and underlying asset value by investing for the longer term.
- 2. Restricted and endowment funds for the benefit of local churches**
The beneficiaries of these funds fall into 2 distinct sub-categories: those who wish to maximise income regardless of the consequential effect on capital and those who are willing to limit short-term income in order to improve the prospect of long-term growth in both income and underlying asset value. The Company recommends that the first category, in current market conditions with low interest rates, consider also adopting a policy of maximising long-term income and capital growth, but will follow the wishes of the beneficiaries.
- 3. Endowment funds for specific purposes generally connected with the United Reformed Church**
The Company has decided that the investment objective for these funds should be to achieve a rising income with the prospect of growth in underlying asset value.

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Investment Management Strategy

The Company has formulated the following elements of investment strategy:

1. **Diversification of investments**
As a matter of prudence, the Company's investments in equities will be diversified over as wide a range of equities as is commensurate with the size of its portfolio.
2. **Common Investment Funds and Unit Trusts**
In order to minimise administration and consequential costs and to fulfil most effectively the above diversification strategy, common investment funds and unit trusts ('pooled funds') will be used in preference to direct equity holdings.
3. **Diversification of fund management**
In view of the size of the Company's assets and the differing investment objectives for the various funds that it holds, it is deemed appropriate to use more than one fund manager, but the Company agreed at its meeting on 28 January 2016 that the stated policy of manager diversification should no longer take precedence over other factors.

Social Investment Policy

The Company has not made any programme-related investments but supports those made by its continued investments in those funds:

- by **CCLA Investment Management Limited** through its COIF Charities Ethical Investment Fund; and
- by **Cazenove Capital** through its **Responsible Multi-Asset Accumulation Fund**.

(During 2022, the Company divested itself of its holdings in the **Newton Sustainable Global Equity Income Fund**, managed by **Newton Investment Management Limited**.)

Ethical considerations

The United Reformed Church offers guidance, from time to time, on ethical investment which the Company seeks to follow in its allocation of investment assets.

In furtherance of these ethical considerations the Company is a member of the Church Investors Group and has adopted a set of statements in line with the UK Stewardship Code.

Fundraising approach and performance

The Charity does not normally undertake any fundraising activity but does occasionally receive some unsolicited donations and legacies.

CUSTODIAN TRUSTEESHIP

At the beginning of the year, assets with a market value of £1,130 (2021: £1,037) were held by the Company as custodian trustee for the Willats' Almshouse Charity. During the year, the incoming resources of this fund were £53 (2021: £50) and this sum was allocated to the Charity in 2022, although not distributed. The market value of the Charity's investments at the end of the year were £1,095 (2021: £1,130).

As the assets of the Charity consist entirely of income shares of The National Associations of Almshouses Common Investment Fund, and as the Company holds no other shares in this fund, there is no concern over safe custody and segregation from the Company's own assets.

At 31 December 2022 the Company also held as custodian trustee for Mere United Reformed Church investments valued at £277,285 (2021: £328,393) and cash of £9,951 (2021: £51,001), the difference in the year being capital project spend by the church itself.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The United Reformed Church (Wessex) Trust Limited 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 Statement Of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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.

SMALL COMPANY EXEMPTIONS

In preparing this report the directors have taken advantage of small company exemptions.

Approved by order of the Board of Trustees on 21 September 2023 and signed on its behalf by:



Revd Dr Romilly Wakefield Micklem – Trust Convener

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

AUDITORS' OPINION

We have audited the financial statements of The United Reformed Church (Wessex) Trust Limited for the year ended 31 December 2022 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

As 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 Trustees Report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which incorporates the Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (which incorporates the Directors' Report prepared for the purposes of company law) has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report (which incorporates the Directors' Report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the use of restricted funds in accordance with trust law and compliance with employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP and the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of income from legacies and donations. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Reviewing allocations and disclosures relating to restricted funds;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals;
- Reviewing valuations of investments; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to depreciation.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED**

