

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

England & Wales · Charity number 507027

## Details

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Status	Registered
Legal form	Charitable company
Company number	<a href="#">01337047</a>
Registered	1977-12-14
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Synod Office Digbeth-In-The-Field Urc Moat Lane Yardley Birmingham B26 1TW
Phone	01217831177
Email	<a href="mailto:admin@urcwestmidlands.org.uk">admin@urcwestmidlands.org.uk</a>
Website	<a href="http://www.urcwestmidlands.org.uk">www.urcwestmidlands.org.uk</a>

## Activities

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**Objects:** THE ADVANCEMENT OF THE 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 WEST MIDLANDS SYNOD OF THAT CHURCHH

**Activities:** The trust is a company limited by guarantee and was formed on 2/11/77. The Memorandum and Articles of Association provide its governing document and constitution. Its object is to advance the Christian religion in accordance with the doctrines, principles and usages of the United Reformed Church, particularly in the West Midlands.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Religious Activities
- **Who:** The General Public/mankind

## Geography

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- Birmingham City
- Coventry City
- Dudley
- Gloucestershire
- Herefordshire
- Sandwell
- Shropshire
- Solihull
- Staffordshire
- Walsall

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£3,190,623	£1,401,406	£30,948,525	9
2023-12-31	£2,874,901	£1,078,587	£27,395,180	7
2022-12-31	£2,953,568	£1,092,182	£23,863,421	9
2021-12-31	£933,248	£2,295,110	£25,422,518	10
2020-12-31	£1,914,634	£1,522,324	£23,967,031	10

## Trustees

Name	Role	Appointed
ANGELA BARKER		2025-10-18
DAVID STANGOE BLACK		
KEITH JAMES THOMAS		2014-03-15
MARGARET FLORENCE MARSHALL		2012-06-14
REV STEVEN MARK FABER		2015-09-01
Rev Elaine Delorious Hutchinson		2021-06-15
STEPHEN MARK POWELL		
TERENCE RICHARD DICKER		

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

England & Wales - Charity number 507027

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# Accounts

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**Company Number: 01337047**  
**Charity Number: 507027**

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2024**

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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## **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

### **Annual Report**

**Year Ended 31 December 2024**

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#### **Reference and Administrative Information**

##### **Registered Office**

Digbeth-in-the-Field United Reformed Church  
Moat Lane  
Yardley  
Birmingham B26 1TW

##### **Directors and Trustees**

Mr D.S. Black  
Mr T. Dicker  
Revd S.M. Faber  
Revd E. Hutchinson  
Mrs M.F. Marshall  
Mr S.M. Powell (Treasurer)  
Mr K. Thomas  
Revd. D M Walton (resigned 16 March 2024)

##### **Secretary**

Mr P. Mountain

##### **Bankers**

Lloyds Bank  
(Kings Heath branch)  
P O Box 1000 BX1 1LT

##### **Legal Advisors**

Slater Heelis  
Lloyds Bank Buildings, 16 School Road  
Sale, Cheshire M33 7XP

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

##### **Auditor**

MHA  
The Pinnacle  
150 Midsummer Boulevard  
Milton Keynes MK9 1LZ

##### **Investment Manager**

Evelyn Partners  
9 Colmore Row  
Birmingham B3 2BJ

##### **Synod Officers**

Moderator – Revd S.M. Faber  
Synod Clerk – Mrs R Wakeman  
Synod Treasurer – Mr S.M. Powell  
Legal and Trust Officer – Mr P Mountain  
Finance Officer – Mrs K Wise (from March 2024)  
Property Officer – Mr M. McDade  
Mission Development Officer – Revd Andrew Willett/Revd Sally Willett (job share) (from September 2024)  
Training and Development Officer/Pastoral Consultant – Revd M Smith (from November 2024)  
Children's and Youth Development Officer – Mrs H Laird (from December 2024)  
Safeguarding Officer – Mrs D. Gordon  
Communications Officer – Mrs E Wright

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report

#### Year Ended 31 December 2024

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The United Reformed Church (West Midlands) Trust Limited (“The Trust”) is the corporate body that holds the assets and liabilities of the West Midlands Synod of the United Reformed Church (“Synod”). The Trust was incorporated as a limited company and registered charity on 2 November 1977 and its Memorandum and Articles of Association were revised in 2008 and 2021. The Trust’s charitable objects are:

*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 West Midlands Synod of that Church.*

### 1. The Synod: Structure, Governance and Management

#### 1.1 Overview

**The Synod** is the collective body of the United Reformed Church in the West Midlands region and is constituted in accordance with the Basis of Union and the United Reformed Church Acts of 1972, 1981 and 2000 ([www.urc.org.uk](http://www.urc.org.uk)). Synod has oversight of the URC in the West Midlands, comprising the counties of Staffordshire, Shropshire, Herefordshire, Worcestershire, Warwickshire and Gloucestershire, and the metropolitan boroughs of Birmingham, Solihull, Coventry, Sandwell, Walsall, Dudley, and Wolverhampton. It meets twice a year and its membership, as detailed in the Structure of the United Reformed Church, Section B at [urc.org.uk](http://urc.org.uk), includes serving ministers, representatives of each local church, and ecumenical representatives, together with youth representatives and some co-opted members. The Synod fulfils a wide range of consultative, legislative and executive functions, and is the ultimate decision-making authority in matters of a theological, pastoral or (in certain cases) an administrative nature.

The Synod acts as a bridge between the work of the local church and the General Assembly. It carries an oversight function for the local churches within the context of the General Assembly’s policies. The councils of the United Reformed Church (Church Meeting, Synod and General Assembly) have a covenantal relationship, which means that they have an awareness of and responsiveness to the needs and mission of the whole Church. This is expressed in many ways but not least in the Plan for Partnership in Ministerial Remuneration through which ministry is supported and in the resource sharing arrangements between Synods.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

#### Year Ended 31 December 2024

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#### 1.2 The Synod's relationship with the Trust and its committees

The Synod Trust is the trustee of the funds for the West Midlands Synod. To the extent that Synod policy decisions affect those funds, and are outside the scope of previously agreed parameters, they are subject to Trust endorsement.

Because the Synod meets only twice each year, it delegates many of its functions to its committees, which in turn work alongside the Trust: the Synod Executive; the Resources & Compliance Committee, the Ministry Development Committee and the Missional Discipleship Development Committee. The roles of these bodies are explained in more detail below. The relationship between the Synod Executive, its Committees and Trust may be summarised as follows:

**Synod:** One of the Councils in the Structure of the United Reformed Church, and the ultimate decision-making body of the United Reformed Church in the West Midlands region. The work of Synod is organised through committees with responsibility for specific aspects within the life of the Church.

**Synod Executive:** has delegated authority to make decisions and recommendations in between Synod Meetings and acts as the line of accountability for Synod Officers and Committees. Synod Executive comprises certain Synod Officers, Convenors of Synod Committees, and representatives from the seven designated Areas within Synod.

**Resources & Compliance Committee:** (RCC) is concerned with financial and property resources, maintaining legal compliance and good practice and has delegated authority to make decisions and recommendations on matters principally around finance, property and legal issues. The Synod Resources and Compliance Committee (RCC) comprises Synod Officers, their line managers, and other persons with appropriate skills identified and appointed by Synod Executive. The RCC's responsibilities may be summarised as follows:

- to regularly review the condition of the Synod Trust's assets and oversee their conservation, management and (where appropriate) disposal.
- to ensure that its liabilities are controlled and discharged in a timely manner; and
- to oversee the day-to-day management of Synod assets within approved policy and budgetary frameworks times.

The remit of the Resources and Compliance Committee includes delegated authority for agreeing grants, particularly for property, within criteria and budgets that are agreed by the Trust.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

#### Year Ended 31 December 2024

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#### 1.2 The Synod's relationship with the Trust and its committees (continued)

**Ministry Development Committee:** (MDC) is responsible for developing people's ministries and has delegated authority, particularly in dealing with ministerial call and service, vacancy and development. The Committee comprises a representative from each Area, plus the Moderator and key Synod Officers.

**Missional Discipleship Development Committee:** (MDDC) is responsible for developing discipleship across the whole people of God, leading to a deeper engagement in mission and has delegated authority particularly in areas of ministerial & lay training and children's and youth work.

**Synod Trust:** is the legal owner of church property (churches, manses, ancillary buildings and a small number of business assets). The Synod Trust is responsible for all decisions in relation to land, buildings and funds. A Reference Committee of the Synod Trust has authority to approve urgent transactions between meetings, provided that they meet normal qualifications and are reported to the next meeting. The Reference Committee for the Resources and Compliance Committee consists of the Moderator, Synod Clerk, Synod Treasurer and Chair. The Reference Committee for the Trust consists of the Moderator, Synod Treasurer, Chair and at least one other trustee.

#### 1.3 The Trust

##### (a) Powers, duties, and responsibilities

Acting through its board of trustees, the Trust is responsible for the management of the Synod funds and for the implementation of policy as set by the Synod, subject to meeting its legal obligations.

The Trust fulfils its charitable objects by working through the Synod which provides financial, pastoral, educational and technical support to local URC congregations, and to their Ministers, Elders and lay people in their life and mission. The Trust supports the Synod in its mission purpose, defined at October Synod 2022 as:

*"To equip, encourage and support United Reformed Church congregations in the West Midlands Synod, in our collective journey to be faithful in worship, witness and service, as our way of responding to the saving love of God in Christ Jesus, in the power of the Holy spirit, and inviting others to share in the life of faith and discipleship."*

The Trust, through the work of the Synod, supports 93 churches in the region with 3,522 United Reformed Church members and their own charitable missions to advance the Christian religion in their own communities.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

#### Year Ended 31 December 2024

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#### 1.3 The Trust (continued)

##### (a) Powers, duties, and responsibilities (continued)

The Trust also acts as Trustee to the majority of the United Reformed Churches in the West Midlands by holding properties on trust for them in accordance with the Statutory Trusts as set out in the United Reformed Church Acts. The insured value of these properties exceeds £200 million and there are guidelines in place to minimise the risk to the Trust of actions by local churches in respect of these assets. The Trust also acts as custodian trustee for some churches and other URC related organisations, holding investments separately on their behalf. The investments have a value of approximately £1.351m and the local churches have objects similar to the Synod.

United Reformed Churches are open to all people, of all ages and walks of life, including people of no faith. Through enabling worship and faith-based, educational, and community-focused activities, the Trust aims to propagate the Christian faith and Christian values in a contemporary and compassionate manner, for the benefit of all.

Local churches within the Synod's region are separate independent charities and the Trust has no controlling interest or executive control over them. Nor are local churches deemed connected charities within the understanding of the Charities SORP.

In addition to the funds held for churches the Trust also holds funds on behalf of the URC Inter Synod Resource Sharing process which redistribute funds from wealthier Synods to those Synods in need of support. The MV funds totalling £455,228 at 31 December 2024 are held in separately identified deposit funds and investments. The funds are controlled by the General Assembly's Resource Sharing Task Group drawn from amongst the Synod Treasurers. As a body, the Trustees of the Trust play no part in directing the management of these funds.

##### (b) The Trustees

The Synod appoints the board of trustees and considers individuals with relevant experience who are eligible for appointment. Members of the Board must be a member of the United Reformed Church ("URC") or of a Local Ecumenical Partnership involving the URC. There is no formal programme for the induction and training of Trustees although all are encouraged to attend relevant seminars arranged by the Trust's professional advisors.

Trustees serving on the Board during the year were as follows:

Mr D.S. Black, Mr T. Dicker, Revd S.M. Faber, Revd E. Hutchinson, Mr S.M. Powell (Treasurer), Mrs M.F. Marshall and Mr K. Thomas.

## **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

### **Annual Report (Continued)**

#### **Year Ended 31 December 2024**

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#### **1.3 (b) The Trustees (continued)**

The Trustees are the Trust's key management personnel and directors of the company for the purpose of company law. Together they form the Trust's governing board and are responsible for overseeing the management and for decisions relating to the assets of the Synod and properties held at Synod and local church level. The funds of local churches, including the contents of those churches, are held by separate charities and are not within the control of the Trust. All director-trustees give their time voluntarily and receive no benefits from the Trust other than reimbursement of their expenses (as shown in note 5 to the financial statements). The only exception here is the Moderator whose stipend is settled and paid by the central URC.

Indemnity insurance of up to £5m is in place to cover the liability of the Trustees in relation to negligence, default, breach of duty or breach of trust.

With regard to potential conflicts of interest, clear procedures are in place to ensure that no trustee derives any private benefit from the Trust's financial operations, and that no actual or perceived bias arises when the Trust considers any application for funding support from a Church which counts a trustee among its members.

#### **(c) The Trust's professional and technical staff**

There were eleven paid staff in 2024 who enabled the Synod's day-to-day operations and who were recruited based on their professional experience and skills. They are:

- Finance Officer
- Financial Assistant
- Property Officer
- Office Manager and PA to the Moderator
- Administrative Assistant
- Legal and Trust Officer
- Communications Officer
- Safeguarding Officer
- Synod Clerk
- Mission Development Officers (job share)
- Children and Youth Development Officer (CYDO)

Levels of staff pay are decided by reference to market rates for those working for professional organisations with the relevant qualifications and experience and regard is given to published pay scales for similar roles. All rates of pay are reviewed annually and amended in the light of changes in the cost of living and other relevant factors.

In addition, the Revd Melanie Smith, a Minister of Word and Sacraments, was called to the role of Training & Development Officer / Pastoral Consultant, as a ministerial role, rather than an employed post. Stipend levels for Ministers are agreed centrally within the United Reformed Church each year, as are other terms, in accordance with the Plan for Partnership in Ministerial Remuneration. (see <https://urc.org.uk/urc-ministries/the-plan-for-partnership/>)

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

Year Ended 31 December 2024

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#### 1.3 The Trust (continued)

##### (c) The Trust's professional and technical staff

The **Finance Officer** is responsible for the Synod's finances and assists local churches with their grant applications and other areas of church finance. The Finance Officer also plays an important role in developing policy for control of Synod finances and in supporting churches financially. The FO deals with the calculation and allocation of contributions to the Ministry and Mission Fund which funds ministers' stipends and the work of the wider church; and works with the Synod's Investment Sub Committee and its independent Investment Managers to ensure the efficient management of cash and the generation of income to run Synod. The Finance Officer along with the Finance Assistant, is also active in management of the funds for Inter Synod Resource Sharing. The Finance Assistant assists the Finance Officer in preparing the monthly and annual accounts.

The **Property Officer** provides technical support to local churches in the maintenance of their church buildings and their repair and/or redevelopment, including advising on grant support which may be available for Synod. This includes working closely with local church leadership to resolve practical and technical issues as they arise. Where churches are Listed buildings, Synod has a statutory role under Ecclesiastical Exemption, which the Property Officer discharges with the assistance of other officers of the wider United Reformed Church. The Property Officer helps churches to meet their obligations for Listed Buildings while developing their mission and vision. The Property Officer has a key role in the purchase and disposal of buildings, including liaison with appropriate professionals to secure Designated Advisor's Reports to ensure best value for the trust is obtained for those property transactions.

The **Legal and Trust Officer** is Secretary to the Board and the Synod Resources and Compliance Committee. The Trust Officer is a solicitor and provides support to local Churches and other officers in the areas of governance, charity law and transactional matters, working with external lawyers with specialist knowledge of the URC's legal structure and processes, and other independent advisers as appropriate.

The **Safeguarding Officer** works with local churches to ensure that children and adults at risk are protected as the law requires and as a matter of best practice. The Safeguarding Officer is responsible for co-ordinating safeguarding training around the Synod and ensuring that current safeguarding policies and procedures are implemented.

The **Synod Clerk** has oversight of Synod and its Committees; supports the Moderator; represents the Synod nationally and locally; and provides guidance on governance and procedures.

The **Office Manager/Moderators PA** is responsible for the day-to-day operation and management of the Trust's premises and business affairs, including HR, and provides the Moderator with all required back-office support. The Administrative Assistant supports the office and Synod Officers' work.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

Year Ended 31 December 2024

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#### 1.3 The Trust (continued)

##### (a) The Trust's professional and technical staff (continued)

The **Mission Development Officer**, Children & Youth Development Officer and Training & Development Officer/Pastoral Consultant roles are described in Section 2 below.

##### (d) Risk Assessments

The Trust has undertaken a Risk Assessment, identifying, and evaluating the risks to which the Synod and Trust are exposed, and policies are in place and actions are taken to minimise any potential exposure. The Trust's reserves and investment policies are designed in part to mitigate the risk of insufficient resources being available to provide the necessary level of support to Churches within the Synod area.

#### 1.4 Financial support and grant making policies

The Trust makes available a range of grants and loans (i) to local churches to assist them in their mission and in the improvement and maintenance of their properties; and (ii) to local ministers to support ministerial training, development, and sabbaticals. In all cases, grant awards are made after consideration of the mission statement and financial situation of the applicant. The funding programmes comprise:

- **Synod Manse Fund:** A restatement of the Synod Manse Policy was approved at the Synod meeting in October 2024. Financial Support is available to support the purchase and/or replacement and improvement of manses to improve standards; and to ensure essential works are carried out including Gas and Safety certificates being kept up to date. £750 per year from 2023 can be claimed by local churches retrospectively per annum and can be rolled over for up to 3 years. The Synod insures the manses held for occupation by ministers. Upon the disposal of a Manse, the net proceeds are shared between the local church, with the majority going to the Synod's Manse Fund to support other investment in the Synod area. The amounts of the shared portions are to some extent negotiated in the light of the local church's needs.
- **Property Grants:** capital grants are available (i) to support large cyclical repairs to church buildings; and (ii) to bring all manses and church buildings up to improve standards of accessibility and full compliance with Equalities legislation.
- **Synod Mission Fund:** £1 million set aside in 2010 to encourage, enable and support local churches in their mission activities. The current balance on this account is £513,132 and the fund is periodically topped with instalments of funds equal to 20 per cent of the net proceeds of any church property disposal.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

#### Year Ended 31 December 2024

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#### 1.4 Financial support and grant making policies (continued)

- **Major Building Development Fund:** The initial funding was formed in 2021 from the entire proceeds from the disposal of two closed church buildings. The aim is to facilitate the extension, rebuilding or conversion to new purposes of church buildings and the consequent strengthening of congregations and communities. It is topped up by 80% of the net proceeds from closed churches after a small portion has been allocated to the M&M fund. The balance currently sits at £2.3m. Two applications were received in 2024.
- **Ministry Support Fund** to support local ministry and assist in creating lay posts focussed on church growth, administered by the Ministry Development Committee and Synod Executive. There was one application which was a variation to an application made in 2022.
- **Energy Efficiency Grants:** an important consequence of the Synod's 2019 decision to divest from investments in fossil fuels and to move to a zero-carbon future: a fund of £1m to support churches with the capital cost of energy efficiency improvement to church buildings with grants starting at 100% and tapering down with increasing costs. There were 17 applications in 2024 totalling £78,289.
- **Youth and Children's Work Grants** are offered to assist the participation of individual leaders connected with churches and local ecumenical partnerships (LEPs) in training and learning opportunities that are designed to enable local church mission objectives with children and youth. Grants are also offered to Churches and Groups to support, e.g., holiday clubs, and to Individual children and young people connected with churches and LEPs with projects that enable mission objectives. Each grant can be up to £500
- **Training and Discipleship Development Grants** are available to help members of churches attend training and events aimed to broadening their experience and learning and deepen their discipleship. £2000 per year is provided to the Synod by the denomination, and the Synod has the responsibility of administering grants within the criteria set out by the wider United Reformed Church. Other training grants are used for in-service training for accredited Lay Preachers and other individuals.

The Trust is active in the Inter Synod Resource Sharing system, which supports those Synods with least resources.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

Year Ended 31 December 2024

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#### 2 Pastoral and Educational support

The **Moderator** is the Revd. Steve Faber, an ordained Minister of Word and Sacraments of the United Reformed Church. His role is to provide spiritual and pastoral oversight, care, and leadership within the Synod. The Moderator is a member of all Synod Committees and works with Synod Officers to provide spiritual, strategic and pastoral leadership to churches within the Synod area; and he provides care, encouragement and engagement with ministers and churches through meetings, conferences, visits and training events. Also, as a member of the Ministry Development Committee (see 1.2 above) the Moderator is instrumental in encouraging conversations about pastorates and calling of ministers.

The **Synod Training and Development Officer (TDO) / Pastoral Consultant**, the Revd Melanie Smith, is also a Minister of Word and Sacraments, inducted to her Synod role following a call issued and accepted recognising their appropriate skills and experience. Her responsibilities include ministerial and lay training, including advocating best practice in training and discipleship development; working with the Mission Development Officers and others to encourage and develop churches in mission and discipleship; assisting the Moderator with supporting ministers and churches through pastoral difficulties and developing new pastorates and ministries; and deputising for the Moderator as required.

The **Mission Development Officer** role is salaried and currently shared by the Revd Andrew Willett and the Revd Sally Willett. The aim of the role is to work with Churches and Ministers to better enable mission and discipleship development and so stimulate and encourage growth within the churches of the Synod. As well as working with other Synod Officers, responsibilities include working with ecumenical partners in developing networks towards best practice in mission and discipleship activities. Membership of the Missional Discipleship Development Committee and Synod Executive enables them to promote a missional and discipleship mindset and action to further the ethos within the Synod

During 2024, the Revd Ashley Evans served in the Synod as temporary **Leading Your Church into Growth (LYCiG) Consultant** with a particular brief to roll out the LYCiG programme across the West Midlands, as part of extending it across the denomination following successful implementation in Yorkshire and elsewhere.

The **Children and Youth Development Officer**, Helen Laird, supports and enables the work in local churches with Youth and Children. This is a salaried post, recruitment to which is based on skills and experience. The *Equality Act 2010: Part 1, Schedule 9* applies to this post, which requires a Christian who is willing to share their own personal faith and encourage others in that faith.

## **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

### **Annual Report (Continued)**

#### **Year Ended 31 December 2024**

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### **3 Achievements and performance**

The Synod Mission Fund continues to support local churches in mission activity and the achievement of mission pledges. Amended the criteria make it more accessible to smaller churches. During the year grants totalling £139,467 were awarded to support seven projects across the Synod.

Our global partnership with the Diocese of Durgapur was maintained, with continued involvement of the Trust in managing further release of the legacy which financed the Colin Choyce Hostel for children at risk or rescued from human trafficking and now contributes to running costs.

During 2024 donations of £1,643 were received and then were these were sent to India in early 2025.

The Synod engaged a small team of people from elsewhere in the denomination to carry out a review of Synod structures and processes, and their work was concluded. Amongst their recommendations was to work to improve communications between the Synod/Trust operations and local churches. As a result of this, a new post of Communications Officer was created and successfully recruited, along with three other roles, completing the Synod staff establishment for the first time in several years (see sections 1.3 and 2 above.)

At the March 2024 Synod meeting an updated environmental policy was adopted, and the Synod affirmed its commitment to improving the energy efficiency of all our Manse stock with costs being borne by the Synod Manse Fund. The updated safeguarding pack of guidance, policies and procedures, "Good Practice 6" was introduced as the standard applicable for all URC congregations (although LEPs may opt to follow the safeguarding policies of another partner denomination – typically that of the denomination responsible for the church building.

The Synod Manse Policy was updated and adopted by the October 2024 Synod Meeting, and the Synod agreed that the cost of Council Tax and Water Rates should be covered by the Synod Manse Fund from April 2025, lifting a significant financial burden from local churches.

The same Synod meeting unanimously adopted the paper "Creating a Vision for the West Midlands Synod" and agreed that it will form a framework for future policy formation

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

#### Year Ended 31 December 2024

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#### 4. Financial review

##### ***Financial Statements***

The financial statements, including the notes, have been prepared in compliance with the Statement of Recommended Practice "SORP2019 (FRS102)". The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust do not sell goods or services, nor are there any other trading activities.

A financial summary document is made available to all members of Synod, and local churches if requested. This document highlights the main features of these financial statements. The review includes a comparison between the budget and the final operating income resources and expenditure.

##### ***Statement of Financial Activities***

The Statement of Financial Activities is shown on page 19, with a more detailed analysis of income and expenditure on pages 27 to 44.

Investment income was £99k higher than 2023. In addition, a surplus of £2.4m was realised from the sale of six Manses, and £179k from three church buildings. The latter proceeds were transferred to the Major Buildings Development Fund, Mission Fund, and a small portion towards the Synod M&M Support Fund in accordance with existing policy.

Operating costs increased by £260k, mainly as a result of £97k for Major Building Development grants, a £234k contribution to the national M&M Fund and £123k in Mission Fund grants. There was a reduction in training and Energy efficiency grants

We continue to invest in our buildings: Church property grants were £187k. Repairs to Manses equated to £15k.

Training expenditure in 2024 stood at £24k and was directed chiefly through the Ministry Development and Missional Discipleship Development Committees, until the appointment of our Training & Development Officer/Pastoral Consultant at the beginning of November 2024.

The Trust is fully committed to supporting training costs properly incurred by members at all levels within the Synod.

An increase in the stock market resulted in unrealised gains of £1.74m. The total increase in funds was £3.55m.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

#### Year Ended 31 December 2024

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#### 4. Financial review (continued)

##### ***Balance Sheet***

Reference has been made above to the increase in the funds balance. An analysis of the funds movements is shown on page 35.

Programme Related Investments stood at £3.4m relating to 17 manse. These are funds invested by Synod to assist local churches to purchase or update the properties and to assist certain individuals.

##### ***Reserves policy***

The Trust holds funds under a number of different terms. Any funds which are restricted or endowed may only be used as directed by the funder at the time they were granted to the Trust.

Other funds are unrestricted and can be used at the discretion of the trustees in furtherance of the Trust's objects. It is the policy of the trustees to designate certain funds for particular purposes as agreed from time to time and details of the purpose and use of those designated funds can be found in note 8 to the financial statements.

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The policy of the trustees is to hold sufficient investments and deposits that the income generated, and capital appreciation will cover one full year's total net expenditure. Specific policy decisions have been made not draw down reserves in addition to this.

##### ***Investment policy***

The agreed investment objectives are: -

- To maintain adequate liquidity.
- To maintain the security of any investments.
- To minimise capital loss.
- To maintain a mixed portfolio of fixed interest and equity investments whilst providing a balance between income and growth.
- To adhere to any restrictions as defined from time to time by Synod, including an ethical policy; and
- To obtain the optimum yield, subject to complying with the above criteria.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report (Continued)

#### Year Ended 31 December 2024

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#### 4. Financial review (continued)

The current restrictions defined by Synod are that investments should avoid those companies that have significant involvement in armaments, pornography, supply of alcoholic drinks, gambling, tobacco manufacture, facilitating activities in the occupied Palestinian territories and the extraction and/or supply of fossil fuels.

An investment portfolio is managed by Evelyn Partners and investment advice is sought from them as required. Individual purchases and sales are made by the investment manager in accordance with parameters provided to them, subject to consultation as necessary with the investment subcommittee which includes the treasurer, finance officer and other members with the relevant knowledge and experience.

In addition to this portfolio, funds were also invested with a Charities Official Investment Fund (COIF) managed by CCLA and a deposit fund managed by Epworth Investment Management Ltd.

#### **Future plans**

The strategic review of the Synod's activities by external consultants, to consider ways in which we can structure our work to fulfil our statement of mission purpose was continued throughout 2024 with a second phase of work. The review group examined the current effectiveness of committee operations measured against the functions and identified areas of concern or operational weakness. The group concluded its review in September 2024 and reported to Synod in October 2024. Work continues on this review in 2025 as Synod Officers examine the current grant regime and financial support to local churches, with a wide consultation on needs and proposals due to be considered at the October 2025 Synod Meeting.

#### **Sharing**

Denominational policy is such that the Synod has tended to suffer a year-on-year decline of the number of Stipendiary Ministers available to local churches. Synod Officers therefore continue to manage plans for that reduction and continue to look at ways to increase the range of lay leadership and ministries to compensate for the reduction in the number of ordained Ministers. The Ministry Support Fund described above is one way in which we intend to realise that support.

We are confident that the recruitment of our Mission Development Officers Andrew and Sally Willett in September 2024, and our new Children & Youth Development Officer Helen Laird in December 2024 will result in a strengthening of lay leadership in churches across the region.

## **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

### **Annual Report (Continued)**

#### **Year Ended 31 December 2024**

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#### **4. Financial review (continued)**

In addition, in 2025 the following are planned within our strategy: -

- Encouraging ministers and churches to engage with Stepwise (particularly the introductory course “Faith-filled Life” and the leadership course “Faith-fuelled leadership) and/or other opportunities to develop discipleship, including the resources available through “Holy Habits.”
- Encouraging ministers and churches to engage with the Leading Your Church into Growth (LYCiG) programme, introduced at the Synod meeting in October 2022.
- Work towards establishing five new communities of worship and discipleship through pioneering ministry.
- Work to ensure every local church has a viable mission plan and is aiming to grow its membership year-on-year
- Increase the number of Eco-Church awards amongst our local churches.
- Engaging churches and individuals to raise a minimum of £2,500 to support a children’s safe house and other anti-human trafficking work run by our partner, the Diocese of Durgapur in the Church of North India.

#### **Trustees’ Responsibilities**

Company law requires the trustees as directors to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the trustees are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 auditor is 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 auditor is aware of that information.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Annual Report (Continued)**

**Year Ended 31 December 2024**

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**Auditor**

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

On behalf of the Board

*Stephen Powell*

Mr S M Powell – Director and Treasurer

Date: June 19, 2025

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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### **Opinion**

We have audited the financial statements of The United Reformed Church (West Midlands) Trust Limited (the 'Charitable Company') for the year ended 31 December 2024 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 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis of 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 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 of our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 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 directors 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' Annual Report, other than the financial statements and our auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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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 (incorporating the annual report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of trustees**

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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### **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:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting systems for bias.

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 regulations. 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](http://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 opinion we have formed.

*Elizabeth Newell*

**Elizabeth Newell BA (Hons), FCA (Senior Statutory Auditor)  
For and on behalf of MHA (Statutory Auditor)**

Milton Keynes, United Kingdom

Date: June 25, 2025

MHA is a trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Statement of Financial Activities (Incorporating Income and Expenditure Account) Year Ended 31 December 2024

2023 Total Funds £	Income from:	Notes	2024 Total Funds £	Unrestricted General £	Designated £	Restricted £
	<i>Charitable activities:</i>					
18,213	Grants received	2a	<b>25,804</b>	24,161	-	1,643
45,913	Other income	2a	<b>9,660</b>	3,500	6,160	-
	<i>Investments</i>					
623,312	Investment income	2a	<b>722,172</b>	472,039	250,133	-
<u>9,450</u>	Rents	2a	<u>26,977</u>	-	<u>26,977</u>	-
	<i>Incoming resources from charitable activities:</i>					
696,888	<b>Total Operating Income</b>	2a	<b>784,613</b>	499,700	283,270	1,643
<u>2,178,013</u>	Income on sale of properties	2a	<u>2,406,010</u>	<u>179,448</u>	<u>2,226,562</u>	-
<u>2,874,901</u>	<b>Total Income</b>		<b>3,190,623</b>	<u>679,148</u>	<u>2,509,832</u>	<u>1,643</u>
	<b>Expenditure on:</b>					
87,088	Generating funds	2b	<b>110,516</b>	81,746	28,770	-
<u>1,028,726</u>	Charitable expenditure	2b	<u>1,265,461</u>	<u>835,747</u>	<u>429,714</u>	-
1,115,814	<b>Total Operating Expenditure</b>	2b	<b>1,375,977</b>	917,493	458,484	-
(1,822,533)	<b>Net losses/(gains) on investments</b>	7	<b>(1,764,128)</b>	(1,429,794)	(334,334)	-
<u>49,861</u>	Interest	2b	<u>25,429</u>	-	<u>25,429</u>	-
<u>(656,858)</u>	<b>Total Expenditure</b>		<u>(362,722)</u>	<u>(512,301)</u>	<u>149,579</u>	-
(418,926)	<b>Net Expenditure on Operating account</b>	2b	<u>(591,364)</u>	<u>(417,793)</u>	<u>(175,214)</u>	<u>1,643</u>
<b>3,531,759</b>	<b>Net Income for the Year</b>		<b>3,553,345</b>	<u>1,191,449</u>	<u>2,360,253</u>	<u>1,643</u>
	<b>Other recognised Gains &amp; Losses</b>					
-	Transfer between reserves	8a	-	(170,537)	170,537	-
3,531,759	<b>Net Movement in Funds for the year</b>		<b>3,553,345</b>	1,020,912	2,530,790	1,643
<u>23,863,421</u>	<b>Funds Balances brought forward</b>		<u>27,395,180</u>	<u>9,623,021</u>	<u>17,772,159</u>	-
<u>27,395,180</u>	<b>Fund Balances carried forward</b>	8a	<u>30,948,525</u>	<u>10,643,933</u>	<u>20,302,949</u>	<u>1,643</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**COMPANY NUMBER 01337047**  
**Balance Sheet**

**As at 31 December 2024**

2023		Notes	2024
£			£
	<b>Fixed Assets</b>		
213,034	Tangible assets	9	206,772
22,960,640	Investments	10	24,655,889
<u>3,612,170</u>	Programme related investments	11	<u>3,453,274</u>
<u>26,785,844</u>			<u>28,315,935</u>
	<b>Current Assets</b>		
185,908	Debtors	12	215,996
<u>1,602,162</u>	Cash and short-term deposits	13	<u>3,321,530</u>
1,788,070			3,537,526
<u>(952,160)</u>	<b>Creditors: Amounts falling due within one year</b>	14a	<u>(552,991)</u>
<u>835,910</u>	<b>Net Current (Liabilities)/Assets</b>		<u>2,984,535</u>
<u>27,621,754</u>	Total Assets less Current Liabilities		<u>31,300,470</u>
	<b>Creditors: Amounts falling due after more than one year</b>		
(200,038)		14b	(330,405)
<u>(26,536)</u>	Provision for charges	14c	<u>(21,540)</u>
<u>27,395,180</u>	<b>Net Assets</b>		<u>30,948,525</u>
	<b>Funds:</b>		
	<i>Restricted Funds</i>		
4,841	Other	1,643	
<u>4,144</u>	Revaluation reserve	-	
8,985			1,643
	<i>Unrestricted funds</i>		
	General		
4,776,155	- Other	4,367,273	
<u>4,846,866</u>	- Revaluation reserve	<u>6,276,660</u>	
9,623,021			10,643,933
	Designated		
18,123,161	- Other	20,400,252	
<u>(351,002)</u>	- Revaluation reserve	<u>(97,333)</u>	
<u>17,772,159</u>			<u>20,302,949</u>
<u>27,395,180</u>	<b>Total Funds</b>	15	<u>30,948,525</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trust Board on June 19, 2025 and signed on its behalf by

Mr S Faber  
 Mr S M Powell

- Director and Moderator  
 - Director and Treasurer

*Steven M Faber*

*Stephen Powell*

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 £	2023 £
<b>Cash flow from operating activities:</b>			
<b>Net cash provided/used in operating activities</b>	A	(1,514,543)	(1,669,636)
<b>Cash flows from investing activities:</b>			
Interest paid		(25,429)	(49,861)
Investment income		749,149	632,762
Proceeds from programme related investments		2,406,010	2,178,013
Proceeds from sale of investments		1,744,255	3,635,387
Purchase of investments		(2,091,946)	(3,638,901)
Purchase of programme related investments		<u>158,896</u>	<u>(917,281)</u>
Net (decrease)/increase cash provided by investing activities		<u>2,940,935</u>	<u>1,840,119</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>		1,426,392	170,483
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,943,180</u>	<u>1,772,697</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	B	<u>3,369,572</u>	<u>1,943,180</u>
<b>Notes to the statement of cash flows</b>			
<b>Reconciliation of net income/expenditure to net cash flow from operating activities</b>			
A)			
<b>Net income for the reporting period (as per the statement of financial activities)</b>		3,553,346	3,531,759
<b>Adjustments for:</b>			
(Gains) and losses on investments		(1,640,535)	(1,646,730)
Depreciation		6,262	10,732
Surplus on sale of programme related investments		(2,406,010)	(2,178,013)
Investment income and rents		(749,149)	(632,762)
(Increase) in debtors		(30,087)	(58,152)
(Decrease)/increase in creditors		(273,799)	(746,331)
Interest paid		<u>25,429</u>	<u>49,861</u>
<b>Net cash used in operating activities</b>		<u>(1,514,543)</u>	<u>(1,669,636)</u>
B)			
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		160,508	19,542
Deposit accounts		3,161,022	1,582,620
Cash held by investment manager		<u>48,042</u>	<u>341,018</u>
		<u>3,369,572</u>	<u>1,943,180</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

### Year Ended 31 December 2024

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#### 1. Accounting Policies

##### **General Information**

The United Reformed Church (West Midlands) Trust Limited is a charitable company limited by guarantee and registered in England and Wales. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member. The registered office is shown on page 1. The nature of the charity's operations and principal activities are the advancement of the Christian religion by supporting the work of West Midlands URC Synod.

The company's functional and presentational currency is British Pound Sterling (£).

##### **Basis of Accounting**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice (UK GAAP).

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies adopted, are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **Critical accounting estimates and areas of judgement**

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Programme related investments – a judgement made as to whether impairment is required. These judgements are based on the current property market.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Contingent assets and liabilities – estimations are made based on information available at the point of approval of the financial statements as to the probability and value of the transactions.

Valuation of listed investments – valuations are subject to variations arising from external factors which can impact actual future results.

Discount rate – an estimation is made as to the applicable rate at which to reflect the time value of future payments.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

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#### 1. Accounting Policies *(continued)*

##### **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 the current economic climate. 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 Incorporated**

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 West Midlands Synod :-

General Purposes Fund  
Church Buildings Fund  
Manse Fund  
Retired Ministers Housing Fund  
Mission Fund  
Choyce Legacy  
Ministry Support Fund  
Major Buildings Development Fund  
Energy Efficiency Fund  
Ministers Pension Support Fund  
M & M Support 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.

Unrestricted income funds may be spent generally for furthering the Christian and charitable work of the United Reformed Church in the West Midlands. The main fund in this category is the General Purposes Fund. Certain funds have been allocated for Church Buildings or Manses, although the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

##### **Contribution to Pension Funds**

The charity operates a defined contribution pension scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

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#### 1. Accounting Policies *(continued)*

##### **Income Recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

The charity receives grants which are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

##### **Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs of managing investments and programme related investments;
- Expenditure on charitable activities includes costs of ministry, mission, training and property grants; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose. Grants payable to local churches, organisations and individuals are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

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#### 1. Accounting Policies *(continued)*

##### **Individual Church Property, including Manses**

The Trust is sole trustee of the land and buildings of most local URCs but they are not the property of the Synod and are not shown in the financial statements. Sale proceeds from redundant properties or from part thereof which come into Synod funds are treated as unrestricted income from general funds. The income is recognised when the amount can be measured reliably and it is probable that the income will be received.

In certain circumstances a local URC may be permitted to apply for a grant from these funds and where this arises, a time-limited designated fund is created.

##### **Support Costs Allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include premises costs, office costs, governance costs, and salary costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

##### **Depreciation**

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

Property	- over fifty years
Integral features of property	- over fifteen years
Office equipment	- over four years

No amounts under £2,500 are capitalised.

##### **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Programme related investments are those held to further our charitable purposes. Programme related investments include investment in a percentage share of properties and bridging or other loans.

Investments in properties are stated at cost subject to any adjustment arising from impairment which is considered on an annual basis. Gains on disposal of these investments are shown as other income in the SoFA. Investments by way of loans are stated at cost. Interest is charged on the loans at the rate to reflect the investment income the Trust would otherwise have earned.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

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#### 1. Accounting Policies *(continued)*

##### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

##### **Financial instruments**

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

##### **Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt. Where the effect of the time value of money is material, the liability is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

Year Ended 31 December 2024

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#### 2. Income and Expenditure

##### a) Analysis of Total Incoming Resources

2023 Total Funds £		2024 Total Funds £	Unrestricted £	Designated £	Restricted £
	<b>Income from Investments</b>				
571,340	Listed Investments	<b>606,842</b>	356,709	250,133	-
<u>51,972</u>	Interest	<u>115,330</u>	<u>115,330</u>	<u>-</u>	<u>-</u>
623,312		<b>722,172</b>	472,039	250,133	-
<u>9,450</u>	Rents	<u>26,977</u>	<u>-</u>	<u>26,977</u>	<u>-</u>
<u>632,762</u>		<u>749,149</u>	<u>472,039</u>	<u>277,110</u>	<u>-</u>
	<b>Income from Charitable Activities:</b>				
7,225	Grants – Ministry & Mission	<b>7,225</b>	7,225	-	-
8,336	- Training	<b>5,337</b>	5,337	-	-
<u>2,652</u>	- Donations	<u>13,242</u>	<u>11,599</u>	<u>-</u>	<u>1,643</u>
<u>18,213</u>		<u>25,804</u>	<u>24,161</u>	<u>-</u>	<u>1,643</u>
	<b>Other income</b>				
2,000	Investment charge – The Redditch & Joseph Scott Trust	<b>3,500</b>	3,500	-	-
<u>43,913</u>	Transfer of funds from Local Church Trusts	<u>6,160</u>	<u>-</u>	<u>6,160</u>	<u>-</u>
<u>45,913</u>		<u>9,660</u>	<u>3,500</u>	<u>6,160</u>	<u>-</u>
<u>696,888</u>	<b>Total Operating Income</b>	<u>784,613</u>	<u>499,700</u>	<u>283,270</u>	<u>1,643</u>
	<b>Income from sale of properties</b>				
848,432	Of closed Churches	<b>179,448</b>	179,448	-	-
<u>1,329,581</u>	On disposal of manses	<u>2,226,562</u>	<u>-</u>	<u>2,226,562</u>	<u>-</u>
<u>2,874,901</u>	<b>Total Incoming Resources</b>	<u>3,190,623</u>	<u>679,148</u>	<u>2,509,832</u>	<u>1,643</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2024**

**2. Income and Expenditure (Continued)**

**b) Analysis of Total Operating Resources Expended**

<b>2023</b>		<b>2024</b>			
<b>Total</b>		<b>Total</b>	<b>Unrestricted</b>	<b>Designated</b>	<b>Restricted</b>
<b>Funds</b>		<b>Funds</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Costs of Generated Funds</b>				
64,048	Investment Management Fees	<b>68,879</b>	56,591	12,288	-
-	Other property costs	<b>16,482</b>	-	16,482	-
<u>23,040</u>	Shared Indirect costs (Note 3)	<u><b>25,155</b></u>	<u>25,155</u>	-	-
<u>87,088</u>	<b>Total Cost of Generating Funds</b>	<u><b>110,516</b></u>	<u>81,746</u>	<u>28,770</u>	-
	<b>Charitable Activities</b>				
	<b>Ministry &amp; Mission:-</b>				
124,952	Grants (Note 4)	<b>492,697</b>	337,070	155,627	-
9,265	Residential Synod	-	-	-	-
17,655	Support Costs	<b>32,210</b>	32,210	-	-
25,000	Resource sharing (Note 4)	<b>35,000</b>	35,000	-	-
<u>168,956</u>	Shared Indirect Costs (Note 3)	<u><b>164,996</b></u>	<u>164,996</u>	-	-
<u>345,828</u>		<u><b>724,903</b></u>	<u>569,276</u>	<u>155,627</u>	-
	<b>Training:-</b>				
11,292	Ministers (Note 4)	<b>4,927</b>	4,927	-	-
1,430	Students (Note 4)	<b>1,313</b>	1,313	-	-
2,710	Members (Note 4)	<b>6,346</b>	6,346	-	-
1,180	Church Treasurers and staff	<b>324</b>	324	-	-
40,773	Training – staff costs	<b>5,956</b>	5,956	-	-
-	Support Costs	<b>21</b>	21	-	-
<u>26,046</u>	Shared Indirect Costs (Note 3)	<u><b>5,565</b></u>	<u>5,565</u>	-	-
<u>83,431</u>		<u><b>24,452</b></u>	<u>24,452</u>	-	-
	<b>Property:-</b>				
94,372	Church Repairs (Note 4)	<b>89,997</b>	89,997	-	-
-	Church Repairs Designated (note 4)	<b>96,955</b>	-	96,955	-
-	Church Repairs Designated (note 4)	<b>28,169</b>	-	28,169	-
340,752	Energy efficiency	<b>78,289</b>	-	78,289	-
1,900	Manse Repairs (Note 4)	<b>14,609</b>	-	14,609	-
28,335	Manse allowance and insurance	<b>14,211</b>	-	14,211	-
8,516	Manse Expenses	<b>24,300</b>	-	24,300	-
16,334	Church surveys (Note 4)	<b>12,534</b>	12,534	-	-
37,970	Staff costs	<b>35,078</b>	17,539	17,539	-
16,025	Legal and Support Costs	<b>4,492</b>	4,477	15	-
<u>55,262</u>	Shared Indirect Costs (Note 3)	<u><b>117,472</b></u>	<u>117,472</u>	-	-
<u>599,466</u>		<u><b>516,106</b></u>	<u>242,019</u>	<u>274,087</u>	-
<u>1,028,726</u>	<b>Total Charitable Expenditure</b>	<u><b>1,265,461</b></u>	<u><b>835,747</b></u>	<u><b>429,714</b></u>	-
<u>49,861</u>	Interest	<u><b>25,429</b></u>	-	<u><b>25,429</b></u>	-
<u>1,165,675</u>	<b>Total Operating Resources Expended</b>	<u><b>1,401,406</b></u>	<u><b>917,493</b></u>	<u><b>483,913</b></u>	-
<u>(418,926)</u>	<b>Net (Expenditure)/income on operating account</b>	<u><b>(591,364)</b></u>	<u><b>(417,793)</b></u>	<u><b>(175,214)</b></u>	<u><b>1,643</b></u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2024**

**2023 Comparative figures**

**a) Analysis of Total Incoming Resources**

	<b>2023 Total Funds £</b>	<b>Unrestricted £</b>	<b>Designated £</b>	<b>Restricted £</b>
<b>Income from Investments</b>				
Listed Investments	<b>571,340</b>	379,163	192,177	-
Interest	<u>51,972</u>	<u>51,972</u>	-	-
	<b>623,312</b>	431,135	192,177	-
Rents	<u>9,450</u>	-	<u>9,450</u>	-
	<u><b>632,762</b></u>	<u>431,135</u>	<u>201,627</u>	-
<b>Income from Charitable Activities:</b>				
Grants – Ministry & Mission	7,225	7,225	-	-
- Training	8,336	8,336	-	-
- Donations	<u>2,652</u>	<u>2,014</u>	-	638
	<u><b>18,213</b></u>	<u>17,575</u>	-	<u>638</u>
<b>Other income</b>				
Investment charge – The Redditch Trust	2,000	2,000	-	-
Transfer of funds from Local Church Trusts	<u>43,913</u>	-	<u>43,913</u>	-
	<u><b>45,913</b></u>	<u>2,000</u>	<u>43,913</u>	-
<b>Total Operating Income</b>	<u><b>696,888</b></u>	<u>450,710</u>	<u>245,540</u>	<u>638</u>
<b>Income from sale of properties</b>				
Of closed Churches	848,432	848,432	-	-
On disposal of manses	<u>1,329,581</u>	-	<u>1,329,581</u>	-
	<u><b>2,178,013</b></u>	<u>848,432</u>	<u>1,329,581</u>	-
<b>Total Incoming Resources</b>	<u><b>2,874,901</b></u>	<u>1,299,142</u>	<u>1,575,121</u>	<u>638</u>