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

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

Use of our report

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



**Adam Halsey (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP (Statutory Auditor)**

**10 Queen Street Place
London
EC4R 1AG**

29 September 2023

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	999,275	-	-	999,275	1,476,560
Charitable activities	4					
Supporting the Wessex Synod		1,873	-	-	1,873	3,292
Trinity Hall		941	-	-	941	-
Investment income	3	1,262,042	35,588	6,823	1,304,453	1,071,987
Other Income		-	-	-	-	74,269
Sale of fixed assets		321,754	-	-	321,754	141,151
Total		2,585,885	35,588	6,823	2,628,296	2,767,259
EXPENDITURE ON						
Raising funds	5	662,140	-	-	662,140	413,114
Charitable activities	6					
Supporting the Wessex Synod		1,040,256	35,588	6,823	1,082,667	1,303,327
Trinity Hall		-	-	-	-	6,982
		<u>1,702,396</u>	<u>35,588</u>	<u>6,823</u>	<u>1,744,807</u>	<u>1,723,423</u>
Sub Total		883,489	-	-	883,489	1,043,836
Grant to Minister's Pension	8	9,000,000	-	-	9,000,000	-
		<u>(8,116,511)</u>	<u>-</u>	<u>-</u>	<u>(8,116,511)</u>	<u>1,043,836</u>
Gains/(losses) on investment assets		(1,403,169)	(154,377)	(30,836)	(1,588,382)	2,566,070
Investment properties		47,498	-	-	47,498	913,120
Net income		(9,472,182)	(154,377)	(30,836)	(9,657,395)	4,523,026
Transfers between funds	23	1,889	(1,889)	-	-	-
Net movement in funds		(9,470,293)	(156,266)	(30,836)	(9,657,395)	4,523,026
RECONCILIATION OF FUNDS						
Funds brought forward		46,617,066	1,640,358	302,290	48,559,714	44,036,688
TOTAL FUNDS CARRIED FORWARD		37,146,773	1,484,092	271,454	38,902,319	48,559,714

All income and expenditure derive from continuing activities.
The notes on pages 19 to 34 form part of the financial statements.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

BALANCE SHEET

Registered Company number 01555990 (England and Wales)

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	14	14,606,075	14,579,239
Investments			
Investments	15	21,136,526	22,670,079
Investment property	16	<u>5,652,600</u>	<u>6,622,600</u>
		41,395,201	43,871,918
CURRENT ASSETS			
Debtors	17	404,147	255,270
Investments	18	2,840,000	3,675,000
Cash at bank		<u>4,358,411</u>	<u>1,974,765</u>
		7,602,558	5,905,035
CREDITORS			
Amounts falling due within one year	19	<u>(3,297,069)</u>	<u>(881,034)</u>
NET CURRENT ASSETS		<u>4,305,489</u>	<u>5,024,001</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		45,700,690	48,895,919
CREDITORS			
Amounts falling due after more than one year	20	<u>(6,798,371)</u>	<u>(336,205)</u>
NET ASSETS		<u>38,902,319</u>	<u>48,559,714</u>
FUNDS	23		
General fund		22,166,590	31,972,663
Designated funds		<u>14,980,183</u>	<u>14,644,403</u>
Total unrestricted funds		37,146,773	46,617,066
Restricted funds		1,484,092	1,640,358
Endowment funds		<u>271,454</u>	<u>302,290</u>
TOTAL FUNDS		<u>38,902,319</u>	<u>48,559,714</u>

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

21 September 2023



Revd Dr Romilly Wakefield Micklem – Trust Convener

The notes on pages 19 to 34 form part of the financial statements.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