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

Year Ended 31 December 2024

#### 2. Income and Expenditure (Continued)

##### b) Analysis of Total Operating Resources Expended

	2023 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Costs of Generated Funds</b>				
Investment Management Fees	64,048	(28,332)	92,380	-
Other property costs	-	-	-	-
Shared Indirect costs (Note 3)	<u>23,040</u>	<u>23,040</u>	-	-
<b>Total Cost of Generating Funds</b>	<u>87,088</u>	<u>(5,292)</u>	<u>92,380</u>	<u>-</u>
<b>Charitable Activities</b>				
<b>Ministry &amp; Mission:-</b>				
Grants (Note 4)	124,952	98,870	15,882	10,200
Residential Synod	9,265	9,265	-	-
Support Costs	17,655	17,655	-	-
Resource sharing (Note 4)	25,000	25,000	-	-
Shared Indirect Costs (Note 3)	<u>168,956</u>	<u>168,956</u>	-	-
	<u>345,828</u>	<u>319,746</u>	<u>15,882</u>	<u>10,200</u>
<b>Training:-</b>				
Ministers (Note 4)	11,292	11,292	-	-
Students (Note 4)	1,430	1,430	-	-
Members (Note 4)	2,710	2,710	-	-
Church Treasurers and staff	1,180	1,180	-	-
Training – staff costs	40,773	40,773	-	-
Support Costs	-	-	-	-
Shared Indirect Costs (Note 3)	<u>26,046</u>	<u>26,046</u>	-	-
	<u>83,431</u>	<u>83,431</u>	-	-
<b>Property:-</b>				
Church Repairs (Note 4)	94,372	94,372	-	-
Energy efficiency	340,752	-	340,752	-
Manse Repairs (Note 4)	1,900	-	1,900	-
Manse allowance and insurance	28,335	-	28,335	-
Manse Expenses	8,516	-	8,516	-
Church surveys (Note 4)	16,334	16,334	-	-
Staff costs	37,970	37,970	-	-
Legal and Support Costs	16,025	-	16,025	-
Shared Indirect Costs (Note 3)	<u>55,262</u>	<u>55,262</u>	-	-
	<u>599,466</u>	<u>203,938</u>	<u>395,528</u>	<u>-</u>
<b>Total Charitable Expenditure</b>	<u>1,028,726</u>	<u>607,115</u>	<u>411,410</u>	<u>10,200</u>
Interest	<u>49,861</u>	<u>-</u>	<u>49,861</u>	<u>-</u>
<b>Total Operating Resources Expended</b>	<u>1,165,675</u>	<u>601,823</u>	<u>553,651</u>	<u>10,200</u>
<b>Net (Expenditure)/income on operating account</b>	<u>(418,926)</u>	<u>(151,115)</u>	<u>(258,249)</u>	<u>(9,562)</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2024**

3.	<b>Indirect Costs</b>				
	<b>2023</b>		<b>2024</b>		
	<b>Total</b>		<b>Total</b>		
	<b>Funds</b>		<b>Funds</b>	<b>Unrestricted</b>	<b>Designated</b>
	<b>£</b>	<b>Governance Costs</b>	<b>£</b>	<b>£</b>	<b>£</b>
	1,482	Synod Expenses	1,262	1,262	-
	1,681	Synod Council	-	-	-
	2,671	Synod Review	2,911	2,911	-
	-	Assembly expenses	59	59	-
		Staff Costs:-			
	189,817	Trust Employment Costs	226,620	226,620	-
	2,555	Officers Expenses	2,148	2,148	-
	22,070	Audit	28,506	28,506	-
	353	Bank Charges	123	123	-
	<u>1,928</u>	Committee Support Costs	<u>2,984</u>	<u>2,984</u>	<u>-</u>
	<b><u>222,557</u></b>	<b>Total Governance Costs</b>	<b><u>264,613</u></b>	<b><u>264,613</u></b>	<b><u>-</u></b>
		<b>Premises Costs:-</b>			
	1,600	Rent	1,600	1,600	-
	4,432	Insurance	4,744	4,744	-
	3,268	Electricity	6,449	6,449	-
	10,732	Depreciation of Synod Office	6,262	6,262	-
	<u>5,713</u>	Repairs and Cleaning	<u>5,938</u>	<u>5,938</u>	<u>-</u>
	<b><u>25,745</u></b>		<b><u>24,993</u></b>	<b><u>24,993</u></b>	<b><u>-</u></b>
		<b>Office Costs:-</b>			
	3,121	Telephone	4,063	4,063	-
	4,135	Printing, Stationery and Postage	5,925	5,925	-
	8,909	Computers	11,457	11,457	-
	6,849	Advertising	771	771	-
	-	Furniture and equipment	100	100	-
	<u>1,986</u>	Sundry costs	<u>1,267</u>	<u>1,267</u>	<u>-</u>
	<b><u>25,000</u></b>		<b><u>23,583</u></b>	<b><u>23,583</u></b>	<b><u>-</u></b>
	<b><u>273,302</u></b>	<b>Total Indirect Costs</b>	<b><u>313,189</u></b>	<b><u>313,189</u></b>	<b><u>-</u></b>

				<b>Charitable Activities</b>		
	<b>2023</b>		<b>2024</b>	<b>Raising</b>	<b>Ministry and</b>	
	<b>Total</b>		<b>Total</b>	<b>Funds</b>	<b>Mission</b>	<b>Training</b>
	<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>Property</b>
	222,557	Governance costs	264,613	21,254	139,405	4,702
	25,745	Premises costs	24,993	2,008	13,167	444
	<u>25,000</u>	Office costs	<u>23,583</u>	<u>1,894</u>	<u>12,424</u>	<u>419</u>
	<b><u>273,302</u></b>	<b>Total Indirect Costs</b>	<b><u>313,189</u></b>	<b><u>25,156</u></b>	<b><u>164,996</u></b>	<b><u>5,565</u></b>
	100%	% of Direct costs	100%	8.03%	52.68%	1.78%
					37.51%	

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2024**

**2023 Comparative figures**

3. <i>Indirect Costs</i>	2023			
	<i>Total Funds</i>	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>
	£	£	£	£
<b>Governance Costs</b>				
Synod Expenses	1,482	1,482	-	-
Synod Council	1,681	1,681	-	-
Synod Review	2,671	2,671	-	-
Staff Costs:-				
Trust Employment Costs	189,817	189,817	-	-
Officers Expenses	2,555	2,555	-	-
Audit	22,070	22,070	-	-
Bank Charges	353	353	-	-
Committee Support Costs	<u>1,928</u>	<u>1,928</u>	-	-
<b>Total Governance Costs</b>	<b><u>222,557</u></b>	<b><u>222,557</u></b>	-	-
<b>Premises Costs:-</b>				
Rent	1,600	1,600	-	-
Insurance	4,432	4,432	-	-
Electricity	3,268	3,268	-	-
Depreciation of Synod Office	10,732	10,732	-	-
Repairs and Cleaning	<u>5,713</u>	<u>5,713</u>	-	-
	<b><u>25,745</u></b>	<b><u>25,745</u></b>	-	-
<b>Office Costs:-</b>				
Telephone	3,121	3,121	-	-
Printing, Stationery and Postage	4,135	4,135	-	-
Computers	8,909	8,909	-	-
Advertising	6,849	6,849	-	-
Sundry costs	<u>1,986</u>	<u>1,986</u>	-	-
	<b><u>25,000</u></b>	<b><u>25,000</u></b>	-	-
<b>Total Indirect Costs</b>	<b><u>273,302</u></b>	<b><u>273,302</u></b>	-	-

	Charitable Activities				
	2023 Total £	Raising Funds £	Ministry and Mission £	Training £	Property £
Governance costs	222,557	18,762	137,585	21,210	45,001
Premises costs	25,745	2,170	15,915	2,453	5,206
Office costs	<u>25,000</u>	<u>2,108</u>	<u>15,455</u>	<u>2,383</u>	<u>5,055</u>
<b>Total Indirect Costs</b>	<b><u>273,302</u></b>	<b><u>23,040</u></b>	<b><u>168,955</u></b>	<b><u>26,046</u></b>	<b><u>55,262</u></b>
% of Direct costs	100%	8.4%	61.9%	9.5%	20.2%

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

#### 4. Grants

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

	2024		2023	
	Number	Amount £	Number	Amount £
<b>Institutional Grants</b>				
Ministry and Mission:				
Carbon Offset	1	1,500	1	1,006
M & M Fund	1	284,802	1	50,000
Pulpit Supply	35	9,790	17	3,973
Inter-Synod Resource Sharing	1	35,000	1	25,000
Educational Chaplaincy	3	26,450	2	20,200
Ecumenical Situations	6	12,807	7	17,695
Release of legacy - Overseas Mission	-	-	1	10,200
Release of Legacy – Local Missions	-	-	-	-
Ministry Support Fund	1	16,161	-	-
Local Church Missions	7	139,466	7	15,882
Youth and Childrens Work	<u>5</u>	<u>1,742</u>	<u>8</u>	<u>5,996</u>
	<u>60</u>	<u>527,718</u>	<u>45</u>	<u>149,952</u>
Property:				
Church repairs	9	90,197	9	94,372
Church repairs – designated	4	125,124		
Manse repairs	1	14,609	1	1,900
Manse allowance and insurance	-	14,211		28,335
Church surveys	<u>11</u>	<u>12,534</u>	<u>11</u>	<u>16,334</u>
	<u>25</u>	<u>256,675</u>	<u>21</u>	<u>140,941</u>
<b>Total Institutional Grants</b>	<u>85</u>	<u>784,393</u>	<u>66</u>	<u>290,893</u>
<b>Individual Grants</b>				
Training:				
Ministers	15	4,927	20	11,292
Members	28	6,345	10	2,710
Students	<u>8</u>	<u>1,313</u>	<u>2</u>	<u>1,430</u>
<b>Total Individual Grants</b>	<u>51</u>	<u>12,585</u>	<u>32</u>	<u>15,432</u>
<b>Total Grants Charged</b>	<u>136</u>	<u>796,978</u>	<u>98</u>	<u>306,325</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED****Notes to the Financial Statements****Year Ended 31 December 2024**

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**5. Trustees' Expenses**

There were no Honoraria paid in the year.

Reimbursed expenses were paid to Trustees of the Board in aggregate of £48 (2023: £448). This figure includes expenses reimbursed for duties including, but not restricted to, Board meetings and travel.

<b>6. Employment Emoluments</b>	<b>2024</b>	2023
	£	£
Wages and salaries	<b>236,418</b>	188,210
Employers national insurance	<b>19,608</b>	16,889
Pension costs	<b><u>25,229</u></b>	<u>19,423</u>
	<b><u>281,255</u></b>	<u>224,522</u>
The average number of employees was	<u><b>9</b></u>	<u>10</u>

No employee received £60,000 per annum or more in the current or prior year. All staff are employed by the company.

The Company operates a defined contribution pension scheme and contributions are charged as expenditure as they become payable.

Key management personnel are the Trustees as directors. Revd S M Faber (Moderator) receives a stipend from the United Reformed Church for his role with the charity.

<b>7. Gains on Investments</b>	<b>2024</b>	2023
	£	£
Realised (loss)/gain on investments sold	<b>(42,928)</b>	1,154,784
Gains previously recognised in Trust accounts	<b><u>146,940</u></b>	<u>979,408</u>
Net gains/(losses) in the year on investments sold	<b>104,012</b>	175,376
Unrealised gains/(losses) on investments for the year	<b>1,640,535</b>	1,647,157
Other gains	<b><u>19,581</u></b>	<u>-</u>
<b>Net Gain on Investments for the Year</b>	<b><u>1,764,128</u></b>	<u>1,822,533</u>

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

Year Ended 31 December 2024

#### 8. Movement on Funds

a) Fund	Balance 1 January 2024	Income £	Expenditure £	Other Movements £	Balance 31 December 2024 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	-	8,911	-	(8,911)	-
Major Buildings Development Fund	2,271,634	-	(96,955)	136,148	2,310,827
Energy Efficiency Fund	659,248	-	(78,289)	-	580,959
Manse - General	7,851,192	2,388,534	(99,444)	271,615	10,411,897
- Churches	586,736	22,181	-	36,306	645,223
Church Property	2,899,975	90,206	(28,168)	26,412	2,988,425
Mission Fund	618,562	-	(139,467)	34,037	513,132
Ministry Support Fund	281,640	-	(16,161)	-	265,479
Ministers Pension Support Fund	2,423,429	-	(25,429)	(2,398,000)	-
Denominational Project Fund	-	-	-	2,398,000	2,398,000
M & M Support Fund	179,743	-	-	9,264	189,007
	<u>17,772,159</u>	<u>2,509,832</u>	<u>(483,913)</u>	<u>504,871</u>	<u>20,302,949</u>
<b>Unrestricted General Funds</b>					
General Purposes	9,623,021	679,148	(917,493)	1,259,257	10,643,933
<b>Restricted Funds</b>					
Choyce legacy	-	1,643	-	-	1,643
<b>Total Funds</b>	<u>27,395,180</u>	<u>3,190,623</u>	<u>(1,401,406)</u>	<u>1,764,128</u>	<u>30,948,525</u>

#### 2023 Comparative figures

a) Fund	Balance 1 January 2023	Income £	Expenditure £	Other Movements £	Balance 31 December 2023 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	-	8,749	-	(8,749)	-
Major Buildings Development Fund	1,629,907	-	-	641,727	2,271,634
Energy Efficiency Fund	1,000,000	-	(340,752)	-	659,248
Manse - General	6,135,266	1,484,420	(65,202)	296,708	7,851,192
- Churches	577,714	9,022	-	-	586,736
Church Property	2,874,267	72,930	(81,953)	34,731	2,899,975
Mission Fund	474,012	-	(15,882)	160,432	618,562
Ministry Support Fund	281,640	-	-	-	281,640
Ministers Pension Support Fund	2,473,290	-	(49,861)	-	2,423,429
M & M Support Fund	149,941	-	-	29,802	179,743
	<u>15,596,037</u>	<u>1,575,121</u>	<u>(553,650)</u>	<u>1,154,651</u>	<u>17,772,159</u>
<b>Unrestricted General Funds</b>					
General Purposes	8,258,399	1,299,142	(601,825)	667,305	9,623,021
<b>Restricted Funds</b>					
Choyce legacy	8,985	638	(10,200)	577	-
<b>Total Funds</b>	<u>23,863,421</u>	<u>2,874,901</u>	<u>(1,165,675)</u>	<u>1,822,533</u>	<u>27,395,180</u>

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

#### 8. Movement on Funds *(continued)*

##### Transfers between reserves

Included within Other Movements above are transfers between funds as follows:-

	General purposes Unrestricted £	Energy Efficiency Fund Designated £	Church Building Fund Designated £	Mission Fund Designated £	Major Buildings Development Designated £	Manse Fund Designated £	M&M Support Fund Designated £
Transfer to funds from Church sets	(179,448)	-	-	34,037	136,148	-	9,264
Transfer deficit on Church Buildings Fund	8,911	-	(8,911)	-	-	-	-
Transfer from Manse Fund to Church Fund	-	-	36,306	-	-	(36,306)	-
	<u>(170,537)</u>	<u>-</u>	<u>27,395</u>	<u>34,037</u>	<u>136,148</u>	<u>(36,306)</u>	<u>9,264</u>

Summary	Balance 1 January 2024 £	Income £	Expenditure £	Other Movement £	Balance 31 December 2024 £
Restricted	-	1,643	-	-	1,643
Designated	15,168,986	2,509,832	(483,912)	504,871	20,302,949
Unrestricted	<u>9,623,021</u>	<u>679,148</u>	<u>(950,555)</u>	<u>1,292,319</u>	<u>10,643,933</u>
<b>Total funds</b>	<u>24,792,007</u>	<u>3,190,623</u>	<u>(1,434,467)</u>	<u>1,797,190</u>	<u>30,948,525</u>

#### b) Purpose of Funds

During the year, to establish more transparency in accounting for the balances relating to the funds of closed churches and pulpit supply cost reimbursement from the URC nationally, the Trustees have changed the recognition policy to move the balances received out of creditors and into designated funds. This has meant recognising the income in the SOFA, and the movement this year reflects the adjustment relating to a number of years.

##### General Purposes Fund - Unrestricted

Unrestricted funds are needed to cover the support costs and grants for the above objects and the administration costs without which the Synod could not function.

##### Church Buildings Fund - Designated

To provide funds which could supplement those already available within local churches for the improvement and maintenance of their properties. Support may be in the form of grants or loans.

##### Retired Ministers Housing Fund - Designated

To provide the capital for long term loans to supplement the purchase of accommodation for retired ministers or their partners, together with Synod's share of the maintenance costs for those properties.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

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#### 8. Movement on Funds *(continued)*

##### **Manse General - Designated**

Mainly accumulated from the proceeds of manse sales when a replacement manse is not required, this fund provides long term loans to local churches in order for them to purchase a manse at a time when they do not have sufficient funds, and to supplement funds already available within local churches for the improvement and maintenance of their properties.

##### **Manse Churches - Designated**

To hold the proceeds of manse sales when the church concerned is expecting to purchase a replacement. A separate fund for each church consists of the proceeds of sale together with interest thereon, which provides growth to the capital value. The total is available towards the cost of purchasing a new manse.

##### **Mission Fund - Designated**

Funds to support local churches in their mission activity.

##### **Choyce Legacy - Restricted**

To be shared between the Church of North India Children's Development Unit, the Mission Fund of the Synod and Hatherton Church in accordance with the Will of Colin Choyce.

##### **Church property – Designated**

Funds from the disposal of the properties or land at Stoke Chapel, Hall Green URC, Hollymount URC, Olton URC, Hobs Moat URC, Foleshill URC, Worcester URC, St John's Stone URC and Baxter URC pending a decision on future their use.

##### **Ministry Support Fund**

Funded by a transfer in previous years of £500,000 from general funds to meet the costs of staff to supplement deployed ministry.

##### **Ministers Pension Support Fund – Designated**

During the previous year a formal resolution was passed making a commitment to support the United Reformed Church Ministers Pension Fund financially if required.

##### **Major Buildings Development Fund - Designated**

The Major Buildings Development Fund was established to receive the net proceeds of sale of closed churches. The fund is intended to facilitate the extension, rebuilding or conversion to new purposes of church buildings.

##### **Energy Efficiency Grants - Designated**

In response to a rapid rise in energy costs and an extension of our commitment to help churches move to a low or zero carbon future it was recognised that there was a need to support churches in improving their energy efficiency. The fund was established by a transfer between reserves and whilst application were received during 2022, the first grants were not approved until January 2023.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

<b>9. Tangible Fixed Assets</b>		<b>Property £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2024 and 31 December 2024	<u>379,684</u>	<u>10,968</u>	<u>390,652</u>	
<b>Depreciation</b>				
At 1 January 2024	166,650	10,968	177,618	
Charge for the year	<u>6,262</u>	<u>-</u>	<u>6,262</u>	
<b>At 31 December 2024</b>	<u>172,912</u>	<u>10,968</u>	<u>183,880</u>	
<b>Net Book Value</b>				
<b>At 31 December 2024</b>	<u><b>206,772</b></u>	<u><b>-</b></u>	<u><b>206,772</b></u>	
At 31 December 2023	<u>213,034</u>	<u>-</u>	<u>213,034</u>	

All assets are used for charitable purposes.

<b>10. Fixed Asset Investments</b>		<b>Listed Investments</b>			
		<b>Fixed Interest £</b>	<b>Equities £</b>	<b>Cash £</b>	<b>Total £</b>
Market value at 1 January 2024	1,691,758	20,927,864	341,018	22,960,640	
Additions	764,112	1,327,834	-	2,091,946	
Sales and redemption	-	(1,744,256)	(292,976)	(2,037,232)	
Net investment gains	<u>(1,288)</u>	<u>1,641,823</u>	<u>-</u>	<u>1,640,535</u>	
<b>Market Value at 31 December 2024</b>	<u>2,454,582</u>	<u>22,153,265</u>	<u>48,042</u>	<u>24,655,889</u>	
<b>Cost at 31 December 2024</b>	<u>2,349,023</u>	<u>16,079,497</u>	<u>48,042</u>	<u>18,476,562</u>	
<b>11. Programme Related Investments</b>			<b>2024 £</b>	<b>2023 £</b>	
<b>Cost at 1 January 2024</b>			<b>3,612,170</b>	2,694,889	
Manse purchased			<b>1,000</b>	917,281	
Manse sale/repayment on investments			<u><b>(159,896)</b></u>	<u>-</u>	
<b>Cost at 31 December 2024</b>			<u><b>3,453,274</b></u>	<u>3,612,170</u>	
These investments relate to:-			<b>2024 £</b>	<b>2023 £</b>	
- Manses			<b>3,447,250</b>	3,606,146	
- Retired Ministers Housing			<u><b>6,024</b></u>	<u>6,024</u>	
			<u><b>3,453,274</b></u>	<u>3,612,170</u>	

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED****Notes to the Financial Statements****Year Ended 31 December 2024**

No interest is charged on the initial value of the investment, but benefits should arise when the properties are sold and the company recovers a proportion of the proceeds relating to the investment proportion of the total original cost. Retired Ministers Housing shows return of a legal charge when a property was sold.

<b>12. Debtors</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Loans due from United Reformed Churches and Ministers	<b>5,116</b>	6,139
Other debtors	<b>202,177</b>	164,897
Prepayments	<b><u>8,703</u></b>	<u>14,872</u>
	<b><u>215,996</u></b>	<u>185,908</u>

**13. Cash and Short Term Deposits**

	<b>Bank Current Account £</b>	<b>Charities Official Investment Fund £</b>	<b>Epworth Deposit Fund £</b>	<b>Total £</b>
General purposes	174,454	949	2,539,341	2,714,744
Designated accounts	(15,589)	620,732	-	605,143
Restricted funds	<u>1,643</u>	<u>-</u>	<u>-</u>	<u>1,643</u>
<b>Balances as at 31 December 2024</b>	<b><u>160,508</u></b>	<b><u>621,681</u></b>	<b><u>2,539,341</u></b>	<b><u>3,321,530</u></b>

**14. Creditors**

<b>a) Amounts falling due within one year</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Amounts due to United Reformed Church and related Bodies	<b>43,173</b>	71,113
Other creditors – support for Ministers' Pension Fund	-	508,571
Accruals	<b>65,260</b>	73,058
Mission grants approved	<b>84,649</b>	172,588
Ministry support fund approved	<b>20,261</b>	-
Building grants approved	<b>166,321</b>	126,830
Other creditors	<b><u>173,327</u></b>	<u>-</u>
	<b><u>552,991</u></b>	<u>952,160</u>

Included within amounts due to churches is £Nil (2023: £Nil) arising from property disposal proceeds being held pending applications from those churches within an agreed timescale for use of the proceeds.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

b)	<b>Amounts falling due after more than one year</b>	<b>2024</b>	<b>2023</b>
		£	£
	Amounts due to United Reformed Churches	<b>31,227</b>	65,846
	Amounts due to Rodborough Tabernacle	<b>125,222</b>	134,192
	Mission fund	<b>173,956</b>	-
		<b><u>330,405</u></b>	<b><u>200,038</u></b>

c)	<b>Provisions</b>	<b>2024</b>	<b>2023</b>
		£	£
	Provision relates to Manse repair allowance of £750 per manse which can be carried forward for up to two years. The commitment is non contractual. The balance is the total provision less sum of claims made.		
	Provision for charges	<b>21,540</b>	<b>26,536</b>

#### 15. Disposition of Funds as at 31 December 2024

<b>Fund</b>	<b>Fixed Assets</b>	<b>Investments</b>	<b>Programme Related Investments</b>	<b>Debtors/ Creditors</b>	<b>Cash and Deposits</b>	<b>Total</b>
	£	£	£	£	£	£
<b>Designated Funds</b>						
Retired Ministers Housing	-	-	6,024	(6,024)	-	-
Manse- General	-	6,943,108	3,447,250	21,539	-	10,411,897
- Churches	-	645,223	-	-	-	645,223
Ministers Pension Fund	-	2,423,429	-	(25,429)	(2,398,000)	-
Denominated Project Fund	-	-	-	-	2,398,000	2,398,000
Church Property	-	2,988,425	-	-	-	2,988,425
Major Buildings Development	-	2,310,827	-	-	-	2,310,827
Energy Efficiency Fund	-	557,777	-	23,182	-	580,959
M & M Support Fund	-	139,007	-	-	50,000	189,007
Mission Fund	-	567,615	-	(131,725)	77,242	513,132
Ministry Support Fund	-	281,640	-	(16,161)	-	265,479
<b>Restricted Fund</b>						
Choyce Legacy	-	-	-	-	1,643	1,643
<b>Unrestricted Funds</b>						
General Purposes	<u>206,772</u>	<u>7,798,838</u>	<u>-</u>	<u>(554,322)</u>	<u>3,192,645</u>	<u>10,643,933</u>
<b>Total Funds</b>	<b><u>206,772</u></b>	<b><u>24,655,889</u></b>	<b><u>3,453,274</u></b>	<b><u>(688,940)</u></b>	<b><u>3,321,530</u></b>	<b><u>30,948,525</u></b>

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

Year Ended 31 December 2024

#### 2023 Comparative figures

<b>Fund</b>	<b>Fixed Assets £</b>	<b>Investments £</b>	<b>Programme Related Investments £</b>	<b>Debtors/ Creditors £</b>	<b>Cash and Deposits £</b>	<b>Total £</b>
<b>Designated Funds</b>						
<i>Retired Ministers Housing</i>	-	-	6,024	(6,024)	-	-
<i>Manse- General</i>	-	3,307,480	3,606,146	27,566	910,000	7,851,192
<i>- Churches</i>	-	586,736	-	-	-	586,736
<i>Ministers Pension Fund</i>	-	2,114,000	-	(508,571)	818,000	2,423,429
<i>Church Property</i>	-	2,899,975	-	-	-	2,899,975
<i>Major Buildings Development</i>	-	2,271,634	-	-	-	2,271,634
<i>Energy Efficiency Fund</i>	-	558,481	-	100,767	-	659,248
<i>M &amp; M Support Fund</i>	-	129,743	-	-	50,000	179,743
<i>Mission Fund</i>	-	673,045	-	(131,725)	77,242	618,562
<i>Ministry Support Fund</i>	-	455,963	-	(218,360)	44,037	281,640
<b>Unrestricted Funds</b>						
<i>General Purposes</i>	<u>213,034</u>	<u>9,963,583</u>	<u>-</u>	<u>(256,479)</u>	<u>(297,117)</u>	<u>9,623,021</u>
<b>Total Funds</b>	<b><u>213,034</u></b>	<b><u>22,960,640</u></b>	<b><u>3,612,170</u></b>	<b><u>(992,826)</u></b>	<b><u>1,602,162</u></b>	<b><u>27,395,180</u></b>

## **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

### **Notes to the Financial Statements**

**Year Ended 31 December 2024**

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#### **16. Commitments**

##### **Property**

The office is situated on land that is registered in the name of the United Reformed Church (West Midlands) Trust Limited and held on statutory trusts in favour of Digbeth-in-the-Field United Reformed Church. Under an informal agreement, the Trust company pays a nominal sum to the local church for the use of the land.

##### **Guarantees**

The United Reformed Church (West Midlands) Trust Limited has acted as guarantor on behalf of a number of churches who have sought external grant funding. The various terms and conditions of these grants may require repayment in the event of church closure within a specified period. At the year end the Trustees had no reason to believe that the likelihood of repayment was anything other than remote and therefore no additional disclosure or provision has been made.

#### **17. Contingent Assets**

At the year end, the vacant properties of three churches, seven manses and two other properties were held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the company. The full proceeds of two churches, the seven manses and one other property will revert to Synod on sale in accordance with the Statutory Trusts on which the properties are held.

The Charity contributed to the URC Ministers Pension Fund deficit during the year. However, following an actuarial valuation there are now sufficient funds in the pension scheme and no more contributions are required. There was an overpayment made by the Charity given the latest valuation. However, there is a significant level of uncertainty on further costs to be incurred by the pension fund trustees and the Trustees do not expect to receive a refund at the point of signing the financial statements and are unable to quantify its value.

## **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

### **Notes to the Financial Statements**

**Year Ended 31 December 2024**

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#### **18. Funds Held as Trustee**

##### **Local Churches**

The United Reformed Church (West Midlands) Trust Limited (“the Trust”) acts as Trustee of local church assets. A local church has no legal identity of its own and, therefore, cannot hold property in its own name. The title to its assets must be held on Trust by a group of trustees and this can be achieved either by private Trustees (individuals) or by a Trust Company. All of the local churches’ properties in the West Midlands Synod (save 2) are held by the Trust.

The deeds to church property are vested in the name of the Trust. A Declaration of Trust records which local churches hold properties and, if jointly owned, the shares held by each. The Trust has a share in a few properties and that share is recorded in the Declaration of Trust because the deeds are in the name of the Trust, any legal documents are signed by the Trust, but they are entering into those documents on behalf of the local church.

Similarly, most of the investments and cash deposits owned by local churches in the Synod are held by the Trust as Trustee.

In relation to local church buildings, the Trust is the Charity Trustee. In relation to local church cash, investments and other assets, the Trust is the custodian Trustee and the local Elders are the managing Trustees. The role of the Trust is to carry out the wishes of the local church expressed in Church Meeting resolutions. Providing the Trustees of the Trust have no objections to what they are being asked to do and the appropriate approvals have been obtained, they will act according to the instructions which come from the Elders/local Church.

##### **Inter-Synod Resources Sharing**

In addition to the funds held for churches the Trust also holds funds on behalf of the URC Inter Synod Resource Sharing process which redistribute funds from wealthier Synods to those Synods in need of support. The funds totalling £455,228 at 31 December 2024 are held in separately identified deposit funds and investments. The funds are controlled by Resource Sharing Task Group drawn from amongst the Synod Treasurers. As a body the Trustees of the Trust play no part in directing the management of these funds.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2024

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#### 19. Related Party Transaction

The Trust is the corporate Trustee of The James and Freeman Charity. During the year a charge of £2,000 (2023: £2,000) was made to The James and Freeman Charity for the administrative services provided by the Synod.

The Trust is the corporate Trustee of The Joseph Scott Fund. During the year a charge of £1,500 (2023: £Nil) was made to The Joseph Scott Fund for the administrative services provided by the Synod.

Owing to the nature of the charity's operations and the composition of the Board of Trustees being drawn from the local United Reformed Churches, grant awards may take place with churches from within the Trust's oversight. All discussions about grant awards or other transactions are undertaken without the presence of the conflicted Trustee. Following a change in the Manse Policy, all major repairs to manses are paid for by the Trust, for transparency all such repairs are recorded as grants to churches and noted below where they relate to a church where a Trustee or officer would have otherwise been considered to have a conflict.

The following transactions arose in the year:-

Beneficiary	Purpose	Committee	Value £	Related Party	Relationship
Knowle URC	Building Grant	RCC	1,150	Terence Dicker	Trustee
St Andrews Cheltenham	Building Grant	RCC	30,000	David Black	Trustee
St Andrews Cheltenham	Energy Efficiency	Energy Efficiency	17,129	David Black	Trustee
Sherbourne Community Church	Energy Efficiency	Energy Efficiency	15,759	Steve Powell	Trustee
Knowle URC	Joseph Scott Chapel Charity	RCC	3,450	Terence Dicker	Trustee
Sherbourne Community Church	Joseph Scott Chapel Charity	RCC	5,000	Steve Powell	Trustee

Birmingham City Council holds a legal charge over a property held in Trust by the charity on Chester Road. Bournville Village Trust holds a legal charge over a property held in Trust by the charity on Weoley Hill.

#### 20. Financial Instruments

Financial assets measured at fair value through net income comprise fixed asset investments with a value of £24,607,847 (2023: £22,619,622).

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

England & Wales - Charity number 507027

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# Accounts

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**Company Number: 01337047**  
**Charity Number: 507027**

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2023**

**MHA**  
**Chartered Accountants and Registered Auditors**  
**Moorgate House**  
**201 Silbury Boulevard**  
**Milton Keynes**  
**MK9 1LZ**

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Annual Report**

**Year Ended 31 December 2023**

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**Reference and Administrative Information**

**Registered Office**

Digbeth-in-the-Field United Reformed Church  
Moat Lane  
Yardley  
Birmingham B26 1TW

**Directors and Trustees**

Mr D.S. Black  
Mr T. Dicker  
Revd S.M. Faber  
Revd E. Hutchinson  
Mrs M.F. Marshall  
Mr S.M. Powell (Treasurer)  
Mr K. Thomas  
Revd D.M. Walton (retired March 2024)

**Bankers**

Lloyds TSB Bank  
(Kings Heath branch)  
P O Box 1000 BX1 1LT

**Legal Advisors**

Slater Heelis  
Lloyds Bank Buildings, 16 School Road  
Sale, Cheshire M33 7XP

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

**Auditor**

MHA  
Moorgate House  
201 Silbury Boulevard  
Milton Keynes MK9 1LZ

**Investment Manager**

Evelyn Partners  
9 Colmore Row  
Birmingham B3 2BJ

**Synod Officers**

Moderator – Revd S.M. Faber  
Synod Clerk – Mrs R Wakeman  
Synod Treasurer – Mr S.M. Powell  
Legal and Trust Officer – Mr P Mountain (from November 2023)  
Finance Officer – Mr M.N. Davies (resigned November 2023)  
Mrs K Wise (from March 2024)  
Property Officer – Mr M. McDade  
Training and Development Officer – Revd S.P. Scott (retired October 2023)  
Evangelist – Revd N. Stanyon (finished October 2023)  
Children's and Youth Development Officer – Mr R. Knott (until March 2023)  
Safeguarding Officer – Mrs D. Gordon  
Communications Officer – Mrs E Wright (from June 2024)

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2023

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The United Reformed Church (West Midlands) Trust Limited (“The Trust”) is the corporate body that holds the assets and liabilities of the West Midlands Synod of the United Reformed Church (“Synod”). The Trust was incorporated as a limited company and registered charity on 2 November 1977 and its Memorandum and Articles of Association were revised in 2008 and 2021. The Trust’s charitable objects are:

*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 West Midlands Synod of that Church.*

## 1. The Synod: Structure, Governance and Management

### 1.1 Overview

**The Synod** is the collective body of the United Reformed Church in the West Midlands region and is constituted in accordance with the Basis of Union and the United Reformed Church Acts of 1972, 1981 and 2000 ([www.urch.org.uk](http://www.urch.org.uk)). Synod has oversight of the URC in the West Midlands, comprising the counties of Staffordshire, Shropshire, Herefordshire, Worcestershire, Warwickshire and Gloucestershire, and the metropolitan authorities of Birmingham, Solihull, Coventry, Sandwell, Walsall, Dudley, and Wolverhampton. It meets twice a year and its membership, as detailed in the Structure of the United Reformed Church, Section B at [urch.org.uk](http://urch.org.uk), includes serving ministers, representatives of each local church, and ecumenical representatives, together with youth representatives and some co-opted members. The Synod fulfils a wide range of consultative, legislative and executive functions, and is the ultimate decision-making authority in matters of a theological, pastoral or (in certain cases) an administrative nature.

The Synod acts as a bridge between the work of the local church and the General Assembly. It carries an oversight function for the local churches within the context of the General Assembly’s policies. The councils of the United Reformed Church (Church Meeting, Synod and General Assembly) have a covenantal relationship, which means that they have an awareness of and responsiveness to the needs and mission of the whole Church. This is expressed in many ways but not least in the Plan for Partnership in Ministerial Remuneration through which ministry is supported and in the resource sharing arrangements between Synods.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.2 The Synod's relationship with the Trust and its committees

The Synod's policy decisions are subject to Trust endorsement; and decisions that have financial implications for the Trust are normally subject to consultation with Synod Trustees prior to implementation.

Because the Synod meets only twice each year, it delegates many of its functions to its committees, which in turn work alongside the Trust: the Synod Executive (formerly known as Synod Mission Council); the Resources & Compliance Committee, the Ministry Development Committee and the Missional Discipleship Development Committee. The roles of these bodies are explained in more detail below. The relationship between the Synod Executive, its Committees and Trust may be summarised as follows:

**Synod:** One of the Councils in the Structure of the United Reformed Church, and the ultimate decision-making body of the United Reformed Church in the West Midlands region.

**Synod Executive:** has delegated authority to make decisions and recommendations in between Synod Meetings and acts as the line of accountability for Synod Officers and Committees. Synod Executive comprises certain Synod Officers, Convenors of Synod Committees, and representatives from the seven designated Areas within Synod. The work of Synod Executive is organised through committees with responsibility for specific aspects within the life of the Church.

**Resources & Compliance Committee:** (RCC) is concerned with financial and property resources, maintaining legal compliance and good practice and has delegated authority to make decisions and recommendations on matters principally around finance, property and legal issues. The Synod Resources and Compliance Committee (RCC) comprises Synod Officers, their line managers, and other persons with appropriate skills identified and appointed by Synod Executive. The RCC's responsibilities may be summarised as follows:

- to regularly review the condition of the Synod Trust's assets and oversee their conservation, management and (where appropriate) disposal.
- to ensure that its liabilities are controlled and discharged in a timely manner; and
- to ensure that the Synod Trust's financial and operational integrity is maintained at all times.

The remit of the Resources and Compliance Committee includes delegated authority for agreeing grants, particularly for property, within criteria and budgets which are set by the Trust.

A Reference Committee has authority to approve urgent transactions between meetings, provided that they meet normal qualifications and are reported to the next meeting. The Reference Committee for the Resources and Compliance Committee consists of the Moderator, Synod Clerk, Synod Treasurer and Chair. The Reference Committee for the Trust consists of the Moderator, Synod Treasurer, Chair and at least one other trustee.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 1.2 The Synod's relationship with the Trust and its committees (continued)

**Ministry Development Committee:** (MDC) is responsible for developing people's ministries and delegated authority, particularly in dealing with ministerial call and service, vacancy and development. The Committee comprises a representative from each Area, plus the Moderator and key Synod Officers.

#### 1.3 The Trust

##### (a) Powers, duties, and responsibilities

Acting through its board of trustees, the Trust is responsible for the day-to-day management of the Synod and for the implementation of policy as set by the Synod. The Trust has ultimate responsibility for all Synod finance-related matters (except for Ministry and Mission Fund matters – see below).

The Trust fulfils its charitable objects by working through the Synod to provide financial, pastoral, educational and technical support to local URC congregations, and to their Ministers, Elders and lay people in their life and mission. The Trust supports the Synod in its mission purpose, defined at October Synod 2022 as:

*“To equip, encourage and support United Reformed Church congregations in the West Midlands Synod, in our collective journey to be faithful in worship, witness and service, as our way of responding to the saving love of God in Christ Jesus, in the power of the Holy spirit, and inviting others to share in the life of faith and discipleship.”*

The Trust, through the work of the Synod, supports 101 churches in the region with 3,187 United Reformed Church members and their own charitable missions to advance the Christian religion in their own communities.

The Trust also acts as Trustee to the majority of the United Reformed Churches in the West Midlands by holding properties on trust for them in accordance with the Statutory Trusts as set out in the United Reformed Church Acts. The insured value of these properties exceeds £200 million and there are guidelines in place to minimise the risk to the Trust of actions by local churches in respect of these assets. The Trust also acts as custodian trustee for some churches and other URC related organisations, holding investments separately on their behalf. The investments have a value of approximately £1.371m and the local churches have objects similar to the Synod.

United Reformed Churches are open to all people, of all ages and walks of life, including people of no faith. Through enabling worship and faith-based, educational, and community-focused activities, the Trust aims to propagate the Christian faith and Christian values in a contemporary and compassionate manner, for the benefit of all.

Local churches within the Synod's region are separate independent charities and the Trust has no controlling interest or executive control over them. Nor are local churches deemed to be connected charities within the understanding of the Charities SORP.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.3 The Trust (continued)

#### (b) The Trustees

The Synod appoints the board of trustees and considers individuals with relevant experience who are eligible for appointment. Members of the Board must be a member of the United Reformed Church ("URC") or of a Local Ecumenical Partnership involving the URC. There is no formal programme for the induction and training of Trustees although all are encouraged to attend relevant seminars arranged by the Trust's professional advisors.

Trustees serving on the Board during the year were as follows:

Mr D.S. Black, Mr T. Dicker, Revd S.M. Faber, Revd E. Hutchinson, Mr S.M. Powell (Treasurer), Mrs M.F. Marshall, Mr K. Thomas and Revd D.M. Walton (retired March 2024).

The Trustees are the Trust's key management personnel and directors of the company for the purpose of company law. Together they form the Trust's governing board and are responsible for overseeing the management and for decisions relating to the assets held at Synod and local church level. All director-trustees give their time voluntarily and receive no benefits from the Trust other than reimbursement of their expenses [as shown in note 5 to the financial statements]. The only exception here is the Moderator whose stipend is settled and paid by the central URC.

Indemnity insurance of up to £5m is in place to cover the liability of the Trustees in relation to negligence, default, breach of duty or breach of trust.

With regard to potential conflicts of interest, clear procedures are in place to ensure that no trustee derives any private benefit from the Trust's financial operations and that no actual or perceived bias arises when the Trust considers any application for funding support from a Church which counts a trustee among its members.

#### (c) The Trust's professional and technical staff

There were eight paid staff in 2023 who enabled the Synod's day-to-day operations and who were recruited on the basis of their professional experience and skills. They are:

- Finance Officer
- Property Officer
- Office Manager and PA to the Moderator
- Administrative Assistant
- Legal and Trust Officer (started November 2023)
- Safeguarding Officer
- Synod Clerk
- Training and Development Officer

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.3 The Trust (continued)

#### (c) The Trust's professional and technical staff (continued)

Levels of staff pay are decided by reference to market rates for those working for professional organisations with the relevant qualifications and experience and regard is given to published pay scales for similar roles. All rates of pay are reviewed annually and amended in the light of changes in the cost of living and other relevant factors.

The **Finance Officer** is responsible for the Synod's finances and assists local churches with their grant applications and other areas of church finance. The Finance Officer also plays an important role in developing policy for control of Synod finances and in supporting churches financially. The Finance Officer deals with the calculation and allocation of contributions to the Ministry and Mission Fund which funds ministers' stipends and the work of the wider church; and works with the Synod's Investment Sub Committee and its independent Investment Managers to ensure the efficient management of cash and the generation of income to run Synod. The Finance Officer is also active in management of the funds for Inter Synod Resource Sharing.

The **Property Officer** provides technical support to local churches in the maintenance of their church buildings and their repair and/or redevelopment, including advising on grant support which may be available for Synod. This includes working closely with local church leadership to resolve practical and technical issues as they arise. Where churches are Listed buildings, Synod has a statutory role under Ecclesiastical Exemption, which the Property Officer discharges with the assistance of other officers of the wider United Reformed Church.

The **Legal and Trust Officer** is Secretary to the Board and the Synod Resources and Compliance Committee. The Trust Officer is a solicitor and provides support to local Churches and other officers in the areas of governance, charity law and transactional matters, working with external lawyers with specialist knowledge of the URC's legal structure and processes, and other independent advisers as appropriate.

The **Safeguarding Officer** works with local churches to ensure that children and adults at risk are protected as the law require and as a matter of best practice. The Safeguarding Officer is responsible for co-ordinating safeguarding training around the Synod and ensuring that current safeguarding policies and procedures are implemented.

The **Synod Clerk** has oversight of Synod and its Committees; supports the Moderator; represents the Synod nationally and locally; and provides guidance on governance and procedures.

The **Office Manager** is responsible for the day-to-day operation and management of the Trust's premises and business affairs, including HR, and provides the Moderator with all required back-office support. The Administrative Assistant supports the office and Synod Officers' work..

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.3 The Trust (continued)

#### (c) The Trust's professional and technical staff (continued)

The **Training and Development Officer** is responsible for guiding and mentoring Elders of local churches in the fulfilment of their duties and for providing wider training opportunities in pastoral matters to anyone connected with the Church.

#### (d) Risk Assessments

The Trust has undertaken a thorough Risk Assessment, identifying, and evaluating the risks to which the Synod and Trust are exposed, and policies are in place and actions are taken to minimise any potential exposure. The Trust's reserves and investment policies are designed in part to mitigate the risk of insufficient resources being available to provide the necessary level of support to Churches within the Synod area.

### 1.4 Financial support and grant making policies

The Trust makes available a range of grants and loans (i) to local churches to assist them in their mission and in the improvement and maintenance of their properties; and (ii) to local ministers to support ministerial training, development, and sabbaticals. In all cases, grant awards are made after consideration of the mission statement and financial situation of the applicant. The funding programmes comprise:

- **Synod Manse Fund:** Financial Support is available to support the purchase and/or replacement and improvement of manses to improve standards; and to ensure essential works are carried out including Gas and Safety certificates being kept up to date. £750 per year from 2023 can be claimed retrospectively per annum and can be rolled over for up to 3 years This increased from £500 per annum up to 2022. Upon the disposal of a Manse, the net proceeds are split: a portion is sent to the local church and the balance is used to top up the manse fund.
- **Property Grants:** capital grants are available (i) to support large cyclical repairs to church buildings; and (ii) to bring all manses and church buildings up to the highest standards of accessibility and full compliance with Equalities legislation.
- **Synod Mission Fund:** £1 million set aside in in 2010 to encourage, enable and support local churches in their mission activities. The current balance on this account is £618,562 and the fund is periodically topped with instalments of funds equal to 20 per cent of the net proceeds of any church property disposal.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.4 Financial support and grant making policies (continued)

- **Major Building Development Fund:** The initial funding was formed in 2022 from the entire proceeds of two closed church buildings : St Columbas URC, Dudley URC. The aim is to support the development of new churches and ancillary building and the consequent strengthening of congregations and communities. It is topped up by 80% of the net proceeds from closed churches after a small portion has been allocated to the M&M fund. The balance currently sits at £2.2m. One application was received in 2023 from Chesterton URC, the details have not been finalised as yet.
- **Ministry Support Fund** to support local ministry and assist in creating lay posts focussed on church growth, administered by the Ministry Development Committee and Synod Executive. There were no new applications in 2023.
- **Energy Efficiency Grants:** an important consequence of the Synod's 2019 decision to divest from investments in fossil fuels and to move to a zero-carbon future: a fund of £1m to support churches with the capital cost of energy efficiency improvement to church buildings with grants starting at 100% and tapering down with increasing costs. The fund is extremely popular with 46 grants totalling £ 340,752 having been made in 2023. This will be rolled out to incorporate Manses from 2024.
- **Youth and Discipleship Grants:** This grant is three-fold – Leaders Training and development: To assist individual leaders connected with churches and local ecumenical partnerships to participate in training and learning opportunities that are designed to enable local church mission objectives with children and youth. For Churches and Groups: e.g. Holiday clubs and for Individuals: To assist individual children and young people connected with churches and local ecumenical partnerships with projects that enable mission objectives. Each grant can be up to £500.

The Trust is active in the Inter Synod Resource Sharing system, which supports those Synods with least resources.

## 2 Pastoral and Educational support

The **Moderator** is Revd. Steve Faber, an ordained minister of Word and Sacraments of the United Reformed Church. His role is to provide spiritual and pastoral oversight, care, and leadership within the Synod. The Moderator is a member of all Synod Committees and works with Synod Officers to provide spiritual, strategic and pastoral leadership to churches within the Synod area; and he provides care, encouragement and engagement with ministers and churches through meetings, conferences, visits and training events. Also, as a member of the Ministry Development Committee (see 1.2 above) the Moderator is instrumental in encouraging conversations about pastorates and calling of ministers.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 2 Pastoral and Educational support (continued)

The **Synod Training and Development Officer (TDO)** is a Minister of Word and Sacraments, inducted to their Synod role following a call issued and accepted recognising their appropriate skills and experience.

The role of the TDO is to implement those parts of the Synod Mission Strategy concerned with establishing, developing and control of lay training, and to implement those parts of the Synod Mission Strategy concerned with EM1, EM2 and EM3 (Education for Ministry Phases 1-3) as a lifelong and ongoing process for Ministers and Church Related Community Work Ministers, and to provide advice, support and guidance as appropriate in relation to training in other aspects of mission and ministry in the Synod.

The Revd Stuart Scott retired from the role of TDO at the end of October 2023. Following a review, October Synod agreed to a new role going forward, combining that of TDO with Synod Pastoral Consultant, and a suitable candidate is being sought.

The **Synod Evangelist**, also a Minister of Word and Sacraments, worked with local congregations, encouraging and responding to invitations from local churches to be involved in specific outreach projects; providing training in evangelism; and exploring with elders, churches, and individuals how they can respond to opportunities to share their faith. This was a Special Category Minister Post for two 5-year terms, which ended in October 2023.

Following review, October Synod 2023 agreed to the appointment of a temporary, half-term, 'LYCiG' Consultant. This was to particularly take forward the Evangelist's work on the Leading Your Church into Growth initiative and was taken up by Revd Ashley Evans in February 2024.

Going forward, October Synod agreed to develop the Evangelist's work with the introduction of a full-time, salaried, Mission Development Officer. This post was advertised and is due to be taken up as a job share in September 2024.

The **Children and Youth Development Officer** supports and enables the work in local churches with Youth and Children. This is a salaried post, recruitment to which is based on skills and experience. The *Equality Act 2010: Part 1, Schedule 9* applies to this post, which requires a Christian who is willing to share their own personal faith and encourage others in that faith. Following Richard Knott's move from the West Midlands to the East Midlands in April 2023, a replacement is sought.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 3 Achievements and performance

A strategic review of the Synod's activities by external consultants, to consider ways in which we can structure our work to fulfil the statement of purpose as defined at October Synod 2022, commenced in 2023. Amongst other aspects, the review group were asked to consider our staffing structure and financial support for local churches. They reported on the first phase of the review in Autumn 2023, particularly encouraging Synod to recruit staff to replace a number who had left due to retirement, end of fixed terms, or resignation.

A number of Synod staff of longstanding completed their service to the Synod in 2023, with their achievements much appreciated.

We were pleased to appoint Lindsay Peniston, Office Manager & Moderator's PA, in March 2023; Emma Price, Office Administrator, in September 2023; Paul Mountain, Legal & Trust Officer, in November 2023; and Karen Wise, Finance Officer in March 2024. All have already added value to Synod's operations. In line with recommendations from the first phase of the Synod Review, Emma Wright started as Communications Officer in June 2024.

It has been acknowledged that the staff turnover and some extended vacancies have hampered operations in 2023, and the efforts of existing and new staff to maintain the services to our churches have been much appreciated.

We look forward to more Synod Officers being appointed in 2024 and await the outcome of the second phase of the review of operations.

The Synod Mission Fund continues to support local churches in mission activity and the achievement of mission pledges. Amending the criteria has made it more accessible to smaller churches. During the year grants totalling £34,980 were awarded to support: -

- Christchurch, Abbeydale - Mother & Toddler group
- Preeshenlle URC - Community Food Bank
- United Church, Lye - "Warm Space" project
- Lydney URC - Ecumenical Community Family Ministry / Minister
- Wade Street URC - Engage Youth Mentoring Project
- Dursley Tabernacle - Youth Worker
- Malvern URC - Seeds for Life project
- Quarry Chapel - Church Development worker

Our global partnership with the Diocese of Durgapur was maintained, with continued involvement of the Trust in managing further release of the legacy which financed the Colin Choyce Hostel for children at risk or rescued from human trafficking and now contributes to running costs. During 2023 £10,185 was sent to this project. This fund is now fully distributed.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 4. Financial review

#### ***Financial Statements***

The financial statements, including the notes, have been prepared in compliance with the Statement of Recommended Practice "SORP2019 (FRS102)". The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust do not sell goods or services, nor are there any other trading activities.

A financial summary document is made available to all members of Synod, and local churches if requested. This document highlights the main features of these financial statements. The review includes a comparison between the budget and the final operating income resources and expenditure.

#### ***Statement of Financial Activities***

The Statement of Financial Activities is shown on page 19, with a more detailed analysis of income and expenditure on pages 27 to 24.

Investment income remained on a par with 2022. In addition, a surplus of £1.3m was realised from sale of a four Manses, and £852k from three church buildings. This enabled the purchase of two New Manses as well settling the deferred Ministers' pensions from 2022. In 2024 there was the completion and sale for Welsh Frankton URC, Weirbrook URC, 137 Birmingham Road Manse and 25 Woodcote Road Manse.

Operating costs increased by £100k, partly boosted by the award of energy efficiency grants. Once again, we released funds from a Restricted Legacy to the Church of North India for the running costs of a Children's Hostel. We continue to invest in our buildings, Church property grants were £94,372. However, having completed the majority of the manse improvement programme in 2022, spending on manses decreased to £2k with a further £28,335 on manse repairs and insurance.

Training expenditure was lower than budget due to the CYDO position not being filled and the retirement of Rev S Scott in October. The Trust still remains fully committed to supporting the training costs of those at all levels within the Synod.

Other incoming resources included surpluses on disposal of three church buildings: Hatherton URC, Potters Green and Wolstanton, the whole of which are designated to the Major Buildings Development Fund, Mission Fund, and a small portion towards the M&M fund.

There were sales of four Manses in Hereford, Dudley, Birmingham and Stretton, a portion of these proceeds were paid out to the local churches as well as being utilised to fund the purchase of two new manses, one in Sutton Coldfield and one in Walsall. These proceeds are held in the Synod Manse Fund and allow the Synod to advance capital for the upgrade and replacement of manses so that they are of a suitable standard.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 4. Financial review (continued)

During 2021, £4m was transferred to a fund to contribute to the deficit on the URC Ministers' Pension Fund, to be settled over 9 years commencing in 2022. This sum was transferred from the Synod Manse Fund to a Ministers' Pension Support Fund. £1.454m of this sum for the first three years was recognised in the accounts in 2021.

An increase in the stock market resulted in unrealised gains of £1.823m.

The total increase in funds was £3.531m.

#### **Balance Sheet**

Reference has been made above to the increase in the funds balance. An analysis of the funds movements is shown on page 35.

Programme Related Investments stood at £3.6m relating to seventeen manses. These are funds invested by Synod to assist local churches to purchase or update the properties and to assist certain individuals.

#### **Reserves policy**

The Trust holds funds under a number of different terms. Funds which are restricted or endowed may only be used as directed by the funder at the time they were granted to the Trust. Details of the specific restrictions of those individual funds are disclosed in note 8 to the financial statements.

Other funds are unrestricted and can be used at the discretion of the trustees in furtherance of the Trust's objects. It is the policy of the trustees to designate certain funds for particular purposes as agreed from time to time and details of the purpose and use of those designated funds can be found in note 8 to the financial statements.

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The policy of the trustees is to hold sufficient investments and deposits that the income generated, and capital appreciation will cover one full year's total net expenditure. Specific policy decisions have been made not draw down reserves in addition to this.

#### **Investment policy**

The agreed investment objectives are: -

- To maintain adequate liquidity.
- To maintain the security of any investments.
- To minimise capital loss.
- To maintain a mixed portfolio of fixed interest and equity investments whilst providing a balance between income and growth.
- To adhere to any restrictions as defined from time to time by Synod, including an ethical policy; and
- To obtain the optimum yield, subject to complying with the above criteria.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 4. Financial review (continued)

The current restrictions defined by Synod are that investments should avoid those companies that have significant involvement in armaments, pornography, supply of alcoholic drinks, gambling, and tobacco manufacture as well as those companies whose turnover is derived from the extraction and / or supply of fossil fuels.

An investment portfolio is managed by Evelyn Partners and investment advice is sought from them as required. Individual purchases and sales are made by the investment manager in accordance with parameters provided to them, subject to consultation as necessary with the investment subcommittee which includes the treasurer, finance officer and other members with the relevant knowledge and experience.

In addition to this portfolio, funds were also invested with the Charities Official Investment Fund (COIF) managed by CCLA.

#### **Cash**

For many years it has been the Company's policy to hold sufficient cash within the Unrestricted General Funds to fund its operational needs, grant commitments and capital expenditure commitments. In response to the sustained low yields available on such cash and the reduced need for capital expenditure the Investment Sub Committee agreed to maximise its managed investment income by limiting the amount of cash held at all times, with any excess over short term cash flow requirements being invested in managed investments until required. The cash and deposits held at the end of the year was £1.6m and reflects a known requirement for capital spending commitments including the extensive Repairs to Solihull URC and the payments to support the URC Minister Pension Fund.

#### **Future plans**

The strategic review of the Synod's activities by external consultants, to consider ways in which we can structure our work to fulfil our statement of mission purpose, is being continued in 2024 with a second phase of work. The review group has been asked to look in more detail at the current effectiveness of committee operations measured against the functions and identify any areas of concern or operational weakness. A report is anticipated by September 2024 to enable the findings and proposed responses to go to October Synod.

Because of denominational policy the Synod faces a year-on-year decline of the number of Stipendiary Ministers available to local churches, and Synod Officers continue to actively manage plans for that reduction and continue to look at ways in which to increase the range of lay leadership and ministries to compensate for the reduction in ordained Ministers. The Ministry Support Fund described above is one way in which we intend to realise that support.

Further recruitment is in hand in 2024 and we look forward to the work of the Mission Development Officer commencing as a job share in September, and we hope that a new Children & Youth Development Officer and Training & Development Officer / Pastoral Consultant will soon follow this.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 4. Financial review (continued)

In addition, in 2024 the following are planned within our strategy: -

- Encouraging ministers and churches to engage with Stepwise (particularly the introductory course “Faith-filled Life” and the leadership course “Faith-fuelled leadership) and/or other opportunities to develop discipleship, including the resources available through “Holy Habits.”
- Encouraging ministers and churches to engage with the Leading Your Church into Growth (LYCiG) programme, introduced at the Synod meeting in October 2022.
- More encouragement and training for local churches in faith sharing and outreach.
- Encouragement of Prayer for Mission and Evangelism in our churches.
- As a continuing priority, discern and respond to worship needs in the Synod’s churches, with particular attention to the advocacy and recruitment of lay preachers/worship leaders and to include attention to the provision of resources for them, including the denomination’s lay preaching course.
- Continued development of the Safeguarding Coordinators Forum.
- National delivery of Domestic Abuse training for churches.
- Roll out of Advanced Safeguarding Training.
- Additional offer for face-to-face training sessions.
- Continued liaison with our international partner church, the Church of North India.
- Resuming work with the manse inspection team to conduct regular manse inspections to support churches as they provide manses for ministers and their families in accordance with the Plan for Partnership. With the support of the Resources and Compliance Committee, reinstating inspection of manses on a three yearly cycle to ensure routine maintenance and repairs are progressed.
- Continued attention to the recruitment of and training provision for Interim Moderators.
- To continue the Quinquennial Survey programme for properties. Consolidation of a 5-yearly inspection programme is in progress.
- Continue the work of monitoring the environmental impact of buildings and encouraging green credentials in line with the Synod Strategy.
- Continue to support those churches considering or actively pursuing major repair and development projects.
- To continue to signpost advice and training suitable for local churches on subjects such as GDPR.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 4. Financial review (continued)

#### Trustees' Responsibilities

Company law requires the trustees as directors to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the trustees are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 auditor is 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 auditor is aware of that information.

#### Auditor

A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

On behalf of the Board

Date:

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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#### Opinion

We have audited the financial statements of The United Reformed Church (West Midlands) Trust Limited (the 'Charitable Company') for the year ended 31 December 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis of 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 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 of our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 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 directors 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' Annual Report, other than the financial statements and our auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

### **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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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 (incorporating the annual report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of trustees**

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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#### **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:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting systems for bias.

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 regulations. 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](http://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 opinion we have formed.

**Elizabeth Newell BA (Hons), FCA (Senior Statutory Auditor)**

**For and on behalf of MHA (Statutory Auditor)**

Milton Keynes, United Kingdom

Date:

MHA is a trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Statement of Financial Activities (Incorporating Income and Expenditure Account) Year Ended 31 December 2023

2022 Total Funds £		Notes	2023 Total Funds £	Unrestricted General £	Designated £	Restricted £
	<b>Income from:</b>					
	<i>Charitable activities:</i>					
171,084	Grants received	2a	<b>18,213</b>	17,575	-	638
8,660	Other income	2a	<b>45,913</b>	2,000	43,913	-
	<i>Investments</i>					
550,206	Investment income	2a	<b>623,312</b>	431,135	192,177	-
<u>10,782</u>	Rents	2a	<u>9,450</u>	-	<u>9,450</u>	-
	<i>Incoming resources from charitable activities:</i>					
740,732	<b>Total Operating Income</b>	2a	<b>696,888</b>	450,710	245,540	638
<u>2,212,836</u>	Income on sale of properties	2a	<u>2,178,013</u>	<u>848,432</u>	<u>1,329,581</u>	-
<u>2,953,568</u>	<b>Total Income</b>		<u>2,874,901</u>	<u>1,299,142</u>	<u>1,575,121</u>	<u>638</u>
	<b>Expenditure on:</b>					
87,095	Generating funds	2b	<b>87,088</b>	(5,292)	92,380	-
<u>932,377</u>	Charitable expenditure	2b	<u>1,028,726</u>	<u>607,117</u>	<u>411,409</u>	<u>10,200</u>
1,019,472	<b>Total Operating Expenditure</b>	2b	<b>1,115,814</b>	601,825	503,789	10,200
	<b>Net losses/(gains) on investments</b>	7	<b>(1,822,533)</b>	(1,490,517)	(331,439)	(577)
<u>72,710</u>	Interest	2b	<u>49,861</u>	-	<u>49,861</u>	-
<u>4,512,663</u>	<b>Total Expenditure</b>		<u>(656,858)</u>	<u>(888,692)</u>	<u>222,211</u>	<u>9,623</u>
(278,740)	<b>Net Expenditure on Operating account</b>	2b	<b>(418,926)</b>	(151,115)	(258,249)	(9,562)
<u>(1,559,095)</u>	<b>Net Income for the Year</b>		<u>3,531,759</u>	<u>2,187,834</u>	<u>1,352,910</u>	<u>(8,985)</u>
	<b>Other recognised Gains &amp; Losses</b>					
-	Transfer between reserves	8a	-	(823,212)	823,212	-
(1,559,095)	<b>Net Movement in Funds for the year</b>		<b>3,531,759</b>	1,364,622	2,176,122	(8,985)
<u>25,422,516</u>	<b>Funds Balances brought forward</b>		<u>23,863,421</u>	<u>8,258,399</u>	<u>15,596,037</u>	<u>8,985</u>
<u>23,863,421</u>	<b>Fund Balances carried forward</b>	8a	<u>27,395,180</u>	<u>9,623,021</u>	<u>17,772,159</u>	-

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**COMPANY NUMBER 01337047**  
**Balance Sheet**

**As at 31 December 2023**

2022		Notes	2023
£	<b>Fixed Assets</b>		£
223,766	Tangible assets	9	213,034
21,159,001	Investments	10	22,960,640
<u>2,694,889</u>	Programme related investments	11	<u>3,612,170</u>
<u>24,077,656</u>			<u>26,785,844</u>
	<b>Current Assets</b>		
127,756	Debtors	12	185,908
<u>1,583,074</u>	Cash and short-term deposits	13	<u>1,602,162</u>
1,710,830			1,788,070
(1,234,583)	<b>Creditors: Amounts falling due within one year</b>	14a	<u>(952,160)</u>
<u>476,247</u>	<b>Net Current (Liabilities)/Assets</b>		<u>835,910</u>
<u>24,553,903</u>	Total Assets less Current Liabilities		<u>27,621,754</u>
(663,946)	<b>Creditors: Amounts falling due after more than one year</b>	14b	(200,038)
<u>(26,536)</u>	Provision for charges	14c	<u>(26,536)</u>
<u>23,863,421</u>	<b>Net Assets</b>		<u>27,395,180</u>
	<b>Funds:</b>		
	<i>Restricted Funds</i>		
4,841	Other		
<u>4,144</u>	Revaluation reserve		
8,985			
	<i>Unrestricted funds</i>		
	General		
4,902,049	- Other	4,776,155	
<u>3,356,350</u>	- Revaluation reserve	<u>4,846,866</u>	
8,258,399			9,623,021
	Designated		
14,759,451	- Other	18,123,161	
<u>836,586</u>	- Revaluation reserve	<u>(351,002)</u>	
<u>15,596,037</u>			<u>17,772,159</u>
<u>23,863,421</u>	<b>Total Funds</b>	15	<u>27,395,180</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trust Board on

and signed on its behalf by

Mr S Faber

- Director and Moderator

Mr S M Powell

- Director and Treasurer

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Statement of Cash Flows

Year ended 31 December 2023

	Notes	2023 £	2022 £
<b>Cash flow from operating activities:</b>			
<b>Net cash provided/used in operating activities</b>	A	<b>(1,669,636)</b>	<b>(1,282,823)</b>
<b>Cash flows from investing activities:</b>			
Interest paid		(49,861)	(72,710)
Investment income		632,762	560,988
Proceeds from programme related investments		2,178,013	2,281,181
Proceeds from sale of investments		3,635,387	2,245,969
Purchase of investments		(3,638,901)	(2,225,632)
Purchase of programme related investments		<u>(917,281)</u>	<u>(377,885)</u>
Net (decrease)/increase cash provided by investing activities		<b><u>1,840,119</u></b>	<b><u>2,411,911</u></b>
<b>Net increase in cash and cash equivalents in the reporting period</b>		<b>170,483</b>	<b>1,129,088</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b><u>1,722,697</u></b>	<b><u>643,609</u></b>
<b>Cash and cash equivalents at the end of the reporting period</b>	B	<b><u>1,943,180</u></b>	<b><u>1,772,697</u></b>
<b>Notes to the statement of cash flows</b>			
<b>Reconciliation of net income/expenditure to net cash flow from operating activities</b>			
A)			
<b>Net income for the reporting period (as per the statement of financial activities)</b>		<b>3,531,759</b>	<b>(1,559,095)</b>
<b>Adjustments for:</b>			
(Gains) and losses on investments		(1,646,730)	2,991,265
Depreciation		10,732	11,137
Surplus on sale of programme related investments		(2,178,013)	(2,212,836)
Investment income and rents		(632,762)	(560,988)
(Increase) in debtors		(58,152)	(42,141)
(Decrease)/increase in creditors		(746,331)	17,125
Interest paid		<u>49,861</u>	<u>72,710</u>
<b>Net cash used in operating activities</b>		<b><u>(1,669,636)</u></b>	<b><u>(1,282,823)</u></b>
B) <b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		19,542	48,735
Deposit accounts		1,582,620	1,534,339
Cash held by investment manager		<u>341,018</u>	<u>189,623</u>
		<b><u>1,943,180</u></b>	<b><u>1,772,697</u></b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies

#### General Information

The United Reformed Church (West Midlands) Trust Limited is a charitable company limited by guarantee and registered in England and Wales. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member. The registered office is shown on page 1. The nature of the charity's operations and principal activities are the advancement of the Christian religion by supporting the work of West Midlands URC Synod.

The company's functional and presentational currency is British Pound Sterling (£).

#### Basis of Accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice (UK GAAP).

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies adopted, are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Programme related investments – a judgement made as to whether impairment is required. These judgements are based on the current property market.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Contingent assets and liabilities – estimations are made based on information available at the point of approval of the financial statements as to the probability and value of the transactions.

Valuation of listed investments – valuations are subject to variations arising from external factors which can impact actual future results.

Discount rate – an estimation is made as to the applicable rate at which to reflect the time value of future payments.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies *(continued)*

#### **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 the current economic climate. 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 Incorporated**

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 West Midlands Synod :-

General Purposes Fund  
Church Buildings Fund  
Manse Fund  
Retired Ministers Housing Fund  
Mission Fund  
Choyce Legacy  
Ministry Support Fund  
Major Buildings Development Fund  
Energy Efficiency Fund  
Ministers Pension Support Fund  
M & M Support 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.

Unrestricted income funds may be spent generally for furthering the Christian and charitable work of the United Reformed Church in the West Midlands. The main fund in this category is the General Purposes Fund. Certain funds have been allocated for Church Buildings or Manses, although the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

#### **Contribution to Pension Funds**

The charity operates a defined contribution pension scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies *(continued)*

#### **Income Recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

The charity receives grants which are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

#### **Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs of managing investments and programme related investments;
- Expenditure on charitable activities includes costs of ministry, mission, training and property grants; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose. Grants payable to local churches, organisations and individuals are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies *(continued)*

#### **Individual Church Property, including Manse**

The Trust is sole trustee of the land and buildings of most local URCs but they are not the property of the Synod and are not shown in the financial statements. Sale proceeds from redundant properties or from part thereof which come into Synod funds are treated as unrestricted income from general funds. The income is recognised when the amount can be measured reliably and it is probable that the income will be received.

In certain circumstances a local URC may be permitted to apply for a grant from these funds and where this arises, a time-limited designated fund is created.

#### **Support Costs Allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include premises costs, office costs, governance costs, and salary costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

#### **Depreciation**

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

Property	- over fifty years
Integral features of property	- over fifteen years
Office equipment	- over four years

No amounts under £2,500 are capitalised.

#### **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Programme related investments are those held to further our charitable purposes. Programme related investments include investment in a percentage share of properties and bridging or other loans.

Investments in properties are stated at cost subject to any adjustment arising from impairment which is considered on an annual basis. Gains on disposal of these investments are shown as other income in the SoFA. Investments by way of loans are stated at cost. Interest is charged on the loans at the rate to reflect the investment income the Trust would otherwise have earned.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies *(continued)*

#### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **Financial instruments**

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

#### **Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt. Where the effect of the time value of money is material, the liability is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

2. Income and Expenditure

a) Analysis of Total Incoming Resources

2022 Total Funds £		2023 Total Funds £	Unrestricted £	Designated £	Restricted £
	<b>Income from Investments</b>				
540,103	Listed Investments	<b>571,340</b>	379,163	192,177	-
<u>10,103</u>	Interest	<u>51,972</u>	<u>51,972</u>	-	-
550,206		<b>623,312</b>	431,135	192,177	-
<u>10,782</u>	Rents	<u>9,450</u>	-	<u>9,450</u>	-
<u>560,988</u>		<u>632,762</u>	<u>431,135</u>	<u>201,627</u>	-
	<b>Income from Charitable Activities:</b>				
48,379	Grants – Ministry & Mission	<b>7,225</b>	7,225	-	-
8,847	- Training	<b>8,336</b>	8,336	-	-
<u>113,858</u>	- Donations	<u>2,652</u>	<u>2,014</u>	-	<u>638</u>
<u>171,084</u>		<u>18,213</u>	<u>17,575</u>	-	<u>638</u>
	<b>Other income</b>				
2,000	Investment charge – The Redditch Trust	<b>2,000</b>	2,000	-	-
<u>6,660</u>	Transfer of funds from Local Church Trusts	<u>43,913</u>	-	<u>43,913</u>	-
<u>8,660</u>		<u>45,913</u>	<u>2,000</u>	<u>43,913</u>	-
<u>740,732</u>	<b>Total Operating Income</b>	<u>696,888</u>	<u>450,710</u>	<u>245,540</u>	<u>638</u>
	<b>Income from sale of properties</b>				
1,902,373	Of closed Churches	<b>848,432</b>	848,432	-	-
<u>310,463</u>	On disposal of manses	<u>1,329,581</u>	-	<u>1,329,581</u>	-
<u>2,212,836</u>		<u>2,178,013</u>	<u>848,432</u>	<u>1,329,581</u>	-
<u>2,953,568</u>	<b>Total Incoming Resources</b>	<u>2,874,901</u>	<u>1,299,142</u>	<u>1,575,121</u>	<u>638</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2023**

**2. Income and Expenditure (Continued)**

**b) Analysis of Total Operating Resources Expended**

2022 Total Funds £	2023 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Costs of Generated Funds</b>				
67,860	Investment Management Fees	<b>64,048</b>	(28,332)	92,380
1,448	Other property costs	-	-	-
<u>17,787</u>	Shared Indirect costs (Note 3)	<u>23,040</u>	<u>23,040</u>	<u>-</u>
<u>87,095</u>	<b>Total Cost of Generating Funds</b>	<u><b>87,088</b></u>	<u>(5,292)</u>	<u>92,380</u>
<b>Charitable Activities</b>				
<b>Ministry &amp; Mission:-</b>				
453,447	Grants (Note 4)	<b>124,952</b>	98,870	15,882
10,011	Residential Synod	<b>9,265</b>	9,265	-
14,044	Support Costs	<b>17,655</b>	17,655	-
20,000	Resource sharing (Note 4)	<b>25,000</b>	25,000	-
<u>130,439</u>	Shared Indirect Costs (Note 3)	<u><b>168,956</b></u>	<u>168,956</u>	<u>-</u>
<u>627,941</u>		<u><b>345,828</b></u>	<u>319,746</u>	<u>15,882</u>
<b>Training:-</b>				
9,920	Ministers (Note 4)	<b>11,292</b>	11,292	-
1,540	Students (Note 4)	<b>1,430</b>	1,430	-
1,923	Members (Note 4)	<b>2,710</b>	2,710	-
608	Church Treasurers and staff	<b>1,180</b>	1,180	-
62,403	Training – staff costs	<b>40,773</b>	40,773	-
320	Support Costs	-	-	-
<u>20,108</u>	Shared Indirect Costs (Note 3)	<u><b>26,046</b></u>	<u>26,046</u>	<u>-</u>
<u>96,822</u>		<u><b>83,431</b></u>	<u>83,431</u>	<u>-</u>
<b>Property:-</b>				
38,029	Church Repairs (Note 4)	<b>94,372</b>	94,372	-
-	Energy efficiency	<b>340,752</b>	-	340,752
47,686	Manse Repairs (Note 4)	<b>1,900</b>	-	1,900
24,930	Manse allowance and insurance	<b>28,335</b>	-	28,335
13,090	Manse Expenses	<b>8,516</b>	-	8,516
8,651	Church surveys (Note 4)	<b>16,334</b>	16,334	-
30,840	Staff costs	<b>37,970</b>	37,970	-
1,724	Legal and Support Costs	<b>16,025</b>	-	16,025
<u>42,664</u>	Shared Indirect Costs (Note 3)	<u><b>55,262</b></u>	<u>55,262</u>	<u>-</u>
<u>207,614</u>		<u><b>599,466</b></u>	<u>203,938</u>	<u>395,528</u>
<u>932,377</u>	<b>Total Charitable Expenditure</b>	<u><b>1,028,726</b></u>	<u><b>607,117</b></u>	<u><b>411,409</b></u>
<u>72,710</u>	Interest	<u><b>49,861</b></u>	<u>-</u>	<u><b>49,861</b></u>
<u>1,092,182</u>	<b>Total Operating Resources Expended</b>	<u><b>1,078,587</b></u>	<u><b>607,115</b></u>	<u><b>461,270</b></u>
<u>(278,740)</u>	<b>Net (Expenditure)/income on operating account</b>	<u><b>(418,926)</b></u>	<u><b>(151,115)</b></u>	<u><b>(258,249)</b></u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

2022 Comparative figures

a) Analysis of Total Incoming Resources

	<b>2022 Total Funds £</b>	<b>Unrestricted £</b>	<b>Designated £</b>	<b>Restricted £</b>
<b>Income from Investments</b>				
Listed Investments	<b>540,103</b>	323,809	216,294	-
Interest	<u>10,103</u>	<u>10,103</u>	-	-
	<b>550,206</b>	333,912	216,294	-
Rents	<u>10,782</u>	-	<u>10,782</u>	-
	<u><b>560,988</b></u>	<u>333,912</u>	<u>227,076</u>	-
<b>Income from Charitable Activities:</b>				
Grants – Ministry & Mission	<b>48,379</b>	8,725	39,654	-
- Training	<b>8,847</b>	8,847	-	-
- Donations	<u>113,858</u>	<u>53,767</u>	<u>59,730</u>	<u>361</u>
	<u><b>171,084</b></u>	<u>71,339</u>	<u>99,384</u>	<u>361</u>
<b>Other income</b>				
Investment charge – The Redditch Trust	<b>2,000</b>	2,000	-	-
Transfer of funds from Local Church Trusts	<u>6,660</u>	-	<u>6,660</u>	-
	<u><b>8,660</b></u>	<u>2,000</u>	<u>6,660</u>	-
<b>Total Operating Income</b>	<u><b>740,732</b></u>	<u>407,251</u>	<u>333,120</u>	<u>361</u>
<b>Income from sale of properties</b>				
Of closed Churches	<b>1,902,373</b>	1,830,608	71,765	-
On disposal of manses	<u>310,463</u>	-	<u>310,463</u>	-
	<u><b>2,212,836</b></u>	<u>1,830,608</u>	<u>382,228</u>	-
<b>Total Incoming Resources</b>	<u><b>2,953,568</b></u>	<u>2,237,859</u>	<u>715,348</u>	<u>361</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

2. **Income and Expenditure** (Continued)

b) **Analysis of Total Operating Resources Expended**

	2022 Total Funds	Unrestricted	Designated	Restricted
	£	£	£	£
<b>Costs of Generated Funds</b>				
Investment Management Fees	67,860	46,810	21,050	-
Other property costs	1,448	-	1,448	-
Shared Indirect costs (Note 3)	<u>17,787</u>	<u>17,787</u>	-	-
<b>Total Cost of Generating Funds</b>	<u>87,095</u>	<u>64,597</u>	<u>22,498</u>	-
<b>Charitable Activities</b>				
<b>Ministry &amp; Mission:-</b>				
Grants (Note 4)	453,447	91,552	351,285	10,610
Residential Synod	10,011	10,011	-	-
Support Costs	14,044	8,286	5,758	-
Resource sharing (Note 4)	20,000	20,000	-	-
COVID support to Churches (Note 4)	-	-	-	-
Shared Indirect Costs (Note 3)	<u>130,439</u>	<u>130,439</u>	-	-
	<u>627,941</u>	<u>260,288</u>	<u>357,043</u>	<u>10,610</u>
<b>Training:-</b>				
Ministers (Note 4)	9,920	9,920	-	-
Students (Note 4)	1,540	1,540	-	-
Members (Note 4)	1,923	1,923	-	-
Church Treasurers and staff	608	608	-	-
Training – staff costs	62,403	59,514	2,889	-
Support Costs	320	320	-	-
Shared Indirect Costs (Note 3)	<u>20,108</u>	<u>20,108</u>	-	-
	<u>96,822</u>	<u>93,933</u>	<u>2,889</u>	-
<b>Property:-</b>				
Church Repairs (Note 4)	38,029	38,029	-	-
Manse Repairs (Note 4)	47,686	-	47,686	-
Manse allowance and insurance	24,930	-	24,930	-
Release of Church Sale Proceeds	-	-	-	-
Manse Expenses	13,090	-	13,090	-
Church surveys (Note 4)	8,651	8,651	-	-
Staff costs	30,840	15,420	15,420	-
Legal and Support Costs	1,724	-	1,724	-
Shared Indirect Costs (Note 3)	<u>42,664</u>	<u>42,664</u>	-	-
	<u>207,614</u>	<u>104,764</u>	<u>102,850</u>	-
<b>Total Charitable Expenditure</b>	<u>932,377</u>	<u>458,985</u>	<u>462,782</u>	<u>10,610</u>
Interest	<u>72,710</u>	-	<u>72,710</u>	-
<b>Total Operating Resources Expended</b>	<u>1,092,182</u>	<u>523,582</u>	<u>557,990</u>	<u>10,610</u>
<b>Net (Expenditure)/income on operating account</b>	<u>(278,740)</u>	<u>(116,331)</u>	<u>(152,160)</u>	<u>(10,249)</u>



THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

2022 Comparative figures

3. Indirect Costs	2022			
	Total Funds	Unrestricted	Designated	Restricted
	£	£	£	£
<b>Governance Costs</b>				
Synod Expenses	90	90	-	-
Synod Council	1,495	1,495	-	-
Staff Costs:-				
Trust Employment Costs	150,347	150,347	-	-
Officers Expenses	1,928	1,928	-	-
Audit	11,200	11,200	-	-
Legal and Professional	-	-	-	-
Bank Charges	242	242	-	-
Committee Support Costs	275	275	-	-
<b>Total Governance Costs</b>	<b>165,577</b>	<b>165,577</b>	<b>-</b>	<b>-</b>
<b>Premises Costs:-</b>				
Rent	1,600	1,600	-	-
Insurance	4,657	4,657	-	-
Electricity	3,045	3,045	-	-
Depreciation of Synod Office	11,137	11,137	-	-
Repairs and Cleaning	7,161	7,161	-	-
	<u>27,600</u>	<u>27,600</u>	<u>-</u>	<u>-</u>
<b>Office Costs:-</b>				
Telephone	3,179	3,179	-	-
Printing, Stationery and Postage	5,999	5,999	-	-
Computers	6,163	6,163	-	-
Advertising	1,508	1,508	-	-
Furniture and equipment	-	-	-	-
Sundry costs	972	972	-	-
	<u>17,821</u>	<u>17,821</u>	<u>-</u>	<u>-</u>
<b>Total Indirect Costs</b>	<b>210,998</b>	<b>210,998</b>	<b>-</b>	<b>-</b>

	Charitable Activities				
	2022 Total	Raising Funds	Ministry and Mission	Training	Property
	£	£	£	£	£
Governance costs	165,577	13,958	102,360	15,779	33,480
Premises costs	27,600	2,327	17,062	2,630	5,581
Office costs	<u>17,821</u>	<u>1,502</u>	<u>11,017</u>	<u>1,699</u>	<u>3,603</u>
<b>Total Indirect Costs</b>	<b>210,998</b>	<b>17,787</b>	<b>130,439</b>	<b>20,108</b>	<b>42,664</b>
% of Direct costs	100%	8.5%	61.8%	9.5%	20.2%

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2023**

**4. Grants**

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

	2023		2022	
	Number	Amount £	Number	Amount £
<b>Institutional Grants</b>				
Ministry and Mission:				
Carbon Offset	1	1,006	-	-
M & M Fund	1	50,000	1	46,862
Pulpit Supply	17	3,973	17	18,957
Inter-Synod Resource Sharing	1	25,000	1	20,000
Educational Chaplaincy	2	20,200	4	27,950
Ecumenical Situations	7	17,695	8	15,929
Release of legacy - Overseas Mission	1	10,200	1	5,610
Release of Legacy – Local Missions	-	-	1	5,000
Ministry Support Fund	-	-	3	218,360
Local Church Missions	7	15,882	8	112,106
Youth and Childrens Work	<u>8</u>	<u>5,996</u>	<u>2</u>	<u>2,659</u>
	<u>45</u>	<u>149,952</u>	<u>46</u>	<u>473,433</u>
Property:				
Church repairs	9	94,372	10	38,029
Manse repairs	1	1,900	6	47,686
Manse allowance and insurance		28,335		24,930
Church surveys	<u>11</u>	<u>16,334</u>	<u>9</u>	<u>8,650</u>
	<u>21</u>	<u>140,941</u>	<u>25</u>	<u>119,295</u>
<b>Total Institutional Grants</b>	<u>66</u>	<u>290,893</u>	<u>71</u>	<u>592,728</u>
<b>Individual Grants</b>				
Training:				
Ministers	20	11,292	44	9,920
Members	10	2,710	12	1,922
Students	<u>2</u>	<u>1,430</u>	<u>6</u>	<u>1,540</u>
<b>Total Individual Grants</b>	<u>32</u>	<u>15,432</u>	<u>62</u>	<u>13,382</u>
<b>Total Grants Charged</b>	<u>98</u>	<u>306,325</u>	<u>133</u>	<u>606,110</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 5. Trustees' Expenses

There were no Honoraria paid in the year.

Reimbursed expenses were paid to Trustees of the Board in aggregate of £448 (2022: £151). This figure includes expenses reimbursed for duties including, but not restricted to, Board meetings and travel.

6. Employment Emoluments	2023	2022
	£	£
Wages and salaries	188,210	186,925
Employers national insurance	16,889	10,206
Pension costs	<u>19,423</u>	<u>19,299</u>
	<b><u>224,522</u></b>	<b><u>216,430</u></b>

The average number of employees was 10 9

No employee received £60,000 per annum or more in the current or prior year. All staff are employed by the company.

The Company operates a defined contribution pension scheme and contributions are charged as expenditure as they become payable.

Key management personnel are the Trustees as directors. Revd S M Faber (Moderator) receives a stipend from the United Reformed Church for his role with the charity.

7. Gains on Investments	2023	2022
	£	£
Realised gain on investments sold	1,154,784	669,878
Gains previously recognised in Trust accounts	<u>979,408</u>	<u>1,099,095</u>
Net gains/(losses) in the year on investments sold	175,376	(429,217)
Unrealised gains/(losses) on investments for the year	<u>1,647,157</u>	<u>(2,991,265)</u>
<b>Net Gain/(Loss) on Investments for the Year</b>	<b><u>1,822,533</u></b>	<b><u>(3,420,482)</u></b>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2023**

**8. Movement on Funds**

a) Fund	Balance 1 January 2023 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2023 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	-	8,749	-	(8,749)	-
Major Buildings Development Fund	1,629,907	-	-	641,727	<b>2,271,634</b>
Energy Efficiency Fund	1,000,000	-	(340,752)	-	<b>659,248</b>
Manse - General	6,135,266	1,484,420	(65,202)	296,708	<b>7,851,192</b>
- Churches	577,714	9,022	-	-	<b>586,736</b>
Church Property	2,874,267	72,930	(81,953)	37,731	<b>2,899,975</b>
Mission Fund	474,012	-	(15,882)	160,432	<b>618,562</b>
Ministry Support Fund	281,640	-	-	-	<b>281,640</b>
Ministers Pension Support Fund	2,473,290	-	(49,861)	-	<b>2,423,429</b>
M & M Support Fund	149,941	-	-	29,802	<b>179,743</b>
	<u>15,596,037</u>	<u>1,575,121</u>	<u>(553,650)</u>	<u>1,154,651</u>	<u><b>17,772,159</b></u>
<b>Unrestricted General Funds</b>					
General Purposes	8,258,399	1,299,142	(601,825)	667,305	<b>9,623,021</b>
<b>Restricted Funds</b>					
Choyce legacy	8,985	638	(10,200)	577	-
<b>Total Funds</b>	<u><b>23,863,421</b></u>	<u><b>2,874,901</b></u>	<u><b>(1,165,675)</b></u>	<u><b>1,822,532</b></u>	<u><b>27,395,180</b></u>

**2022 Comparative figures**

a) Fund	Balance 1 January 2022 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2022 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	-	8,678	-	(8,678)	-
Major Buildings Development Fund	-	-	-	1,629,907	<b>1,629,907</b>
Energy Efficiency Fund	-	-	-	1,000,000	<b>1,000,000</b>
Manse - General	7,685,332	470,518	(133,995)	(1,886,589)	<b>6,135,266</b>
- Churches	569,940	7,774	-	-	<b>577,714</b>
Church Property	2,778,606	128,994	-	(33,333)	<b>2,874,267</b>
Mission Fund	456,274	-	(112,106)	129,844	<b>474,012</b>
Ministry Support Fund	500,000	-	(218,360)	-	<b>281,640</b>
Ministers Pension Support Fund	2,546,000	-	(72,710)	-	<b>2,473,290</b>
M & M Support Fund	-	99,384	(20,819)	71,376	<b>149,941</b>
	<u>14,536,152</u>	<u>715,348</u>	<u>(557,990)</u>	<u>902,527</u>	<u><b>15,596,037</b></u>
<b>Unrestricted General Funds</b>					
General Purposes	10,865,032	2,237,859	(523,582)	(4,320,910)	<b>8,258,399</b>
<b>Restricted Funds</b>					
Choyce legacy	21,332	361	(10,610)	(2,098)	<b>8,985</b>
<b>Total Funds</b>	<u><b>25,422,516</b></u>	<u><b>2,953,568</b></u>	<u><b>(1,092,182)</b></u>	<u><b>(3,420,481)</b></u>	<u><b>23,863,421</b></u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

### 8. Movement on Funds *(continued)*

#### Transfers between reserves

Included within Other Movements above are transfers between funds as follows:-

	General purposes Unrestricted £	Church Building Fund Designated £	Mission Fund Designated £	Major Buildings Development Designated £	M & M Support Fund Designated £
Transfer major buildings development fund	(831,960)	-	160,432	641,727	29,802
Transfer deficit on Church Buildings Fund	<u>8,749</u>	<u>(8,749)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(823,212)</u>	<u>(8,749)</u>	<u>160,432</u>	<u>641,727</u>	<u>29,802</u>

Summary	Balance 1 January 2023 £	Income £	Expenditure £	Other Movement £	Balance 31 December 2023 £
Restricted	8,985	638	(10,200)	577	-
Designated	15,596,037	1,575,121	(553,650)	1,154,651	<b>17,772,159</b>
Unrestricted	<u>8,258,399</u>	<u>1,299,142</u>	<u>(601,825)</u>	<u>667,305</u>	<u><b>9,623,021</b></u>
<b>Total funds</b>	<u><b>23,863,421</b></u>	<u><b>2,874,901</b></u>	<u><b>(1,165,675)</b></u>	<u><b>1,822,532</b></u>	<u><b>27,395,180</b></u>

#### b) Purpose of Funds

During the year, to establish more transparency in accounting for the balances relating to the funds of closed churches and pulpit supply cost reimbursement from the URC nationally, the Trustees have changed the recognition policy to move the balances received out of creditors and into designated funds. This has meant recognising the income in the SOFA, and the movement this year reflects the adjustment relating to a number of years.

#### General Purposes Fund - Unrestricted

Unrestricted funds are needed to cover the support costs and grants for the above objects and the administration costs without which the Synod could not function.

#### Church Buildings Fund - Designated

To provide funds which could supplement those already available within local churches for the improvement and maintenance of their properties. Support may be in the form of grants or loans.

#### Retired Ministers Housing Fund - Designated

To provide the capital for long term loans to supplement the purchase of accommodation for retired ministers or their partners, together with Synod's share of the maintenance costs for those properties.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 8. Movement on Funds *(continued)*

#### **Manse General - Designated**

Mainly accumulated from the proceeds of manse sales when a replacement manse is not required, this fund provides long term loans to local churches in order for them to purchase a manse at a time when they do not have sufficient funds, and to supplement funds already available within local churches for the improvement and maintenance of their properties.

#### **Manse Churches - Designated**

To hold the proceeds of manse sales when the church concerned is expecting to purchase a replacement. A separate fund for each church consists of the proceeds of sale together with interest thereon, which provides growth to the capital value. The total is available towards the cost of purchasing a new manse.

#### **Mission Fund - Designated**

Funds to support local churches in their mission activity.

#### **Choyce Legacy - Restricted**

To be shared between the Church of North India Children's Development Unit, the Mission Fund of the Synod and Hatherton Church in accordance with the Will of Colin Choyce.

#### **Church property – Designated**

Funds from the disposal of the properties or land at Stoke Chapel, Hall Green URC, Hollymount URC, Olton URC, Hobs Moat URC, Foleshill URC, Worcester URC, St John's Stone URC and Baxter URC pending a decision on future their use.

#### **Ministry Support Fund**

Funded by a transfer in previous years of £500,000 from general funds to meet the costs of staff to supplement deployed ministry.

#### **Ministers Pension Support Fund – Designated**

During the previous year a formal resolution was passed making a commitment to support the United Reformed Church Ministers Pension Fund financially if required.

#### **Major Buildings Development Fund - Designated**

The Major Buildings Development Fund was established to receive the net proceeds of sale of closed churches. The fund is intended to facilitate the extension, rebuilding or conversion to new purposes of church buildings.

#### **Energy Efficiency Grants - Designated**

In response to a rapid rise in energy costs and an extension of our commitment to help churches move to a low or zero carbon future it was recognised that there was a need to support churches in improving their energy efficiency. The fund was established by a transfer between reserves and whilst applications were received during 2022, the first grants were not approved until January 2023.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

9. Tangible Fixed Assets	Property £	Office Equipment £	Total £
<b>Cost</b>			
At 1 January 2023 and 31 December 2023	<u>379,684</u>	<u>10,968</u>	<u>390,652</u>
<b>Depreciation</b>			
At 1 January 2023	155,918	10,968	166,886
Charge for the year	<u>10,732</u>	<u>-</u>	<u>10,732</u>
<b>At 31 December 2023</b>	166,650	10,968	177,618
<b>Net Book Value</b>			
<b>At 31 December 2023</b>	<u><b>213,034</b></u>	<u>-</u>	<u><b>213,034</b></u>
At 31 December 2022	<u>223,766</u>	<u>-</u>	<u>223,766</u>

All assets are used for charitable purposes.

10. Fixed Asset Investments	Listed Investments			Total £
	Fixed Interest £	Equities £	Cash £	
Market value at 1 January 2023	1,076,620	19,892,758	189,623	21,159,001
Additions	553,977	3,084,924	151,395	3,790,296
Sales and redemption	-	(3,635,387)	-	(3,635,387)
Net investment gains	<u>61,161</u>	<u>1,585,569</u>	<u>-</u>	<u>1,646,730</u>
<b>Market Value at 31 December 2023</b>	<u>1,691,758</u>	<u>20,927,864</u>	<u>341,018</u>	<u>22,960,640</u>
<b>Cost at 31 December 2023</b>	<u>1,584,911</u>	<u>16,538,846</u>	<u>341,018</u>	<u>18,464,775</u>

11. Programme Related Investments	2023 £	2022 £
<b>Cost at 1 January 2023</b>	<b>2,694,889</b>	2,385,349
Manse purchased	<b>917,281</b>	377,885
Manse sale/repayment on investments	<u>-</u>	<u>(68,345)</u>
<b>Cost at 31 December 2023</b>	<u><b>3,612,170</b></u>	<u>2,694,889</u>
These investments relate to:-	2023 £	2022 £
- Manses	<b>3,606,146</b>	2,688,865
- Retired Ministers Housing	<u><b>6,024</b></u>	<u>6,024</u>
	<u><b>3,612,170</b></u>	<u>2,694,889</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

### Year Ended 31 December 2023

No interest is charged on the initial value of the investment, but benefits should arise when the properties are sold and the company recovers a proportion of the proceeds relating to the investment proportion of the total original cost. Retired Ministers Housing shows return of a legal charge when a property was sold.

<b>12. Debtors</b>	<b>2023</b>	<b>2022</b>
	£	£
Loans due from United Reformed Churches and Ministers	<b>6,139</b>	-
Other debtors	<b>164,897</b>	113,408
Prepayments	<b>14,872</b>	14,348
	<b><u>185,908</u></b>	<b><u>127,756</u></b>

### 13. Cash and Short Term Deposits

	Bank Current Account £	Charities Official Investment Fund £	Epworth Deposit Fund £	Total £
General purposes	18,381	1,393	1,160,279	1,180,053
Designated accounts	-	420,948	-	420,948
Restricted funds	<u>1,161</u>	-	-	<u>1,161</u>
<b>Balances as at 31 December 2023</b>	<b><u>19,542</u></b>	<b><u>422,341</u></b>	<b><u>1,160,279</u></b>	<b><u>1,602,162</u></b>

### 14. Creditors

<b>a) Amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	£	£
Amounts due to United Reformed Church and related Bodies	<b>71,113</b>	73,334
Other creditors – support for Ministers’ Pension Fund	<b>508,571</b>	832,667
Accruals -	<b>73,058</b>	48,249
Mission grants approved	<b>172,588</b>	202,242
Building grants approved	<b>126,830</b>	78,091
	<b><u>952,160</u></b>	<b><u>1,234,583</u></b>
<b>b) Amounts falling due after more than one year</b>	<b>2023</b>	<b>2022</b>
	£	£
Amounts due to United Reformed Church	<b>200,038</b>	219,903
Support for Ministers’ Pension Fund	<b>-</b>	444,043
	<b><u>200,038</u></b>	<b><u>663,946</u></b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

### Year Ended 31 December 2023

c) **Provisions**

Provision relates to Manse repair allowance of £750 per manse which can be carried forward for up to two years. The commitment is non contractual. The balance is the total provision less sum of claims made.

	<b>2023</b>	2022
	£	£
Provision for charges	<u><b>26,536</b></u>	<u><b>26,536</b></u>

### 15. Disposition of Funds as at 31 December 2023

Fund	Fixed Assets £	Investments £	Programme Related Investments £	Debtors/ Creditors £	Cash and Deposits £	Total £
<b>Designated Funds</b>						
Retired Ministers Housing	-	-	6,024	(6,024)	-	-
Manse- General	-	3,307,480	3,606,146	27,566	910,000	7,851,192
- Churches	-	586,736	-	-	-	586,736
Ministers Pension Fund	-	2,114,000	-	(508,571)	818,000	2,423,429
Church Property	-	2,899,975	-	-	-	2,899,975
Major Buildings Development	-	2,271,634	-	-	-	2,271,634
Energy Efficiency Fund	-	558,481	-	100,767	-	659,248
M & M Support Fund	-	129,743	-	-	50,000	179,743
Mission Fund	-	673,045	-	(131,725)	77,242	618,562
Ministry Support Fund	-	455,963	-	(218,360)	44,037	281,640
<b>Unrestricted Funds</b>						
General Purposes	<u>213,034</u>	<u>9,963,583</u>	<u>-</u>	<u>(256,479)</u>	<u>(297,117)</u>	<u>9,623,021</u>
<b>Total Funds</b>	<u><b>213,034</b></u>	<u><b>22,960,640</b></u>	<u><b>3,612,170</b></u>	<u><b>(992,826)</b></u>	<u><b>1,602,162</b></u>	<u><b>27,395,180</b></u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2023**

**2022 Comparative figures**

<b>Fund</b>	<b>Fixed Assets £</b>	<b>Investments £</b>	<b>Programme Related Investments £</b>	<b>Debtors/ Creditors £</b>	<b>Cash and Deposits £</b>	<b>Total £</b>
<b>Designated Funds</b>						
<i>Retired Ministers Housing</i>	-	-	6,024	(6,024)	-	-
<i>Manse- General</i>	-	2,508,837	2,688,865	27,564	910,000	6,135,266
<i>- Churches</i>	-	577,714	-	-	-	577,714
<i>Ministers Pension Fund</i>	-	3,750,000	-	(1,276,710)	-	2,473,290
<i>Church Property</i>	-	2,874,267	-	-	-	2,874,267
<i>Major Buildings Development</i>	-	1,629,907	-	-	-	1,629,907
<i>Energy Efficiency Fund</i>	-	910,000	-	-	90,000	1,000,000
<i>M &amp; M Support Fund</i>	-	104,941	-	-	45,000	149,941
<i>Mission Fund</i>	-	528,495	-	(131,725)	77,242	474,012
<i>Ministry Support Fund</i>	-	455,963	-	(218,360)	44,037	281,640
<b>Unrestricted Funds</b>						
<i>General Purposes</i>	223,766	7,810,534	-	(192,054)	416,153	8,258,399
<b>Restricted Funds</b>						
<i>Choyce Legacy</i>	-	8,343	-	-	642	8,985
<b>Total Funds</b>	<b>223,766</b>	<b>21,159,001</b>	<b>2,694,889</b>	<b>(1,797,309)</b>	<b>1,583,074</b>	<b>28,863,421</b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 16. Commitments

#### Property

The office is situated on land that is registered in the name of the United Reformed Church (West Midlands) Trust Limited and held on statutory trusts in favour of Digbeth-in-the-Field United Reformed Church. Under an informal agreement, the Trust company pays a nominal sum to the local church for the use of the land.