**CASH FLOW STATEMENT
AT 31 DECEMBER 2022**

CASH FLOW STATEMENT

	2022	2021
	£	£
Reconciliation of Net Incoming Resources to Cash		
Inflow from Operating Activities		
Changes in resources before revaluations	(8,116,511)	1,043,836
Returns on investment	(1,304,453)	(1,071,987)
Depreciation	3,612	3,229
Surplus on disposal of tangible fixed assets	(321,754)	(141,151)
Closed churches donated	(979,252)	(1,470,000)
(Increase)/decrease in debtors	(125,672)	18,615
Increase/(decrease) in creditors	<u>8,878,203</u>	<u>25,206</u>
Net cash inflow from operating activities	<u>(1,965,827)</u>	<u>(1,592,252)</u>
 Cash flows from investing activities		
Returns on investment	1,297,577	1,080,573
Payments to acquire tangible fixed assets	(396,813)	(744)
Receipts from sale of tangible fixed assets	688,119	465,567
Payments to acquire investments	(9,300,906)	(1,198,380)
Receipts from sales of investments	10,034,871	734,896
Receipts from sales of investment properties	1,107,143	1,469,743
Receipts from sales of current asset investment	935,812	468,627
Repayment of loans from ministers and churches	18,670	92,236
New loans to ministers and churches	<u>(35,000)</u>	<u>(53,188)</u>
 Change in cash and cash equivalents in the year	2,383,646	1,467,078
Cash and cash equivalents at the beginning of the year	<u>1,974,765</u>	<u>507,687</u>
 Cash and cash equivalents at the end of the year	<u>4,358,411</u>	<u>1,974,765</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investment assets. The format of the financial statements has been presented to comply with the Companies Act 2006, the Charities Act 2011, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* and the Statement of Recommended Practice for Charities (SORP 2019). The Charity is a Public Benefit Entity as defined by FRS102. Figures are presented in sterling and rounded to the nearest pound.

General information

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 01555990) and a Charity registered in England and Wales (Charity number: 282729). The Charity's registered office address is 120 Alma Road, Southampton, Hampshire, SO14 6UW.

Going concern assessment

The Trustees consider that there are no material uncertainties which would cast doubt on the Company's ability to continue as a going concern. The Trustees continue to monitor the effects of inflation, interest rates and a more difficult property market and do not consider them to call Going Concern into question. In particular, Trustees note that the Company's significant investment funds are managed on a 'total returns' basis, which provides a predictable income stream, and that the Company does not depend on property disposals to cover its core staff and operating costs.

Significant judgements and estimates

In preparing these financial statements the Trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The only key area subject to judgement where adjustments would have a material effect on the accounts is investment properties. The Trustees have reviewed the carrying value of assets and liabilities and their useful economic lives and do not consider that any assets are impaired or that a revised rate of depreciation should be considered.

Income

All income and endowments are recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

Donations, including closed churches, are recognised when the conditions of entitlement and probability are met, and the economic benefit can be measured reliably. Legacies are recognised on a receivable basis, when the conditions of entitlement, probability and measurement are met. Where the measurement criteria for legacies and donations are not satisfied as at the balance sheet date but subsequent events resolve the uncertainty such that the criteria are met, an adjustment is made to recognise the income.

Investment income, including interest receivable, and other miscellaneous income are accounted for on a receivable basis.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2022

1. ACCOUNTING POLICIES – continued

Expenditure

Expenditure is recognised as soon as the related liability is incurred and has been classified under headings that aggregate all costs relating to that category. Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. Irrecoverable VAT is included with the category of expenses to which it relates.

Costs of charitable activities consist of all expenditure directly relating to the objects of the Charity. Support costs which cannot be directly allocated are apportioned between charitable activities and governance costs on the basis of an estimate of the time spent on the relevant functions.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Grants are accrued for when approved, the recipient has been notified and any condition attached to the grant is outside the control of the Synod. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure. Grants from the Church Mission Fund must be claimed within 1 year of the date of the grant commitment unless an extension of time is given.

Tangible fixed assets

Tangible fixed assets are initially recognised at cost. Items of furniture, apparatus and equipment, other than computers, costing less than £500 are charged against income in the year of purchase.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- Straight Line over 10 years
Fixtures and fittings	- 10% to 25% on cost
Computer and equipment	- 25% on cost

Freehold property is not being depreciated on the basis that it would be immaterial due to all properties having high residual values. The carrying values of tangible fixed assets are reviewed for impairment in accordance with the requirements of FRS102. Long leasehold properties will be depreciated over the final 50 years of the leasehold.

Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Investments

Investments are valued at fair value on the balance sheet date. Investment properties are stated at a valuation carried out by a qualified Chartered Surveyor. Gains/losses on investments are calculated as the difference between opening market value and closing market value after adjusting for additions and disposals during the period. No distinction is made between realised and unrealised gains in the financial statements.