#### Guarantees

The United Reformed Church (West Midlands) Trust Limited has acted as guarantor on behalf of a number of churches who have sought external grant funding. The various terms and conditions of these grants may require repayment in the event of church closure within a specified period. At the year end the Trustees had no reason to believe that the likelihood of repayment was anything other than remote and therefore no additional disclosure or provision has been made.

#### Contingent Liability

The Trust has given a commitment to the national URC that, in the event that the actuarial valuation in 2024 of the URC Ministers Pension Fund demonstrates that it is necessary to provide additional financial support, they will contribute additional sums to the URC Trust totalling £1,400,500 or less over the period from 2025 to 2027.

A similar commitment has been given in the event that the actuarial valuation in 2027 shows that additional funding is required. In this case the commitment is a contribution of £997,500 or less over the period from 2028 to 2030.

### 17. Contingent Assets

At the year end, the properties of three churches and three manses, held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the company, were held. The proceeds will revert to Synod on sale in accordance with the Statutory Trusts on which the properties are held.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 18. Funds Held as Trustee

#### Local Churches

The United Reformed Church (West Midlands) Trust Limited (“the Trust”) acts as Trustee of local church assets. A local church has no legal identity of its own and, therefore, cannot hold property in its own name. The title to its assets must be held on Trust by a group of trustees and this can be achieved either by private Trustees (individuals) or by a Trust Company. All of the local churches’ properties in the West Midlands Synod (save 2) are held by the Trust.

The deeds to church property are vested in the name of the Trust. A Declaration of Trust records which local churches hold properties and, if jointly owned, the shares held by each. The Trust has a share in a few properties and that share is recorded in the Declaration of Trust because the deeds are in the name of the Trust, any legal documents are signed by the Trust, but they are entering into those documents on behalf of the local church.

Similarly, most of the investments and cash deposits owned by local churches in the Synod are held by the Trust as Trustee.

In relation to local church buildings, the Trust is the Charity Trustee. In relation to local church cash, investments and other assets, the Trust is the custodian Trustee and the local Elders are the managing Trustees. The role of the Trust is to carry out the wishes of the local church expressed in Church Meeting resolutions. Providing the Trustees of the Trust have no objections to what they are being asked to do and the appropriate approvals have been obtained, they will act according to the instructions which come from the Elders/local Church.

#### Inter-Synod Resources Sharing

In addition to the funds held for churches the Trust also holds funds on behalf of the URC Inter Synod Resource Sharing process which redistribute funds from wealthier Synods to those Synods in need of support. The funds totalling £388,279 at 31 December 2023 are held in separately identified deposit funds and investments. The funds are controlled by Resource Sharing Task Group drawn from amongst the Synod Treasurers. As a body the Trustees of the Trust play no part in directing the management of these funds.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2023

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#### 19. Related Party Transaction

The Trust is the corporate Trustee of The James and Freeman Charity. During the year a charge of £2,000 (2022: £2,000) was made to The James and Freeman Charity for the administrative services provided by the Trust to the charity.

Owing to the nature of the charity's operations and the composition of the Board of Trustees being drawn from the local United Reformed Churches, grant awards may take place with churches from within the Trust's oversight. All discussions about grant awards or other transactions are undertaken without the presence of the conflicted Trustee. Following a change in the Manse Policy, all major repairs to manses are paid for by the Trust, for transparency all such repairs are recorded as grants to churches and noted below where they relate to a church where a Trustee or officer would have otherwise been considered to have a conflict.

The following transactions arose in the year:-

Beneficiary	Purpose	Committee	Value £	Related Party	Relationship
CIGB	Ecumenical Grant	Missional Disciplineship	2,500	Rev S Faber	Trustee
Hodge Hill	Mission	Mission Fund	1,485	Mr D Walton	Trustee
Hodge Hill	Energy Efficiency	Energy Efficiency	16,499	Mr D Walton	Trustee
Sutton Coldfield	Buildings	RCC	5,655	Mr D Walton	Trustee
Sutton Coldfield	Energy Efficiency	Energy Efficiency	16,247	Mr D Walton	Trustee
Holyhead Road URC	Energy Efficiency	Energy Efficiency	1,380	Mr S Powell	Trustee
St Andrews Cheltenham	Energy Efficiency	Energy Efficiency	14,883	Mr D Black	Trustee
Shrewsbury URC	Energy Efficiency	Energy Efficiency	9,976	Mr M Davies	Finance Officer
Shrewsbury URC	Youth Ministry	Missional Disciplineship	486	Mr M Davies	Finance Officer
Shrewsbury URC	Youth Travel	Missional Disciplineship	500	Mr M Davies	Finance Officer
Shrewsbury URC	Interfaith	Mission Fund	1,000	Mr M Davies	Finance Officer
David Walton	RSS	Removal costs	4,525	Mr D Walton	Trustee

#### 20. Financial Instruments

Financial assets measured at fair value through net income comprise fixed asset investments with a value of £22,619,622 (2022: £20,969,378).

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

England & Wales - Charity number 507027

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# Accounts

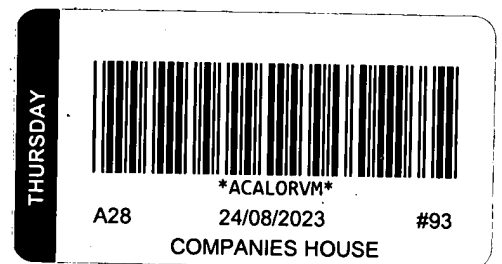
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**Company Number: 01337047**  
**Charity Number: 507027**

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**



**MHA**  
**Chartered Accountants and Registered Auditors**  
**Rutland House**  
**148 Edmund Street**  
**Birmingham**  
**B3 2FD**

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Annual Report**

**Year Ended 31 December 2022**

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**Reference and Administrative Information**

**Registered Office**

Digbeth-in-the-Field United Reformed Church  
Moat Lane  
Yardley  
Birmingham B26 1TW

**Directors and Trustees**

Mr D.S. Black  
Mr T. Dicker  
Revd S.M. Faber  
Revd E. Hutchinson  
Mrs M.F. Marshall  
Mr S.M. Powell (Treasurer)  
Mr K. Thomas  
Revd D.M. Walton (Chair of Trust) (until March 2023)  
Mr G Justham (resigned 10 March 2022)  
Mr G W Potter (resigned 10 March 2022)

**Bankers**

Lloyds TSB Bank  
(Kings Heath branch)  
P O Box 1000 BX1 1LT

**Legal Advisors**

Slater Heelis  
Lloyds Bank Buildings, 16 School Road  
Sale, Cheshire M33 7XP

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

**Auditor**

MHA  
Rutland House, 148 Edmund Street  
Birmingham B3 2FD

**Investment Manager**

Evelyn Partners  
9 Colmore Row  
Birmingham B3 2BJ

**Synod Officers**

Moderator – Revd S.M. Faber  
Synod Clerk – Mrs R Wakeman  
Synod Treasurer – Mr S.M. Powell  
Trust Officer – Mrs C Bhamra (from May 2023 – resigned June 2023)  
Finance Officer – Mr M.N. Davies  
Property Officer – Mr M. McDade  
Training and Development Officer – Revd S.P. Scott  
Evangelist – Revd N. Stanyon  
Children's and Youth Development Officer – Mr R. Knott (until March 2023)  
Safeguarding Officer – Mrs D. Gordon

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2022

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### **Structure, Governance and Management**

The United Reformed Church (West Midlands) Trust Limited ("The Trust") holds the assets and liabilities of the West Midlands Synod of the United Reformed Church ("Synod"). The Trust is a company limited by guarantee formed on 2 November 1977 and a registered charity. It is governed by its Memorandum and Articles of Association as revised in 2008 and 2021.

### **Trustees**

The directors of the company, who are also Trustees of the charity for the purposes of charity law, serve as members of the Board. All members of the Board give their time voluntarily and receive no benefits from the Trust other than the reimbursed expenses shown in note 5 to the financial statements.

Trustees serving on the Board during the year were as follows:

Mr D.S. Black, Mr T. Dicker, Revd S.M. Faber, Revd E. Hutchinson, Mr S.M. Powell (Treasurer), Mrs M.F. Marshall, Mr K. Thomas, Revd D.M. Walton (Chair of Trust), Mr G Justham and Mr G W Potter.

### **Appointment of new Trustees**

The Synod, which has the sole power to appoint members of the Board, delegates its power to the Synod Executive (formerly known as Synod Mission Council, a sub-committee of the Synod) in between meetings. The Synod Executive considers individuals with relevant experience who are eligible for appointment.

Members of the Board must be a member of the United Reformed Church ("URC") or of a Local Ecumenical Partnership involving the URC. There is no formal programme for the induction and training of Trustees although all are encouraged to attend relevant seminars arranged by the Trust's professional advisors.

### **Indemnity Insurance**

Indemnity insurance of up to £5,000,000 is in place to cover the liability of the Trustees in relation to negligence, default, breach of duty or breach of trust. This cover has been arranged through Ansvar Insurance Company Limited.

### **Organisational structure**

Whilst the Trust holds the assets and liabilities of the Synod, it is the Synod which sets policy subject to Trust endorsement and further details of the constitution of the Synod are given below. Any decisions made by the Synod which have financial implications for the Trust must be referred to the Board for approval before being implemented and would normally only have been made by the Synod in the light of advice from the Trust.

Following agreement at the October 2018 Synod to restructure, the new Synod Resources and Compliance Committee took over the remit of the Synod Finance Committee and Synod Property Committee, with its membership consisting of Synod Officers, their Line Managers, and others with appropriate skills to be identified and appointed by Synod Executive. The first meeting was held in February 2019, and there is an ongoing process of defining the terms of reference and looking at membership.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2022

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A Reference Committee has authority to approve urgent transactions between meetings, provided that they meet normal qualifications and are reported to the next meeting. It does not normally take decisions which involve substantial sums of money. The Reference Committee for the Resources and Compliance Committee consists of the Moderator, Synod Clerk, Synod Treasurer and Chair. The Reference Committee for the Trust consists of the Moderator, Synod Treasurer, Chair and at least one other trustee.

#### ***KMP remuneration policy***

Key management personnel are the Trustees of the charity and do not receive remuneration other than the Moderator who is remunerated by the national United Reformed Church, which accordingly makes decisions on the stipend. Decisions on remuneration levels for paid staff are based on consideration of the market rates for staff with the relevant qualifications and experience to fulfil roles, regard is had to published pay scales for similar roles. All rates of pay are reviewed annually and amended in the light of changes in the cost of living and known pay rises elsewhere in the URC.

#### ***Constitution of the Synod***

Synod is constituted in accordance with the Scheme of Union and the United Reformed Church Acts of 1972, 1981 and 2000 ([www.urb.org.uk](http://www.urb.org.uk)). It has oversight of the URC in the West Midlands (covering an area from the Welsh Border across to Rugby and from Leek in North Staffordshire down to Wotton-under-Edge in Gloucestershire) fulfilling consultative, legislative and executive functions. Synod meets twice a year and consists of ministers, representatives of each local church and ecumenical representatives together with Synod Officers.

The Trust has responsibility for all Synod finance related matters except for Ministry and Mission Fund matters (by which churches pay for ministry) for which the Resources and Compliance Committee has delegated responsibility. Ministers' stipends are paid centrally with Synods agreeing with their local churches the level of payments to the central Ministry and Mission Fund. The remit of the Resources and Compliance Committee includes delegated authority for agreeing grants, particularly for property, within criteria and budgets set by the Trust.

Other business between Synod meetings is dealt with by Synod Executive and its committees. Synod Executive comprises some Synod Officers, Convenors of Synod Committees and representatives from the Areas within Synod (see [www.urbwestmidlands.org.uk](http://www.urbwestmidlands.org.uk)). During the year there were seven Areas. The work of Synod Executive is organised through committees with responsibility for specific aspects within the life of the Church.

#### ***Relationships with the URC General Assembly***

The Synod acts as a bridge between the work of the local church and the General Assembly. It carries an oversight function for the local churches within the context of the General Assembly's policies. The councils of the United Reformed Church (Church Meeting, Synod and General Assembly) have a covenantal relationship which means that they have an awareness of and responsiveness to the needs and mission of the whole Church. This is expressed in many ways but not least in the Plan for Partnership through which ministry is supported and in the resource sharing arrangements between Synods.

#### ***Related parties***

Local United Reformed Churches operating in the West Midlands area are separate independent charities. There is no common control or unity of administration with any of these bodies and they are not deemed to be connected charities within the understanding of the Charities SORP.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2022

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### ***Property Holding Trustee***

The Trust acts as Trustee on behalf of most of the United Reformed Churches in the West Midlands holding properties on trust for them in accordance with the Statutory Trusts as set out in the United Reformed Church Acts. The insured value of these properties exceeds £200 million and there are guidelines in place to minimise the risk to the Trust of actions by local churches in respect of these assets.

### ***Custodian Trustee***

The Trust acts as custodian trustee for some churches and other URC related organisations, holding investments separately on their behalf. The investments have a value of approximately £1.387m and the local churches have objects similar to the Synod.

### ***Risk management***

Synod has undertaken a thorough Risk Assessment review and reviews it regularly. This process considers the risks to which the Synod and Trust are exposed and agrees policies and actions to minimise any potential exposure to those risks. The reserves policy and investment policy of the Trust are considered to play a key part in mitigating the major risk of having insufficient resources to provide the appropriate level of support to United Reformed Churches within the Synod area.

### **Objectives and activities**

The objects of the Trust, as set out in the Company's Memorandum of Association, are:-

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 West Midlands Synod of that Church.

The aim of the Trust, through the work of the Synod, is to provide financial, pastoral, educational and technical support to local URC congregations, their Ministers, Elders and lay people in their life and mission. It is also to share the vision of the United Reformed Church's General Assembly with the local churches. This it has done through the development of a Synod strategy which is heavily based on the Assembly's Vision 2020 initiative – a framework for developing the United Reformed Church's mission towards 2020 and beyond. The Board has overall responsibility for decisions relating to the assets held at Synod and local church level.

### **Ensuring delivery of the Trust's aims and public benefit**

The trustees have referred to the general guidance issued by the Charity Commission on public benefit when considering the delivery of activities in furtherance of the aims and objectives. The Trust, through the work of the Synod, supports 101 churches in the region with 3,187 United Reformed Church members. Our support of these churches and their congregations aims to further their purposes in advancing the Christian religion.

Although from time to time churches to which trustees may belong are beneficiaries of financial support, there are agreed procedures to ensure that no trustee derives a private benefit and that no undue bias arises in considering the merits of the application. Potential conflicts of interest are declared and noted in relation to trustees, Synod Officers and others. Minutes and other appropriate records are kept including how discussion and decision making has subsequently been carried out when a conflict has been declared.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2022

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### ***Financial support and grant making policies***

A range of loans, sometimes held as programme related investments, and grants are available to local churches to assist them with their mission and with improvement and maintenance of properties and to local ministers to support ministerial training, development and sabbaticals.

As a result of the COVID 19 restrictions it was recognised that many of our churches would be severely adversely affected financially. The Trust immediately introduced a system of support, subject to certain criteria, which benefitted 87 of our churches and cost £384K during 2020. In response to changing circumstances the criteria for support during 2021 were redefined, with support of £52K being given to 18 churches.

A Synod Mission Fund of £1 million was established in 2010, an idea introduced as part of the Vision 2020 process. The Synod created the fund as part of its responsibility to encourage, enable and support local churches in their mission activities. The Fund is a resource to enable mission to develop and, in particular, as a financial support to Mission pledges.

The Trust has designated £500,000 for a new Ministry Support Fund with the aim of supporting local ministry and creating lay posts specifically focussed on church growth. During 2022 three applications were received and approved.

Another important aspect of the support offered to churches is through the Synod Manse Policy. In addition to grants and short-term loans for improving existing manses, capital investment is often made when purchasing replacement manses to improve standards. The Trust has enabled the purchase of replacement houses before sale of the existing manse in certain instances. During 2020 the Trust introduced a Manse Repairs allowance for £500 to cover the cost of routine maintenance to ensure that there should be no financial reason why necessary repairs should not be carried out, so ensuring good quality housing to our ministers. Further, the Trust also now pays for the insurance of manses. The Trust is active in the Inter Synod Resource Sharing system which supports the United Reformed Church Synods with least resources.

The Trust has an approved grant making policy, which is kept under review. The current rate of Property Grants is 25% of cost subject to a maximum of £30,000 in any three year period. However, during 2022 for certain work improving disability access to churches the rates were enhanced to up to 100% to ensure that any non-compliant churches can move to compliance. The grant making policy for ministerial training is based on national guidelines. In all cases grant awards are made after consideration of the mission statement and financial situation of the applicant.

### **Major Building Development Fund**

In response to church closures a proposal has been agreed to establish a Major Buildings Development Fund to invest both in Church Buildings and Church Mission using the proceeds of closed churches. The level of support will far exceed the previous limits both in terms of the proportion of spending that will be funded and the absolute value. The initial funding will be from the entire proceeds of two particular churches and in future 80% of proceed of futures sales with the remaining 20% being allocate to Mission purposes. At the year end £1,630k had been received into the fund, but no applications received.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2022

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### **Energy Efficiency Grants**

In 2019 a resolution was passed by General Assembly encouraging Synods and Churches to divest from investments in fossil fuels, this was subsequently endorsed and actions by the Trust board. Further within the Assembly resolution was an encouragement for the URC to move to a zero carbon future. During a 2022 in response to this and the rapidly rising cost of fuel Synod passed a resolution to establish a fund of £1m to support churches with the capital cost of energy efficiency improvement to church buildings with grants starting at 100% and tapering down with increasing costs. The response has been overwhelming and whilst no grants were approved during the year, the first batch were approved during the first week of 2023 and with further applications received in 2023.

### ***Pastoral and Educational support***

The role of the Moderator is to work with Synod Officers and Committees to provide spiritual, strategic and pastoral leadership to churches within the West Midlands Synod. This objective is met by the care, encouragement, support and challenging of ministers and churches through meetings, conferences, visits and training events and being responsive when difficulties arise.

The Synod is divided up into Areas to help communication and pastoral support to develop more readily across the region. A key body in this process is the Ministry Development Committee (MDC). It comprises a representative from each Area with the Moderator and key Synod Officers and it is chaired by a Minister of the Synod. In the context of the Areas the Moderator is instrumental in encouraging conversations about pastorates and calling of ministers. MDC is responsible for setting the policies on how ministry shall be deployed across the Synod.

The Synod Training and Development Officer (TDO) and the Synod Evangelist are Ministers of Word and Sacraments, inducted to their Synod roles following a call issued and accepted recognising their appropriate skills and experience. The Children and Youth Development Officer is a salaried post, with recruitment also based on skills and experience.

The role of the TDO is to implement those parts of the Synod Mission Strategy concerned with establishing, developing and control of lay training, and to implement those parts of the Synod Mission Strategy concerned with EM1, EM2 and EM3 (Education for Ministry Phases 1-3) as a lifelong and ongoing process for Ministers and Church Related Community Work Ministers, and to provide advice, support and guidance as appropriate in relation to training in other aspects of mission and ministry in the Synod.

The Synod Evangelist works with local congregations encouraging and responding to invitations from local churches to be involved in specific outreach projects. He also offers training in evangelism and explores with elders, churches and individuals how they can be responding to opportunities to share their faith.

The Children and Youth Development Officer supports and enables the work in local churches with Youth and Children.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2022

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### ***Technical support***

The Synod Finance, Property, Trust and Safeguarding Officers and Synod Clerk are paid staff recruited on the basis of their professional experience and skills to enable day to day operations.

In addition to being in charge of the Accounts, the Synod Finance Officer is Secretary to the Synod Mission Fund Panel and assists local Churches with their grant applications and other areas of church finance. He plays a role in developing new policies for control of Synod finances and supporting churches financially. He also deals with the calculation and allocation of contributions to the Ministry and Mission Fund which funds ministers' stipends and the work of the wider church. Part of the role involves the efficient management of cash and working with the Investment Sub Committee and Investment Managers to generate income to run Synod. The Finance Officer is active in management of the funds for Inter Synod Resource Sharing.

The Synod Property Officer provides technical support to local churches in the maintenance and enhancement of their church buildings. This includes working closely with local church leadership to resolve practical and technical issues regarding various projects.

Where churches are Listed buildings, Synod has a statutory role under Ecclesiastical Exemption, which the Property Officer carries out with the assistance of other officers of the wider United Reformed Church. In addition, Synod seeks to provide advice and guidance to assist churches to meet their obligations for Listed Buildings while developing their mission and vision. Support is also provided in other areas where changes in policy or legislation have to be implemented on a practical basis at local church level and training and/or advice is made available to these churches including the provision of an annual conference for church treasurers and those interested in finance and the provision of Health and Safety awareness to Church Elders.

The Synod Trust Officer is Secretary to the Board and the Synod Resources and Compliance Committee. They offer support to local Churches and other officers particularly in the areas of governance and charity law, working with solicitors and others as appropriate. During the greater part of 2022 the Trust without a Trust Officer with duties being covered by other Synod Officers. In May 2023 we will welcome Chan Bhamra to the role of Trust Officer.

The Synod Safeguarding Officer works with local churches to ensure that children and adults at risk are protected to the best of our ability. She is responsible for co-ordinating safeguarding training around the Synod and ensuring that the revised policies and procedures for safeguarding in the fifth edition of the United Reformed Church's Good Practice Guide are implemented.

The Synod Clerk has oversight of Synod and its Committees, supporting the Moderator, representing the Synod nationally and locally, and providing guidance on governance and procedures.

In some cases, churches may need legal or other professional advice. The Trust continues to encourage appropriate use of external advice and assist with securing services which are effective and provide best value. Following a review of legal services in 2017 when the decision was made to work with more than one firm of Solicitors, the Trust has continued to work with Towns Needham, now part of Slater Heelis, as well as Veale Wasbrough, with the former providing support particularly in areas requiring specialist knowledge of the URC Acts.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

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### COVID-19 Pandemic response and support

The continued pandemic has resulted in further detrimental effects on church attendance and activities. Although our churches have been able to resume something like more normal operation, a number of activities have not resumed, and congregations are smaller in most places than they were pre-pandemic. We continue to offer a grant stream for churches to engage with online worship and other activities through the Synod Mission Fund.

Trust and committee meetings have continued with the usual frequency using a mix of video conferencing and in-person meetings, enabling decision making to continue. Attendance and engagement by committee members have been good. There is an incidental benefit in that the smaller number of journeys for in-person helps with our strategy of reducing our carbon footprint, but we are aware we need to balance this with in-person meetings where the informal conversations apart from business on the agenda have a significant benefit of their own.

### Achievements and performance

Financial support in the form of grants was made to local churches during the year to assist with the improvement and maintenance of church buildings and manses, details of which can be found in note 4 to the financial statements.

During 2022, the Property Officer continued to deliver a programme of investment into the manse stock required to meet future ministerial deployment across the Synod bringing consistency in the improvement, maintenance/repair and energy efficiency of the property portfolio. Following approval of the new Synod Manse Policy in 2018, the Synod Property Officer in consultation with the Synod Finance Officer continued to support improvement works to manses. The Property Officer continued to support churches with building issues and also was proactive in finding alternative uses for closed churches.

The Synod Mission Fund continues to support local churches in mission activity and the achievement of mission pledges. Amended the criteria make it more accessible to smaller churches. During the year grants totalling £112,106 were awarded to support:-

- Uttoxeter URC-Schools Ministry
- Wylde Green & Sutton Coldfield URC- Joint Youth Worker
- Coleshill United Church-Development Worker
- Lodge Road Church Centre- Operations Co-ordinator
- Beacon Church Centre-Wellbeing Coordinator
- Ashcroft United Church-Outreach Worker
- Foleshill Road URC-Legacy funded church mission
- Holyhead Road URC- Legacy funded church mission
- Keresley URC-Legacy funded church mission

The Synod Mission Fund balance is £474,012.

Our global partnership with the Diocese of Durgapur was maintained, with continued involvement of the Trust in managing further release of the legacy which financed the Colin Choyce Hostel for children at risk or rescued from human trafficking and now contributes to running costs. During 2022 £5,610 was sent to this project.

## **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

### **Annual Report**

#### **Year Ended 31 December 2022**

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The Synod Safeguarding Officer (SSO) continues to support the West Midlands churches with safeguarding advice, support, training and casework.

When engagement does happen, the commitment to safeguarding in West Midlands churches is apparent and encouraging. However, there is general concern more recently regarding a lack of engagement as take up of training sessions (both face to face and via Zoom) offered has fallen significantly. Likewise, case referrals have been increasingly low despite a variety of training dates and invites being publicised.

The SSO is working with churches to identify issues and offer interim and/or collaborative solutions.

The Safeguarding Coordinators Forum continued to meet despite one having to be cancelled due to ill health. This forum has been created to offer additional support to church safeguarding coordinators and their deputies.

The SSO regularly meets with the national SSO team for strategic planning (SSPG).

SSO is also an active and contributory member of the national Safeguarding Training Review Group who develop training for all URC churches.

The SSO continues to establish links with statutory and voluntary sector agencies, taking up opportunities to attend training; undertook specialist risk assessment training and level 3 domestic abuse training; delivered peer training on culture of churches to the national SSO team.

A collaborative approach is being taken to produce the Sixth Edition of the URC Good Practice pack, covering all aspects of safeguarding, and the SSO has supported the process.

The TDO has planned and delivered initial and refresher training for Authorised Elders and Safer Sacred Space training for active ministers. Training sessions have also been provided for potential Interim Moderators and introductory sessions for the Stepwise courses.

The TDO led an awayday for a local church and, with the Synod Moderator, delivered a workshop addressing the churches' response to the Covid-19 pandemic. Plans are already in place for the Ministers' Summer School in June 2023.

The TDO has continued to respond to funding applications from ministers for sabbatical study leave and other training and provided guidance and other support when requested. He has also been engaged in progressing the appointment and support of Elders in Local Leadership and has verified ministers for the Disclosure and Barring Service. He has maintained contact with ministers in the EM2 phase of ministry and attended annual reviews for those in training for Ministry of Word and Sacraments and Church-related Community Work Ministry. He has continued to serve on the General Assembly Ministries Committee and been its representative on the Discipleship Development Fund large grants panel. He has continued as Interim Moderator in a complex pastorate and led worship regularly as invited across the Synod.

The TDO has attended meetings of the Synod, the Synod Ministry Development and Missional Discipleship Development Committees, and collaborated with Synod colleagues, ecumenical colleagues, and colleagues in similar roles in other Synods through the TDO+ network. With the Synod Evangelist he has represented the Synod in meetings related to the General Assembly "Walking the Way" initiative.

## **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

### **Annual Report**

#### **Year Ended 31 December 2022**

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Regular online gatherings have continued of lay preachers, organised jointly with the Synod Lay Preaching Commissioner, and Church Secretaries, planned with the Synod Moderator. There has been an occasional Ministers Forum.

The TDO has continued to serve as Interim Convenor of the Board of Studies at Westminster College, and consequently as an Assembly appointed Governor of the College.

He attended the national Ministers Conference and the online Theology of Worship Conference.

His reflections on the theology and practice of ministry in the United Reformed Church were published under the title "The Fire Still Burns".

The Synod Evangelist has continued to encourage churches in sharing their faith, offering training and events where possible. However, Churches still remain focused on restarting after covid, and are engaged in the issues of ministerial deployment and the cost of living crisis, so evangelism is lower down their agenda. The Evangelist has been able to encourage thoughts of growth through monthly online 'Green Room' meetings, leading a synod book reading group, and working with the Vision4Mission steering group to make 'Leading Your Church into Growth' a major theme of the 2022 residential Synod.

Funding for the post ends September 2023 and the Evangelist has three months sabbatical, March to May, so input in 2023 will be limited. The sabbatical will be used to research what people say are the important things about God to them, and perhaps produce material to help them do so more confidently and effectively. It has been agreed that a major priority for the rest of his time will be encouraging and supporting churches in the process of Leading Your Church Into Growth.

Work in the local churches with Youth and Children continues to be supported the Children and Youth Development Officer (CYDO). He is in regular contact with local churches offering encouragement and support to those who minister alongside children and young people in all parts of the Synod. Regular information on events and resources are circulated via email, social media channels and newsletters. The CYDO continues to be available to churches in the Synod to offer support, encouragement and resources. A number of churches have successfully achieved accreditation to the URC Children and Youth Friendly Church Scheme in 2022.

A comprehensive ministerial deployment plan for the next ten years was completed in 2017 and accepted by Synod Ministry Development Committee, identifying how we intend to use decreasing ministerial resource over this period. Implementation of the plan had begun.

However, a change in protocols agreed at General Assembly level means that implementation of that plan has to be accelerated. The United Reformed Church as a whole is below the planned level of Stipendiary Ministers, and the West Midlands Synod must now operate within strict limits of its "share" of the limited pool. Further consultation was undertaken and a revised deployment plan was accepted at the October 2021 Synod meeting. Work is now underway to appoint new Stipendiary Ministers according to a strategic priority agreed by the Synod. Local churches will need to identify other local patterns of leadership to work with Stipendiary Ministers and the Synod is committed to supporting our churches as they seek to discern and develop new leadership patterns.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2022

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### Financial review

#### ***Financial Statements***

The financial statements, including the notes, have been prepared in compliance with the new Statement of Recommended Practice "SORP2015 (FRS102)". The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust do not sell goods or services, nor are there any other trading activities.

A financial review document is made available to all members of Synod, and local churches if requested. This document highlights the main features of these financial statements. The review includes a comparison between the budget and the final operating income resources and expenditure.

#### ***Statement of Financial Activities***

The Statement of Financial Activities is shown on page 20, with a more detailed analysis of income and expenditure on pages 28 to 31.

Following reductions the period of Covid, during 2022 operating income increased, this was attributable to a recovery in investment income and donations including from closed churches and those Churches financially supported during 2020 and 2021. There was a 13.4% increase in investment income following reductions in dividends received during 2020. In addition, a surplus of £310,463 was realised from sale of a Manse, and £1,902,373 from church buildings this contributed to allowing us to invest an additional £600,000, some funds needing to be retained for agreed commitments to support the cost of Ministers' pensions and purchase of replacement manses.

Operating costs increased to over £1m, partly boosted by the award of significant Ministry Support Fund grants, which will be paid out over periods of between 3 and 5 years. It was pleasing that the Synod Mission Fund was able to award grants of £112,106. Once again, we released funds from a Restricted Legacy to the Church of North India for the running costs of a Children's Hostel. We continue to invest in our buildings, Church property grants were £38,029. However, having completed the majority of the manse improvement programme, spending on manses increased to £47,686 with a further £24,930 on manse repairs and insurance.

The restrictions in place during 2020 and 2021 limited the ability for training began to ease resulted in increase spending on Training grants and training costs for Ministers, Lay Preachers and Members, including grants funded from the Discipleship Development Fund from Assembly. The Trust is fully committed to supporting the training costs of those at all levels within the Synod.

Other incoming resources included surpluses on disposal of church buildings at St Columbas Coventry, Dudley, Halesowen and Newent the whole of which are designated to the Major Buildings Development Fund and Mission Fund. Further there was a sale of a manse in Bridgnorth, these proceeds are held in the Synod Manse Fund and allow the Synod to advance capital for the upgrade and replacement of manses so that they are of a suitable standard.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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### Year Ended 31 December 2022

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During 2021 £4m was transferred to a fund to contributions to the deficit on the URC Ministers' Pension Fund, to be settled over 9 years commencing in 2022, this sum was transferred from the Synod Manse Fund to a Ministers' Pension Support Fund. £1,454k of this sum for the first three years was recognised in the accounts in 2021 with £534k was to be paid during 2022 however it was agreed to defer £284k of this sum until 2023.

A fall in the stock market resulted in unrealised losses of £3,420k.

The total decrease in funds was £1,559,095.

#### **Balance Sheet**

Reference has been made above to the increase in the funds balance. An analysis of the funds movements is shown on page 35.

Programme Related Investments stood at £2,694,889 relating to 15 manses. These are funds invested by Synod to assist local churches to purchase or update the properties and to assist certain individuals.

#### **Reserves policy**

The Trust holds funds under a number of different terms. Funds which are restricted or endowed may only be used as directed by the funder at the time they were granted to the Trust. Details of the specific restrictions of those individual funds are disclosed in note 8 to the financial statements.

Other funds are unrestricted and can be used at the discretion of the trustees in furtherance of the Trust's objects. It is the policy of the trustees to designate certain funds for particular purposes as agreed from time to time and details of the purpose and use of those designated funds can be found in note 8 to the financial statements.

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The policy of the trustees is to aim to hold sufficient investments and deposits that the income generated will cover one full year's total expenditure, net of grants received. Due to the current economic climate the funds do not currently meet this objective and are dependent on the additional income arising on disposals of properties.

#### **Investment policy**

The agreed investment objectives are:-

- To maintain adequate liquidity;
- To maintain the security of any investments;
- To minimise capital loss;
- To maintain a mixed portfolio of fixed and equity investments whilst providing a balance between income and growth;
- To adhere to any restrictions as defined from time to time by Synod, including an ethical policy; and
- To obtain the optimum yield, subject to complying with the above criteria.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2022

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The current restrictions defined by Synod are that investments should avoid those companies that have significant involvement in armaments, pornography, supply of alcoholic drinks, gambling and tobacco manufacture.

Trust has completed its commitment to divest from companies that derived more than 10% of their turnover from the extraction, processing or sale of other fossil fuel in accordance with the URC Mission Council resolution in 2019 to Divest from Fossil fuels. The Trust had previously sold any holdings in companies with income derived from Tar Sands and Coal. The Trust also asked its investment managers in association with MSCI to assess the Environmental, Social and Governance (ESG) ratings of its portfolio. The direct holding in our portfolio has been assessed as being AA, including holdings through funds. This puts us above the median of all shares. Our portfolio was also judged to have a lower carbon risk than the benchmark and low reputational risk. The Trust and Investment subcommittee will continue to monitor the ESG ratings and carbon risk of its holdings.

An investment portfolio is managed by Evelyn Partners and investment advice is sought from them as required. Individual purchases and sales are made by the investment manager in accordance with a working practice that included two meetings during the year with the Trust Investment Committee, a sub group of the Executive Committee which includes the treasurer, finance officer and five other members with the relevant knowledge and experience.

In addition to this portfolio, funds were also invested with the Charities Official Investment Fund (COIF) managed by CCLA.

#### **Asset Allocation**

The current allocation of investments is as follows:-

- 76.41% of the Unrestricted General Funds are invested by Evelyn Partners, 23.59% in the COIF Charities Ethical Investment Fund, managed by CCLA Investment Management Limited (CCLA). The Company keeps under review the extent to which the ethical and corporate governance criteria of the funds are in line with the policy set out under 'Ethical Considerations'.
- Designated, Restricted and Endowment Funds are mainly invested with the same Investment Manager as the Unrestricted General Funds.
- Equities 94%, Fixed Interest 5.12% and cash 0.9%

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2022

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### Investment Performance

The trustees in consultation with the Company's Investment Managers are content that the Company's medium to long term strategy remains sound. The investment performance of the Trust's portfolio is summarised in the table below.

	Total Return after Charges over 2022 %	Income yield at 31 December 2022 %
Evelyn Partners – Investment Managers	-13.16	1.9
CCLA (COIF Charities Ethical Investment Fund)	-9.18	3.05
Comparative Measures -		
Bench Mark – MSCI PIMFA (Growth)	-6.12	

### Cash

For many years it has been the Company's policy to hold sufficient cash within the Unrestricted General Funds to fund its operational needs, grant commitments and capital expenditure commitments. In response to the sustained low yields available on such cash and the reduced need for capital expenditure the Investment Sub Committee agreed to maximise its managed investment income by limiting the amount of cash held at all times, with any excess over short term cash flow requirements being invested in managed investments until required. The cash and deposits held at the end of the year was £1,583,074, and reflects a known requirement for capital spending commitments including purchase of two manses and payments to support URC Minister Pension Fund.

### Future plans

The Synod Executive committee identified a new statement of purpose for the Synod's activities, which was agreed by the Synod Meeting in October. This is that the Synod's purpose is, **"To equip, encourage and support United Reformed Church congregations in the West Midlands Synod, in our collective journey to be faithful in worship, witness and service, as our way of responding to the saving love of God in Christ Jesus, in the power of the Holy Spirit, and inviting others to share the life of faith and discipleship."**

The Trust company has agreed a provisional budget to enable a strategic review of the Synod's activities to be carried out by external consultants, to consider ways in which we can structure our work to fulfil this statement of purpose. Amongst other aspects, the review group will be asked to consider our staffing structure and financial support for local churches.

Because of denominational policy the Synod faces a year-on-year decline of the number of Stipendiary Ministers available to local churches, and Synod Officers continue to actively manage plans for that reduction and continue to look at ways in which to increase the range of lay leadership and ministries to compensate for the reduction in ordained Ministers. The Ministry Support Fund described above is one way in which we intend to realise that support.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2022

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In addition in 2023 the following are planned within our strategy:-

- Encouraging ministers and churches to engage with Stepwise (particularly the introductory course "Faith-filled Life" and the leadership course "Faith-fuelled leadership) and/or other opportunities to develop discipleship, including the resources available through "Holy Habits".
- Encouraging ministers and churches to engage with the Leading Your Church into Growth (LYCiG) programme, introduced at the Synod meeting in October 2022.
- Continued planning and delivery of a follow-up "New Normal" event.
- More encouragement and training for local churches in faith sharing and outreach.
- The continuation of regular newsletters from the Officers to bring relevant information and training opportunities to the attention of ministers and churches.
- Encouragement of Prayer for Mission and Evangelism in our churches.
- Discernment and response to the training needs of ministers and others in leadership, particularly through one-to-one conversation, sabbatical leave, CME and ministers' days.
- As a continuing priority, discern and respond to worship needs in the Synod's churches, with particular attention to the advocacy and recruitment of lay preachers/worship leaders and to include attention to the provision of resources for them, including the denomination's lay preaching course.
- Continue to develop elders training and the support and training of Elders in Local Leadership.
- Provide further opportunity for the training and support for Church Secretaries.
- Continued development of the Safeguarding Coordinators Forum.
- National delivery of Domestic Abuse training for churches
- Roll out of Advanced Safeguarding Training
- Additional offer for face-to-face training sessions
- Continued support of the new Children and Youth Friendly Church Scheme to enable churches to evaluate their ministry with children and young people.
- A weekend residential is planned for September being held jointly with East Midlands Synod.
- Continued liaison with our international partner church, the Church of North India.
- Resuming, as appropriate following Covid, work with the manse inspection team to conduct regular manse inspections to support churches as they provide manses for ministers and their families in accordance with the Plan for Partnership. With the support of the Resources and Compliance Committee, reinstating inspection of manses on a three yearly cycle to ensure routine maintenance and repairs are progressed.
- Continue to explore the issues and potential of "Hybrid Church".
- Continued attention to the recruitment of and training provision for Interim Moderators.
- Attention to the future resourcing for and provision of Local Ministry and Mission Review.
- Offer Safer Sacred Space training as needed
- Provide refresher training for lay presidency at the Sacraments
- Further online gatherings with a mission theme, monthly from January 2023, called 'The Green Room'.
- Explore and respond to the potential for online training for elders in particular.
- To continue the Quinquennial Survey programme for properties. Consolidation of a 5-yearly inspection programme is in progress.
- Continue the work of monitoring the environmental impact of buildings and encouraging green credentials in line with the Synod Strategy.
- Continue to support those churches considering or actively pursuing major repair and development projects.
- To continue to signpost advice and training suitable for local churches on subjects such as GDPR.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report

Year Ended 31 December 2022

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#### Trustees' Responsibilities

Company law requires the trustees as directors to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the trustees are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

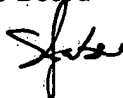
In so far as the trustees are aware:-

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

#### Auditor

Following a rebrand exercise on 15 May 2023, the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

On behalf of the Board



Date: 16 August 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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**Opinion**

We have audited the financial statements of The United Reformed Church (West Midlands) Trust Limited (the 'charitable company') 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 its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis of 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 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 of our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 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 directors 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' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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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 (incorporating the annual report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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**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:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting systems for bias.

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 regulations. 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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 opinion we have formed.



**Elizabeth Newell BA (Hons), FCA (Senior Statutory Auditor)**  
**For and on behalf of MHA (Statutory Auditor)**  
Birmingham, United Kingdom  
Date: 22 August 2023

MHA is a trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Statement of Financial Activities  
(Incorporating Income and Expenditure Account)  
Year Ended 31 December 2022

2021 Total Funds £		Notes	2022 Total Funds £	Unrestricted General £	Unrestricted Designated £	Restricted £
	<b>Income from:</b>					
	<i>Charitable activities:</i>					
44,356	Grants received	2a	171,084	71,339	99,384	361
34,131	Other income	2a	8,660	2,000	6,660	-
	<i>Investments</i>					
485,130	Investment income	2a	550,206	333,912	216,294	-
15,633	Rents	2a	10,782	-	10,782	-
	<i>Incoming resources from charitable activities:</i>					
579,250	<b>Total Operating Income</b>	2a	740,732	407,251	333,120	361
353,997	Income on sale of properties	2a	2,212,836	1,830,608	382,228	-
933,247	<b>Total Income</b>		2,953,568	2,237,859	715,348	361
	<b>Expenditure on:</b>					
94,920	Generating funds	2b	87,095	64,597	22,498	-
746,190	Charitable expenditure	2b	932,377	458,985	462,782	10,610
841,110	<b>Total Operating Expenditure</b>	2b	1,019,472	523,582	485,280	10,610
(2,817,348)	<b>Net losses/(gains) on investments</b>	7	3,420,481	2,498,461	919,922	2,098
1,454,000	Payment to Ministers Pension Fund		-	-	-	-
	Interest	2b	72,710	-	72,710	-
(522,238)	<b>Total Expenditure</b>		4,512,663	3,022,043	1,477,912	12,708
(261,860)	<b>Net Expenditure on Operating account</b>	2b	(278,740)	(116,331)	(152,160)	(10,249)
1,455,485	<b>Net Income for the Year</b>		(1,559,095)	(784,184)	(762,564)	(12,347)
	<b>Other recognised Gains &amp; Losses</b>					
-	Transfer between reserves	8a	-	(1,822,449)	1,822,449	-
1,455,485	<b>Net Movement in Funds for the year</b>		(1,559,095)	(2,606,633)	1,059,885	(12,347)
23,967,031	<b>Funds Balances brought forward</b>		25,422,516	10,865,032	14,536,152	21,332
25,422,516	<b>Fund Balances carried forward</b>	8a	23,863,421	8,258,399	15,596,037	8,985

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**COMPANY NUMBER 01337047**  
**Balance Sheet**

**As at 31 December 2022**

2021		Notes	2022
£			£
	<b>Fixed Assets</b>		
234,903	Tangible assets	9	223,766
24,048,557	Investments	10	21,159,001
<u>2,385,349</u>	Programme related investments	11	<u>2,694,889</u>
<u>26,668,809</u>			<u>24,077,656</u>
	<b>Current Assets</b>		
85,615	Debtors	12	127,756
<u>576,032</u>	Cash and short-term deposits	13	<u>1,583,074</u>
661,647			1,710,830
<u>(868,040)</u>	<b>Creditors: Amounts falling due within one year</b>	14a	(1,234,583)
(206,393)	<b>Net Current (Liabilities)/Assets</b>		<u>476,247</u>
<u>26,462,416</u>	<b>Total Assets less Current Liabilities</b>		<u>24,553,903</u>
	<b>Creditors: Amounts falling due after more than one year</b>		
(1,021,135)		14b	(663,946)
<u>(18,765)</u>	Provision for charges	14c	<u>(26,536)</u>
<u>25,422,516</u>	<b>Net Assets</b>		<u>23,863,421</u>
	<b>Funds:</b>		
	<i>Restricted Funds</i>		
11,857	Other	4,841	
<u>9,475</u>	Revaluation reserve	<u>4,144</u>	
21,332			8,985
	<i>Unrestricted funds</i>		
	General		
5,010,221	- Other	4,902,049	
<u>5,854,811</u>	- Revaluation reserve	<u>3,356,350</u>	
10,865,032			8,258,399
	Designated		
12,305,710	- Other	14,759,451	
<u>2,230,442</u>	- Revaluation reserve	<u>836,586</u>	
<u>14,536,152</u>			<u>15,596,037</u>
<u>25,422,516</u>	<b>Total Funds</b>	15	<u>23,863,421</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.


Approved by the Trust Board on 16 August 2023

and signed on its behalf by



Mr S.M. Powell

-  
- Director and Treasurer  
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 S.M. FABER  
 DIRECTOR

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Statement of Cash Flows**

**Year ended 31 December 2022**

	Notes	2022 £	2021 £
<b>Cash flow from operating activities:</b>			
<b>Net cash provided/used in operating activities</b>	A	<b>(1,282,823)</b>	<b>(545,882)</b>
<b>Cash flows from investing activities:</b>			
Interest paid		(72,710)	-
Investment income		560,988	500,763
Proceeds from programme related investments		2,281,181	353,997
Proceeds from sale of investments		2,245,969	1,055,018
Purchase of investments		(2,225,632)	(1,715,366)
Purchase of programme related investments		(377,885)	-
Net (decrease)/increase cash provided by investing activities		<u>2,411,911</u>	<u>194,412</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>		<b>1,129,088</b>	<b>(351,470)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>643,609</u>	<u>995,079</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	B	<u>1,772,697</u>	<u>643,609</u>
<b>Notes to the statement of cash flows</b>			
<b>A) Reconciliation of net income/expenditure to net cash flow from operating activities</b>			
<b>Net income for the reporting period (as per the statement of financial activities)</b>		<b>(1,559,095)</b>	<b>1,455,485</b>
<b>Adjustments for:</b>			
Losses and (gains) on investments		2,991,265	(2,805,946)
Depreciation		11,137	11,137
Surplus on sale of programme related investments		(2,212,836)	(353,997)
Investment income and rents		(560,988)	(500,763)
(Increase) decrease in debtors		(42,141)	45,692
Increase/(decrease) in creditors		17,125	1,602,510
Interest paid		72,710	-
<b>Net cash used in operating activities</b>		<u>1,282,823</u>	<u>(545,882)</u>
<b>B) Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		48,735	49,693
Deposit accounts		1,534,339	526,339
Cash held by investment manager		<u>189,623</u>	<u>67,577</u>
		<u>1,772,697</u>	<u>643,609</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

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### 1. Accounting Policies

#### General Information

The United Reformed Church (West Midlands) Trust Limited is a charitable company limited by guarantee and registered in England and Wales. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member. The registered office is shown on page 1. The nature of the charity's operations and principal activities are the advancement of the Christian religion by supporting the work of West Midlands URC Synod.

The company's functional and presentational currency is British Pound Sterling (£).

#### Basis of Accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice (UK GAAP).

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies adopted, are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Programme related investments – a judgement made as to whether impairment is required. These judgements are based on the current property market.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Contingent assets and liabilities – estimations are made based on information available at the point of approval of the financial statements as to the probability and value of the transactions.

Valuation of listed investments – valuations are subject to variations arising from external factors which can impact actual future results.

Discount rate – an estimation is made as to the applicable rate at which to reflect the time value of future payments.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

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### 1. Accounting Policies *(continued)*

#### **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 the current economic climate. 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 Incorporated**

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 West Midlands Synod :-

General Purposes Fund  
Church Buildings Fund  
Manse Fund  
Retired Ministers Housing Fund  
Mission Fund  
Choyce Legacy  
Ministry Support Fund  
Major Buildings Development Fund  
Energy Efficiency Fund  
Ministers Pension Support Fund  
M & M Support 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.

Unrestricted income funds may be spent generally for furthering the Christian and charitable work of the United Reformed Church in the West Midlands. The main fund in this category is the General Purposes Fund. Certain funds have been allocated for Church Buildings or Manses, although the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

#### **Contribution to Pension Funds**

The charity operates a defined contribution pension scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

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### 1. Accounting Policies *(continued)*

#### **Income Recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

The charity receives grants which are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

#### **Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs of managing investments and programme related investments;
- Expenditure on charitable activities includes costs of ministry, mission, training and property grants; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose. Grants payable to local churches, organisations and individuals are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

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### 1. Accounting Policies *(continued)*

#### **Individual Church Property, including Manses**

The Trust is sole trustee of the land and buildings of most local URCs but they are not the property of the Synod and are not shown in the financial statements. Sale proceeds from redundant properties or from part thereof which come into Synod funds are treated as unrestricted income from general funds. The income is recognised when the amount can be measured reliably and it is probable that the income will be received.

In certain circumstances a local URC may be permitted to apply for a grant from these funds and where this arises, a time-limited designated fund is created.

#### **Support Costs Allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include premises costs, office costs, governance costs, and salary costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

#### **Depreciation**

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

Property	- over fifty years
Integral features of property	- over fifteen years
Office equipment	- over four years

No amounts under £2,500 are capitalised.

#### **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Programme related investments are those held to further our charitable purposes. Programme related investments include investment in a percentage share of properties and bridging or other loans.

Investments in properties are stated at cost subject to any adjustment arising from impairment which is considered on an annual basis. Gains on disposal of these investments are shown as other income in the SoFA. Investments by way of loans are stated at cost. Interest is charged on the loans at the COIF rate of interest, being the rate of interest the Trust would otherwise have earned.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

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### 1. Accounting Policies *(continued)*

#### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **Financial instruments**

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

#### **Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt. Where the effect of the time value of money is material, the liability is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2022

2. Income and Expenditure

a) Analysis of Total Incoming Resources

2021 Total Funds £		2022 Total Funds £	Unrestricted £	Designated £	Restricted £
	<b>Income from Investments</b>				
485,032	Listed Investments	<b>540,103</b>	323,809	216,294	-
<u>98</u>	Interest	<u>10,103</u>	<u>10,103</u>	-	-
485,130		<b>550,206</b>	333,912	216,294	-
<u>15,633</u>	Rents	<u>10,782</u>	-	<u>10,782</u>	-
<u>500,763</u>		<b><u>560,988</u></b>	<u>333,912</u>	<u>227,076</u>	-
	<b>Income from Charitable Activities:</b>				
7,225	Grants – Ministry & Mission	<b>48,379</b>	8,725	39,654	-
3,741	- Training	<b>8,847</b>	8,847	-	-
<u>33,390</u>	- Donations	<u>113,858</u>	<u>53,767</u>	<u>59,730</u>	<u>361</u>
<u>44,356</u>		<b><u>171,084</u></b>	<u>71,339</u>	<u>99,384</u>	<u>361</u>
	<b>Other income</b>				
2,000	Investment charge – The Redditch Trust	<b>2,000</b>	2,000	-	-
<u>32,131</u>	Transfer of funds from Local Church Trusts	<u>6,660</u>	-	<u>6,660</u>	-
<u>34,131</u>		<b><u>8,660</u></b>	<u>2,000</u>	<u>6,660</u>	-
<u>579,250</u>	<b>Total Operating Income</b>	<b><u>740,732</u></b>	<u>407,251</u>	<u>333,120</u>	<u>361</u>
	<b>Income from sale of properties</b>				
-	Of closed Churches	<b>1,902,373</b>	1,830,608	71,765	-
<u>353,997</u>	On disposal of manses	<u>310,463</u>	-	<u>310,463</u>	-
<u>353,997</u>		<b><u>2,212,836</u></b>	<u>1,830,608</u>	<u>382,228</u>	-
<u>933,247</u>	<b>Total Incoming Resources</b>	<b><u>2,953,568</u></b>	<u>2,237,859</u>	<u>715,348</u>	<u>361</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2022**

**2. Income and Expenditure (Continued)**

**b) Analysis of Total Operating Resources Expended**

2021 Total Funds £	2022 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Costs of Generated Funds</b>				
67,218	67,860	46,810	21,050	-
1,695	1,448	-	1,448	-
<u>26,007</u>	<u>17,787</u>	<u>17,787</u>	-	-
<b>94,920</b>	<b>87,095</b>	<b>64,597</b>	<b>22,498</b>	<b>-</b>
<b>Charitable Activities</b>				
<b>Ministry &amp; Mission:-</b>				
151,302	453,447	91,552	351,285	10,610
-	10,011	10,011	-	-
37,437	14,044	8,286	5,758	-
20,000	20,000	20,000	-	-
52,022	-	-	-	-
<u>98,407</u>	<u>130,439</u>	<u>130,439</u>	-	-
<u>359,168</u>	<u>627,941</u>	<u>260,288</u>	<u>357,043</u>	<u>10,610</u>
<b>Training:-</b>				
8,053	9,920	9,920	-	-
660	1,540	1,540	-	-
965	1,923	1,923	-	-
469	608	608	-	-
58,572	62,403	59,514	2,889	-
64	320	320	-	-
<u>25,958</u>	<u>20,108</u>	<u>20,108</u>	-	-
<u>94,741</u>	<u>96,822</u>	<u>93,933</u>	<u>2,889</u>	<u>-</u>
<b>Property:-</b>				
59,599	38,029	38,029	-	-
22,501	47,686	-	47,686	-
22,514	24,930	-	24,930	-
30,666	-	-	-	-
24,978	13,090	-	13,090	-
21,846	8,651	8,651	-	-
29,390	30,840	15,420	15,420	-
-	1,724	-	1,724	-
<u>80,787</u>	<u>42,664</u>	<u>42,664</u>	-	-
<u>292,281</u>	<u>207,614</u>	<u>104,764</u>	<u>102,850</u>	<u>-</u>
<b>746,190</b>	<b>932,377</b>	<b>458,985</b>	<b>462,782</b>	<b>10,610</b>
	Interest	-	72,710	-
<b>841,110</b>	<b>1,092,182</b>	<b>523,582</b>	<b>557,990</b>	<b>10,610</b>
<b>(261,860)</b>	<b>(278,740)</b>	<b>(116,331)</b>	<b>(152,160)</b>	<b>(10,249)</b>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2022**

**2021 Comparative figures**

**a) Analysis of Total Incoming Resources**

	<b>2021 Total Funds £</b>	<b>Unrestricted £</b>	<b>Designated £</b>	<b>Restricted £</b>
<b>Income from Investments</b>				
Listed Investments	485,032	242,690	242,342	-
Interest	<u>98</u>	<u>98</u>	-	-
	<b>485,130</b>	<b>242,788</b>	<b>242,342</b>	<b>-</b>
Rents	<u>15,633</u>	-	<u>15,633</u>	-
	<b><u>500,763</u></b>	<b><u>242,788</u></b>	<b><u>257,975</u></b>	<b>-</b>
<b>Income from Charitable Activities:</b>				
Grants – Ministry & Mission	7,225	7,225	-	-
- Training	3,741	3,741	-	-
- Donations	<u>33,390</u>	<u>32,980</u>	-	<u>410</u>
	<b><u>44,356</u></b>	<b><u>43,946</u></b>	<b>-</b>	<b><u>410</u></b>
<b>Other income</b>				
Investment charge – The Redditch Trust	2,000	2,000	-	-
Transfer of funds from Local Church Trusts	<u>32,131</u>	-	<u>32,131</u>	-
	<b><u>34,131</u></b>	<b><u>2,000</u></b>	<b><u>32,131</u></b>	<b>-</b>
<b>Total Operating Income</b>	<b><u>579,250</u></b>	<b><u>288,734</u></b>	<b><u>290,106</u></b>	<b><u>410</u></b>
<b>Income from sale of properties</b>				
On disposal of manses	<u>353,997</u>	-	<u>353,997</u>	-
<b>Total Incoming Resources</b>	<b><u>933,247</u></b>	<b><u>288,734</u></b>	<b><u>644,103</u></b>	<b><u>410</u></b>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2022

2. *Income and Expenditure* (Continued)

b) *Analysis of Total Operating Resources Expended*

	2021 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Costs of Generated Funds</b>				
Investment Management Fees	67,218	39,107	28,111	-
Other property costs	1,695	-	1,695	-
Shared Indirect costs (Note 3)	<u>26,007</u>	<u>26,007</u>	-	-
<b>Total Cost of Generating Funds</b>	<u>94,920</u>	<u>65,114</u>	<u>29,806</u>	-
<b>Charitable Activities</b>				
<b>Ministry &amp; Mission:-</b>				
Grants (Note 4)	151,302	42,115	91,187	18,000
Support Costs	37,437	26,989	10,448	-
Resource sharing (Note 4)	20,000	20,000	-	-
COVID support to Churches (Note 4)	52,022	52,022	-	-
Shared Indirect Costs (Note 3)	<u>98,407</u>	<u>98,407</u>	-	-
	<u>359,168</u>	<u>239,533</u>	<u>101,635</u>	<u>18,000</u>
<b>Training:-</b>				
Ministers (Note 4)	8,053	8,053	-	-
Students (Note 4)	660	660	-	-
Members (Note 4)	965	965	-	-
Church Treasurers and staff	469	469	-	-
Training – staff costs	58,572	54,922	3,650	-
Support Costs	64	64	-	-
Shared Indirect Costs (Note 3)	<u>25,958</u>	<u>25,958</u>	-	-
	<u>94,741</u>	<u>91,091</u>	<u>3,650</u>	-
<b>Property:-</b>				
Church Repairs (Note 4)	59,599	59,599	-	-
Manse Repairs (Note 4)	22,501	-	22,501	-
Manse allowance and insurance	22,514	-	22,514	-
Release of Church Sale Proceeds	30,666	-	30,666	-
Manse Expenses	24,978	-	24,978	-
Church surveys (Note 4)	21,846	21,846	-	-
Staff costs	29,390	14,695	14,695	-
Legal and Support Costs	-	-	-	-
Shared Indirect Costs (Note 3)	<u>80,787</u>	<u>80,787</u>	-	-
	<u>292,281</u>	<u>176,927</u>	<u>115,354</u>	-
<b>Total Charitable Expenditure</b>	<u>746,190</u>	<u>507,551</u>	<u>220,639</u>	<u>18,000</u>
<b>Total Operating Resources Expended</b>	<u>841,110</u>	<u>572,665</u>	<u>250,445</u>	<u>18,000</u>
<b>Net (Expenditure)/income on operating account</b>	<u>(261,860)</u>	<u>(283,931)</u>	<u>39,661</u>	<u>(17,590)</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2022

3.	Indirect Costs		Charitable Activities			
2021 Total Funds £		2022 Total Funds £	Unrestricted £	Designated £	Restricted £	
	<b>Governance Costs</b>					
1,394	Synod Expenses	90	90	-	-	
-	Synod Council	1,495	1,495	-	-	
	<b>Staff Costs:-</b>					
161,946	Trust Employment Costs	150,347	150,347	-	-	
1,595	Officers Expenses	1,928	1,928	-	-	
10,260	Audit	11,200	11,200	-	-	
2,760	Legal and Professional	-	-	-	-	
192	Bank Charges	242	242	-	-	
-	Committee Support Costs	275	275	-	-	
<u>178,147</u>	<b>Total Governance Costs</b>	<u>165,577</u>	<u>165,577</u>	<u>-</u>	<u>-</u>	
	<b>Premises Costs:-</b>					
1,600	Rent	1,600	1,600	-	-	
3,385	Insurance	4,657	4,657	-	-	
1,965	Electricity	3,045	3,045	-	-	
11,137	Depreciation of Synod Office	11,137	11,137	-	-	
12,697	Repairs and Cleaning	7,161	7,161	-	-	
<u>30,784</u>		<u>27,600</u>	<u>27,600</u>	<u>-</u>	<u>-</u>	
	<b>Office Costs:-</b>					
2,480	Telephone	3,179	3,179	-	-	
6,897	Printing, Stationery and Postage	5,999	5,999	-	-	
7,223	Computers	6,163	6,163	-	-	
570	Advertising	1,508	1,508	-	-	
910	Furniture and equipment	-	-	-	-	
4,148	Sundry costs	972	972	-	-	
<u>22,228</u>		<u>17,821</u>	<u>17,821</u>	<u>-</u>	<u>-</u>	
<u>231,159</u>	<b>Total Indirect Costs</b>	<u>210,998</u>	<u>210,998</u>	<u>-</u>	<u>-</u>	
178,147	Governance costs	165,577	13,958	102,360	15,779	33,480
30,784	Premises costs	27,600	2,327	17,062	2,630	5,581
22,228	Office costs	17,821	1,502	11,017	1,699	3,603
<u>231,159</u>	<b>Total Indirect Costs</b>	<u>210,998</u>	<u>17,787</u>	<u>130,439</u>	<u>20,108</u>	<u>42,664</u>
100%	% of Direct costs	100%	8.5%	61.8%	9.5%	20.2%

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2022

2021 Comparative figures

3.	<i>Indirect Costs</i>	2021	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>
		<i>Total Funds</i>			
	<b>Governance Costs</b>	£	£	£	£
	Synod Expenses	1,394	1,394	-	-
	Synod Council	-	-	-	-
	<b>Staff Costs:-</b>				
	Trust Employment Costs	161,946	161,946	-	-
	Honoraria	-	-	-	-
	Officers Expenses	1,595	1,595	-	-
	Audit	10,260	10,260	-	-
	Legal and Professional	2,760	2,760	-	-
	Bank Charges	192	192	-	-
	Committee Support Costs	-	-	-	-
	<b>Total Governance Costs</b>	<b>178,147</b>	<b>178,147</b>	-	-
	<b>Premises Costs:-</b>				
	Rent	1,600	1,600	-	-
	Insurance	3,385	3,385	-	-
	Electricity	1,965	1,965	-	-
	Depreciation of Synod Office	11,137	11,137	-	-
	Repairs and Cleaning	12,697	12,697	-	-
		<u>30,784</u>	<u>30,784</u>	-	-
	<b>Office Costs:-</b>				
	Telephone	2,480	2,480	-	-
	Printing, Stationery and Postage	6,897	6,897	-	-
	Computers	7,223	7,223	-	-
	Advertising	570	570	-	-
	Equipment Depreciation	-	-	-	-
	Furniture and equipment	910	910	-	-
	Sundry costs	4,148	4,148	-	-
		<u>22,228</u>	<u>22,228</u>	-	-
	<b>Total Indirect Costs</b>	<b>231,159</b>	<b>231,159</b>	-	-

	2021 Total £	Charitable Activities			
		Raising Funds £	Ministry and Mission £	Training £	Property £
Governance costs	178,147	20,043	75,839	20,005	62,260
Premises costs	30,784	3,463	13,105	3,457	10,759
Office costs	<u>22,228</u>	<u>2,501</u>	<u>9,463</u>	<u>2,496</u>	<u>7,768</u>
<b>Total Indirect Costs</b>	<b>231,159</b>	<b>26,007</b>	<b>98,407</b>	<b>25,958</b>	<b>80,787</b>
% of Direct costs	100%	11.3%	42.6%	11.2%	34.9%

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2022**

**4. Grants**

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

	2022		2021	
	Number	Amount £	Number	Amount £
<b>Institutional Grants</b>				
Ministry and Mission:				
Support to churches	-	-	18	52,022
M & M Fund	1	46,862	-	-
Pulpit Supply	17	18,957	-	-
URC Minister's Pension Fund	-	-	1	1,454,000
Inter-Synod Resource Sharing	1	20,000	1	20,000
Educational Chaplaincy	4	27,950	4	27,950
Ecumenical Situations	8	15,929	8	13,774
Release of legacy - Overseas Mission	1	5,610	1	13,000
Release of Legacy – Local Missions	1	5,000	1	5,000
Ministry Support Fund	3	218,360	-	-
Local Church Missions	8	112,106	10	63,815
Youth and Childrens Work	<u>2</u>	<u>2,659</u>	<u>2</u>	<u>454</u>
	<b><u>46</u></b>	<b><u>473,433</u></b>	<b><u>45</u></b>	<b><u>1,650,015</u></b>
Property:				
Church repairs	10	38,029	10	90,265
Manse repairs	6	47,686	5	22,501
Manse allowance and insurance		24,930	34	22,514
Church surveys	<u>9</u>	<u>8,650</u>	<u>21</u>	<u>21,846</u>
	<b><u>25</u></b>	<b><u>119,295</u></b>	<b><u>70</u></b>	<b><u>157,126</u></b>
<b>Total Institutional Grants</b>	<b><u>71</u></b>	<b><u>592,728</u></b>	<b><u>115</u></b>	<b><u>1,807,141</u></b>
<b>Individual Grants</b>				
Youth	-	-	-	-
Training:				
Ministers	44	9,920	44	8,053
Members	12	1,922	6	965
Students	<u>6</u>	<u>1,540</u>	<u>3</u>	<u>660</u>
<b>Total Individual Grants</b>	<b><u>62</u></b>	<b><u>13,382</u></b>	<b><u>53</u></b>	<b><u>9,678</u></b>
<b>Total Grants Charged</b>	<b><u>133</u></b>	<b><u>606,110</u></b>	<b><u>168</u></b>	<b><u>1,816,819</u></b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

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### 5. Trustees' Expenses

There were no Honoraria paid in the year.

Reimbursed expenses were paid to 1 (2021: 5) trustee of the Board in aggregate of £151 (2021: £75). This figure includes expenses reimbursed to the Treasurer and Clerk for duties including, but not restricted to, Board meetings.

6. Employment Emoluments	2022	2021
	£	£
Wages and salaries	186,925	194,119
Employers national insurance	10,206	10,488
Pension costs	<u>19,299</u>	<u>20,347</u>
	<u>216,430</u>	<u>224,954</u>
The average number of employees was	<u>9</u>	<u>10</u>

No employee received £60,000 per annum or more in the current or prior year. All staff are employed by the company.

The company operates a defined contribution pension scheme and contributions are charged as expenditure as they become payable.

Key management personnel are the trustees as directors. Revd S M Faber (Moderator) receives a stipend from the United Reformed Church for his role with the charity.

7. Gains on Investments	2022	2021
	£	£
Realised gain on investments sold	669,878	309,779
Gains previously recognised in Trust accounts	<u>1,099,095</u>	<u>(298,377)</u>
Net (losses)/gains in the year on investments sold	(429,217)	11,402
Unrealised (losses)/gains on investments for the year	<u>(2,991,265)</u>	<u>2,805,946</u>
Net (Loss)/Gain on Investments for the Year	<u>(3,420,482)</u>	<u>2,817,348</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2022**

**8. Movement on Funds**

a) Fund	Balance 1 January 2022 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2022 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	-	8,678	-	(8,678)	-
Major Buildings Development Fund	-	-	-	1,629,907	<b>1,629,907</b>
Energy Efficiency Fund	-	-	-	1,000,000	<b>1,000,000</b>
Manse - General	7,685,332	470,518	(133,995)	(1,886,589)	<b>6,135,266</b>
- Churches	569,940	7,774	-	-	<b>577,714</b>
Church Property	2,778,606	128,994	-	(33,333)	<b>2,874,267</b>
Mission Fund	456,274	-	(112,106)	129,844	<b>474,012</b>
Ministry Support Fund	500,000	-	(218,360)	-	<b>281,640</b>
Ministers Pension Support Fund	2,546,000	-	(72,710)	-	<b>2,473,290</b>
M & M Support Fund	-	<u>99,384</u>	<u>(20,819)</u>	<u>71,376</u>	<u><b>149,941</b></u>
	14,536,152	715,348	(557,990)	902,527	<b>15,596,037</b>
<b>Unrestricted General Funds</b>					
General Purposes	10,865,032	2,237,859	(523,582)	(4,320,910)	<b>8,258,399</b>
<b>Restricted Funds</b>					
Choyce legacy	<u>21,332</u>	<u>361</u>	<u>(10,610)</u>	<u>(2,098)</u>	<u><b>8,985</b></u>
<b>Total Funds</b>	<u><b>25,422,516</b></u>	<u><b>2,953,568</b></u>	<u><b>(1,092,182)</b></u>	<u><b>(3,420,481)</b></u>	<u><b>23,863,421</b></u>

**2021 Comparative figures**

a) Fund	Balance 1 January 2021 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2021 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	-	8,556	-	(8,556)	-
Manse - General	10,217,787	574,567	(128,592)	(2,978,430)	<b>7,685,332</b>
- Churches	590,851	6,461	(27,372)	-	<b>569,940</b>
Church Property	2,688,611	54,519	(30,666)	66,142	<b>2,778,606</b>
Mission Fund	520,089	-	(63,815)	-	<b>456,274</b>
Ministry Support Fund	500,000	-	-	-	<b>500,000</b>
Ministers Pension Support Fund	-	-	<u>(1,454,000)</u>	<u>4,000,000</u>	<u><b>2,546,000</b></u>
	14,517,338	644,103	(1,704,445)	1,079,156	<b>14,536,152</b>
<b>Unrestricted General Funds</b>					
General Purposes	9,415,204	288,734	(572,665)	1,733,759	<b>10,865,032</b>
<b>Restricted Funds</b>					
Choyce legacy	<u>34,489</u>	<u>410</u>	<u>(18,000)</u>	<u>4,433</u>	<u><b>21,332</b></u>
<b>Total Funds</b>	<u><b>23,967,031</b></u>	<u><b>933,247</b></u>	<u><b>(2,295,110)</b></u>	<u><b>2,817,348</b></u>	<u><b>25,422,516</b></u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2022**

**8. Movement on Funds (continued)**

**Transfers between reserves**

Included within Other Movements above are transfers between funds as follows:-

	General purposes Unrestricted £	Energy Efficiency Fund Designated £	Church Building Fund Designated £	Mission Fund Designated £	Major Buildings Development Designated £	Manse Fund Designated £	M & M Support Fund Designated £
Transfer major buildings development fund	(1,831,127)	-	-	129,844	1,629,907	-	71,376
Creation Energy Efficient Fund	-	1,000,000	-	-	-	(1,000,000)	-
Transfer deficit on Church Buildings Fund	8,678	-	(8,678)	-	-	-	-
	<u>(1,822,449)</u>	<u>1,000,000</u>	<u>(8,678)</u>	<u>129,844</u>	<u>1,629,907</u>	<u>(1,000,000)</u>	<u>71,376</u>

Summary	Balance 1 January 2022 £	Income £	Expenditure £	Other Movement £	Balance 31 December 2022 £
Restricted	21,332	361	(10,610)	(2,098)	8,985
Designated	14,536,152	715,348	(557,990)	902,527	15,596,037
Unrestricted	<u>10,865,032</u>	<u>2,237,859</u>	<u>(523,582)</u>	<u>(4,320,910)</u>	<u>8,258,399</u>
<b>Total funds</b>	<u>25,422,516</u>	<u>2,953,568</u>	<u>(1,092,182)</u>	<u>(3,420,481)</u>	<u>23,863,421</u>

**b) Purpose of Funds**

During the year, to establish more transparency in accounting for the balances relating to the funds of closed churches and pulpit supply cost reimbursement from the URC nationally, the Trustees have changed the recognition policy to move the balances received out of creditors and into designated funds. This has meant recognising the income in the SOFA, and the movement this year reflects the adjustment relating to a number of years.

**General Purposes Fund - Unrestricted**

Unrestricted funds are needed to cover the support costs and grants for the above objects and the administration costs without which the Synod could not function.

**Church Buildings Fund - Designated**

To provide funds which could supplement those already available within local churches for the improvement and maintenance of their properties. Support may be in the form of grants or loans.

**Retired Ministers Housing Fund - Designated**

To provide the capital for long term loans to supplement the purchase of accommodation for retired ministers or their partners, together with Synod's share of the maintenance costs for those properties.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

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### 8. Movement on Funds *(continued)*

#### **Manse General - Designated**

Mainly accumulated from the proceeds of manse sales when a replacement manse is not required, this fund provides long term loans to local churches in order for them to purchase a manse at a time when they do not have sufficient funds, and to supplement funds already available within local churches for the improvement and maintenance of their properties.

#### **Manse Churches - Designated**

To hold the proceeds of manse sales when the church concerned is expecting to purchase a replacement. A separate fund for each church consists of the proceeds of sale together with interest thereon, which provides growth to the capital value. The total is available towards the cost of purchasing a new manse.

#### **Mission Fund - Designated**

Funds to support local churches in their mission activity.

#### **Choyce Legacy - Restricted**

To be shared between the Church of North India Children's Development Unit, the Mission Fund of the Synod and Hatherton Church in accordance with the Will of Colin Choyce.

#### **Church property – Designated**

Funds from the disposal of the properties or land at Stoke Chapel, Hall Green URC, Hollymount URC, Olton URC, Hobs Moat URC, Foleshill URC, Worcester URC, St John's Stone URC and Baxter URC pending a decision on future their use.

#### **Ministry Support Fund**

Funded by a transfer of £500,000 from general funds to meet the costs of staff to supplement deployed ministry.

#### **Ministers Pension Support Fund – Designated**

During the previous year a formal resolution was passed making a commitment to support the United Reformed Church Ministers Pension Fund financially if required.

#### **Major Buildings Development Fund - Designated**

The Major Buildings Development Fund was established to receive the net proceeds of sale of closed churches. The fund is intended to facilitate the extension, rebuilding or conversion to new purposes of church buildings.

#### **Energy Efficiency Grants - Designated**

In response to a rapid rise in energy costs and an extension of our commitment to help churches move to a low or zero carbon future it was recognised that there was a need to support churches in improving their energy efficiency. The fund was established by a transfer between reserves and whilst application were received during 2022, the first grants were not approved until January 2023.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2022

9. Tangible Fixed Assets	Property £	Office Equipment £	Total £
<b>Cost</b>			
At 1 January 2022 and 31 December 2022	<u>379,684</u>	<u>10,968</u>	<u>390,652</u>
<b>Depreciation</b>			
At 1 January 2022	144,781	10,968	155,749
Charge for the year	<u>11,137</u>	<u>-</u>	<u>11,137</u>
<b>At 31 December 2022</b>	<u>155,918</u>	<u>10,968</u>	<u>166,886</u>
<b>Net Book Value</b>			
At 31 December 2022	<u>223,766</u>	<u>-</u>	<u>223,766</u>
At 31 December 2021	<u>234,903</u>	<u>-</u>	<u>234,903</u>

All assets are used for charitable purposes.

10. Fixed Asset Investments	Listed Investments			Total
	Fixed Interest £	Equities £	Cash £	£
Market value at 1 January 2022	847,059	23,133,921	67,577	24,048,557
Additions	286,920	1,938,712	122,046	2,347,678
Sales and redemption	-	(2,245,969)	-	(2,245,969)
Net investment gains	<u>(57,359)</u>	<u>(2,933,906)</u>	<u>-</u>	<u>(2,991,265)</u>
<b>Market Value at 31 December 2022</b>	<u>1,076,620</u>	<u>19,892,758</u>	<u>189,623</u>	<u>21,159,001</u>
<b>Cost at 31 December 2022</b>				<u>16,961,921</u>

11. Programme Related Investments	2022 £	2021 £
<b>Cost at 1 January 2022</b>	<b>2,385,349</b>	2,424,250
Manse purchased	377,885	-
Manse sale/repayment on investments	<u>(68,345)</u>	<u>(38,901)</u>
<b>Cost at 31 December 2022</b>	<u>2,694,889</u>	<u>2,385,349</u>
These investments relate to:-	2022 £	2021 £
- Manses	2,688,865	2,379,325
- Retired Ministers Housing	<u>6,024</u>	<u>6,024</u>
	<u>2,694,889</u>	<u>2,385,349</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

No interest is charged on the initial value of the investment, but benefits should arise when the properties are sold and the company recovers a proportion of the proceeds relating to the investment proportion of the total original cost. Retired Ministers Housing shows return of a legal charge when a property was sold.

<b>12. Debtors</b>	<b>2022</b>	<b>2021</b>
	£	£
Other debtors	113,408	74,310
Prepayments	<u>14,348</u>	<u>11,305</u>
	<u><b>127,756</b></u>	<u><b>85,615</b></u>

### 13. Cash and Short Term Deposits

	Bank Current Account £	Charities Official Investment Fund £	Epworth Deposit Fund £	Total £
General purposes	48,093	1,335	986,158	1,035,586
Designated accounts	-	546,846	-	546,846
Restricted funds	<u>642</u>	-	-	<u>642</u>
<b>Balances as at 31 December 2022</b>	<u><b>48,735</b></u>	<u><b>548,181</b></u>	<u><b>986,158</b></u>	<u><b>1,583,074</b></u>
General purposes	49,412	1,322	450,057	500,791
Designated accounts	-	74,960	-	74,960
Restricted funds	<u>281</u>	-	-	<u>281</u>
<b>Balances as at 31 December 2021</b>	<u><b>49,693</b></u>	<u><b>76,282</b></u>	<u><b>450,057</b></u>	<u><b>576,032</b></u>

### 14. Creditors

<b>a) Amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	£	£
Amounts due to United Reformed Church and related Bodies	73,334	97,037
Other creditors – support for Ministers' Pension Fund	832,667	461,075
Accruals -	48,249	53,710
Mission grants approved	202,242	182,190
Building grants approved	<u>78,091</u>	<u>74,028</u>
	<u><b>1,234,583</b></u>	<u><b>868,040</b></u>
<b>b) Amounts falling due after more than one year</b>	<b>2022</b>	<b>2021</b>
	£	£
Amounts due to United Reformed Church	219,903	28,210
Support for Ministers' Pension Fund	<u>444,043</u>	<u>992,925</u>
	<u><b>663,946</b></u>	<u><b>1,021,135</b></u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2022**

**c) Provisions**

Provision relates to Manse repair allowance of £500 per manse which can be carried forward for up to two years. The commitment is non contractual. The balance is the total provision less sum of claims made.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Provision for charges	<b><u>26,536</u></b>	<b><u>18,765</u></b>

**15. Disposition of Funds as at 31 December 2022**

<b>Fund</b>	<b>Fixed Assets £</b>	<b>Investments £</b>	<b>Programme Related Investments £</b>	<b>Debtors/ Creditors £</b>	<b>Cash and Deposits £</b>	<b>Total £</b>
<b>Designated Funds</b>						
Retired Ministers Housing	-	-	6,024	(6,024)	-	-
Manse- General	-	2,508,837	2,688,865	27,564	910,000	6,135,266
- Churches	-	577,714	-	-	-	577,714
Ministers Pension Fund	-	3,750,000	-	(1,276,710)	-	2,473,290
Church Property	-	2,874,267	-	-	-	2,874,267
Major Buildings Development	-	1,629,907	-	-	-	1,629,907
Energy Efficiency Fund	-	910,000	-	-	90,000	1,000,000
M & M Support Fund	-	104,941	-	-	45,000	149,941
Mission Fund	-	528,495	-	(131,725)	77,242	474,012
Ministry Support Fund	-	455,963	-	(218,360)	44,037	281,640
<b>Unrestricted Funds</b>						
General Purposes	223,766	7,810,534	-	(192,054)	416,153	8,258,399
<b>Restricted Funds</b>						
Choyce Legacy	-	8,343	-	-	642	8,985
<b>Total Funds</b>	<b><u>223,766</u></b>	<b><u>21,159,001</u></b>	<b><u>2,694,889</u></b>	<b><u>(1,797,309)</u></b>	<b><u>1,583,074</u></b>	<b><u>28,863,421</u></b>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2022

2021 Comparative figures

<i>Fund</i>	<i>Fixed Assets</i> £	<i>Investments</i> £	<i>Programme Related Investments</i> £	<i>Debtors/ Creditors</i> £	<i>Cash and Deposits</i> £	<i>Total</i> £
<b>Designated Funds</b>						
<i>Retired Ministers Housing</i>	-	-	6,024	(6,024)	-	-
<i>Manse- General</i>	-	5,231,050	2,379,325	-	74,960	7,685,335
<i>- Churches</i>	-	569,939	-	-	-	569,939
<i>Ministers Pension Fund</i>	-	4,000,000	-	(1,454,000)	-	2,546,000
<i>Church Property</i>	-	2,778,606	-	-	-	2,778,606
<i>Mission Fund</i>	-	-	-	456,274	-	456,274
<i>Ministry Support Fund</i>	-	-	-	500,000	-	500,000
<b>Unrestricted Funds</b>						
<i>General Purposes</i>	234,903	11,447,910	-	(1,318,575)	500,791	10,865,029
<b>Restricted Funds</b>						
<i>Choyce Legacy</i>	-	21,052	-	-	281	21,333
<b>Total Funds</b>	<u>234,903</u>	<u>24,048,557</u>	<u>2,385,349</u>	<u>(1,822,325)</u>	<u>576,032</u>	<u>25,422,516</u>

16. Commitments

**Property**

The office is situated on land that is registered in the name of the United Reformed Church (West Midlands) Trust Limited and held on statutory trusts in favour of Digbeth-in-the-Field United Reformed Church. Under an informal agreement, the Trust company pays a nominal sum to the local church for the use of the land.

**Guarantees**

The United Reformed Church (West Midlands) Trust Limited has acted as guarantor on behalf of a number of churches who have sought external grant funding. The various terms and conditions of these grants may require repayment in the event of church closure within a specified period. At the year end the trustees had no reason to believe that the likelihood of repayment was anything other than remote and therefore no additional disclosure or provision has been made.

**Contingent Liability**

The Trust has given a commitment to the national URC that, in the event that the actuarial valuation in 2024 of the URC Ministers Pension Fund demonstrates that it is necessary to provide additional financial support, they will contribute additional sums to the URC Trust totalling £1,400,500 or less over the period from 2025 to 2027.

A similar commitment has been given in the event that the actuarial valuation in 2027 shows that additional funding is required. In this case the commitment is a contribution of £997,500 or less over the period from 2028 to 2030.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

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### 17. Contingent Assets

At the year end, the properties of three churches and three manses, held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the company, were held. The proceeds will revert to Synod on sale in accordance with the Statutory Trusts on which the properties are held.

### 18. Funds Held as Trustee

#### Local Churches

The United Reformed Church (West Midlands) Trust Limited ("the Trust") acts as Trustee of local church assets. A local church has no legal identity of its own and, therefore, cannot hold property in its own name. The title to its assets must be held on trust by a group of trustees and this can be achieved either by private trustees (individuals) or by a Trust Company. All of the local churches' properties in the West Midlands Synod (save 2) are held by the Trust.

The deeds to church property are vested in the name of the Trust. A Declaration of Trust records which local churches hold properties and, if jointly owned, the shares held by each. The Trust has a share in a few properties and that share is recorded in the Declaration of Trust because the deeds are in the name of the Trust, any legal documents are signed by the Trust, but they are entering into those documents on behalf of the local church.

Similarly, most of the investments and cash deposits owned by local churches in the Synod are held by the Trust as trustee.

In relation to local church buildings, the Trust is the charity trustee. In relation to local church cash, investments and other assets, the Trust is the custodian trustee and the local Elders are the managing trustees. The role of the Trust is to carry out the wishes of the local church expressed in Church Meeting resolutions. Providing the trustees of the Trust have no objections to what they are being asked to do and the appropriate approvals have been obtained, they will act according to the instructions which come from the Elders/local Church.

#### Inter-Synod Resources Sharing

In addition to the funds held for churches the Trust also holds funds on behalf of the URC Inter Synod Resource Sharing process which redistribute funds from wealthier Synods to those Synods in need of support. The funds totalling £379,205 at 31 December 2022 are held in separately identified deposit funds and investments. The funds are controlled by Resource Sharing Task Group drawn from amongst the Synod Treasurers. As a body the Trustees of the Trust play no part in directing the management of these funds.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2022

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### 19. Related Party Transaction

The Trust is the corporate trustee of The James and Freeman Charity. During the year a charge of £2,000 (2021: £2,000) was made to The James and Freeman Charity for the administrative services provided by the Trust to the charity.

Owing to the nature of the charity's operations and the composition of the Board of trustees being drawn from the local United Reformed Churches, grant awards may take place with churches from within the Trust's oversight. All discussions about grant awards or other transactions are undertaken without the presence of the conflicted trustee. Following a change in the Manse Policy, all major repairs to manses are paid for by the Trust, for transparency all such repairs are recorded as grants to churches and noted below where they relate to a church where a trustee or officer would have otherwise been considered to have a conflict.

The following transactions arose in the year:-

Beneficiary	Purpose	Committee	Value £	Related Party	Relationship
Holyhead Road URC	Church repair	Resources & compliance committee	5,628	Mr S Powell	Trustee
Holyhead Road URC	Mission	Resources & compliance committee	4,000	Mr S Powell	Trustee
Shropshire Area	Admin Support to Ministers	Ministry Support Fund	8,904	Mr M Davies	Finance officer
CIGB	Ecumenical Grant	Missional Disciplineship	5,000	Rev S Faber	Trustee

### 20. Financial Instruments

Financial assets measured at fair value through net income comprise fixed asset investments with a value of £20,969,378 (2021: £23,980,980).

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

England & Wales - Charity number 507027

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# Accounts

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**Company Number: 01337047**  
**Charity Number: 507027**

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2021**

**MHA MACINTYRE HUDSON**  
**Chartered Accountants and Registered Auditors**  
**Rutland House**  
**148 Edmund Street**  
**Birmingham**  
**B3 2FD**

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2021

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### Reference and Administrative Information

#### Registered Office

Digbeth-in-the-Field United Reformed Church  
Moat Lane  
Yardley  
Birmingham B26 1TW

#### Directors and Trustees

Mr D.S. Black  
Mr T. Dicker  
Revd S.M. Faber  
Revd E. Hutchinson  
Mr G. Justham (resigned 10 March 2022)  
Mrs M.F. Marshall  
Mr A. Mottram (resigned 31 March 2021)  
Mr G.W. Potter (resigned 10 March 2022)  
Mr S.M. Powell (Treasurer)  
Mr K. Thomas  
Revd D.M. Walton (Chair of Trust)

#### Company Secretary

Mrs K. Harris (resigned 27 January 2022)

#### Bankers

Lloyds TSB Bank  
(Kings Heath branch)  
P O Box 1000 BX1 1LT

#### Legal Advisors

Slater Heelis  
Lloyds Bank Buildings, 16 School Road  
Sale, Cheshire M33 7XP

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

#### Auditor

MHA MacIntyre Hudson  
Rutland House, 148 Edmund Street  
Birmingham B3 2FD

#### Investment Manager

Smith & Williamson  
9 Colmore Row  
Birmingham B3 2BJ

#### Synod Officers

Moderator – Revd S.M. Faber  
Synod Clerk – Mr R. Lockley until July 2021 then Mrs R Wakeman  
Synod Treasurer – Mr S.M. Powell  
Trust Officer – Mrs K. Harris (until February 2022)  
Finance Officer – Mr M.N. Davies  
Property Officer – Mr M. McDade  
Training and Development Officer – Revd S.P. Scott  
Evangelist – Revd N. Stanyon  
Children's and Youth Development Officer – Mr R. Knott  
Safeguarding Officer – Mrs D. Gordon

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2021

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### **Structure, Governance and Management**

The United Reformed Church (West Midlands) Trust Limited (“The Trust”) holds the assets and liabilities of the West Midlands Synod of the United Reformed Church (“Synod”). The Trust is a company limited by guarantee formed on 2 November 1977 and a registered charity. It is governed by its Memorandum and Articles of Association as revised in 2008 and 2021.

### **Trustees**

The directors of the company, who are also trustees of the charity for the purposes of charity law, serve as members of the Board. All members of the Board give their time voluntarily and receive no benefits from the Trust other than the reimbursed expenses shown in note 5 to the financial statements.

Trustees serving on the Board during the year were as follows:

Mr D.S. Black, Mr T. Dicker, Revd S.M. Faber, Revd E. Hutchinson (from March 2021), Mr A. Mottram (until March 2021), Mr G.W. Potter, Mr S.M. Powell (Treasurer), Mrs M.F. Marshall, Mr K. Thomas, Mr G. Justham and Revd D.M. Walton (Chair of Trust).

### **Appointment of new trustees**

The Synod, which has the sole power to appoint members of the Board, delegates its power to the Synod Executive (formerly known as Synod Mission Council, a sub-committee of the Synod) in between meetings. The Synod Executive considers individuals with relevant experience who are eligible for appointment.

Members of the Board must be a member of the United Reformed Church (“URC”) or of a Local Ecumenical Partnership involving the URC. There is no formal programme for the induction and training of trustees although all are encouraged to attend relevant seminars arranged by the Trust’s professional advisors.

### **Indemnity Insurance**

Indemnity insurance of up to £5,000,000 is in place to cover the liability of the trustees in relation to negligence, default, breach of duty or breach of trust. This cover has been arranged through Ansva Insurance Company Limited.

### **Organisational structure**

Whilst the Trust holds the assets and liabilities of the Synod, it is the Synod which sets policy subject to Trust endorsement and further details of the constitution of the Synod are given below. Any decisions made by the Synod which have financial implications for the Trust must be referred to the Board for approval before being implemented and would normally only have been made by the Synod in the light of advice from the Trust.

The Synod Resources and Compliance Committee has oversight of Synod Finance and Synod Property. Its membership consists of Synod Officers, their line Managers and others with appropriate skills identified and appointed by Synod Executive. The terms of reference and membership are kept under review.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2021

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A Reference Committee has authority to approve urgent transactions between meetings, provided that they meet normal qualifications and are reported to the next meeting. It does not normally take decisions which involve substantial sums of money. The Reference Committee for the Resources and Compliance Committee consists of the Moderator, Synod Clerk, Synod Treasurer and Chair. The Reference Committee for the Trust consists of the Moderator, Synod Treasurer, Chair and at least one other trustee.

#### ***KMP remuneration policy***

Key management personnel are the trustees of the charity and do not receive remuneration other than the Moderator who is remunerated by the national United Reformed Church, which accordingly makes decisions on the stipend. Decisions on remuneration levels for paid staff are based on consideration of the market rates for staff with the relevant qualifications and experience to fulfil roles, regard is had to published pay scales for similar roles. All rates of pay are reviewed annually and amended in the light of changes in the cost of living and known pay rises elsewhere in the URC.

#### ***Constitution of the Synod***

Synod is constituted in accordance with the Scheme of Union and the United Reformed Church Acts of 1972, 1981 and 2000 ([www.urc.org.uk](http://www.urc.org.uk)). It has oversight of the URC in the West Midlands (covering an area from the Welsh Border across to Rugby and from Leek in North Staffordshire down to Wotton-under-Edge in Gloucestershire) fulfilling consultative, legislative and executive functions. Synod meets twice a year and consists of ministers, representatives of each local church and ecumenical representatives together with Synod Officers.

The Trust has responsibility for all Synod finance related matters except for Ministry and Mission Fund matters (by which churches pay for ministry) for which the Resources and Compliance Committee has delegated responsibility. Ministers' stipends are paid centrally with Synods agreeing with their local churches the level of payments to the central Ministry and Mission Fund. The remit of the Resources and Compliance Committee includes delegated authority for agreeing grants, particularly for property, within criteria and budgets set by the Trust.

Other business between Synod meetings is dealt with by Synod Executive and its committees. Synod Executive comprises some Synod Officers, Convenors of Synod Committees and representatives from the Areas within Synod (see [www.urcwestmidlands.org.uk](http://www.urcwestmidlands.org.uk)). During the year there were seven Areas. The work of Synod Executive is organised through committees with responsibility for specific aspects within the life of the Church.

#### ***Relationships with the URC General Assembly***

The Synod acts as a bridge between the work of the local church and the General Assembly. It carries an oversight function for the local churches within the context of the General Assembly's policies. The councils of the United Reformed Church (Church Meeting, Synod and General Assembly) have a covenantal relationship which means that they have an awareness of and responsiveness to the needs and mission of the whole Church. This is expressed in many ways but not least in the Plan for Partnership through which ministry is supported and in the resource sharing arrangements between Synods.

#### ***Related parties***

Local United Reformed Churches operating in the West Midlands area are separate independent charities. There is no common control or unity of administration with any of these bodies and they are not deemed to be connected charities within the understanding of the Charities SORP 2015.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2021

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### ***Property Holding Trustee***

The Trust acts as trustee on behalf of most of the United Reformed Churches in the West Midlands holding properties on trust for them in accordance with the Statutory Trusts as set out in the United Reformed Church Acts. The insured value of these properties exceeds £200 million and there are guidelines in place to minimise the risk to the Trust of actions by local churches in respect of these assets.

### ***Custodian Trustee***

The Trust acts as custodian trustee for some churches and other URC related organisations, holding investments separately on their behalf. The investments have a value of approximately £1.603m and the local churches have objects similar to the Synod.

### ***Risk management***

Synod has undertaken a thorough Risk Assessment review and reviews it regularly. This process considers the risks to which the Synod and Trust are exposed and agrees policies and actions to minimise any potential exposure to those risks. The reserves policy and investment policy of the Trust are considered to play a key part in mitigating the major risk of having insufficient resources to provide the appropriate level of support to United Reformed Churches within the Synod area.

### **Objectives and activities**

The objects of the Trust, as set out in the company's memorandum of association, are:-

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 West Midlands Synod of that Church.

The aim of the Trust, through the work of the Synod, is to provide financial, pastoral, educational and technical support to local URC congregations, their Ministers, Elders and lay people in their life and mission. It is also to share the vision of the United Reformed Church's General Assembly with the local churches. This it has done through the development of a Synod strategy which is heavily based on the Assembly's Vision 2020 initiative – a framework for developing the United Reformed Church's mission towards 2020 and beyond. The Board has overall responsibility for decisions relating to the assets held at Synod and local church level.

### **Ensuring delivery of the Trust's aims and public benefit**

The trustees have referred to the general guidance issued by the Charity Commission on public benefit when considering the delivery of activities in furtherance of the aims and objectives. The Trust, through the work of the Synod, supports 101 churches in the region with 3,187 United Reformed Church members. Our support of these churches and their congregations aims to further their purposes in advancing the Christian religion.

Although from time to time churches to which trustees may belong are beneficiaries of financial support, there are agreed procedures to ensure that no trustee derives a private benefit and that no undue bias arises in considering the merits of the application. Potential conflicts of interest are declared and noted in relation to trustees, Synod Officers and others. Minutes and other appropriate records are kept including how discussion and decision making has subsequently been carried out when a conflict has been declared.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2021

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### ***Financial support and grant making policies***

A range of loans, sometimes held as programme related investments, and grants are available to local churches to assist them with their mission and with improvement and maintenance of properties and to local ministers to support ministerial training, development and sabbaticals.

As a result of the COVID 19 restrictions it was recognised that many of our churches would be severely adversely affected financially. The Trust immediately introduced a system of support, subject to certain criteria, which benefitted 87 of our churches and cost £384K during 2020. In response to changing circumstances the criteria for support during 2021 were redefined, with support of £52K being given to 18 churches.

A Synod Mission Fund of £1 million was established in 2010, an idea introduced as part of the Vision 2020 process. The Synod created the fund as part of its responsibility to encourage, enable and support local churches in their mission activities. The Fund is a resource to enable mission to develop and, in particular, as a financial support to Mission pledges.

The Trust has designated £500,000 for a new Ministry Support Fund with the aim of supporting local ministry and creating lay posts specifically focussed on church growth. In 2021 there were no applications to the fund, but several applications were being developed and expected within the early months of 2022.

Another important aspect of the support offered to churches is through the Synod Manse Policy. In addition to grants and short-term loans for improving existing manses, capital investment is often made when purchasing replacement manses to improve standards. The Trust has enabled the purchase of replacement houses before sale of the existing manse in certain instances. During 2020 the Trust introduced a Manse Repairs allowance for £500 to cover the cost of routine maintenance to ensure that there should be no financial reason why necessary repairs should not be carried out, so ensuring good quality housing to our ministers. Further, the Trust also now pays for the insurance of manses. The Trust also provides contributions from the sale of redundant church buildings to support The United Reformed Church Ministers' Pension Fund. The Trust is active in the Inter Synod Resource Sharing system which supports the United Reformed Church Synods with least resources.

The Trust has an approved grant making policy, which is kept under review. The current rate of Property Grants is 25% of cost subject to a maximum of £30,000 in any three year period. The grant making policy for ministerial training is based on national guidelines. In all cases grant awards are made after consideration of the mission statement and financial situation of the applicant.

### **Major Building Development Fund**

In response to church closures a proposal has been agreed to establish a Major Buildings Development Fund to invest both in Church Buildings and Church Mission using the proceeds of closed churches. The level of support will far exceed the previous limits both in terms of the proportion of spending that will be funded and the absolute value. The initial funding will be from the entire proceeds of two particular churches and in future 80% of proceed of futures sales with the remaining 20% being allocate to Mission purposes. At the year end no funds had been received into the fund.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2021

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### ***Pastoral and Educational support***

The role of the Moderator is to work with Synod Officers and Committees to provide spiritual, strategic and pastoral leadership to churches within the West Midlands Synod. This objective is met by the care, encouragement, support and challenging of ministers and churches through meetings, conferences, visits and training events and being responsive when difficulties arise.