Investment asset allocation

The Company owns several properties from which it receives income. The Company will not normally purchase property as an investment. Its direct property holdings arise from retaining an interest in land or buildings which are no longer required for the charitable purposes of the Company. Decisions on whether to retain such an interest or to dispose of it are made by the Trustees and the Synod Executive in the light of circumstances prevailing at that time.

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022

1. ACCOUNTING POLICIES – continued

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Designated funds comprise funds that have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated unrestricted funds are set out in the notes to the accounts.

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 Company, subject in certain cases to specific restrictions contained in the original endowment.

Operating lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Company contributes into staff personal pension plans. Contributions payable to the plans are charged to the Statement of Financial Activities in the period to which they relate.

The Company has previously offered a defined benefit scheme, the United Reformed Church Final Salary Scheme (now administered by TPT Retirement Solutions (formerly The Pensions Trust)) which is a multi-employer scheme where the underlying assets and liabilities are not separately identifiable on a consistent and reasonable basis. In accordance with FRS 102 it is accounted for as a defined contribution scheme. Contributions were charged as expenditure as they became payable in accordance with the rules of the scheme. The scheme was closed to future accruals on 28 February 2023. A new defined contribution scheme has been set up and affected staff have been moved to this scheme.

The Company has committed to make a grant of up to £9 million towards the deficit in the Ministers' Pension Fund, in a series of annual payments over the period 2022-2030. The Company therefore expects large cash balances to accumulate because of timing differences between the sale of properties to fund these and their disbursement.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

**NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022**

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	24	6,560
Donations from closed churches	<u>999,251</u>	<u>1,470,000</u>
	<u>999,275</u>	<u>1,476,560</u>

3. INVESTMENT INCOME

	2022	2021
	£	£
Property income	517,212	451,666
Commercial property income		
- Bitterne and Windsor shops	93,866	55,996
Investment income – managed	671,174	564,223
Investment income – interest	<u>22,201</u>	<u>102</u>
	<u>1,304,453</u>	<u>1,071,987</u>

Property income includes income derived from manses let on the open market pending occupation by a minister. All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Interest from loans	1,873	3,292
Trinity Hall	<u>941</u>	<u>-</u>
	<u>2,814</u>	<u>3,292</u>

5. RAISING FUNDS

Investment management costs

	2022	2021
	£	£
Staff costs	97,595	42,163
Property - maintenance and utilities	280,072	269,568
Property management fees	16,813	5,355
Professional fees re disposals	212,090	42,433
Premises insurance	55,570	23,872
Investment management fees	-	29,723
	<u>662,140</u>	<u>413,114</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

**NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022**

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 7) £	Grant funding of activities (see note 8) £	Support Costs (see note 9) £	Totals 2022 £
Supporting the Wessex Synod	275,432	9,330,783	476,452	10,082,667

Comparative analysis:

	Direct costs (see note 7) £	Grant funding of activities (see note 8) £	Support Costs (see note 9) £	Totals 2021 £
Supporting the Wessex Synod	204,389	554,186	544,752	1,303,327
Trinity Hall	6,982	-	-	6,982
	211,371	554,186	544,752	1,310,309

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Ministerial and lay training	330	67
Manse policy	103,885	62,229
Manse maintenance allowance	9,568	16,399
Children and Youth Development Officer (South)	9,002	1,592
Events and activities	37,059	9,760
Sundry expenses	390	277
Ordained Synod staff – Stipends	110,000	102,949
Housing allowance	5,133	2,435
Insurance for manses	-	6,285
Development and support activities	65	2,396
Trinity Hall	-	6,982
	<u>275,432</u>	<u>211,371</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

**NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022**

8. GRANTS PAYABLE

	2022	2021
	£	£
Supporting the Wessex Synod	<u>9,330,783</u>	<u>554,186</u>

The total grants committed to institutions in the year, net of write-backs, was as follows:

	2022	2021
	£	£
Ecumenical grants	31,347	88,108
Ecumenical grants written back	(14,447)	-
URC Inter-Synod Resource grants	135,000	125,000
URC Inter-Synod Resource grants written back	(15,000)	-
Commitment for Life grants	30,772	11,673
Church Mission Fund grants	114,443	152,328
Church Mission Fund grants written back	(40,331)	(23,979)
Local church grants	616,483	271,994
Local church grants written back	(632,796)	(105,653)
Synod General Fund grants	302,010	34,395
Synod General Fund grants written back	(209,591)	-
Minister's Pension Fund	9,000,000	-
Other grants	<u>9,853</u>	<u>(2,759)</u>
Total institutional grants	9,327,743	551,107
Welfare grants	<u>3,040</u>	<u>3,079</u>
	<u>9,330,783</u>	<u>554,186</u>