The Synod is divided up into Areas to help communication and pastoral support to develop more readily across the region. A key body in this process is the Ministry Development Committee (MDC). It comprises a representative from each Area with the Moderator and key Synod Officers and it is chaired by a Minister of the Synod. In the context of the Areas the Moderator is instrumental in encouraging conversations about pastorates and calling of ministers. MDC is responsible for setting the policies on how ministry shall be deployed across the Synod.

The Synod Training and Development Officer and the Synod Evangelist are Ministers of Word and Sacraments, inducted to their Synod roles following a call issued and accepted recognising their appropriate skills and experience. The Children and Youth Development Officer is a salaried post, with recruitment also based on skills and experience.

The role of the Synod Training and Development Officer is to implement those parts of the Synod Mission Strategy concerned with establishing, developing and control of lay training, and to implement those parts of the Synod Mission Strategy concerned with EM1, EM2 and EM3 (Education for Ministry Phases 1-3) as a lifelong and ongoing process for Ministers and Church Related Community Work Ministers, and to provide advice, support and guidance as appropriate in relation to training in other aspects of mission and ministry in the Synod.

The Synod Evangelist works with local congregations encouraging and responding to invitations from local churches to be involved in specific outreach projects. He also offers training in evangelism and explores with elders, churches and individuals how they can be responding to opportunities to share their faith.

The Children and Youth Development Officer supports and enables the work in local churches with Youth and Children.

### ***Technical support***

The Synod Finance, Property, Trust and Safeguarding Officers and Synod Clerk are paid staff recruited on the basis of their professional experience and skills to enable day to day operations.

In addition to being in charge of the Accounts, the Synod Finance Officer is Secretary to the Synod Mission Fund Panel and assists local Churches with their grant applications and other areas of church finance. He plays a role in developing new policies for control of Synod finances and supporting churches financially. He also deals with the calculation and allocation of contributions to the Ministry and Mission Fund which funds ministers' stipends and the work of the wider church. Part of the role involves the efficient management of cash and working with the Investment Sub Committee and Investment Managers to generate income to run Synod. The Finance Officer is active in management of the funds for Inter Synod Resource Sharing.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2021

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The Synod Property Officer provides technical support to local churches in the maintenance and enhancement of their church buildings. This includes working closely with local church leadership to resolve practical and technical issues regarding various projects.

Where churches are Listed buildings, Synod has a statutory role under Ecclesiastical Exemption, which the Property Officer carries out with the assistance of other officers of the wider United Reformed Church. In addition, Synod seeks to provide advice and guidance to assist churches to meet their obligations for Listed Buildings while developing their mission and vision. Support is also provided in other areas where changes in policy or legislation have to be implemented on a practical basis at local church level and training and/or advice is made available to these churches including the provision of an annual conference for church treasurers and those interested in finance and the provision of Health and Safety awareness to Church Elders.

The Synod Trust Officer is Secretary to the Board and the Synod Resources and Compliance Committee. They offer support to local Churches and other officers particularly in the areas of governance and charity law, working with solicitors and others as appropriate.

The Synod Safeguarding Officer works with local churches to ensure that children and adults at risk are protected to the best of our ability. She is responsible for co-ordinating safeguarding training around the Synod and ensuring that the revised policies and procedures for safeguarding in the fifth edition of the United Reformed Church's Good Practice Guide are implemented.

The Synod Clerk has oversight of Synod and its Committees, supporting the Moderator, representing the Synod nationally and locally, and providing guidance on governance and procedures.

In some cases, churches may need legal or other professional advice. The Trust continues to encourage appropriate use of external advice and assists with securing services which are effective and provide best value. Following a review of legal services in 2017 when the decision was made to work with more than one firm of Solicitors, the Trust has continued to work with Towns Needham, now part of Slater Heelis, as well as Veale Wasbrough, with the former providing support particularly in areas requiring specialist knowledge of the URC Acts.

### **COVID-19 Pandemic response and support**

The continued pandemic, with further periods of lockdown and restriction on activities, has resulted in further detrimental effects on church attendance and activities, although most churches were able to resume something like more normal operation between lockdown periods. When the pandemic caused some churches to be closed for physical meetings, many churches were able to move to online worship, some of which were supported through grants from the Mission Fund to provide new equipment. That funding stream remains open to churches. Other congregations, recognising their local context, decided to distribute paper-based worship and devotional resources. Additionally, some churches were able to offer prayer and Bible study meetings online, as well as social activities.

Staff continued to operate a mixed mode of work in the office and working from home.

Trust and committee meetings have continued with the usual frequency using video conferencing, enabling decision making to continue. Attendance and engagement by committee members have been good.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2021

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#### Achievements and performance

Financial support in the form of grants was made to local churches during the year to assist with the improvement and maintenance of church buildings and manses, details of which can be found in note 4 to the financial statements.

During 2021, the Property Officer continued to deliver a programme of investment into the manse stock required to meet future ministerial deployment across the Synod bringing consistency in the improvement, maintenance/repair and energy efficiency of the property portfolio. Following approval of the new Synod Manse Policy in 2018, the Synod Property Officer in consultation with the Synod Finance Officer continued to support improvement works to manses.

The Synod Mission Fund continues to support local churches in mission activity and the achievement of mission pledges. The Synod has amended the criteria to make it more accessible to smaller churches. During the year grants were awarded to support: -

- Uttoxeter URC-Schools Ministry
- Sutton Coldfield URC-Parish Nurse
- Quarry URC-Development Work
- Broadway URC-Youth Worker
- For digital development-
  - Ashcroft Church
  - St Andrews Sedgley
  - North Warwickshire Pastorate
  - Shrewsbury URC

The Synod Mission Fund balance is £456,274 which includes £13,100 from a legacy for use in the Coventry Area. Grants of £68,315 have been awarded in 2021.

Our global partnership with the Diocese of Durgapur was maintained, with continued involvement of the Trust in managing further release of the legacy which financed the Colin Choyce Hostel for children at risk or rescued from human trafficking and now contributes to running costs. During 2021 £13,000 was sent to this project.

The Synod Safeguarding Officer (SSO) continues to support the West Midlands churches with safeguarding advice, support, training and casework. Annual returns analysis showed that engagement and training are still a priority for the region, together with a small amount of loss of active members to fill roles of safeguarding coordinator and deputy. The SSO is working with churches to identify issues and offer interim and/or collaborative solutions. The interest and commitment to safeguarding in WM churches remains healthy given the difficult circumstances due to the pandemic. A majority of enquiries to the SSO from churches are to ask for advice and clarity on policy and good practice and requests for training. The number of cases remains relatively low for the WM.

## **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

### **Annual Report**

#### **Year Ended 31 December 2021**

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The SSO has so far delivered 95% of the training schedule for October 2021 – February 2022 with restrictions causing minimal disruption. Two face to face sessions were able to go ahead, proving to be a refreshing change to zoom. The Safeguarding Coordinators Forum held its first meeting in the Autumn. This forum has been created to offer additional support to church safeguarding coordinators and their deputies. The forum was received well by over 20 attendees and ideas and suggestions for future forums were forthcoming. The SSO regularly meets with the safeguarding peer support group established with a small group of URC Safeguarding Officers to support and ensure good practice. The SSO continues to establish links with statutory and voluntary sector agencies, taking up opportunities to attend training.

The Training and Development Officer led the planning and delivery of the residential Ministers Conference in September 2021. He has led worship in a number of local churches otherwise activity has continued to be predominantly online and remote. The Officer continued to share in hosting the occasional Ministers Forum, the Lay Preachers Meet and Share, and the Church Secretaries Consultation. He also continued to offer advice and guidance for Ministers eligible for sabbatical leave and for applications for EM3 funding. He shared in the College reviews of ordinands in the EM1 phase of training and supported those in the EM2 phase. The Officer shared with his colleague in the East Midlands Synod in the planning and delivery of a day for lay preachers on preparing worship for Advent, with sessions led by staff from Westminster College, Cambridge, where the Officer continues to convene the Board of Studies and be a Governor. Online opportunities for elders training have been offered and he has shared in an online book group. He is supporting the Evangelist in taking the “Leading your Church into Growth” initiative forward in the Synod.

The Synod Evangelist continued to help with online worship and ‘life in lockdown’ videos, helped run an online Lent course and ran a second online alpha course. Once churches went back into their buildings, their focus was largely on enabling safe worship and fewer churches called on the Evangelist’s time and skills. Looking forward, the Evangelist has attended training with “Leading your Church into Growth” and plans to encourage churches using this.

Work in the local churches with Youth and Children continues to be supported the Children and Youth Development Officer (CYDO). He is in regular contact with local churches offering encouragement and support to those who minister alongside children and young people in all parts of the Synod. During the Covid-19 restrictions on physical gatherings Richard utilised digital technology and when the possibility of physical meetings lifted, a day trip was organised for young people who had previously only gathered in an online space. Regular information on events and resources are circulated via email, social media channels and newsletters. The CYDO continues to be available to churches in the Synod to offer support, encouragement and resources.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2021

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A comprehensive ministerial deployment plan for the next ten years was completed in 2017 and accepted by Synod Ministry Development Committee, identifying how we intend to use decreasing ministerial resource over this period. Implementation of the plan had begun. However, a change in protocols agreed at General Assembly level means that implementation of that plan has to be accelerated. The United Reformed Church as a whole is below the planned level of Stipendiary Ministers, and the West Midlands Synod must now operate within strict limits of its "share" of the limited pool. Further consultation was undertaken and a revised deployment plan was accepted at the October 2021 Synod meeting. Work is now underway to appoint new Stipendiary Ministers according to a strategic priority agreed by the Synod. Local churches will need to identify other local patterns of leadership to work with Stipendiary Ministers and the Synod is committed to supporting our churches as they seek to discern and develop new leadership patterns.

### Financial review

#### ***Financial Statements***

The financial statements, including the notes, have been prepared in compliance with the new Statement of Recommended Practice "SORP2015 (FRS102)". The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust do not sell goods or services, nor are there any other trading activities.

A financial review document is made available to all members of Synod, and local churches if requested. This document highlights the main features of these financial statements. The review includes a comparison between the budget and the final operating income resources and expenditure.

#### ***Statement of Financial Activities***

The Statement of Financial Activities is shown on page 19, with a more detailed analysis of income and expenditure on pages 27 to 30.

Following a reduction in 2020, during 2021 operating income increased by 15.4%, this was attributable to investment income recovering and donations from Churches supported during 2020 and able to claim business interruption insurance. There was a 14.7 % increase in investment income following reductions in dividends received during 2020. In addition, a surplus of £353,997 was realised from sale of a Manse, this contributed to allowing us to invest an additional £451,500.

Following additional Covid support spending in 2020 spending during 2021 returned to a more sustainable level of £841,110. It was pleasing that the Synod Mission Fund was able to award grants of £63,815. Once again, we released £13,000 from a Restricted Legacy to the Church of North India for the running costs of a Children's Hostel. We continue to invest in our buildings, Church property grants increased from £54,304 to £59,599. However, having completed the majority of the manse improvement programme, spending on manses reduced to £22,501 with a further £22,514 on manse repairs and insurance.

The restrictions in place during 2021 limited the ability for training to take place resulting in Training grants and training costs for Ministers, Lay Preachers and Members remaining lower than in the past. The Trust is fully committed to supporting the training costs of those at all levels within the Synod.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2021

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Other incoming resources consisted of surplus on disposal of a manse at Stratford, these proceeds are held in the Synod Manse Fund and allow the Synod to advance capital for the upgrade and replacement of manses so that they are of a suitable standard.

During the year a consultation on the deficit on the URC Ministers' Pension Fund resulted in the Synod agreeing support of £4m over 9 years commencing in 2022, this sum was transferred from the Synod Manse Fund to a Ministers' Pension Support Fund. In 2021 £1,454k of this sum was recognised as a creditor with an equivalent charge to expenditure.

A rise in the stock market resulted in unrealised gains of £2,817k.

The total increase in funds was £1,455,485.

#### **Balance Sheet**

Reference has been made above to the increase in the funds balance. An analysis of the funds movements is shown on page 35.

Programme Related Investments stood at £2,379,325 relating to 15 manses. These are funds invested by Synod to assist local churches to purchase or update the properties and to assist certain individuals.

#### **Reserves policy**

The Trust holds funds under a number of different terms. Funds which are restricted or endowed may only be used as directed by the funder at the time they were granted to the Trust. Details of the specific restrictions of those individual funds are disclosed in note 8 to the financial statements.

Other funds are unrestricted and can be used at the discretion of the trustees in furtherance of the Trust's objects. It is the policy of the trustees to designate certain funds for particular purposes as agreed from time to time and details of the purpose and use of those designated funds can be found in note 8 to the financial statements.

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The policy of the trustees is to aim to hold sufficient investments and deposits that the income generated will cover one full year's total expenditure, net of grants received. Due to the current economic climate the funds do not currently meet this objective and are dependent on the additional income arising on disposals of properties.

#### **Investment policy**

The agreed investment objectives are:-

- To maintain adequate liquidity;
- To maintain the security of any investments;
- To minimise capital loss;
- To maintain a mixed portfolio of fixed and equity investments whilst providing a balance between income and growth;
- To adhere to any restrictions as defined from time to time by Synod, including an ethical policy; and
- To obtain the optimum yield, subject to complying with the above criteria.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2021

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The current restrictions defined by Synod are that investments should avoid those companies that have significant involvement in armaments, pornography, supply of alcoholic drinks, gambling and tobacco manufacture.

Trust has completed its commitment to divest from companies that derived more than 10% of their turnover from the extract, processing or sale of other fossil fuel in accordance with the URC Mission Council resolution in 2019 to Divest from Fossil fuels by the time of General Assembly in July 2020. The Trust had previously sold any holdings in companies with income derived from Tar Sands and Coal. The Trust also asked its investment managers in association with MSCI to assess the Environmental, Social and Governance (ESG) ratings of its portfolio. The direct holding in our portfolio has been assessed as being AA, including holdings through funds. This puts us above the median of all shares. Our portfolio was also judged to have a lower carbon risk than the benchmark and low reputational risk. The Trust and Investment subcommittee will continue to monitor the ESG ratings and carbon risk of its holdings.

An investment portfolio is managed by Smith & Williamson and investment advice is sought from them as required. Individual purchases and sales are made by the investment manager in accordance with a working practice that included two meetings during the year with the Trust Investment Committee, a sub group of the Executive Committee which includes the treasurer, finance officer and five other members with the relevant knowledge and experience.

In addition to this portfolio, funds were also invested with the Charities Official Investment Fund (COIF) managed by CCLA.

#### ***Fundraising statement***

No fundraising activities were carried out at Synod or Trust level or by any third party on behalf of the Trust and there it is not considered necessary to adopt a voluntary standard of fundraising or monitor complaints or practices.

#### **Asset Allocation**

The current allocation of investments is as follows: -

- 76.41% of the Unrestricted General Funds are invested by Smith and Williamson, 23.59% in the COIF Charities Ethical Investment Fund, managed by CCLA Investment Management Limited (CCLA). The Company keeps under review the extent to which the ethical and corporate governance criteria of the funds are in line with the policy set out under 'Ethical Considerations'.
- Designated, Restricted and Endowment Funds are mainly invested with the same Investment Manager as the Unrestricted General Funds.
- Equities 96.20%, Fixed Interest 3.52% and cash 0.28%

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2021

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#### Investment Performance

The trustees in consultation with the Company's Investment Managers are content that the Company's medium to long term strategy remains sound. The investment performance of the Trust's portfolio is summarised in the table below.

	<b>Total Return after Charges over 2021 %</b>	<b>Income yield at 31 December 2021 %</b>
Smith and Williamson – Investment Managers	15.1	1.8
CCLA (COIF Charities Ethical Investment Fund)	16.52	3.05

Comparative Measures -

Bench Mark – MSCI PIMFA (Growth)	15.9
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#### Cash

For many years it has been the Company's policy to hold sufficient cash within the Unrestricted General Funds to fund its operational needs, grant commitments and capital expenditure commitments. In response to the sustained low yields available on such cash and the reduced need for capital expenditure the Investment Sub Committee agreed to maximise its managed investment income by limiting the amount of cash held at all times, with any excess over short term cash flow requirements being invested in managed investments until required. The cash and deposits held at the end of the year was £576,032, and reflects a known requirement for capital spending during 2022.

#### Future plans

The Synod's support for local churches continues to be determined by the Synod Mission Strategy in which we are committed to the United Reformed Church's Statements of Mission Purpose to 2020 and beyond. These have been adapted to reflect the needs the Synod's churches have identified as priority requirements for them. The Synod Strategy reminds us that we are called to be disciples of Jesus and to live the life of Jesus and is encouraging local churches in being disciples, making disciples and transforming disciples. Conversations are under way with Area Ministers and other key officers as to how the current strategy should be updated for the current context.

Because of denominational policy the Synod faces a year-on-year decline of the number of Stipendiary Ministers available to local churches, and Synod Officers continue to actively manage plans for that reduction and continue to look at ways in which to increase the range of lay leadership and ministries to compensate for the reduction in ordained Ministers. The Ministry Support Fund described above is one way in which we intend to realise that support.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2021

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In addition in 2022 the following are planned within our strategy:-

- Continued development of vision and strategy for the Synod Evangelist, Children and Youth Development Officer and Training and Development Officer.
- Advocacy and delivery of the United Reformed Church's "Stepwise" resources for lay training, particularly the introductory course "Faith-filled Life" and the leadership course "Faith-fuelled leadership".
- More encouragement and training for local churches in faith sharing and outreach.
- The continuation of regular newsletters from the Officers to bring relevant information and training opportunities to the attention of ministers and churches.
- A continued focus on outreach through support for chaplaincy, locally employed outreach workers and fresh expressions across the Synod.
- Focus on 'Leading Your Church Into Growth', and making it the major theme of the residential Synod in October 2022.
- Encouragement of Prayer for Mission and Evangelism in our churches.
- Discernment and response to the training needs of ministers and others in leadership, particularly through one-to-one conversation, sabbatical leave, CME and ministers days.
- As a continuing priority, discern and respond to worship needs in the Synod's churches, with particular attention to the advocacy and recruitment of lay preachers/worship leaders and to include attention to the provision of resources for these people.
- Continue to develop elders training and the training of Elders in Local Leadership.
- The use of the new lay preaching course prepared by the denomination.
- Continue to engage with and respond to the "Walking the Way – living the life of Jesus today" initiative, encouraging and enabling the use of the "Holy Habits" materials.
- Provide further opportunity for the training and support for Church Secretaries.
- The Safeguarding Training review group, on which the SSO still sits, will focus this year on developing the online foundation training offer to all churches via the URC learning Hub. A newly appointed Safeguarding Training & Development Coordinator will hopefully take the reins and move all things training forward to expediate plans laid down in 2021.
- A new Safeguarding training schedule is due for release in March 2022 which will include the existing foundation, intermediate and advanced sessions delivered on zoom and face to face as well as some additional bespoke training for ministers.
- Continued quarterly meetings of the Safeguarding Coordinators Forum.
- Continued support of the new Children and Youth Friendly Church Scheme to enable churches to evaluate their ministry with children and young people.
- Continued liaison with our international partner church, the Church of North India.
- Resuming, as appropriate following Covid, work with the manse inspection team to conduct regular manse inspections to support churches as they provide manses for ministers and their families in accordance with the Plan for Partnership. With the support of the Resources and Compliance Committee, reinstating inspection of manses on a three yearly cycle to ensure routine maintenance and repairs are progressed.
- Continue to explore the issues and potential of "Hybrid Church"
- Offer Safer Sacred Space training as needed.
- Provide refresher training for lay presidency at the Sacraments

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report

#### Year Ended 31 December 2021

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- Further online gatherings with a mission theme, monthly from January 2022, called 'The Green Room'.
- Explore and respond to the potential for online training for elders in particular.
- To continue the Quinquennial Survey programme for properties. Consolidation of a 5-yearly inspection programme is in progress.
- Continue the work of monitoring the environmental impact of buildings and encouraging green credentials in line with the Synod Strategy.
- Continue to support those churches considering or actively pursuing major repair and development projects.
- To continue to signpost advice and training suitable for local churches on subjects such as GDPR.

#### Trustees' Responsibilities

Company law requires the trustees as directors to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the trustees are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 auditor is 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 auditor is aware of that information.

On behalf of the Board

**Revd. D.M. Walton – Chair of Trust**

Date: 15 June 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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**Opinion**

We have audited the financial statements of The United Reformed Church (West Midlands) Trust Limited (the 'charitable company') for the year ended 31 December 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis of 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 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 of our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 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 directors 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' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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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 (incorporating the annual report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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**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:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting systems for bias.

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 regulations. 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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 opinion we have formed.

**Helen Blundell LLB, FCA, FCIE, DChA (Senior Statutory Auditor)**  
**For and on behalf of MHA MacIntyre Hudson (Statutory Auditor)**  
Birmingham, United Kingdom  
Date: 1 July 2022

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Statement of Financial Activities  
(Incorporating Income and Expenditure Account)  
Year Ended 31 December 2021

2020 Total Funds £	Income from:	Notes	2021 Total Funds £	Unrestricted General £	Designated £	Restricted £
	<i>Charitable activities:</i>					
14,114	Grants received	2a	<b>44,356</b>	43,946	-	410
47,000	Other income	2a	<b>34,131</b>	2,000	32,131	-
	<i>Investments</i>					
422,805	Investment income	2a	<b>485,130</b>	242,788	242,342	-
<u>15,495</u>	Rents	2a	<u><b>15,633</b></u>	-	<u>15,633</u>	-
	<i>Incoming resources from charitable activities:</i>					
499,414	<b>Total Operating Income</b>	2a	<b>579,250</b>	288,734	290,106	410
<u>1,415,220</u>	Income on sale of properties	2a	<u><b>353,997</b></u>	-	<u>353,997</u>	-
<u>1,914,634</u>	<b>Total Income</b>		<u><b>933,247</b></u>	<u>288,734</u>	<u>644,103</u>	<u>410</u>
	<b>Expenditure on:</b>					
77,321	Generating funds	2b	<b>94,920</b>	65,114	29,806	-
<u>1,445,003</u>	Charitable expenditure	2b	<u><b>746,190</b></u>	<u>507,551</u>	<u>220,639</u>	<u>18,000</u>
1,522,324	<b>Total Operating Expenditure</b>	2b	<b>841,110</b>	572,665	250,445	18,000
(1,073,713)	<b>Net (gains)/losses on investments</b>	7	<b>(2,817,348)</b>	(1,725,203)	(1,087,712)	(4,433)
-	Payment to Ministers Pension Fund	4	<b>1,454,000</b>	-	1,454,000	-
<u>(330,651)</u>	Transfer from local church funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><b>117,960</b></u>	<b>Total Expenditure</b>		<u><b>(522,238)</b></u>	<u>(1,152,538)</u>	<u>616,733</u>	<u>13,567</u>
(1,022,910)	<b>Net Expenditure on Operating account</b>	2b	<b>(261,860)</b>	(283,931)	39,661	(17,590)
<u>1,796,674</u>	<b>Net Income for the Year</b>		<u><b>1,455,485</b></u>	<u>1,441,272</u>	<u>27,370</u>	<u>(13,157)</u>
	<b>Other recognised Gains &amp; Losses</b>					
-	Transfer between reserves	8a	-	8,556	(8,556)	-
1,796,674	<b>Net Movement in Funds for the year</b>		<b>1,455,485</b>	1,449,828	18,814	(13,157)
<u>22,170,357</u>	<b>Funds Balances brought forward</b>		<u><b>23,967,031</b></u>	<u>9,415,204</u>	<u>14,517,338</u>	<u>34,489</u>
<u>23,967,031</u>	<b>Fund Balances carried forward</b>	8a	<u><b>25,422,516</b></u>	<u>10,865,032</u>	<u>14,536,152</u>	<u>21,332</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**COMPANY NUMBER 01337047**  
**Balance Sheet**

**As at 31 December 2021**

2020		Notes	2021
£			£
	<b>Fixed Assets</b>		
246,040	Tangible assets	9	234,903
20,702,534	Investments	10	24,048,557
<u>2,424,250</u>	Programme related investments	11	<u>2,385,349</u>
<u>23,372,824</u>			<u>26,668,809</u>
	<b>Current Assets</b>		
103,808	Debtors	12	85,615
<u>795,829</u>	Cash and short-term deposits	13	<u>576,032</u>
899,637			661,647
<u>(272,006)</u>	<b>Creditors: Amounts falling due within one year</b>	14a	<u>(868,040)</u>
627,631	<b>Net Current (Liabilities)/Assets</b>		(206,393)
<u>24,000,455</u>	Total Assets less Current Liabilities		<u>26,462,416</u>
(21,499)	<b>Creditors: Amounts falling due after more than one year</b>	14b	(1,021,135)
<u>(11,925)</u>	Provision for charges	14c	<u>(18,765)</u>
<u>23,967,031</u>	<b>Net Assets</b>		<u>25,422,516</u>
	<b>Funds:</b>		
	<i>Restricted Funds</i>		
19,560	Other	11,857	
<u>14,929</u>	Revaluation reserve	<u>9,475</u>	
34,489			21,332
	<i>Unrestricted funds</i>		
	General		
5,285,596	- Other	5,010,221	
<u>4,129,608</u>	- Revaluation reserve	<u>5,854,811</u>	
9,415,204			10,865,032
	Designated		
13,063,282	- Other	12,305,710	
<u>1,454,056</u>	- Revaluation reserve	<u>2,230,442</u>	
<u>14,517,338</u>			<u>14,536,152</u>
<u>23,967,031</u>	<b>Total Funds</b>	15	<u>25,422,516</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trust Board on 15 June 2022 and signed on its behalf by

Revd D.M. Walton - Chair of Trust  
Mr S.M. Powell - Director and Treasurer  
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# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Statement of Cash Flows

Year ended 31 December 2021

	Notes	2021 £	2020 £
<b>Cash flow from operating activities:</b>			
<b>Net cash provided/used in operating activities</b>	A	<b>(545,882)</b>	(1,311,564)
<b>Cash flows from investing activities:</b>			
Investment income		500,763	438,300
Proceeds from programme related investments		353,997	1,415,220
Proceeds from sale of investments		1,055,018	2,827,938
Purchase of investments		<u>(1,715,366)</u>	<u>(3,143,111)</u>
Net (decrease)/increase cash provided by investing activities		<u>194,412</u>	<u>1,538,347</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>		<b>(351,470)</b>	226,783
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>995,079</u>	<u>768,296</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	B	<u>643,609</u>	<u>995,079</u>
<b>Notes to the statement of cash flows</b>			
<b>Reconciliation of net income/expenditure to net cash flow from operating activities</b>			
A)			
<b>Net income for the reporting period (as per the statement of financial activities)</b>		<b>1,455,485</b>	1,796,674
<b>Adjustments for:</b>			
(Gains) and losses on investments		(2,805,946)	(1,444,511)
Depreciation		11,137	12,043
Surplus on sale of programme related investments		(353,997)	(1,415,220)
Investment income and rents		(500,763)	(438,300)
Decrease/increase in debtors		45,692	41,564
Increase/(decrease) in creditors		<u>1,602,510</u>	<u>136,186</u>
<b>Net cash used in operating activities</b>		<u>(545,882)</u>	<u>(1,311,564)</u>
B)			
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		49,693	29,433
Deposit accounts		526,339	766,396
Cash held by investment manager		<u>67,577</u>	<u>199,250</u>
		<u>643,609</u>	<u>995,079</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2021

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### 1. Accounting Policies

#### **General Information**

The United Reformed Church (West Midlands) Trust Limited is a charitable company limited by guarantee and registered in England and Wales. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member. The registered office is shown on page 1. The nature of the charity's operations and principal activities are the advancement of the Christian religion by supporting the work of West Midlands URC Synod.

The company's functional and presentational currency is British Pound Sterling (£).

#### **Basis of Accounting**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice (UK GAAP).

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies adopted, are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### **Critical accounting estimates and areas of judgement**

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Programme related investments – a judgement made as to whether impairment is required. These judgements are based on the current property market.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Contingent assets and liabilities – estimations are made based on information available at the point of approval of the financial statements as to the probability and value of the transactions.

Valuation of listed investments – valuations are subject to variations arising from external factors which can impact actual future results.

Discount rate – an estimation is made as to the applicable rate at which to reflect the time value of future payments.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2021

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### 1. Accounting Policies *(continued)*

#### **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 COVID19 has 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 Incorporated**

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 West Midlands Synod :-

General Purposes Fund  
Church Buildings Fund  
Manse Fund  
Retired Ministers Housing Fund  
Mission Fund  
Choyce Legacy  
Stretton Fund  
Ministry Support 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.

Unrestricted income funds may be spent generally for furthering the Christian and charitable work of the United Reformed Church in the West Midlands. The main fund in this category is the General Purposes Fund. Certain funds have been allocated for Church Buildings or Manses, although the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

#### **Contribution to Pension Funds**

The charity operates a defined contribution pension scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2021

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### 1. Accounting Policies *(continued)*

#### **Income Recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

The charity receives grants which are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

#### **Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs of managing investments and programme related investments;
- Expenditure on charitable activities includes costs of ministry, mission, training and property grants; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose. Grants payable to local churches, organisations and individuals are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2021

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### 1. Accounting Policies *(continued)*

#### **Individual Church Property, including Manses**

The Trust is sole trustee of the land and buildings of most local URCs but they are not the property of the Synod and are not shown in the financial statements. Sale proceeds from redundant properties or from part thereof which come into Synod funds are treated as unrestricted income from general funds. The income is recognised when the amount can be measured reliably and it is probable that the income will be received.

In certain circumstances a local URC may be permitted to apply for a grant from these funds and where this arises, a time-limited designated fund is created.

#### **Support Costs Allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include premises costs, office costs, governance costs, and salary costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

#### **Depreciation**

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

Property	- over fifty years
Integral features of property	- over fifteen years
Office equipment	- over four years

No amounts under £2,500 are capitalised.

#### **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Programme related investments are those held to further our charitable purposes. Programme related investments include investment in a percentage share of properties and bridging or other loans.

Investments in properties are stated at cost subject to any adjustment arising from impairment which is considered on an annual basis. Gains on disposal of these investments are shown as other income in the SoFA. Investments by way of loans are stated at cost. Interest is charged on the loans at the COIF rate of interest, being the rate of interest the Trust would otherwise have earned.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2021

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### 1. Accounting Policies *(continued)*

#### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **Financial instruments**

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

#### **Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt. Where the effect of the time value of money is material, the liability is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2021**

**2. Income and Expenditure**

**a) Analysis of Total Incoming Resources**

<b>2020 Total Funds £</b>		<b>2021 Total Funds £</b>	<b>Unrestricted £</b>	<b>Designated £</b>	<b>Restricted £</b>
	<b>Income from Investments</b>				
417,562	Listed Investments	<b>485,032</b>	242,690	242,342	-
<u>5,243</u>	Interest	<u>98</u>	<u>98</u>	<u>-</u>	<u>-</u>
422,805		<b>485,130</b>	242,788	242,342	-
<u>15,495</u>	Rents	<u>15,633</u>	<u>-</u>	<u>15,633</u>	<u>-</u>
<u>438,300</u>		<b><u>500,763</u></b>	<u>242,788</u>	<u>257,975</u>	<u>-</u>
	<b>Income from Charitable Activities:</b>				
7,225	Grants – Ministry & Mission	<b>7,225</b>	7,225	-	-
2,680	- Training	<b>3,741</b>	3,741	-	-
<u>4,209</u>	- Donations	<u>33,390</u>	<u>32,980</u>	<u>-</u>	<u>410</u>
<u>14,114</u>		<b><u>44,356</u></b>	<u>43,946</u>	<u>-</u>	<u>410</u>
	<b>Other income</b>				
2,000	Investment charge – The Redditch Trust	<b>2,000</b>	2,000	-	-
<u>45,000</u>	Transfer of funds from Local Church Trusts	<u>32,131</u>	<u>-</u>	<u>32,131</u>	<u>-</u>
<u>47,000</u>		<b><u>34,131</u></b>	<u>2,000</u>	<u>32,131</u>	<u>-</u>
<u>499,414</u>	<b>Total Operating Income</b>	<b><u>579,250</u></b>	<u>288,734</u>	<u>290,106</u>	<u>410</u>
	<b>Income from sale of properties</b>				
972,106	Of closed Churches	-	-	-	-
<u>443,114</u>	On disposal of manses	<u>353,997</u>	<u>-</u>	<u>353,997</u>	<u>-</u>
<u>1,914,634</u>	<b>Total Incoming Resources</b>	<b><u>933,247</u></b>	<u>288,734</u>	<u>644,103</u>	<u>410</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2021**

**2. Income and Expenditure (Continued)**

**b) Analysis of Total Operating Resources Expended**

2020 Total Funds £		2021 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Costs of Generated Funds</b>					
57,174	Investment Management Fees	<b>67,218</b>	39,107	28,111	-
8,744	Other property costs	<b>1,695</b>	-	1,695	-
<u>11,403</u>	Shared Indirect costs (Note 3)	<u><b>26,007</b></u>	<u>26,007</u>	<u>-</u>	<u>-</u>
<u>77,321</u>	<b>Total Cost of Generating Funds</b>	<u><b>94,920</b></u>	<u>65,114</u>	<u>29,806</u>	<u>-</u>
<b>Charitable Activities</b>					
<b>Ministry &amp; Mission:-</b>					
122,800	Grants (Note 4)	<b>151,302</b>	42,115	91,187	18,000
39,910	Support Costs	<b>37,437</b>	26,989	10,448	-
20,000	Resource sharing (Note 4)	<b>20,000</b>	20,000	-	-
383,719	COVID support to Churches (Note 4)	<b>52,022</b>	52,022	-	-
<u>97,958</u>	Shared Indirect Costs (Note 3)	<u><b>98,407</b></u>	<u>98,407</u>	<u>-</u>	<u>-</u>
<u>664,387</u>		<u><b>359,168</b></u>	<u>239,533</u>	<u>101,635</u>	<u>18,000</u>
<b>Training:-</b>					
5,416	Ministers (Note 4)	<b>8,053</b>	8,053	-	-
880	Students (Note 4)	<b>660</b>	660	-	-
1,013	Members (Note 4)	<b>965</b>	965	-	-
79	Church Treasurers and staff	<b>469</b>	469	-	-
58,007	Training – staff costs	<b>58,572</b>	54,922	3,650	-
-	Support Costs	<b>64</b>	64	-	-
<u>11,313</u>	Shared Indirect Costs (Note 3)	<u><b>25,958</b></u>	<u>25,958</u>	<u>-</u>	<u>-</u>
<u>76,708</u>		<u><b>94,741</b></u>	<u>91,091</u>	<u>3,650</u>	<u>-</u>
<b>Property:-</b>					
54,304	Church Repairs (Note 4)	<b>59,599</b>	59,599	-	-
129,601	Manse Repairs (Note 4)	<b>22,501</b>	-	22,501	-
-	Manse allowance and insurance	<b>22,514</b>	-	22,514	-
375,076	Release of Church Sale Proceeds	<b>30,666</b>	-	30,666	-
8,732	Manse Expenses	<b>24,978</b>	-	24,978	-
4,100	Church surveys (Note 4)	<b>21,846</b>	21,846	-	-
27,517	Staff costs	<b>29,390</b>	14,695	14,695	-
783	Legal and Support Costs	<b>-</b>	-	-	-
<u>103,795</u>	Shared Indirect Costs (Note 3)	<u><b>80,787</b></u>	<u>80,787</u>	<u>-</u>	<u>-</u>
<u>703,908</u>		<u><b>292,281</b></u>	<u>176,927</u>	<u>115,354</u>	<u>-</u>
<u>1,445,003</u>	<b>Total Charitable Expenditure</b>	<u><b>746,190</b></u>	<u><b>507,551</b></u>	<u><b>220,639</b></u>	<u><b>18,000</b></u>
<u>1,522,324</u>	<b>Total Operating Resources Expended</b>	<u><b>841,110</b></u>	<u><b>572,665</b></u>	<u><b>250,445</b></u>	<u><b>18,000</b></u>
<u>(1,022,910)</u>	<b>Net (Expenditure)/income on operating account</b>	<u><b>(261,860)</b></u>	<u><b>(283,931)</b></u>	<u><b>39,661</b></u>	<u><b>(17,590)</b></u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

2020 Comparative figures

a) Analysis of Total Incoming Resources

	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Income from Investments</b>				
Listed Investments	417,562	210,450	207,112	-
Interest	<u>5,243</u>	<u>3,436</u>	<u>1,807</u>	-
	422,805	213,886	208,919	-
Rents	<u>15,495</u>	-	<u>15,495</u>	-
	<u>438,300</u>	<u>213,886</u>	<u>224,414</u>	-
<b>Income from Charitable Activities:</b>				
Grants – Ministry & Mission	7,225	7,225	-	-
- Training	2,680	2,680	-	-
- Donations	<u>4,209</u>	<u>14</u>	-	<u>4,195</u>
	<u>14,114</u>	<u>9,919</u>	-	<u>4,195</u>
<b>Other income</b>				
Investment charge – The Redditch Trust	2,000	2,000	-	-
Transfer of funds from Local Church Trust	<u>45,000</u>	-	<u>45,000</u>	-
	<u>47,000</u>	<u>2,000</u>	<u>45,000</u>	-
<b>Total Operating Income</b>	<b>499,414</b>	225,805	269,414	4,195
<b>Income from sale of properties</b>				
Of closed Churches	972,106	145,727	826,379	-
<b>Transfer from churches to Trust Funds</b>				
On disposal of manses	<u>443,114</u>	-	<u>443,114</u>	-
<b>Total Incoming Resources</b>	<b><u>1,914,634</u></b>	<u>371,532</u>	<u>1,538,907</u>	<u>4,195</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

2. *Income and Expenditure* (Continued)

b) *Analysis of Total Operating Resources Expended*

	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Costs of Generated Funds</b>				
Investment Management Fees	57,174	34,950	22,224	-
Other property costs	8,744	-	8,744	-
Shared Indirect costs (Note 3)	<u>11,403</u>	<u>11,403</u>	-	-
<b>Total Cost of Generating Funds</b>	<u>77,321</u>	<u>46,353</u>	<u>30,968</u>	-
<b>Charitable Activities</b>				
<b>Ministry &amp; Mission:-</b>				
Grants (Note 4)	122,800	47,474	63,426	11,900
Residential synod	-	-	-	-
Support Costs	39,910	26,900	13,010	-
Resource sharing (Note 4)	20,000	20,000	-	-
COVID support to Churches	383,719	383,719	-	-
Shared Indirect Costs (Note 3)	<u>97,958</u>	<u>97,958</u>	-	-
	<u>664,387</u>	<u>576,051</u>	<u>76,436</u>	<u>11,900</u>
<b>Training:-</b>				
Ministers (Note 4)	5,416	5,416	-	-
Students (Note 4)	880	880	-	-
Members (Note 4)	1,013	1,013	-	-
Local Ministry and Mission review	-	-	-	-
Church Treasurers and staff	79	79	-	-
Training – staff costs	58,007	55,121	2,886	-
Support Costs	-	-	-	-
Shared Indirect Costs (Note 3)	<u>11,313</u>	<u>11,313</u>	-	-
	<u>76,708</u>	<u>73,822</u>	<u>2,886</u>	-
<b>Property:-</b>				
Church Repairs (Note 4)	54,304	200	54,104	-
Write back grants from prior years	-	-	-	-
Manse Repairs (Note 4)	129,601	-	129,601	-
Release of Church Sale Proceeds	375,076	-	375,076	-
Manse Expenses	8,732	-	8,732	-
Church surveys (Note 4)	4,100	-	4,100	-
Staff costs	27,517	13,759	13,758	-
Legal and Support Costs	783	783	-	-
Shared Indirect Costs (Note 3)	<u>103,795</u>	<u>103,795</u>	-	-
	<u>703,908</u>	<u>118,537</u>	<u>585,371</u>	-
<b>Total Charitable Expenditure</b>	<u>1,445,003</u>	<u>768,410</u>	<u>664,693</u>	<u>11,900</u>
<b>Total Operating Resources Expended</b>	<u>1,522,324</u>	<u>814,763</u>	<u>695,661</u>	<u>11,900</u>
<b>Net (Expenditure) on operating account</b>	<u>(1,022,910)</u>	<u>(588,958)</u>	<u>(426,247)</u>	<u>(7,705)</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2021**

3.	Indirect Costs					
2020 Total Funds £		2021 Total Funds £	Unrestricted £	Designated £	Restricted £	
	<b>Governance Costs</b>					
2,235	Synod Expenses	<b>1,394</b>	1,394	-	-	-
3,082	Synod Council	-	-	-	-	-
	Staff Costs:-					
152,782	Trust Employment Costs	<b>161,946</b>	161,946	-	-	-
1,380	Honoraria	-	-	-	-	-
2,113	Officers Expenses	<b>1,595</b>	1,595	-	-	-
9,814	Audit	<b>10,260</b>	10,260	-	-	-
621	Legal and Professional	<b>2,760</b>	2,760	-	-	-
124	Bank Charges	<b>192</b>	192	-	-	-
689	Committee Support Costs	-	-	-	-	-
<u>172,840</u>	<b>Total Governance Costs</b>	<b><u>178,147</u></b>	<u>178,147</u>	-	-	-
	<b>Premises Costs:-</b>					
1,600	Rent	<b>1,600</b>	1,600	-	-	-
2,859	Insurance	<b>3,385</b>	3,385	-	-	-
2,472	Electricity	<b>1,965</b>	1,965	-	-	-
11,137	Depreciation of Synod Office	<b>11,137</b>	11,137	-	-	-
<u>4,529</u>	Repairs and Cleaning	<b><u>12,697</u></b>	<u>12,697</u>	-	-	-
<u>22,597</u>		<b><u>30,784</u></b>	<u>30,784</u>	-	-	-
	<b>Office Costs:-</b>					
2,636	Telephone	<b>2,480</b>	2,480	-	-	-
4,876	Printing, Stationery and Postage	<b>6,897</b>	6,897	-	-	-
18,681	Computers	<b>7,223</b>	7,223	-	-	-
425	Advertising	<b>570</b>	570	-	-	-
907	Equipment Depreciation	-	-	-	-	-
464	Furniture and equipment	<b>910</b>	910	-	-	-
<u>1,043</u>	Sundry costs	<b><u>4,148</u></b>	<u>4,148</u>	-	-	-
<u>29,032</u>		<b><u>22,228</u></b>	<u>22,228</u>	-	-	-
<u>224,469</u>	<b>Total Indirect Costs</b>	<b><u>231,159</u></b>	<u>231,159</u>	-	-	-

		Charitable Activities				
2020 Total £		2021 Total £	Raising Funds £	Ministry and Mission £	Training £	Property £
172,840	Governance costs	<b>178,147</b>	20,043	75,839	20,005	62,260
22,597	Premises costs	<b>30,784</b>	3,463	13,105	3,457	10,759
<u>29,032</u>	Office costs	<b><u>22,228</u></b>	<u>2,501</u>	<u>9,463</u>	<u>2,496</u>	<u>7,768</u>
<u>224,469</u>	<b>Total Indirect Costs</b>	<b><u>231,159</u></b>	<u>26,007</u>	<u>98,407</u>	<u>25,958</u>	<u>80,787</u>
100%	% of Direct costs	<b>100%</b>	11.3%	42.6%	11.2%	34.9%

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2021**

**2020 Comparative figures**

3. <b>Indirect Costs</b>	<b>2020</b>			
	<b>Total Funds</b>	<b>Unrestricted</b>	<b>Designated</b>	<b>Restricted</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Governance Costs</b>				
Synod Expenses	2,235	2,235	-	-
Synod Council	3,082	3,082	-	-
<b>Staff Costs:-</b>				
Trust Employment Costs	152,782	152,782	-	-
Honoraria	1,380	1,380	-	-
Officers Expenses	2,113	2,113	-	-
Audit	9,814	9,814	-	-
Legal and Professional	621	621	-	-
Bank Charges	124	124	-	-
Committee Support Costs	689	689	-	-
<b>Total Governance Costs</b>	<b>172,840</b>	<b>172,840</b>	<b>-</b>	<b>-</b>
<b>Premises Costs:-</b>				
Rent	1,600	1,600	-	-
Insurance	2,859	2,859	-	-
Electricity	2,472	2,472	-	-
Depreciation of Synod Office	11,137	11,137	-	-
Repairs and Cleaning	4,529	4,529	-	-
	<u>22,597</u>	<u>22,597</u>	<u>-</u>	<u>-</u>
<b>Office Costs:-</b>				
Telephone	2,636	2,636	-	-
Printing, Stationery and Postage	4,876	4,876	-	-
Computers	18,681	18,681	-	-
Advertising	425	425	-	-
Equipment Depreciation	907	907	-	-
Furniture and equipment	464	464	-	-
Sundry costs	1,043	1,043	-	-
	<u>29,032</u>	<u>29,032</u>	<u>-</u>	<u>-</u>
<b>Total Indirect Costs</b>	<b>224,469</b>	<b>224,469</b>	<b>-</b>	<b>-</b>

	<b>Charitable Activities</b>				
	<b>2020 Total</b>	<b>Raising Funds</b>	<b>Ministry and Mission</b>	<b>Training</b>	<b>Property</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Governance costs	172,840	8,780	75,427	8,711	79,922
Premises costs	22,597	1,148	9,861	1,139	10,449
Office costs	29,032	1,475	12,670	1,463	13,424
<b>Total Indirect Costs</b>	<b>224,469</b>	<b>11,403</b>	<b>97,958</b>	<b>11,313</b>	<b>103,795</b>
<b>% of Direct costs</b>	<b>100%</b>	<b>5.1%</b>	<b>43.7%</b>	<b>5.0%</b>	<b>46.2%</b>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2021**

**4. Grants**

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

	2021		2020	
	Number	Amount £	Number	Amount £
<b>Institutional Grants</b>				
Ministry and Mission:				
Support to churches	18	52,022	87	383,719
URC Minister's Pension Fund	1	1,454,000	-	-
Inter-Synod Resource Sharing	1	20,000	1	20,000
Educational Chaplaincy	4	27,950	4	30,450
Ecumenical Situations	8	13,774	11	16,024
Release of legacy - Overseas Mission	1	13,000	1	11,900
Release of Legacy – Local Missions	1	5,000	-	-
Local Church Missions	10	63,815	14	63,426
Youth and Childrens Work	<u>2</u>	<u>454</u>	<u>1</u>	<u>500</u>
	<u>45</u>	<u>1,650,015</u>	<u>119</u>	<u>526,019</u>
Property:				
Church repairs	10	90,265	12	429,379
Manse repairs	5	22,501	15	129,601
Manse allowance and insurance	34	22,514	-	-
Church surveys	<u>21</u>	<u>21,846</u>	<u>4</u>	<u>4,100</u>
	<u>70</u>	<u>157,126</u>	<u>31</u>	<u>563,080</u>
<b>Total Institutional Grants</b>	<u>115</u>	<u>1,807,141</u>	<u>150</u>	<u>1,089,099</u>
<b>Individual Grants</b>				
Youth	-	-	1	500
Training:				
Ministers	44	8,053	14	5,416
Members	6	965	9	1,013
Students	<u>3</u>	<u>660</u>	<u>3</u>	<u>880</u>
<b>Total Individual Grants</b>	<u>53</u>	<u>9,678</u>	<u>27</u>	<u>7,809</u>
<b>Total Grants Charged</b>	<u>168</u>	<u>1,816,819</u>	<u>177</u>	<u>1,096,908</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2021

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### 5. Trustees' Expenses

These include Honoraria of £Nil (2020: £690) paid to Mrs M. Marshall (Synod Clerk) and £Nil (2020: £690) to the Synod Treasurer Mr G W Potter (Synod Treasurer).

Reimbursed expenses were paid to 5 (2020: 5) trustees of the Board in aggregate of £75 (2020: £879). This figure includes expenses reimbursed to the Treasurer and Clerk for duties including, but not restricted to, Board meetings.

No other remuneration or expenses were paid to the trustees.

6. Employment Emoluments	2021	2020
	£	£
Wages and salaries	194,119	186,282
Employers national insurance	10,488	9,507
Pension costs	20,347	16,800
	<u>224,954</u>	<u>212,589</u>

The average number of employees was 10 10

No employee received £60,000 per annum or more in the current or prior year. All staff are employed by the company.

The company operates a defined contribution pension scheme and contributions are charged as expenditure as they become payable.

Key management personnel are the trustees as directors. Revd S M Faber (Moderator) receives a stipend from the United Reformed Church for his role with the charity. Some Trustees receive honoraria as detailed in note 5 in respect of their duties of URC West Midlands Synod.

7. Gains on Investments	2021	2020
	£	£
Realised (loss)/gain on investments sold	309,779	(149,748)
Gains previously recognised in Trust accounts	<u>(298,377)</u>	<u>520,546</u>
Net gain in the year on investments sold	11,402	(370,798)
Unrealised gains on investments for the year	<u>2,805,946</u>	<u>1,444,511</u>
<b>Net Gains on Investments for the Year</b>	<b><u>2,817,348</u></b>	<b><u>1,073,713</u></b>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2021**

**8. Movement on Funds**

a) Fund	Balance 1 January 2021 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2021 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	-	8,556	-	(8,556)	-
Manse - General	10,217,787	574,567	(128,592)	(2,978,430)	<b>7,685,332</b>
- Churches	590,851	6,461	(27,372)	-	<b>569,940</b>
Church Property	2,688,611	54,519	(30,666)	66,142	<b>2,778,606</b>
Mission Fund	520,089	-	(63,815)	-	<b>456,274</b>
Ministry Support Fund	500,000	-	-	-	<b>500,000</b>
Ministers Pension Support Fund	-	-	(1,454,000)	4,000,000	<b>2,546,000</b>
	14,517,338	644,103	(1,704,445)	1,079,156	<b>14,536,152</b>
<b>Unrestricted General Funds</b>					
General Purposes	9,415,204	288,734	(572,665)	1,733,759	<b>10,865,032</b>
<b>Restricted Funds</b>					
Choyce legacy	34,489	410	(18,000)	4,433	<b>21,332</b>
<b>Total Funds</b>	<b>23,967,031</b>	<b>933,247</b>	<b>(2,295,110)</b>	<b>2,817,348</b>	<b>25,422,516</b>

**2020 Comparative figures**

a) Fund	Balance 1 January 2020 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2020 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	3,692	8,343	(58,204)	46,169	-
Manse - General	9,394,721	650,370	(198,955)	371,651	<b>10,217,787</b>
- Churches	584,895	5,956	-	-	<b>590,851</b>
Church Property	1,834,651	874,238	(375,076)	354,798	<b>2,688,611</b>
Stretton	440,700	-	-	(440,700)	-
Mission Fund	583,515	-	(63,426)	-	<b>520,089</b>
Ministry Support Fund	-	-	-	500,000	<b>500,000</b>
	12,842,174	1,538,907	(695,661)	831,918	<b>14,517,338</b>
<b>Unrestricted General Funds</b>					
General Purposes	9,289,688	371,532	(814,763)	568,747	<b>9,415,204</b>
<b>Restricted Funds</b>					
Choyce legacy	38,495	4,195	(11,900)	3,699	<b>34,489</b>
<b>Total Funds</b>	<b>22,170,357</b>	<b>1,914,634</b>	<b>(1,522,324)</b>	<b>1,404,364</b>	<b>23,967,031</b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2021

### 8. Movement on Funds *(continued)*

#### Transfers between reserves

Included within Other Movements above are transfers between funds as follows:-

	General purposes Unrestricted £	Ministers pension support Designated £	Church Building Fund Designated £	Synod Manse Fund Designated £	
Transfer to Ministers Pension reserve	-	4,000,000	-	(4,000,000)	
Transfer deficit on Church Buildings Fund	<u>8,556</u>	<u>-</u>	<u>(8,556)</u>	<u>-</u>	
	<u>8,556</u>	<u>4,000,000</u>	<u>(8,556)</u>	<u>(4,000,000)</u>	
<b>Summary</b>	<b>Balance 1 January 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Other Movement £</b>	<b>Balance 31 December 2021 £</b>
Restricted	34,489	410	(18,000)	4,433	21,332
Designated	14,517,338	644,103	(1,704,445)	1,079,156	14,536,152
Unrestricted	<u>9,415,204</u>	<u>288,734</u>	<u>(572,665)</u>	<u>1,733,759</u>	<u>10,865,032</u>
<b>Total funds</b>	<u>23,967,031</u>	<u>933,247</u>	<u>(2,295,110)</u>	<u>2,817,348</u>	<u>25,422,516</u>

#### b) Purpose of Funds

##### General Purposes Fund - Unrestricted

Unrestricted funds are needed to cover the support costs and grants for the above objects and the administration costs without which the Synod could not function.

##### Church Buildings Fund - Designated

To provide funds which could supplement those already available within local churches for the improvement and maintenance of their properties. Support may be in the form of grants or loans.

##### Retired Ministers Housing Fund - Designated

To provide the capital for long term loans to supplement the purchase of accommodation for retired ministers or their partners, together with Synod's share of the maintenance costs for those properties.

##### Manse General - Designated

Mainly accumulated from the proceeds of manse sales when a replacement manse is not required, this fund provides long term loans to local churches in order for them to purchase a manse at a time when they do not have sufficient funds, and to supplement funds already available within local churches for the improvement and maintenance of their properties.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

### Year Ended 31 December 2021

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#### 8. Movement on Funds *(continued)*

##### **Manse Churches - Designated**

To hold the proceeds of manse sales when the church concerned is expecting to purchase a replacement. A separate fund for each church consists of the proceeds of sale together with interest thereon, which provides growth to the capital value. The total is available towards the cost of purchasing a new manse.

##### **Mission Fund - Designated**

Funds to support local churches in their mission activity.

##### **Choyce Legacy - Restricted**

To be shared between the Church of North India Children's Development Unit, the Mission Fund of the Synod and Hatherton Church in accordance with the Will of Colin Choyce.

##### **Church property – Designated and Stretton - Designated**

Funds from the disposal of the properties or land at Stretton Cottages, Stoke Chapel, Hall Green URC, Hollymount URC, Olton URC, Hobs Moat URC, Foleshill URC, Worcester URC and St John's Stone URC pending a decision on future their use. During 2020 the funds relating to Stretton Cottages were transferred to general funds.

##### **Ministry Support Fund**

Funded by a transfer of £500,000 from general funds to meet the costs of staff to supplement deployed ministry.

##### **Ministers Pension Support Fund – Designated**

During the year a formal resolution was passed making a commitment to support the United Reformed Church Ministers Pension Fund financially if required. A total fund of £4m has been designated for this purpose within £1.45m having already been confirmed as payable.

#### 9. Tangible Fixed Assets

	<b>Property £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2021 and 31 December 2021	<u>379,684</u>	<u>10,968</u>	<u>390,652</u>
<b>Depreciation</b>			
At 1 January 2021	133,644	10,968	144,612
Charge for the year	<u>11,137</u>	<u>-</u>	<u>11,137</u>
<b>At 31 December 2021</b>	<u>144,781</u>	<u>10,968</u>	<u>155,749</u>
<b>Net Book Value</b>			
<b>At 31 December 2021</b>	<u><b>234,903</b></u>	<u><b>-</b></u>	<u><b>234,903</b></u>
At 31 December 2020	<u>246,040</u>	<u>-</u>	<u>246,040</u>

All assets are used for charitable purposes.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2021**

10. Fixed Asset Investments	Listed Investments			Total £
	Fixed Interest £	Equities £	Cash £	
Market value at 1 January 2021	1,178,116	19,325,168	199,250	20,702,534
Additions	43	1,715,323	(131,673)	1,583,693
Sales and redemption	(316,360)	(727,256)	-	(1,043,616)
Net investment gains	<u>(14,740)</u>	<u>2,820,686</u>	<u>-</u>	<u>2,805,946</u>
<b>Market Value at 31 December 2021</b>	<u>847,059</u>	<u>23,133,921</u>	<u>67,577</u>	<u>24,048,557</u>
<b>Cost at 31 December 2021</b>	<u>744,014</u>	<u>15,142,239</u>	<u>67,577</u>	<u>15,953,830</u>

11. Programme Related Investments	2021 £	2020 £
<b>Cost at 1 January 2021</b>	<b>2,424,250</b>	2,424,250
Repayments on investments/Manse purchased	<u>(38,901)</u>	<u>-</u>
<b>Cost at 31 December 2021</b>	<b><u>2,385,349</u></b>	<u>2,424,250</u>
These investments relate to:-	2021 £	2020 £
- Manses	<b>2,379,325</b>	2,418,226
- Retired Ministers Housing	<u>6,024</u>	<u>6,024</u>
	<b><u>2,385,349</u></b>	<u>2,424,250</u>

No interest is charged on the initial value of the investment, but benefits should arise when the properties are sold and the company recovers a proportion of the proceeds relating to the investment proportion of the total original cost. Retired Ministers Housing shows return of a legal charge when a property was sold.

12. Debtors	2021 £	2020 £
Loans due from United Reformed Church churches and ministers	-	45,230
Other debtors	<b>74,310</b>	52,083
Prepayments	<u>11,305</u>	<u>6,495</u>
	<b><u>85,615</u></b>	<u>103,808</u>

Loans granted to local churches and ministers are normally repayable between five and ten years and interest is charged at 5% on the outstanding balance. Included in the above loans is an amount of £Nil (2020: £34,719) due after twelve months.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2021**

**13. Cash and Short Term Deposits**

	Bank Current Account £	Charities Official Investment Fund £	Epworth Deposit Fund £	Total £
General purposes	49,412	1,322	450,057	500,791
Designated accounts	-	74,960	-	74,960
Restricted funds	<u>281</u>	<u>-</u>	<u>-</u>	<u>281</u>
<b>Balances as at 31 December 2021</b>	<b><u>49,693</u></b>	<b><u>76,282</u></b>	<b><u>450,057</u></b>	<b><u>576,032</u></b>

**14. Creditors**

a) <b>Amounts falling due within one year</b>	<b>2021</b>	2020
	£	£
Amounts due to United Reformed Church and related Bodies	<b>97,037</b>	177,891
Other creditors – support for Ministers’ Pension Fund	<b>461,075</b>	-
Accruals -	<b>53,710</b>	22,951
Mission grants approved	<b>182,190</b>	38,150
Building grants approved	<b><u>74,028</u></b>	<u>33,014</u>
	<b><u>868,040</u></b>	<u>272,006</u>
b) <b>Amounts falling due after more than one year</b>	<b>2021</b>	2020
	£	£
Amounts due to United Reformed Churches	<b>28,210</b>	21,499
Support for Ministers’ Pension Fund	<b><u>992,925</u></b>	<u>-</u>
	<b><u>1,021,135</u></b>	<u>21,499</u>
c) <b>Provisions</b>		
Provision relates to Manse repair allowance of £500 per manse which can be carried forward for up to two years. The commitment is non contractual. The balance is the total provision less sum of claims made.		
	<b>2021</b>	2020
	£	£
Provision for charges	<b><u>18,765</u></b>	<u>11,925</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2021

### 15. Disposition of Funds as at 31 December 2021

<b>Fund</b>	<b>Fixed Assets £</b>	<b>Investments £</b>	<b>Programme Related Investments £</b>	<b>Debtors/ Creditors £</b>	<b>Cash and Deposits £</b>	<b>Total £</b>
<b>Designated Funds</b>						
Retired Ministers Housing	-	-	6,024	(6,024)	-	-
Manse- General	-	5,231,050	2,379,325	-	74,960	7,685,335
- Churches	-	569,939	-	-	-	569,939
Ministers Pension Fund	-	4,000,000	-	(1,454,000)	-	2,546,000
Church Property	-	2,778,606	-	-	-	2,778,606
Mission Fund	-	-	-	456,274	-	456,274
Ministry Support Fund	-	-	-	500,000	-	500,000
<b>Unrestricted Funds</b>						
General Purposes	234,903	11,447,910	-	(1,318,575)	500,791	10,865,029
<b>Restricted Funds</b>						
Choyce Legacy	-	21,052	-	-	281	21,333
<b>Total Funds</b>	<u>234,903</u>	<u>24,048,557</u>	<u>2,385,349</u>	<u>(1,822,325)</u>	<u>576,032</u>	<u>25,422,516</u>

### 2020 Comparative figures

<b>Fund</b>	<b>Fixed Assets £</b>	<b>Investments £</b>	<b>Programme Related Investments £</b>	<b>Debtors/ Creditors £</b>	<b>Cash and Deposits £</b>	<b>Total £</b>
<b>Designated Funds</b>						
Retired Ministers Housing	-	-	6,024	(6,024)	-	-
Manse- General	-	7,798,594	2,418,226	-	968	10,217,788
- Churches	-	590,850	-	-	-	590,850
Church Property	-	2,563,611	-	-	125,000	2,688,611
Mission Fund	-	-	-	190,089	330,000	520,089
Ministry Support Fund	-	-	-	170,000	330,000	500,000
<b>Total Designated Funds</b>	-	10,953,055	2,424,250	354,065	785,968	14,517,338
<b>Unrestricted Funds</b>						
General Purposes	246,040	9,707,911	-	(546,687)	7,940	9,415,204
<b>Restricted Funds</b>						
Choyce Legacy	-	41,568	-	(9,000)	1,921	34,489
<b>Total Funds</b>	<u>246,040</u>	<u>20,702,534</u>	<u>2,424,250</u>	<u>(201,622)</u>	<u>795,829</u>	<u>23,967,031</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2021

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### 16. Commitments

#### Property

The office is situated on land that is registered in the name of the United Reformed Church (West Midlands) Trust Limited and held on statutory trusts in favour of Digbeth-in-the-Field United Reformed Church. Under an informal agreement, the Trust company pays a nominal sum to the local church for the use of the land.

#### Guarantees

The United Reformed Church (West Midlands) Trust Limited has acted as guarantor on behalf of a number of churches who have sought external grant funding. The various terms and conditions of these grants may require repayment in the event of church closure within a specified period. At the year end the trustees had no reason to believe that the likelihood of repayment was anything other than remote and therefore no additional disclosure or provision has been made.

#### Contingent Liability

The Trust has given a commitment to the national URC that, in the event that the actuarial valuation in 2024 of the URC Ministers Pension Fund demonstrates that it is necessary to provide additional financial support, they will contribute additional sums to the URC Trust totalling £1,400,500 or less over the period from 2025 to 2027.

A similar commitment has been given in the event that the actuarial valuation in 2027 shows that additional funding is required. In this case the commitment is a contribution of £997,500 or less over the period from 2028 to 2030.

### 17. Contingent Assets

At the year end, the properties of two churches and one manse, held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the company, were held. The proceeds will revert to Synod on sale in accordance with the Statutory Trusts on which the properties are held.

### 18. Funds Held as Trustee

#### Local Churches

The United Reformed Church (West Midlands) Trust Limited ("the Trust") acts as Trustee of local church assets. A local church has no legal identity of its own and, therefore, cannot hold property in its own name. The title to its assets must be held on trust by a group of trustees and this can be achieved either by private trustees (individuals) or by a Trust Company. All of the local churches' properties in the West Midlands Synod (save 2) are held by the Trust.

The deeds to church property are vested in the name of the Trust. A Declaration of Trust records which local churches hold properties and, if jointly owned, the shares held by each. The Trust has a share in a few properties and that share is recorded in the Declaration of Trust because the deeds are in the name of the Trust, any legal documents are signed by the Trust, but they are entering into those documents on behalf of the local church.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

### Year Ended 31 December 2021

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#### 18. Funds Held as Trustee *(continued)*

##### **Local Churches** *(continued)*

Similarly, most of the investments and cash deposits owned by local churches in the Synod are held by the Trust as trustee.

In relation to local church buildings, the Trust is the charity trustee. In relation to local church cash, investments and other assets, the Trust is the custodian trustee and the local Elders are the managing trustees. The role of the Trust is to carry out the wishes of the local church expressed in Church Meeting resolutions. Providing the trustees of the Trust have no objections to what they are being asked to do and the appropriate approvals have been obtained, they will act according to the instructions which come from the Elders/local Church.

##### **Inter-Synod Resources Sharing**

In addition to the funds held for churches the Trust also holds funds on behalf of the URC Inter Synod Resource Sharing process which redistribute funds from wealthier Synods to those Synods in need of support. The funds totalling £420,797 at 31 December 2021 are held in separately identified deposit funds and investments. The funds are controlled by Resource Sharing Task Group drawn from amongst the Synod Treasurers. As a body the Trustees of the Trust play no part in directing the management of these funds.

#### 19. Related Party Transaction

The Trust is the corporate trustee of The James and Freeman Charity. During the year a charge of £2,000 (2020: £2,000) was made to The James and Freeman Charity for the administrative services provided by the Trust to the charity.

Owing to the nature of the charity's operations and the composition of the Board of trustees being drawn from the local United Reformed Churches, grant awards may take place with churches from within the Trust's oversight. All discussions about grant awards or other transactions are undertaken without the presence of the conflicted trustee. Following a change in the Manse Policy, all major repairs to manses are paid for by the Trust, for transparency all such repairs are recorded as grants to churches and noted below where they relate to a church where a trustee or officer would have otherwise been considered to have a conflict.

The following transactions arose in the year:-

<b>Beneficiary</b>	<b>Purpose</b>	<b>Committee</b>	<b>Value £</b>	<b>Related Party</b>	<b>Relationship</b>
Holyhead Road URC	Church repair	Resources & compliance committee	1,113	Mr S Powell	Trustee
Sutton Coldfield URC	Mission	Mission Fund	26,000	Rev D Walton	Trustee
Shrewsbury URC	Equipment Grant	Mission Fund	1,305	Mr M Davies	Finance Officer
CIGB	Ecumenical Grant	Missional Disciplineship	5,000	Rev S Faber	Trustee
Elmwood URC	Church Repair	Finance	3,495	Mrs C Binns	Committee member
Shrewsbury URC	Church Repair	Finance	2,494	Mr M Davies	Finance officer
Cheltenham URC	Manse Repair	Finance	858	Mr D Black	Trustee

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2021**

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**20. Financial Instruments**

Financial assets measured at fair value through net income comprise fixed asset investments with a value of £23,980,980 (2020: £20,503,284).

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

England & Wales - Charity number 507027

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# Accounts

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**Company Number: 01337047**  
**Charity Number: 507027**

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

**MHA MACINTYRE HUDSON**  
**Chartered Accountants and Registered Auditors**  
**Rutland House**  
**148 Edmund Street**  
**Birmingham**  
**B3 2FD**

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2020

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### Reference and Administrative Information

#### Registered Office

Digbeth-in-the-Field United Reformed Church  
Moat Lane  
Yardley  
Birmingham B26 1TW

#### Directors and Trustees

Mr D.S. Black  
Mr T. Dicker  
Revd S.M. Faber  
Mr G. Justham  
Mrs M.F. Marshall  
Mr A. Mottram (resigned 31 March 2021)  
Mr G.W. Potter (Treasurer to March 2020)  
Mr S.M. Powell (Treasurer from March 2020)  
Mr K. Thomas  
Revd D.M. Walton (Chair of Trust)  
Mrs E. Hutchinson (Appointed 15 June 2021)

#### Company Secretary

Mrs K. Harris

#### Bankers

Lloyds TSB Bank  
(Kings Heath branch)  
P O Box 1000 BX1 1LT

#### Legal Advisors

Towns Needham Solicitors Limited  
Brook House, 64-72 Spring Gardens  
Manchester M2 2BQ

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

#### Auditor

MHA MacIntyre Hudson  
Rutland House, 148 Edmund Street  
Birmingham B3 2FD

#### Investment Manager

Smith & Williamson  
9 Colmore Row  
Birmingham B3 2BJ

#### Synod Officers

Moderator – Revd S.M. Faber  
Synod Clerk – Mrs. M.F. Marshall until March 2020 then Mr R. Lockley  
Synod Treasurer – Mr G.W. Potter until March 2020 then Mr S.M. Powell  
Children's and Youth Development Officer – Mr R. Knott  
Training and Development Officer – Revd S.P. Scott  
Evangelist – Revd N. Stanyon  
Trust Officer – Mrs K. Harris  
Finance Officer – Mr M.N. Davies  
Property Officer – Mr B. Goldsby until September 2020 then Mr M. McDade  
Safeguarding Officer – Mrs D. Gordon from February 2020

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2020

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### **Structure, Governance and Management**

The United Reformed Church (West Midlands) Trust Limited ("The Trust") holds the assets and liabilities of the West Midlands Synod of the United Reformed Church ("Synod"). The Trust is a company limited by guarantee formed on 2 November 1977 and a registered charity. It is governed by its Memorandum and Articles of Association as revised in 2008.

### **Trustees**

The directors of the company, who are also trustees of the charity for the purposes of charity law, serve as members of the Board. All members of the Board give their time voluntarily and receive no benefits from the Trust other than the honorarium and reimbursed expenses shown in note 5 to the financial statements.

Trustees serving on the Board during the year were as follows:

Mr D.S. Black, Mr T. Dicker, Revd S.M. Faber, Mr A. Mottram, Mr G.W. Potter, Mr S.M. Powell (Treasurer), Mrs M.F. Marshall, Mr K. Thomas, Mr G Justham and Revd D.M. Walton (Chair of Trust).

### **Appointment of new trustees**

The Synod, which has the sole power to appoint members of the Board, delegates its power to the Synod Mission Council (a sub-committee of the Synod) in between meetings. The Synod Mission Council considers individuals with relevant experience who are eligible for appointment.

Members of the Board must be a member of the United Reformed Church ("URC") or of a Local Ecumenical Partnership involving the URC. There is no formal programme for the induction and training of trustees although all are encouraged to attend relevant seminars arranged by the Trust's professional advisors.

### **Indemnity Insurance**

Indemnity insurance of up to £5,000,000 is in place to cover the liability of the trustees in relation to negligence, default, breach of duty or breach of trust. This cover has been arranged through Ansvar Insurance Company Limited.

### **Organisational structure**

Whilst the Trust holds the assets and liabilities of the Synod, it is the Synod which sets policy subject to Trust endorsement and further details of the constitution of the Synod are given below. Any decisions made by the Synod which have financial implications for the Trust must be referred to the Board for approval before being implemented and would normally only have been made by the Synod in the light of advice from the Trust.

The Synod Resources and Compliance Committee now deals with finance and property matters. Its membership consists of Synod Officers, their Line Managers, and others with appropriate skills to be identified and appointed by Synod Mission Council. There is an ongoing process of defining the terms of reference and looking at membership.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2020

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A Reference Committee has authority to approve urgent transactions between meetings, provided that they meet normal qualifications and are reported to the next meeting. It does not normally take decisions which involve substantial sums of money. The Reference Committee for the Resources and Compliance Committee consisted of the Moderator, Synod Clerk, Synod Treasurer and Chair. The Reference Committee for the Trust consisted of the Moderator, Synod Treasurer, Chair and another trustee. The procedure is under review as part of the ongoing process of defining terms of reference.

#### ***Constitution of the Synod***

Synod is constituted in accordance with the Scheme of Union and the United Reformed Church Acts of 1972, 1981 and 2000 ([www.urc.org.uk](http://www.urc.org.uk)). It has oversight of the URC in the West Midlands (covering an area from the Welsh Border across to Rugby and from Leek in North Staffordshire down to Wotton-under-Edge in Gloucestershire) fulfilling consultative, legislative and executive functions. Synod meets twice a year and consists of ministers, representatives of each local church and ecumenical representatives together with Synod Officers.

The Trust has responsibility for all Synod finance related matters except for Ministry and Mission Fund matters (by which churches pay for ministry) for which the Resources and Compliance Committee has delegated responsibility. Ministers' stipends are paid centrally with Synods agreeing with their local churches the level of payments to the central Ministry and Mission Fund. The remit of the Resources and Compliance Committee includes delegated authority for agreeing grants, particularly for property, within criteria and budgets set by the Trust.

Other business between Synod meetings is dealt with by Synod Mission Council and its committees. Synod Mission Council comprises some Synod Officers, Convenors of Synod Committees and representatives from the Areas within Synod (see [www.urcwestmidlands.org.uk](http://www.urcwestmidlands.org.uk)). During the year there were seven Areas. The work of Synod Mission Council is organised through committees with responsibility for specific aspects within the life of the Church.

#### ***Relationships with the URC General Assembly***

The Synod acts as a bridge between the work of the local church and the General Assembly. It carries an oversight function for the local churches within the context of the General Assembly's policies. The councils of the United Reformed Church (Church Meeting, Synod and General Assembly) have a covenantal relationship which means that they have an awareness of and responsiveness to the needs and mission of the whole Church. This is expressed in many ways but not least in the Plan for Partnership through which ministry is supported and in the resource sharing arrangements between Synods.

#### ***Related parties***

Local United Reformed Churches operating in the West Midlands area are separate independent charities. There is no common control or unity of administration with any of these bodies and they are not deemed to be connected charities within the understanding of the Charities SORP 2015.

#### ***Property Holding Trustee***

The Trust acts as trustee on behalf of most of the United Reformed Churches in the West Midlands holding properties on trust for them in accordance with the Statutory Trusts as set out in the United Reformed Church Acts. The insured value of these properties exceeds £200 million and there are guidelines in place to minimise the risk to the Trust of actions by local churches in respect of these assets.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2020

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### ***Custodian Trustee***

The Trust acts as custodian trustee for some churches and other URC related organisations, holding investments separately on their behalf. The investments have a value of approximately £802,000 and the local churches have objects consistent with those of the Synod. The investments are held in deposits and investments separate from those of the Trust and identified as such. The funds are recorded and reconciled on a regular basis and reported to the appropriate church or group on an annual basis.

### ***Risk management***

Synod has undertaken a thorough Risk Assessment review and is currently looking at it again. This process considers the risks to which the Synod and Trust are exposed and agrees policies and actions to minimise any potential exposure to those risks. The reserves policy and investment policy of the Trust are considered to play a key part in mitigating the major risk of having insufficient resources to provide the appropriate level of support to United Reformed Churches within the Synod area.

### ***KMP remuneration policy***

Key management personnel are the trustees of the charity and do not receive remuneration other than the Moderator who is remunerated by the national United Reformed Church, which accordingly makes decisions on the stipend. Decisions on remuneration levels for paid staff are based on consideration of the market rates for staff with the relevant qualifications and experience to fulfil roles, regard is had to published pay scales for similar roles. All rates of pay are reviewed annually and amended in the light of changes in the cost of living and known pay rises elsewhere in the URC.

### ***Objectives and activities***

The objects of the Trust, as set out in the company's memorandum of association, are:-

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 West Midlands Synod of that Church.

The aim of the Trust, through the work of the Synod, is to provide financial, pastoral, educational and technical support to local URC congregations, their Ministers, Elders and lay people in their life and mission. It is also to share the vision of the United Reformed Church's General Assembly with the local churches. This it has done through the development of a Synod strategy which is heavily based on the framework set out by the Assembly for developing the United Reformed Church's mission towards 2020, and now beyond. The Board has overall responsibility for decisions relating to the assets held at Synod and local church level.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2020

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### ***Ensuring delivery of the Trust's aims and public benefit***

The trustees have referred to the general guidance issued by the Charity Commission on public benefit when considering the delivery of activities in furtherance of the aims and objectives. The Trust, through the work of the Synod, supports 108 churches in the region with 3596 United Reformed Church members. Our support of these churches and their congregations aims to further their purposes in advancing the Christian religion.

Although from time to time churches to which trustees may belong are beneficiaries of financial support, there are agreed procedures to ensure that no trustee derives a private benefit and that no undue bias arises in considering the merits of the application. Potential conflicts of interest are declared and noted in relation to trustees, Synod Officers and others. Minutes and other appropriate records are kept including how discussion and decision making has subsequently been carried out when a conflict has been declared. This process is currently under review.

### ***Financial support and grant making policies***

A range of loans, sometimes held as programme related investments, and grants are available to local churches to assist them with their mission and with improvement and maintenance of properties and to local ministers to support ministerial training, development and sabbaticals.

As a result of the COVID 19 restrictions it was recognised that many of our churches would be severely adversely affected financially. The Trust immediately introduced a system of support, subject to certain criteria, which benefitted 87 of our churches and cost £384,000.

A Synod Mission Fund of £1 million was established in 2010, an idea introduced as part of the Vision 2020 process. The Synod created the fund as part of its responsibility to encourage, enable and support local churches in their mission activities. The Fund is a resource to enable mission to develop and, in particular, as a financial support to Mission pledges. During 2020 the Trust extended the scope to cover the cost of digital equipment to support outreach and worship.

Another important aspect of the support offered to churches is through the Synod Manse Policy. In addition to grants and short-term loans for improving existing manses, capital investment is often made when purchasing replacement manses to improve standards. The Trust has enabled the purchase of replacement houses before sale of the existing manse in certain instances. During 2020 the Trust introduced a Manse Repairs allowance for £500 to cover the cost of routine maintenance to ensure that there should be no financial reason why necessary repairs should not be carried out, so ensuring good quality housing to our ministers. Further the Trust has also commenced paying insurance of manses. The Trust also provides contributions from the sale of redundant church buildings to support The Ministers Pension Fund. The Trust is active in the Inter Synod Resource Sharing system which supports the Synods with least resources.

The Trust has an approved grant making policy, which is kept under review. The current rate of Property Grants is 25% of cost subject to a maximum of £30,000 in any three year period. The grant making policy for ministerial training is based on national guidelines. In all cases grant awards are made after consideration of the mission statement and financial situation of the applicant.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2020

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### ***Pastoral and Educational support***

The role of the Moderator is to work with Synod Officers and Committees to provide spiritual, strategic and pastoral leadership to churches within the West Midlands Synod. This objective is met by the care, encouragement, support and challenging of ministers and churches through meetings, conferences, visits and training events and being responsive when difficulties arise.

The Synod is divided up into Areas to help communication and pastoral support to develop more readily across the region. A key body in this process is the Ministry Development Committee. It comprises the Area Ministers from each Area with the Moderator and key Synod Officers and it is chaired by a Minister of the Synod. In the context of the Areas the Moderator is instrumental in encouraging conversations about pastorates and calling of ministers.

The Synod Training and Development Officer and the Synod Evangelist are Ministers of Word and Sacraments, inducted to their Synod roles following a call issued and accepted recognising their appropriate skills and experience. The Children and Youth Development Officer is a salaried post, with recruitment also based on skills and experience.

The role of the Synod Training and Development Officer is to implement those parts of the Synod Mission Strategy concerned with establishing, developing and control of lay training, and to implement those parts of the Synod Mission Strategy concerned with EM1, EM2 and EM3 (Education for Ministry Phases 1-3) as a lifelong and ongoing process for Ministers and Church Related Community Work Ministers, and to provide advice, support and guidance as appropriate in relation to training in other aspects of mission and ministry in the Synod.

The Synod Evangelist works with local congregations encouraging and responding to invitations from local churches to be involved in specific outreach projects. He also offers training in evangelism and explores with elders, churches and individuals how they can be responding to opportunities to share their faith.

Work in the local churches with Youth and Children continues to be supported and enabled by the work of the Children and Youth Development Officer.

### ***Technical support***

The Synod Property, Finance, Trust and Safeguarding Officers are paid staff recruited on the basis of their professional experience and skills to enable day to day operations.

Where churches are Listed buildings, Synod has a statutory role under Ecclesiastical Exemption, which the Property Officer carries out with the assistance of other officers of the wider United Reformed Church. In addition, Synod seeks to provide advice and guidance to assist churches to meet their obligations as Listed Buildings while developing their mission and vision. Support is also provided in other areas where changes in policy or legislation have to be implemented on a practical basis at local church level and training and/or advice is made available to these churches including the provision of an annual conference for church treasurers and those interested in finance and the provision of Health and Safety awareness to Church Elders.

# **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

## **Annual Report**

### **Year Ended 31 December 2020**

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In some cases, churches may need legal or other professional advice. The Trust continues to encourage appropriate use of external advice and assist with securing services which are effective and provide best value. Following a review of legal services in 2017 when the decision was made to work with more than one firm of Solicitors, the Trust has continued to work with Towns Needham as well as Veale Wasbrough with the former providing support particularly in areas requiring specialist knowledge of the URC Acts.

Technical support is of particular relevance where churches are facing closure or entering into local ecumenical projects and partnerships and decisions have to be made about surplus properties. The Trust provides support through the decision-making process and legalities both technically and pastorally. On occasions financial support is also made available on a temporary bridging basis.

The Synod Property Officer continues to provide technical support to local churches in the maintenance and enhancement of their church buildings. This includes working closely with local church leadership to resolve practical and technical issues regarding various projects. Throughout the course of 2020 numerous churches and manses were visited by the Property Officer, within the confines of the pandemic and associated lockdowns. The major project at Ansty Road was completed and discussions begun concerning others, although the ability to meet on site for non-urgent matters was severely curtailed. A project to install PV panels on manse roofs throughout the Synod area was initiated and a pilot scheme undertaken in Cheltenham. It was expected that this would continue into 2021.

In addition to being in charge of the Accounts, the Synod Finance Officer is Secretary to the Synod Mission Fund Panel and assists local Churches with their grant applications and other areas of church finance.

The Synod Trust Officer is Secretary to the Board and Synod Resources and Compliance Committee. She offers support to local Churches and other officers particularly in the areas of governance and charity law, working with solicitors and others as appropriate.

The Synod Safeguarding Officer works with local churches to ensure that children and adults at risk are protected to the best of our ability. She is responsible for co-ordinating safeguarding training around the Synod and ensuring that the revised policies and procedures for safeguarding in the fifth edition of the United Reformed Church's Good Practice Guide are implemented.

#### **COVID-19 Pandemic response and support**

Through most of 2020, the COVID-19 pandemic had a significant effect on church attendance and activities. With two periods of lockdown resulting in churches being closed for physical meetings, many churches were able to move to online worship, some of which were supported through grants from the Mission Fund to provide new equipment. That funding stream remains open to churches. Other congregations, recognising their local context, decided to distribute paper-based worship and devotional resources. Additionally, some churches were able to offer prayer and Bible study meetings online, as well as social activities.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2020

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Two churches, recognising the ability of small and elderly congregations, came to the conclusion that their worship, witness and service should conclude at the end of December 2020. The additional time and energy needed to maintain COVID-Secure buildings in line with Government requirements were too much for them to contemplate. We mark with thanksgiving all that St Columba's, Coventry and Dudley URCs have achieved in their time.

Staff worked from home from March. The office reopened in June with procedures in place to make it COVID secure and staff attended on a rota basis. Since then, staff have either worked from home or partly in the office as government guidance changed. Support has been given to staff through regular online meetings, the provision of equipment and the payment of a working from home allowance. Hours of work and salary have not been reduced, and no staff have been furloughed.

Trust and committee meetings have continued with the usual frequency using video conferencing, enabling decision making to continue. Attendance and engagement by committee members have been good.

#### **Achievements and performance**

Financial support in the form of grants was made to local churches during the year to assist with the improvement and maintenance of church buildings and manses, details of which can be found in note 4 to the financial statements.

With the new Manse Guidelines, developed and brought through a robust discussion process in 2014, and formally adopted at Spring Synod in 2015, the programme of inspection of Manses currently occupied by a Minister, along with the inspection of other Manse properties continued.

During 2020, the Property Officer continued to deliver a programme of investment into the manse stock required to meet future ministerial deployment across the Synod bringing consistency in the improvement, maintenance/repair and energy efficiency of the property portfolio. Following approval of the new Synod Manse Policy in 2018, the Synod Property Officer in consultation with the Synod Finance Officer committed £100,000 per year to support improvement works to fourteen manses.

The network of Architects and Surveyors, established in 2014 to support the Quinquennial Survey programme, continued to progress the programme commenced in the latter part of 2014, with most listed churches having been surveyed along with most non-listed churches. Completed Quinquennial Reports continue to be circulated to Area ministers and churches, with the response that the information contained within the reports has assisted churches to plan and budget for short, medium and long term maintenance/repair programmes.

The Synod Property Officer in 2020 continued to work with a health and safety consultant to deliver a training presentation to support churches with compliance with relevant health and safety legislation.

The Synod Mission Fund is now in its ninth year of operation and continues to support local churches in mission activity and the achievement of mission pledges. We have amended the criteria to make it more accessible to smaller churches. During the year financial support was committed to seven new projects.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2020

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Grants were awarded to support: -

- Wade Street Church, Lichfield
- Quarry URC
- Uttoxeter URC
- Sutton Coldfield URC
- St Andrews URC, Cheltenham
- Longton URC
- Beacon URC, Rubery
- Lillington URC
- Dursley URC
- Rodborough URC
- Three projects of £1,000 or less

The Synod Mission Fund balance is £520,089 which includes £20,441 from a legacy for use in the Coventry Area. Grants of £63,426 have been awarded in 2020

Our global partnership with the Diocese of Durgapur was maintained, with continued involvement of the Trust in managing further release of the legacy which financed the Colin Choyce Hostel for children at risk or rescued from human trafficking and now contributes to running costs. During 2020 £11,900 was sent to this project.

The Synod Safeguarding Officer (SSO) came into post in March 2020. Upon administering and reporting the annual returns in April, it was recognised that training was a priority for the region. She joined the Training review group, working with a sub group of other SSOs and the Training & Development Coordinator to create robust training programs for Safeguarding throughout the country. Since the safeguarding training programme was agreed, she has facilitated 6 training sessions on zoom. Going forward it is anticipated that a minimum of two basic Safeguarding training sessions per month will be facilitated for the West Midlands Synod.

The SSO has worked in collaboration with the TDO to support the roll out of Safer Sacred Space training. The Safeguarding Symposium took place in October and was a success with excellent attendance and subsequent interest.

The SSO regularly meets with the safeguarding peer support group established with small group of URC Safeguarding Officers to support and ensure good practice. The SSO continues to establish links with statutory and voluntary sector agencies, taking up opportunities to attend training.

There have been approximately 75 enquiries to the SSO from churches, ranging from quick policy advice to liaising with statutory agencies in order to ensure adequate help is put in place for adults at risk. The SSO continues to contribute to the Communications working group who are developing a communications strategy for the West Midlands Synod. A new safeguarding policy statement for the West Midlands has been agreed and added to the website.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2020

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In the light of the lockdown and other restrictions imposed in response to the coronavirus pandemic, nearly all the activity of the Training and Development Officer (TDO) has been on-line. For ministers, this has included a ministers' conference and a regular "Open Forum" gathering, and leading ordinands through the "Introduction to the URC" course that is required. The TDO has also continued to respond to enquiries and applications for funding for training, both for on-going training and for sabbatical leave. He has worked with the Synod Lay Preaching Commissioner in delivering "Meet and share" opportunities for lay preachers, both serving and in training, and with the Synod Moderator in a consultation for Church Secretaries. With the Synod Safeguarding Officer the TDO has planned and delivered both initial and refresher training on professional boundaries, as mandated by the denomination, and collaborated on other initiatives and training sessions with the Synod Evangelist and Youth and Children Development Officer, with Training and Development colleagues in other Synods of the United Reformed Church, and with ecumenical colleagues across the West Midlands particularly in relation to discipleship.

The TDO has also continued to be involved in the development of strategy and planning through attendance at meetings, in the Synod and, through membership of the Assembly Ministries Committee and the Board of Studies at Westminster College, in the wider church. Since September he has carried increased responsibility, pending changes in the College teaching staff, as interim convener of the latter body, which has included membership of the Governing Body. The TDO has also continued to respond to invitations to lead worship, in both virtual and physical contexts.

The Synod Evangelist returned to full time work in March, coinciding with the first lockdown. His focus has been to enable churches/ministers to think, not 'how can we invite people to come back to our buildings?' but 'how can we find new ways to reach out in this time of covid'? Mostly, this has involved helping churches go online, providing training and support to ministers and churches doing this. Participation in worship and training has largely been online, with just a handful of live events possible in the year. The Evangelist has also run an online Alpha course attended by folk from across the Synod and engaged in the Genexis Course. The Good news story sharing evolved into a series of 'Life in Lockdown' videos, filmed over zoom and shared through the new Synod you-tube channel he set up. While conversations about faith sharing for over 60s has continued slowly through lockdown, no particular resource has, as yet, been created.

Work in the local churches with Youth and Children was supported by the appointment of Mr R Knott from 6 January 2020 as Children and Youth Development Officer (CYDO). He is already being effective in encouraging and equipping those who minister alongside children and young people in all parts of the Synod utilizing digital technology when the possibility of physical meetings are restricted due to Covid-19. Regular online Youth events have been established in partnership with the East Midlands Synod. Two series of Core Skills training sessions have been offered in a virtual meeting space to volunteers in local churches. Regular newsletters with information on events and resources are circulated in addition to the use of some social media platforms. The CYDO continues to be available to churches in the Synod to offer support, encouragement and resources.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2020

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A comprehensive ministerial deployment plan for the next ten years was completed in 2017 and accepted by Synod Pastoral Committee (now the Synod Ministry Development Committee), identifying how we intend to use decreasing ministerial resource over this period. Implementation of the plan had begun. However, a change in protocols agreed at General Assembly level means that implementation of that plan has to be accelerated. The United Reformed Church as a whole is below the planned level of Stipendiary Ministers, and the West Midlands Synod must now operate within strict limits of its “share” of the limited pool. Further consultation is underway with local churches across the Synod to agree even tighter restrictions, which will slow or stop the calling of new Stipendiary Ministers into the Synod until a new deployment plan has been agreed. Local churches will need to identify other local patterns of leadership to work with Stipendiary Ministers and the Synod is committed to supporting our churches as they seek to discern and develop new leadership patterns. Further, the Trust has agreed to create a designated Ministry Support Fund of £500,000 to allow maximum flexibility in deploying Stipendiary Ministers and employing local workers, where there is a clear commitment and plan to work for numerical growth in our churches. We anticipate making the first grants from this fund during 2021.

Following decisions taken at General Assembly in 2016, Synod discussed a policy on Authorised Elders in relation to presidency at the sacraments of baptism and communion when a minister of Word and Sacrament is not available either at short-notice or is known ahead of time. The policy was agreed with processes for the appointment of Authorised Elders, limits on authorisation, and the requirement for training to the agreed syllabus at the direction of the Synod Training and Development Officer. Guidelines on conduct and behaviour of Authorised Elders were also agreed.

## Financial review

### ***Financial Statements***

The financial statements, including the notes, have been prepared in compliance with the new Statement of Recommended Practice “SORP2015 (FRS102)”. The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust do not sell goods or services, nor are there any other trading activities.

A financial review document is made available to all members of Synod, and local churches if requested. This document highlights the main features of these financial statements. The review includes a comparison between the budget and the final operating income resources and expenditure.

### ***Statement of Financial Activities***

The Statement of Financial Activities is shown on page 21, with a more detailed analysis of income and expenditure on pages 28 to 31.

After many years of increases the total operating income for the year reduced by 13.3% to £499,414 as a result of eliminating the Synod Levy paid by our churches to support the work of the Synod. There was a 12.6% increase in investment income following reductions in dividends paid resulting from the COVID 19 situation. Immediately before the year end an additional £473k was invested arising from the sale of properties. In addition a surplus of £443,114 was realised from sale of a Manse and £972,106 on the sale of two churches. Both of those sales were for on-going congregation and net proceeds were credited to a Designated Fund for their future use.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2020

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The total operating expenditure more than doubled to £1,522,324, this is a result of £383,719 having been released to support Churches during the restrictions caused by COVID 19 and the release of £375,076 from prior church sales proceeds. It was pleasing that the Mission Fund was able to award grants of £63,426. Once again, we released £9,000 from a Restricted Legacy to the Church of North India for the running costs of a Children's Hostel. We continue to invest in our buildings, Church property grants increased from £31,007 to £54,304 and spending on manses increased from £112,188 to £129,601.

The restrictions in place during 2020 limited the ability for training to take place resulting in Training grants and training costs for Ministers, Lay Preachers and Members to have reduced. The Trust is fully committed to supporting the training costs of those at all levels within the Synod.

Other incoming resources consisted of surplus on disposal of a manse at Rugby, these proceeds are held in the Synod Manse Fund and allow the Synod to advance capital for the upgrade and replacement of manses so that they are of a suitable standard. Also, we received proceeds from the sale of churches at Hobs Moat and Holly Mount.

There was no call on funds to the Ministers Pension Fund nor the Retired Ministers Housing Society, although the Trust is committed to supporting the financial requirements of the Ministers Pension Fund.

The Trust is currently in discussions with the United Reformed Church regarding a solution to provide financial support to the Ministers Pension Fund which is in deficit. Due to the structure of the national church and ministerial appointments there is no legal obligation for the Trust but all of the regional and national Synods 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. Whilst discussions are still ongoing and there is no binding agreement, the Trust has made an in principle offer of around £4m which would be payable over a period of 9 years commencing in 2022. The Trust considers that this sum is affordable in the context of existing resources and expected future income such that it should not adversely affect the work of the Trust or threaten its financial stability.

A rise in the stock market resulted in unrealised gains of £1,073,713.

#### **Balance Sheet**

Reference has been made above to the increase in the funds balance. An analysis of the funds movements is shown on page 33.

Programme Related Investments stood at £2,424,250 relating to 15 manses. These are funds invested by Synod to assist local churches to purchase or update the properties and to assist certain individuals.

#### **Reserves policy**

The Trust holds funds under a number of different terms. Funds which are restricted or endowed may only be used as directed by the funder at the time they were granted to the Trust. Details of the specific restrictions of those individual funds are disclosed in note 8 to the financial statements.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2020

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Other funds are unrestricted and can be used at the discretion of the trustees in furtherance of the Trust's objects. It is the policy of the trustees to designate certain funds for particular purposes as agreed from time to time and details of the purpose and use of those designated funds can be found in note 8 to the financial statements.

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The policy of the trustees is to aim to hold sufficient investments and deposits that the income generated will cover one full year's total expenditure, net of grants received.

In evaluating the value of our income in this regard we consider the total return on our investments, both yield and appreciation in value, whilst we have experienced both increases and decreases in individual years, over the long term investments have appreciated. In setting our budget we actively consider the level of expenditure that can be sustained from income and gains on investments. Certain forms of expenditure are also planned to specifically draw on existing reserves, particularly designated reserves.

At 31 December 2020 the total funds comprised:-

	<b>£</b>
Restricted funds	34,489
Unrestricted funds	9,415,204
Designed funds	<u>14,517,338</u>
<b>Total funds</b>	<u>23,967,031</u>

#### ***Investment policy***

The agreed investment objectives are:-

- To maintain adequate liquidity;
- To maintain the security of any investments;
- To minimise capital loss;
- To maintain a mixed portfolio of fixed and equity investments whilst providing a balance between income and growth;
- To adhere to any restrictions as defined from time to time by Synod, including an ethical policy;
- and
- To obtain the optimum yield, subject to complying with the above criteria.

The current restrictions defined by Synod are that investments should avoid those companies that have significant involvement in armaments, pornography, supply of alcoholic drinks, gambling and tobacco manufacture.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2020

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During 2020 the Trust completed its commitment to divest from companies that derived more than 10% of their turnover from the extract, processing or sale of other fossil fuel in accordance with the URC Mission Council resolution in 2019 to Divest from Fossil fuels by the time of General Assembly in July 2020. The Trust had previously sold any holdings in companies with income derived from Tar Sands and Coal. The Trust also asked its investment managers in association with MSCI to assess the Environmental, Social and Governance (ESG) ratings of its portfolio. The direct holding in our portfolio has been assessed as being AAA, including holdings through funds the rating AA with an upward trend in ratings, with no company below BBB. This puts us above the median of all shares. Our portfolio was also judged to have a low carbon risk. The Trust and Investment subcommittee will continue to monitor the ESG ratings and carbon risk of its holdings.

An investment portfolio is managed by Smith & Williamson and investment advice is sought from them as required. Individual purchases and sales are made by the investment manager in accordance with a working practice that included two meetings during the year with the Trust Investment Committee, a sub-group of the Executive Committee which includes the treasurer, finance officer and four other members with the relevant knowledge and experience.

In addition to this portfolio, funds were also invested with the Charities Official Investment Fund (COIF) managed by CCLA.

### Asset Allocation

The current allocation of investments is as follows: -

- 80.37% of the Unrestricted General Funds are invested by Smith and Williamson, 19.63% in the COIF Charities Ethical Investment Fund, managed by CCLA Investment Management Limited (CCLA). The Company keeps under review the extent to which the ethical and corporate governance criteria of the funds are in line with the policy set out under 'Ethical Considerations'.
- Designated, Restricted and Endowment Funds are mainly invested with the same Investment Manager as the Unrestricted General Funds.
- Equities 93.35%, Fixed Interest 5.69% and cash 0.96%

### Investment Performance

The trustees in consultation with the Company's Investment Managers are content that the Company's medium to long term strategy remains sound. The investment performance of the Trust's portfolio is summarised in the table below.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2020

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	Total Return after Charges over 2020 %	Income yield at 31 December 2020 %
Smith and Williamson – Investment Managers	7.32	2.20
CCLA (COIF Charities Ethical Investment Fund)	9.45	3.16
Epworth Investment Management	-0.78	0.40

Comparative Measures -

Bench Mark – MSCI PIMFA (Growth) 22.2%

### Cash

For many years it has been the Company's policy to hold sufficient cash within the Unrestricted General Funds to fund its operational needs, grant commitments and capital expenditure commitments. In response to the sustained low yields available on such cash and the reduced need for capital expenditure the Investment Sub Committee agreed in 2016 to maximise its managed investment income by limiting the amount of cash held at all times, with any excess over short term cash flow requirements being invested in managed investments until required. The cash and deposits held at the end of the year was £795,829, which was higher than the targeted level as there were significant uncertainties at present along with known spending plans requiring funding.