9. SUPPORT COSTS

	Management	Governance	Totals
	£	£	£
Supporting the Wessex Synod - 2022	<u>440,774</u>	<u>35,678</u>	<u>476,452</u>
Supporting the Wessex Synod - 2021	<u>515,491</u>	<u>29,261</u>	<u>544,752</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

**NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022**

9. SUPPORT COSTS – continued

Management

	2022	2021
	Supporting	Supporting
	the Wessex	the Wessex
	Synod	Synod
	£	£
Wages	262,184	309,956
Social security	22,670	19,701
Pensions	49,846	49,308
Car lease	7,653	4,401
Office utilities	11,808	56,804
Office costs	109,274	39,422
Staff recruitment and training	945	2,370
Staff travel and subsistence	31,815	26,578
Subscriptions	6,061	4,407
Resources	9,523	2,210
Honoraria and gifts	150	300
Bank charges	761	-
Professional fees	39,066	11,007
Depreciation	3,612	3,229
Bad debts	(117,323)	(15,000)
Other	<u>2,729</u>	<u>798</u>
	<u>440,774</u>	<u>515,491</u>

Governance costs

	2022	2021
	Supporting	Supporting
	the Wessex	the Wessex
	Synod	Synod
	£	£
Wages	11,190	10,541
Auditors' remuneration	24,031	18,720
Meeting expenses	<u>457</u>	<u>-</u>
	<u>35,678</u>	<u>29,261</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration – net of VAT	24,031	15,600
Depreciation - owned assets	3,612	3,229
Other operating leases	<u>2,723</u>	<u>2,831</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

Trustees received no emoluments during the year (2021: £Nil). During the year nine Trustees (2021: One) were reimbursed out of pocket expenses mainly for travelling expenses totalling £1,293 (2021: £321).

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022

12. STAFF COSTS

	2022 £	2021 £
Gross salaries	370,969	446,056
Employers NIC	22,670	25,341
Employers pension costs	49,846	58,205
	<u>443,485</u>	<u>529,602</u>

The average number of employees was 12 (2021: 12).

Key management personnel payments for salary, benefits, pension and employer NIC contributions amounted to £74,602 (2021: £71,701) during the year. Stipends of £110,000 (2021: £102,949) are not included within staff costs.

No employee received emoluments in excess of £60,000 (2021: None).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,476,560	-	-	1,476,560
Charitable activities				
Supporting the Wessex Synod	3,292	-	-	3,292
Investment income	1,029,581	42,406	-	1,071,987
Other income	74,269	-	-	74,269
Sale of fixed assets	141,151	-	-	141,151
Total	<u>2,724,853</u>	<u>42,406</u>	<u>-</u>	<u>2,767,259</u>
EXPENDITURE ON				
Raising funds	413,114	-	-	413,114
Charitable activities				
Supporting the Wessex Synod	1,275,658	27,669	-	1,303,327
Trinity Hall	6,982	-	-	6,982
Total	<u>1,695,754</u>	<u>27,669</u>	<u>-</u>	<u>1,723,423</u>
	<u>1,029,099</u>	<u>14,737</u>	<u>-</u>	<u>1,043,836</u>
Gains/(losses) on investment assets	2,368,176	169,140	28,754	2,566,070
Investment properties	<u>913,120</u>	<u>-</u>	<u>-</u>	<u>913,120</u>
Net income	<u>4,310,395</u>	<u>183,877</u>	<u>28,754</u>	<u>4,523,026</u>
Transfers between funds	-	-	-	-
Net movement in funds	<u>4,310,395</u>	<u>183,877</u>	<u>28,754</u>	<u>4,523,026</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

**NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Manses £	Computers & equipment £	Totals £
COST				
At 1 January 2022	974,465	13,598,957	33,154	14,606,576
Additions	-	392,490	4,323	396,813
Disposals	-	(366,365)	(17,478)	(383,843)
At 31 December 2022	<u>974,465</u>	<u>13,625,082</u>	<u>19,999</u>	<u>14,619,546</u>
DEPRECIATION				
At 1 January 2022	-	-	27,337	27,337
Charge for year	-	-	3,612	3,612
Disposals	-	-	(17,478)	(17,478)
At 31 December 2022	<u>-</u>	<u>-</u>	<u>13,471</u>	<u>13,471</u>
NET BOOK VALUE				
At 31 December 2022	<u>974,465</u>	<u>13,625,082</u>	<u>6,528</u>	<u>14,606,075</u>
At 31 December 2021	<u>974,465</u>	<u>13,598,957</u>	<u>5,817</u>	<u>14,579,239</u>

Long leasehold properties with a cost and net book value of £116,213 are included in freehold properties above.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2022	22,670,079
Additions	9,300,906
Disposals	(9,246,077)
Net gain on revaluation	<u>(1,588,382)</u>
At 31 December 2022	<u>21,136,526</u>

Analysis of investments by type:

	2022 £	2021 £
Equities	21,024,419	22,541,753
Fixed interest securities	112,107	128,326
Cash held within the investment portfolio	-	-
	<u>21,136,526</u>	<u>22,670,079</u>

Geographical analysis of investments:

	2022 £	2021 £
Held inside the United Kingdom	21,136,526	22,670,079
Held outside the United Kingdom	-	-
	<u>21,136,526</u>	<u>22,670,079</u>

The allocation of investments at the end of the year was:

COIF Charities Ethical Investment Fund	50%
The Cazenove Charity Responsible Multi-Asset Fund	48%
Other	2%

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022

16. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 January 2022	6,622,600
Additions	-
Disposals	(970,000)
Revaluation	-
	<hr/>
At 31 December 2022	<u>5,652,600</u>

4 investment properties were revalued by Kempton Carr Croft Surveyors and Primmer Olds BAS Chartered Surveyors as at 31 December 2021. The other investment properties have been revalued by Landmark Chartered Surveyors and Primmer Olds BAS Chartered Surveyors as at 31 December 2017. The Trustees have reviewed and do not believe there has been a significant material change in the fair value of the other investment properties that have not been revalued this year since those properties were last valued on 31 December 2017.

17. DEBTORS

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	115,544	5,592
Other debtors	165,703	157,015
Loans to employees	7,636	7,636
Loans to ministers	10,802	744
Loans to churches	5,498	13,240
Prepayments and accrued income	<u>40,604</u>	<u>26,697</u>
	<u>345,787</u>	<u>210,924</u>
Amounts falling due after more than one year:		
Loans to ministers	3,830	13,145
Loans to churches	<u>54,530</u>	<u>31,201</u>
	<u>58,360</u>	<u>44,346</u>
Aggregate amounts	<u>404,147</u>	<u>255,270</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

**NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022**

17. DEBTORS – continued

Loans to Churches, Ministers and Employees	2022	2021
	£	£
Opening balance	65,966	105,014
New loan advances	35,000	53,188
Repayments	<u>(18,670)</u>	<u>(92,236)</u>
Closing balance	<u><u>82,296</u></u>	<u><u>65,966</u></u>

Analysed as follows:

	£	£
Loans repayable within one year	23,935	21,620
Loans repayable after one year	<u>58,361</u>	<u>44,346</u>
Closing balance	<u><u>82,296</u></u>	<u><u>65,966</u></u>

The normal rate of interest on loans to churches, ministers and employees is 3% per annum.

18. CURRENT ASSET INVESTMENTS

Properties held for sale

At 1 January 2022	3,675,000
Additions	-
Transfer from Investment Property	
Disposals	(735,250)
Revaluation	(99,750)
At 31 December 2022	<u><u>2,840,000</u></u>

The Manse, 209 Broadway Lane, Throop, Bournemouth, BH8 0AE	550,000
Freemantle Church, 257-259 Shirley Road, Southampton, SO15 3HS	740,000
Chandler's Ford church and manse, 5 Kings Road, SO53 2EY	<u>1,550,000</u>
	<u><u>2,840,000</u></u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

**NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022**

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	44,643	39,963
PAYE and NIC	8,082	6,713
Grant commitments	3,131,988	757,104
Accrued expenses and deferred income	112,356	77,254
	<u>3,297,069</u>	<u>881,034</u>

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

	2022	2021
	£	£
Grant commitments	<u>6,798,371</u>	<u>336,205</u>
	<u>6,798,371</u>	<u>336,205</u>

Analysis of Grant Commitments

	£
Grant commitments brought forward	1,093,309
Grants written back during the year (note 8)	(912,165)
Grants paid during the year	(493,733)
Grant commitments during the year (note 8)	<u>10,242,948</u>
	<u>9,930,359</u>

Amounts falling due within one year (note 19)	3,131,988
Amounts falling due after more than one year	6,798,371

21. OPERATING LEASE COMMITMENTS

The Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than one year	450	450
Later than one year but not later than five years	<u>-</u>	<u>-</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Endowment funds	2022 Total funds	2021 Total funds
	£	£	£	£	£
Fixed assets	14,606,075	-	-	14,606,075	14,579,239
Investments	25,315,798	1,256,138	217,190	26,789,126	29,292,679
Current assets	7,320,340	227,954	54,264	7,602,558	5,905,035
Current liabilities	(3,297,069)	-	-	(3,297,069)	(881,034)
Long term liabilities	(6,798,371)	-	-	(6,798,371)	(336,205)
	<u>37,146,773</u>	<u>1,484,092</u>	<u>271,454</u>	<u>38,902,319</u>	<u>48,559,714</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS – Comparative figures

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total Funds £
Fixed assets	14,579,239	-	-	14,579,239
Investments	27,634,137	1,410,515	248,027	29,292,679
Current assets	5,620,929	229,843	54,263	5,905,035
Current liabilities	(881,034)	-	-	(881,034)
Long term liabilities	(336,205)	-	-	(336,205)
	<u>46,617,066</u>	<u>1,640,358</u>	<u>-</u>	<u>48,559,714</u>

23. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General Fund	31,973,754	(9,425,474)	(381,690)	22,166,590
Church Mission Designated Fund	25,111	(74,112)	367,713	318,712
Special Reserve Designated Fund	692,865	62,043	-	754,908
Wessex Synod Designated Fund (The Macro Fund)	179,808	(22,155)	(4,916)	152,737
Local Churches Designated Fund	146,571	(12,484)	(5,343)	128,744
Manse Designated Fund	<u>13,598,957</u>	<u>-</u>	<u>26,125</u>	<u>13,625,082</u>
	46,617,066	(9,472,182)	1,889	37,146,773
Restricted funds				
Wessex Synod Restricted Fund	35,332	(6,799)	-	28,533
Local Churches Restricted Fund	1,602,867	(147,578)	(1,889)	1,453,400
Cromwell Place Roadway Restricted Fund	<u>2,159</u>	<u>-</u>	<u>-</u>	<u>2,159</u>
	1,640,358	(154,377)	(1,889)	1,484,092
Endowment funds				
Local Churches Endowment Fund	29,790	(3,361)	-	26,429
Specific Purposes Endowment Fund	<u>272,500</u>	<u>(27,475)</u>	<u>-</u>	<u>245,025</u>
	302,290	(30,836)	-	271,454
TOTAL FUNDS	<u>48,559,714</u>	<u>(9,657,395)</u>	<u>-</u>	<u>38,902,319</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2022

23. MOVEMENT IN FUNDS – Comparative figures

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General Fund	25,834,034	4,522,286	1,617,434	31,973,754
Church Mission Designated Fund	136,407	(111,296)	-	25,111
Special Reserve Designated Fund	826,744	(133,879)	-	692,865
Wessex Synod Designated Fund (The Macro Fund)	153,753	26,055	-	179,808
Local Churches Designated Fund	132,360	14,211	-	146,571
Manse Designated Fund	13,923,373		(324,416)	13,598,957
Trinity Hall Designated Fund	1,300,000	(6,982)	(1,293,018)	-
	<u>42,306,671</u>	<u>4,310,395</u>	<u>-</u>	<u>46,617,066</u>
Restricted funds				
Wessex Synod Restricted Fund	27,336	7,996	-	35,332
Local Churches Restricted Fund	1,426,986	175,881	-	1,602,867
Cromwell Place Roadway Restricted Fund	2,159	-	-	2,159
	<u>1,456,481</u>	<u>183,877</u>	<u>-</u>	<u>1,640,358</u>
Endowment funds				
Local Churches Endowment Fund	27,371	2,419	-	29,790
Specific Purposes Endowment Fund	246,165	26,335	-	272,500
	<u>273,536</u>	<u>28,754</u>	<u>-</u>	<u>302,290</u>
TOTAL FUNDS	<u>44,036,688</u>	<u>4,523,026</u>	<u>-</u>	<u>48,559,714</u>