### Future plans

The Synod's support for local churches continues to be determined by the Synod Mission Strategy in which we are committed to the United Reformed Church's Statements of Mission Purpose as set out by General Assembly. These have been adapted to reflect the needs the Synod's churches have identified as priority requirements for them. The Synod Strategy reminds us that we are called to be disciples of Jesus and to live the life of Jesus and is encouraging local churches in being disciples, making disciples and transforming disciples. Conversations are under way with Area Ministers and other key officers as to how the current strategy should be updated for 2021 and beyond.

Because of denominational policy the Synod faces a year-on-year decline of the number of Stipendiary Ministers available to local churches, and Synod Officers are actively managing plans for that reduction and continuing to look at ways in which to increase the range of lay leadership and ministries to compensate for the reduction in ordained Ministers. The new Ministry Support Fund described above is one way in which we intend to realise that support.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Annual Report

#### Year Ended 31 December 2020

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In addition in 2021 the following are planned within our strategy:-

- Continued development of vision and strategy for the Synod Evangelist, Children and Youth Development Officer and Training and Development Officer
- Advocacy and delivery of the United Reformed Church's "Stepwise" resources for lay training, particularly the introductory course "Faith-filled Life" and the leadership course "Faith-fuelled leadership".
- More encouragement and training for local churches in faith sharing and outreach.
- The continuation of regular newsletters from the Officers to bring relevant information and training opportunities to the attention of ministers and churches.
- A continued focus on outreach through support for chaplaincy, locally employed outreach workers and fresh expressions across the Synod.
- Focus on 'leading your church into growth'.
- Encouragement of Prayer for Mission and Evangelism in our churches.
- Discernment and response to the training needs of ministers and others in leadership, particularly through one-to-one conversation, sabbatical leave, CME and ministers days.
- As a continuing priority, discern and respond to worship needs in the Synod's churches, with particular attention to the advocacy and recruitment of lay preachers/worship leaders and to include attention to the provision of resources for these people.
- Continue to develop elders training and the training of Elders in Local Leadership.
- The use of a new lay preaching course currently in preparation by the denomination.
- Continue to engage with and respond to the "Walking the Way – living the life of Jesus today" initiative, encouraging and enabling the use of the "Holy Habits" materials.
- Provide a further opportunity for the training and support for Church Secretaries.
- Continued emphasis on Safeguarding Training across the Synod.
- Establishing the new Children and Youth Friendly Church Scheme to enable churches to evaluate their ministry with children and young people.
- Continued liaison with our international partner church, the Church of North India.
- Continuing work with the manse inspection team to conduct regular manse inspections to support churches as they provide manses for ministers and their families in accordance with the Plan for Partnership. With the support of the Resources and Compliance Committee, we will continue to inspect manses on a three yearly cycle to ensure routine maintenance and repairs are progressed.
- To continue the Quinquennial Survey programme for properties, with work on linking the inspections with the Local Ministry & Mission Review (LMMR) programme. It is planned to consolidate a 5-yearly inspection programme.
- Continue the work of monitoring the environmental impact of buildings and encouraging green credentials in line with the Synod Strategy.
- Continue to support those churches considering or actively pursuing major repair and development projects.
- To continue the work commenced in 2017 to develop a database of key property related information to assist the Synod Property Officer and Resources and Compliance Committee in determining future resources to support local churches in managing church and associated properties.
- To continue to signpost advice and training suitable for local churches on subjects such as GDPR.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

Year Ended 31 December 2020

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### Trustees' Responsibilities

Company law requires the trustees as directors to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the trustees are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 auditor is 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 auditor is aware of that information.

On behalf of the Board

**Revd. D.M. Walton – Chair of Trust**

Date: 22 September 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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**Opinion**

We have audited the financial statements of The United Reformed Church (West Midlands) Trust Limited (the 'charitable company') for the year ended 31 December 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis of 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 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 of our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 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 directors 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' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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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 (incorporating the annual report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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### **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:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting systems for bias.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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 opinion we have formed.

**Helen Blundell LLB, FCA, FCIE, DChA (Senior Statutory Auditor)**  
**For and on behalf of MHA MacIntyre Hudson (Statutory Auditor)**  
Birmingham, United Kingdom

Date: 27 September 2021

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Statement of Financial Activities  
(Incorporating Income and Expenditure Account)  
Year Ended 31 December 2020**

2019 Total Funds £	Income from:	Notes	2020 Total Funds £	Unrestricted General £	Designated £	Restricted £
	<i>Charitable activities:</i>					
67,660	Grants received	2a	<b>14,114</b>	9,919	-	4,195
2,000	Other income	2a	<b>47,000</b>	2,000	45,000	-
	<i>Investments</i>					
483,786	Investment income	2a	<b>422,805</b>	213,886	208,919	-
<u>4,000</u>	Rents	2a	<u>15,495</u>	-	<u>15,495</u>	-
	<i>Incoming resources from charitable activities:</i>					
557,446	<b>Total Operating Income</b>	2a	<b>499,414</b>	225,805	269,414	4,195
<u>2,186,184</u>	Income on sale of properties	2a	<u>1,415,220</u>	<u>145,727</u>	<u>1,269,493</u>	-
<u>2,743,630</u>	<b>Total Income</b>		<u>1,914,634</u>	<u>371,532</u>	<u>1,538,907</u>	<u>4,195</u>
	<b>Expenditure on:</b>					
86,033	Generating funds	2b	<b>77,321</b>	46,353	30,968	-
<u>596,977</u>	Charitable expenditure	2b	<u>1,445,003</u>	<u>768,410</u>	<u>664,693</u>	<u>11,900</u>
683,010	<b>Total Operating Expenditure</b>	2b	<b>1,522,324</b>	814,763	695,661	11,900
(2,791,343)	<b>Net (gains)/losses on investments</b>	7	<b>(1,073,713)</b>	(674,216)	(395,798)	(3,699)
64,272	Payment to Ministers Pension Fund	4	-	-	-	-
<u>-</u>	Transfer from local church funds		<u>(330,651)</u>	<u>-</u>	<u>(330,651)</u>	<u>-</u>
<u>(2,044,061)</u>	<b>Total Expenditure</b>		<u>117,960</u>	<u>140,547</u>	<u>(30,788)</u>	<u>8,201</u>
<u>(125,564)</u>	<b>Net Expenditure on Operating account</b>	2b	<u>(1,022,910)</u>	<u>(588,958)</u>	<u>(426,247)</u>	<u>(7,705)</u>
<u>4,787,691</u>	<b>Net Income for the Year</b>		<u>1,796,674</u>	<u>230,985</u>	<u>1,569,695</u>	<u>(4,006)</u>
	<b>Other recognised Gains &amp; Losses</b>					
-	Transfer between reserves	8a	-	(105,469)	105,469	-
4,787,691	<b>Net Movement in Funds for the year</b>		<b>1,796,674</b>	125,516	1,675,164	(4,006)
<u>17,382,666</u>	<b>Funds Balances brought forward</b>		<u>22,170,357</u>	<u>9,289,688</u>	<u>12,842,174</u>	<u>38,495</u>
<u>22,170,357</u>	<b>Fund Balances carried forward</b>	8a	<u>23,967,031</u>	<u>9,415,204</u>	<u>14,517,338</u>	<u>34,489</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**COMPANY NUMBER 01337047**  
**Balance Sheet**

**As at 31 December 2020**

2019		<b>Notes</b>	2020
£			£
	<b>Fixed Assets</b>		
258,083	Tangible assets	9	246,040
19,201,115	Investments	10	20,702,534
<u>2,424,250</u>	Programme related investments	11	<u>2,424,250</u>
21,883,448			<u>23,372,824</u>
	<b>Current Assets</b>		
109,041	Debtors	12	103,808
<u>677,763</u>	Cash and short-term deposits	13	<u>795,829</u>
786,804			899,637
(484,371)	<b>Creditors: Amounts falling due within one year</b>	14a	<u>(272,006)</u>
302,433	<b>Net Current Assets</b>		627,631
<u>22,185,881</u>	Total Assets less Current Liabilities		<u>24,000,455</u>
(15,524)	<b>Creditors: Amounts falling due after more than one year</b>	14b	(21,499)
-	Provision for charges	14c	<u>(11,925)</u>
<u>22,170,357</u>	<b>Net Assets</b>		<u>23,967,031</u>
	<b>Funds:</b>		
	<i>Restricted Funds</i>		
27,265	Other		19,560
<u>11,230</u>	Revaluation reserve		<u>14,929</u>
38,495			34,489
	<i>Unrestricted funds</i>		
	General		
5,834,295	- Other		5,285,596
<u>3,455,393</u>	- Revaluation reserve		<u>4,129,608</u>
9,289,688			9,415,204
	Designated		
11,761,446	- Other		13,063,282
<u>1,080,728</u>	- Revaluation reserve		<u>1,454,056</u>
<u>12,842,174</u>			<u>14,517,338</u>
<u>22,170,357</u>	<b>Total Funds</b>	15	<u>23,967,031</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trust Board on 22 September 2021 and signed on its behalf by

Revd D.M. Walton - Chair of Trust  
Mr S.M. Powell - Director and Treasurer

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Statement of Cash Flows

Year ended 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flow from operating activities:</b>			
<b>Net cash provided/used in operating activities</b>	A	<b>(1,311,564)</b>	<b>(652,127)</b>
<b>Cash flows from investing activities:</b>			
Investment income		438,300	487,786
Proceeds from programme related investments		1,415,220	2,186,183
Purchase of programme related investment		-	(599,944)
Proceeds from sale of investments		2,827,938	1,575,276
Purchase of investments		<u>(3,143,111)</u>	<u>(2,952,270)</u>
Net (decrease)/increase cash provided by investing activities		<u>1,538,347</u>	<u>697,031</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>		<b>226,783</b>	<b>44,904</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b><u>768,296</u></b>	<b><u>723,392</u></b>
<b>Cash and cash equivalents at the end of the reporting period</b>	B	<b><u>995,079</u></b>	<b><u>768,296</u></b>
<b>Notes to the statement of cash flows</b>			
<b>Reconciliation of net income/expenditure to net cash flow from operating activities</b>			
A)			
<b>Net income for the reporting period (as per the statement of financial activities)</b>		<b>1,796,674</b>	<b>4,787,691</b>
<b>Adjustments for:</b>			
(Gains) and losses on investments		(1,444,511)	(2,689,858)
Depreciation		12,043	12,040
Surplus on sale of programme related investments		(1,415,220)	(2,186,183)
Investment income and rents		(438,300)	(487,786)
Decrease/increase in debtors		41,564	(18,368)
Increase/(decrease) in creditors		<u>136,186</u>	<u>(69,663)</u>
<b>Net cash used in operating activities</b>		<b><u>(1,311,564)</u></b>	<b><u>(652,127)</u></b>
B)			
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		29,433	50,882
Deposit accounts		766,396	626,884
Cash held by investment manager		<u>199,250</u>	<u>90,530</u>
		<u>995,079</u>	<u>768,296</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2020

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### 1. Accounting Policies

#### General Information

The United Reformed Church (West Midlands) Trust Limited is a charitable company limited by guarantee and registered in England and Wales. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member. The registered office is shown on page 1. The nature of the charity's operations and principal activities are the advancement of the Christian religion by supporting the work of West Midlands URC Synod.

The company's functional and presentational currency is British Pound Sterling (£).

#### Basis of Accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice (UK GAAP).

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies adopted, are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Programme related investments – a judgement made as to whether impairment is required. These judgements are based on the current property market.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Contingent assets and liabilities – estimations are made based on information available at the point of approval of the financial statements as to the probability and value of the transactions.

#### 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 COVID19 has 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.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2020

---

### 1. Accounting Policies *(continued)*

#### **Funds Incorporated**

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 West Midlands Synod :-

General Purposes Fund  
Church Buildings Fund  
Manse Fund  
Retired Ministers Housing Fund  
Mission Fund  
Choyce Legacy  
Stretton Fund  
Ministry Support 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.

Unrestricted income funds may be spent generally for furthering the Christian and charitable work of the United Reformed Church in the West Midlands. The main fund in this category is the General Purposes Fund. Certain funds have been allocated for Church Buildings or Manses, although the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

#### **Contribution to Pension Funds**

The charity operates a defined contribution pension scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

#### **Income Recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

The charity receives grants which are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2020

---

### 1. Accounting Policies *(continued)*

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

#### **Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs of managing investments and programme related investments;
- Expenditure on charitable activities includes costs of ministry, mission, training and property grants; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose. Grants payable to local churches, organisations and individuals are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

#### **Individual Church Property, including Manse**

The Trust is sole trustee of the land and buildings of most local URCs but they are not the property of the Synod and are not shown in the financial statements. Sale proceeds from redundant properties or from part thereof which come into Synod funds are treated as unrestricted income from general funds. The income is recognised when the amount can be measured reliably and it is probable that the income will be received.

In certain circumstances a local URC may be permitted to apply for a grant from these funds and where this arises, a time-limited designated fund is created.

#### **Support Costs Allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include premises costs, office costs, governance costs, and salary costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2020

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### 1. Accounting Policies *(continued)*

#### **Depreciation**

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

Property	- over fifty years
Integral features of property	- over fifteen years
Office equipment	- over four years

No amounts under £2,500 are capitalised.

#### **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Programme related investments are those held to further our charitable purposes. Programme related investments include investment in a percentage share of properties and bridging or other loans.

Investments in properties are stated at cost subject to any adjustment arising from impairment which is considered on an annual basis. Gains on disposal of these investments are shown as other income in the SoFA. Investments by way of loans are stated at cost. Interest is charged on the loans at the COIF rate of interest, being the rate of interest the Trust would otherwise have earned.

#### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **Financial instruments**

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

#### **Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2020**

**2. Income and Expenditure**

**a) Analysis of Total Incoming Resources**

2019 Total Funds £		2020 Total Funds £	Unrestricted £	Designated £	Restricted £
	<b>Income from Investments</b>				
478,543	Listed Investments	<b>417,562</b>	210,450	207,112	-
<u>5,243</u>	Interest	<u>5,243</u>	<u>3,436</u>	<u>1,807</u>	<u>-</u>
483,786		<b>422,805</b>	213,886	208,919	-
<u>4,000</u>	Rents	<u>15,495</u>	<u>-</u>	<u>15,495</u>	<u>-</u>
<u>487,786</u>		<b>438,300</b>	<u>213,886</u>	<u>224,414</u>	<u>-</u>
	<b>Income from Charitable Activities:</b>				
63,591	Grants – Ministry & Mission	<b>7,225</b>	7,225	-	-
3,249	- Training	<b>2,680</b>	2,680	-	-
<u>820</u>	- Donations	<u>4,209</u>	<u>14</u>	<u>-</u>	<u>4,195</u>
<u>67,660</u>		<b>14,114</b>	<u>9,919</u>	<u>-</u>	<u>4,195</u>
	<b>Other income</b>				
2,000	Investment charge – The Redditch Trust	<b>2,000</b>	2,000	-	-
<u>-</u>	Transfer of funds from Local Church Trust	<u>45,000</u>	<u>-</u>	<u>45,000</u>	<u>-</u>
<u>2,000</u>		<b>47,000</b>	<u>2,000</u>	<u>45,000</u>	<u>-</u>
557,446	<b>Total Operating Income</b>	<b>499,414</b>	225,805	269,414	4,195
	<b>Income from sale of properties</b>				
1,576,605	Of closed Churches	<b>972,106</b>	145,727	826,379	-
	<b>Transfer from churches to Trust Funds</b>				
<u>609,579</u>	On disposal of manses	<u>443,114</u>	<u>-</u>	<u>443,114</u>	<u>-</u>
<u>2,743,630</u>	<b>Total Incoming Resources</b>	<b>1,914,634</b>	<u>371,532</u>	<u>1,538,907</u>	<u>4,195</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2020**

**2. Income and Expenditure** *(Continued)*

**b) Analysis of Total Operating Resources Expended**

2019 Total Funds £		2020 Total Funds £	Unrestricted £	Designated £	Restricted £
	<b>Costs of Generated Funds</b>				
56,751	Investment Management Fees	<b>57,174</b>	34,950	22,224	-
1,948	Other property costs	<b>8,744</b>	-	8,744	-
<u>27,334</u>	Shared Indirect costs (Note 3)	<b>11,403</b>	<u>11,403</u>	-	-
<u>86,033</u>	<b>Total Cost of Generating Funds</b>	<b>77,321</b>	<u>46,353</u>	<u>30,968</u>	-
	<b>Charitable Activities</b>				
	<b>Ministry &amp; Mission:-</b>				
98,405	Grants (Note 4)	<b>122,800</b>	47,474	63,426	11,900
11,984	Residential synod	-	-	-	-
43,589	Support Costs	<b>39,910</b>	26,900	13,010	-
20,000	Resource sharing (Note 4)	<b>20,000</b>	20,000	-	-
-	COVID support to Churches	<b>383,719</b>	383,719	-	-
<u>89,055</u>	Shared Indirect Costs (Note 3)	<b>97,958</b>	<u>97,958</u>	-	-
<u>263,033</u>		<b>664,387</b>	<u>576,051</u>	<u>76,436</u>	<u>11,900</u>
	<b>Training:-</b>				
6,968	Ministers (Note 4)	<b>5,416</b>	5,416	-	-
550	Students (Note 4)	<b>880</b>	880	-	-
2,734	Members (Note 4)	<b>1,013</b>	1,013	-	-
839	Local Ministry and Mission review	-	-	-	-
348	Church Treasurers and staff	<b>79</b>	79	-	-
34,269	Training – staff costs	<b>58,007</b>	55,121	2,886	-
430	Support Costs	-	-	-	-
<u>21,944</u>	Shared Indirect Costs (Note 3)	<b>11,313</b>	<u>11,313</u>	-	-
<u>68,082</u>		<b>76,708</b>	<u>73,822</u>	<u>2,886</u>	-
	<b>Property:-</b>				
31,007	Church Repairs (Note 4)	<b>54,304</b>	200	54,104	-
(40,000)	Write back grants from prior years	-	-	-	-
112,188	Manse Repairs (Note 4)	<b>129,601</b>	-	129,601	-
25,099	Release of Church Sale Proceeds	<b>375,076</b>	-	375,076	-
10,751	Manse Expenses	<b>8,732</b>	-	8,732	-
15,660	Church surveys (Note 4)	<b>4,100</b>	-	4,100	-
24,240	Staff costs	<b>27,517</b>	13,759	13,758	-
647	Legal and Support Costs	<b>783</b>	783	-	-
<u>86,270</u>	Shared Indirect Costs (Note 3)	<b>103,795</b>	<u>103,795</u>	-	-
<u>265,862</u>		<b>703,908</b>	<u>118,537</u>	<u>585,371</u>	-
<u>596,977</u>	<b>Total Charitable Expenditure</b>	<b>1,445,003</b>	<u>768,410</u>	<u>664,693</u>	<u>11,900</u>
<u>683,010</u>	<b>Total Operating Resources Expended</b>	<b>1,522,324</b>	<u>814,763</u>	<u>695,661</u>	<u>11,900</u>
<u>(125,564)</u>	<b>Net (Expenditure) on operating account</b>	<b>(1,022,910)</b>	<u>(588,958)</u>	<u>(426,247)</u>	<u>(7,705)</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2020

2019 Comparative figures

a) Analysis of Total Incoming Resources

	2019 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Income from Investments</b>				
Listed Investments	478,543	214,425	264,118	-
Interest	<u>5,243</u>	<u>3,436</u>	<u>1,807</u>	-
	483,786	217,861	265,925	-
Rents	<u>4,000</u>	-	<u>4,000</u>	-
	<u>487,786</u>	<u>217,861</u>	<u>269,925</u>	-
<b>Income from Charitable Activities:</b>				
Grants – Ministry & Mission	63,591	63,591	-	-
- Training	3,249	3,249	-	-
- Donations	<u>820</u>	<u>6</u>	-	<u>814</u>
	<u>67,660</u>	<u>66,846</u>	-	<u>814</u>
<b>Other income</b>				
Investment charge – The Redditch Trust	2,000	2,000	-	-
Transfer of funds from Local Church Trust	-	-	-	-
	<u>2,000</u>	<u>2,000</u>	-	-
<b>Total Operating Income</b>	<b>557,446</b>	<b>286,707</b>	<b>269,925</b>	<b>814</b>
<b>Income from sale of properties</b>				
Of closed Churches	1,576,605	782,874	793,731	-
<b>Transfer from churches to Trust Funds</b>				
On disposal of manses	<u>609,579</u>	-	<u>609,579</u>	-
<b>Total Incoming Resources</b>	<b><u>2,743,630</u></b>	<b><u>1,069,581</u></b>	<b><u>1,673,235</u></b>	<b><u>814</u></b>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2020

2. *Income and Expenditure* (Continued)

b) **Analysis of Total Operating Resources Expended**

	2019 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Costs of Generated Funds</b>				
Investment Management Fees	56,751	35,742	21,009	-
Other property costs	1,948	-	1,948	-
Shared Indirect costs (Note 3)	<u>27,334</u>	<u>27,334</u>	-	-
<b>Total Cost of Generating Funds</b>	<u>86,033</u>	<u>63,076</u>	<u>22,957</u>	-
<b>Charitable Activities</b>				
<b>Ministry &amp; Mission:-</b>				
Grants (Note 4)	98,405	54,569	33,961	9,875
Residential synod	11,984	11,984	-	-
Support Costs	43,589	35,907	7,682	-
Resource sharing (Note 4)	20,000	20,000	-	-
Shared Indirect Costs (Note 3)	<u>89,055</u>	<u>89,055</u>	-	-
	<u>263,033</u>	<u>211,515</u>	<u>41,643</u>	<u>9,875</u>
<b>Training:-</b>				
Ministers (Note 4)	6,968	6,968	-	-
Students (Note 4)	550	550	-	-
Members (Note 4)	2,734	2,734	-	-
Local Ministry and Mission review	839	839	-	-
Church Treasurers and staff	348	348	-	-
Training – staff costs	34,269	31,383	2,886	-
Support Costs	430	430	-	-
Shared Indirect Costs (Note 3)	<u>21,944</u>	<u>21,944</u>	-	-
	<u>68,082</u>	<u>65,196</u>	<u>2,886</u>	-
<b>Property:-</b>				
Church Repairs (Note 4)	31,007	200	30,807	-
Write back grants from prior years	(40,000)	-	(40,000)	-
Manse Repairs (Note 4)	112,188	-	112,188	-
Release of Church Sale Proceeds	25,099	-	25,099	-
Manse Expenses	10,751	-	10,751	-
Church surveys (Note 4)	15,660	-	15,660	-
Staff costs	24,240	12,120	12,120	-
Legal and Support Costs	647	647	-	-
Shared Indirect Costs (Note 3)	<u>86,270</u>	<u>86,270</u>	-	-
	<u>265,862</u>	<u>99,237</u>	<u>166,625</u>	-
<b>Total Charitable Expenditure</b>	<u>596,977</u>	<u>375,948</u>	<u>211,154</u>	<u>9,875</u>
<b>Total Operating Resources Expended</b>	<u>683,010</u>	<u>439,024</u>	<u>234,111</u>	<u>9,875</u>
<b>Net (Expenditure) on operating account</b>	<u>(125,564)</u>	<u>(152,317)</u>	<u>35,814</u>	<u>(9,061)</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2020**

**3. INDIRECT COSTS**

2019 Total Funds £	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Governance Costs</b>				
3,707	<b>2,235</b>	2,235	-	-
1,324	<b>3,082</b>	3,082	-	-
Staff Costs:-				
141,717	<b>152,782</b>	152,782	-	-
5,376	<b>1,380</b>	1,380	-	-
5,462	<b>2,113</b>	2,113	-	-
9,710	<b>9,814</b>	9,814	-	-
4,096	<b>621</b>	621	-	-
207	<b>124</b>	124	-	-
<u>2,874</u>	<u><b>689</b></u>	<u>689</u>	<u>-</u>	<u>-</u>
<b>174,473</b>	<b>172,840</b>	<b>172,840</b>	<b>-</b>	<b>-</b>
<b>Premises Costs:-</b>				
1,600	<b>1,600</b>	1,600	-	-
1,806	<b>2,859</b>	2,859	-	-
3,093	<b>2,472</b>	2,472	-	-
11,137	<b>11,137</b>	11,137	-	-
<u>9,053</u>	<u><b>4,529</b></u>	<u>4,529</u>	<u>-</u>	<u>-</u>
<u>26,689</u>	<u><b>22,597</b></u>	<u>22,597</u>	<u>-</u>	<u>-</u>
<b>Office Costs:-</b>				
2,424	<b>2,636</b>	2,636	-	-
5,155	<b>4,876</b>	4,876	-	-
9,789	<b>18,681</b>	18,681	-	-
1,715	<b>425</b>	425	-	-
903	<b>907</b>	907	-	-
438	<b>464</b>	464	-	-
<u>3,017</u>	<u><b>1,043</b></u>	<u>1,043</u>	<u>-</u>	<u>-</u>
<u>23,441</u>	<u><b>29,032</b></u>	<u>29,032</u>	<u>-</u>	<u>-</u>
<b>224,603</b>	<b>224,469</b>	<b>224,469</b>	<b>-</b>	<b>-</b>

		<b>Charitable Activities</b>				
2019 Total £	2020 Total £	Raising Funds £	Ministry and Mission £	Training £	Property £	
174,473	<b>172,840</b>	8,780	75,427	8,711	79,922	
26,689	<b>22,597</b>	1,148	9,861	1,139	10,449	
<u>23,441</u>	<u><b>29,032</b></u>	<u>1,475</u>	<u>12,670</u>	<u>1,463</u>	<u>13,424</u>	
<b>224,603</b>	<b>224,469</b>	<b>11,403</b>	<b>97,958</b>	<b>11,313</b>	<b>103,795</b>	
100%	<b>100%</b>	5.1%	43.7%	5.0%	46.2%	

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2020**

**2019 Comparative figures**

3. <b>INDIRECT COSTS</b>	<b>2019</b>			
	<b>Total Funds</b>	<b>Unrestricted</b>	<b>Designated</b>	<b>Restricted</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Governance Costs</b>				
Synod Expenses	3,707	3,707	-	-
Synod Council	1,324	1,324	-	-
Assembly Expenses	-	-	-	-
<b>Staff Costs:-</b>				
Trust Employment Costs	141,717	141,717	-	-
Honoraria	5,376	5,376	-	-
Officers Expenses	5,462	5,462	-	-
Audit	9,710	9,710	-	-
Legal and Professional	4,096	4,096	-	-
Bank Charges	207	207	-	-
Committee Support Costs	<u>2,874</u>	<u>2,874</u>	-	-
<b>Total Governance Costs</b>	<b><u>174,473</u></b>	<b><u>174,473</u></b>	-	-
<b>Premises Costs:-</b>				
Rent	1,600	1,600	-	-
Insurance	1,806	1,806	-	-
Electricity	3,093	3,093	-	-
Depreciation of Synod Office	11,137	11,137	-	-
Repairs and Cleaning	<u>9,053</u>	<u>9,053</u>	-	-
	<b><u>26,689</u></b>	<b><u>26,689</u></b>	-	-
<b>Office Costs:-</b>				
Telephone	2,424	2,424	-	-
Printing, Stationery and Postage	5,155	5,155	-	-
Computers	9,789	9,789	-	-
Advertising	1,715	1,715	-	-
Equipment Depreciation	903	903	-	-
Furniture and equipment	438	438	-	-
Sundry costs	<u>3,017</u>	<u>3,017</u>	-	-
	<b><u>23,441</u></b>	<b><u>23,441</u></b>	-	-
<b>Total Indirect Costs</b>	<b><u>224,603</u></b>	<b><u>224,603</u></b>	-	-

	<b>2019 Total</b>	<b>Charitable Activities</b>			
		<b>Raising Funds</b>	<b>Ministry and Mission</b>	<b>Training</b>	<b>Property</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Governance costs	174,473	21,233	69,179	17,046	67,015
Premises costs	26,689	3,248	10,582	2,608	10,251
Office costs	<u>23,441</u>	<u>2,853</u>	<u>9,294</u>	<u>2,290</u>	<u>9,004</u>
<b>Total Indirect Costs</b>	<b><u>224,603</u></b>	<b><u>27,334</u></b>	<b><u>89,055</u></b>	<b><u>21,944</u></b>	<b><u>86,270</u></b>
<b>% of Direct costs</b>	<b>100%</b>	<b>12.2%</b>	<b>39.6%</b>	<b>9.8%</b>	<b>38.4%</b>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2020**

**4. Grants**

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

	2020		2019	
	Number	Amount £	Number	Amount £
<b>Institutional Grants</b>				
Ministry and Mission:				
Support to churches	87	383,719	-	-
Ministers Pension Fund	-	-	1	64,272
Inter-Synod Resource Sharing	1	20,000	1	20,000
Educational Chaplaincy	4	30,450	4	27,225
Ecumenical Situations	11	16,024	11	17,669
Overseas Mission	1	11,900	1	9,875
Local Church Missions	14	63,426	11	36,511
Youth and Childrens Work	<u>1</u>	<u>500</u>	<u>3</u>	<u>7,056</u>
	<u>119</u>	<u>526,019</u>	<u>32</u>	<u>182,608</u>
Property:				
Church repairs	12	429,379	7	56,106
Manse repairs	15	129,601	20	112,188
Church surveys	<u>4</u>	<u>4,100</u>	<u>20</u>	<u>15,660</u>
	<u>31</u>	<u>563,080</u>	<u>47</u>	<u>183,954</u>
<b>Total Institutional Grants</b>	<u>150</u>	<u>1,089,099</u>	<u>79</u>	<u>366,562</u>
<b>Individual Grants</b>				
Youth	1	500	1	500
Training:				
Ministers	14	5,416	21	6,968
Members	9	1,013	19	3,598
Students	<u>3</u>	<u>880</u>	<u>2</u>	<u>550</u>
<b>Total Individual Grants</b>	<u>27</u>	<u>7,809</u>	<u>43</u>	<u>11,616</u>
<b>Total Grants Charged</b>	<u>177</u>	<u>1,096,908</u>	<u>122</u>	<u>378,178</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2020

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### 5. Trustees' Expenses

These include Honoraria of £690 (2019: £2,688) paid to Mrs M. Marshall (Synod Clerk) and £690 (2019: £2,688) to Mr G W Potter (Synod Treasurer).

Reimbursed expenses were paid to 5 (2019: 7) trustees of the Board in aggregate of £879 (2019: £3,331). This figure includes expenses reimbursed to the Treasurer and Clerk for duties including, but not restricted to, Board meetings.

No other remuneration or expenses were paid to the trustees.

6. Employment Emoluments	2020	2019
	£	£
Wages and salaries	186,282	145,324
Termination costs	-	13,660
Employers national insurance	9,507	7,826
Pension costs	16,800	12,443
	<u>212,589</u>	<u>179,253</u>

The average number of employees was	<u>10</u>	<u>10</u>
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No employee received £60,000 per annum or more in the current or prior year. All staff are employed by the company.

The company operates a defined contribution pension scheme and contributions are charged as expenditure as they become payable.

Key management personnel are the trustees as directors. Revd S M Faber (Moderator) receives a stipend from the United Reformed Church for his role with the charity. Some Trustees receive honoraria as detailed in note 5 in respect of their duties of URC West Midlands Synod.

7. Gains on Investments	2020	2019
	£	£
Realised (loss)/gain on investments sold	(149,748)	378,934
Gains previously recognised in Trust accounts	<u>520,546</u>	<u>(277,449)</u>
Net gain in the year on investments sold	(370,798)	101,485
Unrealised gains on investments for the year	<u>1,444,511</u>	<u>2,689,858</u>
<b>Net Gains on Investments for the Year</b>	<b><u>1,073,713</u></b>	<b><u>2,791,343</u></b>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2020**

**8. Movement on Funds**

a) Fund	Balance 1 January 2020 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2020 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	3,692	8,343	(58,204)	46,169	-
Manse - General	9,394,721	650,370	(198,955)	371,651	<b>10,217,787</b>
- Churches	584,895	5,956	-	-	<b>590,851</b>
Church Property	1,834,651	874,238	(375,076)	354,798	<b>2,688,611</b>
Stretton	440,700	-	-	(440,700)	-
Mission Fund	583,515	-	(63,426)	-	<b>520,089</b>
Ministry Support Fund	-	-	-	500,000	<b>500,000</b>
	12,842,174	1,538,907	(695,661)	831,918	<b>14,517,338</b>
<b>Unrestricted General Funds</b>					
General Purposes	9,289,688	371,532	(814,763)	568,747	<b>9,415,204</b>
<b>Restricted Funds</b>					
Choyce legacy	38,495	4,195	(11,900)	3,699	<b>34,489</b>
<b>Total Funds</b>	<b>22,170,357</b>	<b>1,914,634</b>	<b>(1,522,324)</b>	<b>1,404,364</b>	<b>23,967,031</b>

**2019 Comparative figures**

a) Fund	Balance 1 January 2019 £	Income £	Expenditure £	Investment Gain/(Loss) £	Transfers Between Funds £	Balance 31 December 2019 £
<b>Unrestricted Designated Funds</b>						
Church Buildings	-	8,159	(4,467)	-	-	<b>3,692</b>
Retired Ministers Housing	56,325	-	(64,272)	-	7,947	-
Manse - General	7,559,585	777,480	(168,584)	961,897	264,343	<b>9,394,721</b>
- Churches	842,857	8,381	(2,000)	-	(264,343)	<b>584,895</b>
Church Property	980,535	879,215	(25,099)	-	-	<b>1,834,651</b>
Stretton	440,700	-	-	-	-	<b>440,700</b>
Mission Fund	521,067	-	(33,961)	-	96,409	<b>583,515</b>
	10,401,069	1,673,235	(298,383)	961,897	104,356	<b>12,842,174</b>
<b>Unrestricted General Funds</b>						
General Purposes	6,940,919	1,069,581	(439,024)	1,822,568	(104,356)	<b>9,289,688</b>
<b>Restricted Funds</b>						
Choyce legacy	40,678	814	(9,875)	6,878	-	<b>38,495</b>
<b>Total Funds</b>	<b>17,382,666</b>	<b>2,743,630</b>	<b>(747,282)</b>	<b>2,791,343</b>	<b>-</b>	<b>22,170,357</b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2020

### 8. Movement on Funds *(continued)*

#### Transfers between reserves

During the year the following transfers were made between reserves:-

	General purposes Unrestricted £	Stretton Designated £	Church Building Fund Designated £	Ministry Support Fund Designated £	Retired Ministers fund Designated £
Transfer Stretton to General Funds	440,700	(440,700)	-	-	-
Transfer to Ministry Support Fund	(500,000)	-	-	500,000	-
Transfer deficit on Church Buildings Fund	<u>(46,169)</u>	<u>-</u>	<u>46,169</u>	<u>-</u>	<u>-</u>
	<u>(105,469)</u>	<u>(440,700)</u>	<u>46,169</u>	<u>500,000</u>	<u>-</u>

### b) Purpose of Funds

#### General Purposes Fund - Unrestricted

Unrestricted funds are needed to cover the support costs and grants for the above objects and the administration costs without which the Synod could not function.

#### Church Buildings Fund - Designated

To provide funds which could supplement those already available within local churches for the improvement and maintenance of their properties. Support may be in the form of grants or loans.

#### Retired Ministers Housing Fund - Designated

To provide the capital for long term loans to supplement the purchase of accommodation for retired ministers or their partners, together with Synod's share of the maintenance costs for those properties.

#### Manse General - Designated

Mainly accumulated from the proceeds of manse sales when a replacement manse is not required, this fund provides long term loans to local churches in order for them to purchase a manse at a time when they do not have sufficient funds, and to supplement funds already available within local churches for the improvement and maintenance of their properties.

#### Manse Churches - Designated

To hold the proceeds of manse sales when the church concerned is expecting to purchase a replacement. A separate fund for each church consists of the proceeds of sale together with interest thereon, which provides growth to the capital value. The total is available towards the cost of purchasing a new manse.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

### Year Ended 31 December 2020

#### 8. Movement on Funds *(continued)*

##### Mission Fund - Designated

Funds to support local churches in their mission activity.

##### Choyce Legacy - Restricted

To be shared between the Church of North India Children's Development Unit, the Mission Fund of the Synod and Hatherton Church in accordance with the Will of Colin Choyce.

##### Church property – Designated and Stretton - Designated

Funds from the disposal of the properties or land at Stretton Cottages, Stoke Chapel, Hall Green URC, Hollymount URC, Olton URC, Hobs Moat URC, Foleshill URC, Worcester URC and St John's Stone URC pending a decision on future their use. During the year the funds relating to Stretton Cottages were transferred to general funds.

##### Ministry Support Fund

Funded by a transfer of £500,000 from general funds to meet the costs of staff to supplement deployed ministry.

#### 9. Tangible Fixed Assets

	Property £	Office Equipment £	Total £
<b>Cost</b>			
At 1 January 2020 and 31 December 2020	<u>379,684</u>	<u>10,968</u>	<u>390,652</u>
<b>Depreciation</b>			
At 1 January 2020	122,507	10,062	132,569
Charge for the year	<u>11,137</u>	<u>906</u>	<u>12,043</u>
<b>At 31 December 2020</b>	<u>133,644</u>	<u>10,968</u>	<u>144,612</u>
<b>Net Book Value</b>			
<b>At 31 December 2020</b>	<u>246,040</u>	<u>-</u>	<u>246,040</u>
At 31 December 2019	<u>257,177</u>	<u>906</u>	<u>258,083</u>

All assets are used for charitable purposes.

#### 10. Fixed Asset Investments

	Listed Investments			Total £
	Fixed Interest £	Equities £	Cash £	
Market value at 1 January 2020	1,471,115	17,639,470	90,530	19,201,115
Additions	107,741	3,035,370	108,720	3,251,831
Sales and redemption	(510,253)	(2,684,670)	-	(3,194,923)
Net investment gains	<u>109,513</u>	<u>1,334,998</u>	<u>-</u>	<u>1,444,511</u>
<b>Market Value at 31 December 2020</b>	<u>1,178,116</u>	<u>19,325,168</u>	<u>199,250</u>	<u>20,702,534</u>
<b>Cost at 31 December 2020</b>				<u>15,103,940</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

### Year Ended 31 December 2020

<b>11. Programme Related Investments</b>	<b>2020</b>	2019
	£	£
<b>Cost at 1 January 2020</b>	<b>2,424,250</b>	1,824,306
Repayments on investments/Manse purchased	<u>-</u>	<u>599,944</u>
<b>Cost at 31 December 2020</b>	<b><u>2,424,250</u></b>	<b><u>2,424,250</u></b>
	<b>2020</b>	2019
	£	£
These investments relate to:-		
- Manses	<b>2,418,226</b>	2,418,226
- Retired Ministers Housing	<u>6,024</u>	<u>6,024</u>
	<b><u>2,424,250</u></b>	<b><u>2,424,250</u></b>

No interest is charged on the initial value of the investment, but benefits should arise when the properties are sold and the company recovers a proportion of the proceeds relating to the investment proportion of the total original cost. Retired Ministers Housing shows return of a legal charge when a property was sold.

<b>12. Debtors</b>	<b>2020</b>	2019
	£	£
Loans due from United Reformed Church churches and ministers	<b>45,230</b>	48,942
Other debtors	<b>52,083</b>	52,716
Prepayments	<u>6,495</u>	<u>7,383</u>
	<b><u>103,808</u></b>	<b><u>109,041</u></b>

Loans granted to local churches and ministers are normally repayable between five and ten years and interest is charged at 5% on the outstanding balance. Included in the above loans is an amount of £34,719 (2019: £39,865) due after twelve months.

### 13. Cash and Short Term Deposits

	Bank Current Account £	Charities Official Investment Fund £	Epworth Deposit Fund £	Total £
General purposes	27,512	1,322	639,106	667,940
Designated accounts	-	968	125,000	125,968
Restricted funds	<u>1,921</u>	<u>-</u>	<u>-</u>	<u>1,921</u>
<b>Balances as at 31 December 2020</b>	<b><u>29,433</u></b>	<b><u>2,290</u></b>	<b><u>764,106</u></b>	<b><u>795,829</u></b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2020

### 14. Creditors

a) <b>Amounts falling due within one year</b>	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Amounts due to United Reformed Church and related		
Bodies	<b>177,891</b>	400,653
Accruals -	<b>22,951</b>	28,793
Mission grants approved	<b>38,150</b>	32,850
Building grants approved	<b>33,014</b>	22,075
	<b><u>272,006</u></b>	<b><u>484,371</u></b>

Included within amounts due to United Reformed churches is £Nil (2019: £332,680) arising from property disposals being held pending applications from those churches within an agreed timescale for use of the proceeds.

b) <b>Amounts falling due after more than one year</b>	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Amounts due to United Reformed Churches	<b><u>21,499</u></b>	<b><u>15,524</u></b>

### c) Provisions

Provision relates to Manse repair allowance of £500 per manse which can be carried forward for up to two years. The commitment is non contractual. The balance is the total provision less sum of claims made.

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Provision for charges	<b><u>11,925</u></b>	<b><u>-</u></b>

### 15. Disposition of Funds as at 31 December 2020

Fund	Fixed Assets £	Investments £	Programme Related Investments £	Debtors/ Creditors £	Cash and Deposits £	Total £
<b>Designated Funds</b>						
Church building	-	-	-	-	-	-
Retired Ministers Housing	-	-	6,024	(6,024)	-	-
Manse- General	-	7,798,594	2,418,226	-	968	10,217,788
- Churches	-	590,850	-	-	-	590,850
Stretton Cottages	-	-	-	-	-	-
Church Property	-	2,563,611	-	-	125,000	2,688,611
Mission Fund	-	-	-	190,089	330,000	520,089
Ministry Support Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>330,000</u>	<u>500,000</u>
<b>Total Designated Funds</b>	<b>-</b>	<b>10,953,055</b>	<b>2,424,250</b>	<b>354,065</b>	<b>785,968</b>	<b>14,517,338</b>
<b>Unrestricted Funds</b>						
General Purposes	246,040	9,707,911	-	(546,687)	7,940	9,415,204
<b>Restricted Funds</b>						
Choyce Legacy	<u>-</u>	<u>41,568</u>	<u>-</u>	<u>(9,000)</u>	<u>1,921</u>	<u>34,489</u>
<b>Total Funds</b>	<b><u>246,040</u></b>	<b><u>20,702,534</u></b>	<b><u>2,424,250</u></b>	<b><u>(201,622)</u></b>	<b><u>795,829</u></b>	<b><u>23,967,031</u></b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2020

### 15. Disposition of Funds as at 31 December 2020 (continued)

#### 2019 Comparative figures

<i>Fund</i>	<i>Fixed Assets</i>	<i>Investments</i>	<i>Programme Related Investments</i>	<i>Debtors/ Creditors</i>	<i>Cash and Deposits</i>	<i>Total</i>
	£	£	£	£	£	£
<b>Designated Funds</b>						
<i>Church building</i>	-	-	-	3,692	-	3,692
<i>Retired Ministers Housing</i>	-	-	6,022	(6,022)	-	-
<i>Manse- General</i>	-	6,975,039	2,418,228	-	1,455	9,394,722
<i>- Churches</i>	-	584,894	-	-	-	584,894
<i>Stretton Cottages</i>	-	-	-	440,700	-	440,700
<i>Church Property</i>	-	1,834,651	-	-	-	1,834,651
<i>Mission Fund</i>	-	-	-	583,515	-	583,515
<b>Total Designated Funds</b>	-	9,394,584	2,424,250	1,021,885	1,455	12,842,174
<b>Unrestricted Funds</b>						
<i>General Purposes</i>	258,083	9,768,661	-	(1,412,739)	675,683	9,289,688
<b>Restricted Funds</b>						
<i>Choyce Legacy</i>	-	37,870	-	-	625	38,495
<b>Total Funds</b>	<u>258,083</u>	<u>19,201,115</u>	<u>2,424,250</u>	<u>(390,854)</u>	<u>677,763</u>	<u>22,170,357</u>

### 16. Commitments

#### Property

The office is situated on land that is registered in the name of the United Reformed Church (West Midlands) Trust Limited and held on statutory trusts in favour of Digbeth-in-the-Field United Reformed Church. Under an informal agreement, the Trust company pays a nominal sum to the local church for the use of the land.

#### Guarantees

The United Reformed Church (West Midlands) Trust Limited has acted as guarantor on behalf of a number of churches who have sought external grant funding. The various terms and conditions of these grants may require repayment in the event of church closure within a specified period. At the year end the trustees had no reason to believe that the likelihood of repayment was anything other than remote and therefore no additional disclosure or provision has been made.

### 17. Contingent Assets

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

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2020

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### 18. Funds Held as Trustee

#### Local Churches

The United Reformed Church (West Midlands) Trust Limited (“the Trust”) acts as Trustee of local church assets. A local church has no legal identity of its own and, therefore, cannot hold property in its own name. The title to its assets must be held on trust by a group of trustees and this can be achieved either by private trustees (individuals) or by a Trust Company. All of the local churches’ properties in the West Midlands Synod (save 2) are held by the Trust.

The deeds to church property are vested in the name of the Trust. A Declaration of Trust records which local churches hold properties and, if jointly owned, the shares held by each. The Trust has a share in a few properties and that share is recorded in the Declaration of Trust because the deeds are in the name of the Trust, any legal documents are signed by the Trust, but they are entering into those documents on behalf of the local church.

Similarly, most of the investments and cash deposits owned by local churches in the Synod are held by the Trust as trustee.

In relation to local church buildings, the Trust is the charity trustee. In relation to local church cash, investments and other assets, the Trust is the custodian trustee and the local Elders are the managing trustees. The role of the Trust is to carry out the wishes of the local church expressed in Church Meeting resolutions. Providing the trustees of the Trust have no objections to what they are being asked to do and the appropriate approvals have been obtained, they will act according to the instructions which come from the Elders/local Church.

#### Inter-Synod Resources Sharing

In addition to the funds held for churches the Trust also holds funds on behalf of the URC Inter Synod Resource Sharing process which redistribute funds from wealthier Synods to those Synods in need of support. The funds totalling £386,963 at 31 December 2020 are held in separately identified deposit funds and investments. The funds are controlled by Resource Sharing Task Group drawn from amongst the Synod Treasurers. As a body the Trustees of the Trust play no part in directing the management of these funds.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2020

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#### 19. Related Party Transaction

The Trust is the corporate trustee of The James and Freeman Charity. During the year a charge of £2,000 (2019: £2,000) was made to The James and Freeman Charity for the administrative services provided by the Trust to the charity.

Owing to the nature of the charity's operations and the composition of the Board of trustees being drawn from the local United Reformed Churches, grant awards may take place with churches from within the Trust's oversight. All discussions about grant awards or other transactions are undertaken without the presence of the conflicted trustee. Following a change in the Manse Policy, all major repairs to manses are paid for by the Trust, for transparency all such repairs are recorded as grants to churches and noted below where they relate to a church where a trustee or officer would have otherwise been considered to have a conflict.

The following transactions arose in the year:-

Beneficiary	Purpose	Committee	Value £	Related Party	Relationship
Rodborough URC	Equipment Grant	Mission Fund	3,402	Rev E Massey	Panel Member
Wylde Green URC	Equipment Grant	Mission Fund	1,000	Rev C Dowd	Panel Member
Elmwood URC	Equipment Grant	Mission Fund	500	Mrs C Binns	Panel Member
CIGB	Ecumenical Grant	Missional Disciplineship	5,000	Rev S Faber	Trustee
Hodge Hill	Church Repair	Finance	6,800	Rev D Walton	Trustee
Knowle URC	Church Repair	Finance	16,250	Mr T Dicker	Trustee
Cheltenham URC	Manse Repair	Finance	21,458	Mr D Black	Trustee
North Coventry Pastorate	Manse Repair	Finance	495	Mr S Powell	Trustee
Sutton Coldfield URC	Manse Repair	Finance	12,191	Rev D Walton	Trustee

#### 20. Financial Instruments

Financial assets measured at fair value through net income comprise fixed asset investments with a value of £20,503,284 (2019: £19,110,585).