Designated Funds

The Church Mission Designated Fund was established in 2008 to give grants to churches on the single criterion of the potential effectiveness of the project for church mission opportunity to the wider community. A transfer was made from the General Fund in order to provide funding for the Church Mission Fund grants committed to be paid out in the next financial year.

The Special Reserve Designated Fund was established in 2013 so that the Company would be able to give larger grants to churches for major projects that cannot be funded from the Church Mission Designated Fund. Within the Special Reserve Designated Fund is a sub-reserve made in 2016 of £200,000 (2020: £200,000) designated to potentially meet the direct costs of some very early stage conceptual pioneer ministry projects in such situations as large-scale housing developments. These possible projects are still currently being planned by the Mission Development Group of the Synod on behalf of the Mission and Outreach Committee and the Synod Executive, and might not ultimately draw down any significant funding.

The Wessex Synod Designated Fund (also known as the Macro Fund) was established in 1990 to provide financial assistance to ministers of the United Reformed Church (which has also been interpreted to include Church Related Community Workers) who are being ordained and inducted to their first pastorate, and are consequently facing the costs of furnishing their first manse.

The Local Churches Designated Fund consists of several designated funds held for the benefit of particular local churches and have usually arisen from bequests or self-imposed income obligations.

Transfers are made to and from the Manse Designated Fund, so the balance equals the net book value of manses held per note 14 of the accounts.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2022

Restricted Funds

The Wessex Synod Restricted Fund consists of several restricted funds for which the Company is Charity Trustee, and which are governed by Trust Instruments other than the United Reformed Church Acts. The Company acts in its sole discretion within the terms of such Trust Instruments and in response to the needs of the beneficiaries.

The Local Churches Restricted Fund consists of several restricted funds held for the benefit of particular local churches and have usually arisen from past transactions such as the proceeds of the sale of redundant manses.

The Cromwell Place Roadway Restricted Fund holds the accumulated service charges collected by its former Trustees from the owners of the properties known as 6-12 Cromwell Place, Newbury, RG14 1AF, and has to be used to fund any ongoing costs associated with maintaining the right of way those properties enjoy over the car park of the former Newbury United Reformed Church.

Endowment Funds

The Local Churches Endowment Fund consists of several endowment funds held for the benefit of particular local churches and have usually arisen from Charity Commission orders or schemes.

The Specific Purposes Endowment Fund consists of several endowment funds held for specific purposes such as the promotion of education of children who are in need of financial assistance, and one or both of whose parents are members of a congregation meeting for religious worship at any central United Reformed Church in the Borough of Reading or the provision of grants towards the cost of a holiday for ministers and missionaries in particular need.

24. PENSION COMMITMENTS

During the year, the Company contributed £12,417 (2021: £12,151) in respect of one member of staff to The United Reformed Church Final Salary Scheme, a pension scheme principally for lay staff which is administered by TPT Retirement Solutions Trust (formerly The Pensions Trust). The scheme is a multi-employer defined benefit scheme and so the Company is unable to identify its share of the underlying assets and liabilities – each member in the scheme pays a common contribution rate.

The most recent formal actuarial review of the scheme was at 30 September 2020, when the scheme had a surplus of £2,689,000. The assumptions underlying that valuation include:

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

The scheme was closed to future accruals and new entrants on 28 February 2023. A new defined contribution scheme has been set up and staff have been moved to this scheme.

25. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022 (2021: None).

26. ULTIMATE CONTROLLING PARTY

The Company is not under the control of another entity or any one individual.