

UNION FOUNDATION

England & Wales · Charity number 517324

Details

Other names	THE EVANGELICAL THEOLOGICAL COLLEGE (WALES) LTD, WALES EVANGELICAL SCHOOL OF THEOLOGY LTD, ETCW, UNION, UNION SCHOOL OF THEOLOGY
Status	Registered
Legal form	Charitable company
Company number	01987227
Registered	1986-03-18
Register	View on the Charity Commission register

Contact

Address Union School of Theology
Bryntirion House
Bryntirion
Bridgend
CF31 4DX

Phone 01656645411

Email info@ust.ac.uk

Website www.ust.ac.uk

Activities

Objects: TO PROVIDE BIBLICAL AND MISSIONARY TRAINING FOR MEN AND WOMEN WHO HAVE COMMITTED THEMSELVES TO GOD FOR SERVICE ANYWHERE IN THE WORLD.

Activities: Training people for the Christian Ministry

Classification

- **How:** Makes Grants To Organisations, Provides Services
- **What:** Education/training, Religious Activities
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** UNITED KINGDOM, OVERSEAS AND SOUTH WALES
- Bridgend

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,549,380	£1,577,872	£1,547,597	23
2023-08-31	£1,489,211	£1,607,251	£1,576,089	22
2022-08-31	£1,477,333	£1,616,164	£1,694,129	22
2021-08-31	£1,411,997	£1,337,990	£1,832,960	20
2020-08-31	£1,320,753	£1,358,331	£1,758,953	20

Trustees

Name	Role	Appointed
Rev Sam Ko	Chair	2011-04-05
Daniel Henderson		2023-12-15
Dr Ernest Edem Edifor		2023-05-22
Dr Gwenfair Adams		2021-09-10
Dr Myung Chul Shin		2020-09-11
Ki Il Kim		2023-02-24
REV MIKE TINDALL		2014-08-08
Rev Stephen Mark Levy		2018-09-14
TREVOR ARCHER		2023-02-24
Thomas Winklehner		2025-09-12
Yun Lee		2021-02-26

UNION FOUNDATION

England & Wales - Charity number 517324

Accounts

REGISTERED COMPANY NUMBER: 01987227 (England and Wales)
REGISTERED CHARITY NUMBER: 517324

Union

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024
FOR
UNION FOUNDATION

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

UNION FOUNDATION

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FOR THE YEAR ENDED 31 AUGUST 2024**

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UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2024. The trustees have adopted the provisions of 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) (effective 1 January 2019).

Union's vision is the reformation of Christ's church worldwide, and its mission is growing leaders, growing churches.

As School, Publishing, Research and Mission work together, Union provides a mission ecosystem that can accelerate healthy, sustainable church growth.

The following four strategies are employed to enable Union to realise its vision and achieve its mission:

- o **Scholars - We fortify the Church's mission through theological excellence.** Union Scholars nurtures the theologians, authors and teachers of the future to ensure the ongoing mission of the church is healthy and robust. Our community of scholars and PhD students produce the finest evangelical theology to bolster our school, publishing, and mission.
- o **School of Theology - We form men and women to grow Christ's church.** At Union School of Theology, we offer courses from pre-degree to degrees from BA to PhD, shaping our students to be theologically rigorous, biblically faithful, and Christlike. In all our academic programmes, our formation of leaders, and our training of preachers, we want to see our students delighting in God and captured by the glory of Christ.

Our ministry centre is Union's home and base for residential study. Our Learning Communities provide accessible, affordable theological education in the context of the local church.

- o **Publishing - We fuel reformation in churches and lives.** Union Publishing invests in the next generation of leaders with theology that gives them a taste for a deeper knowledge of God. From books to our free content at www.unionpublishing.org, we are committed to producing excellent resources that will refresh, transform and grow believers and their churches.
- o **Mission - We foster church growth through people and finances.** Union Mission facilitates the planting and revitalisation of churches and their ministries in the UK, Europe and world-wide. We work collaboratively to deploy and support church leaders and help our hubs plant churches by giving them access to potential funding.

Criteria or measures the charity uses to assess success in the reporting period.

We measure achievement according to our four strategies:

Scholars - Engagement with pastors, theologians and scholars, nationally and internationally; theological publishing, conferences and other high-level input to theological research; helping to nurture and realise the potential of theological scholars in the church.

School of Theology - Numbers of students; increasing numbers of healthy learning communities with sustained numbers of students; the quality of the students' academic achievement and the level of their spiritual growth and maturity as developing leaders; the collective increase in fee income.

Publishing - Engagement and consumption of Union media; magazines, books, video, articles, podcasts, conference attendance etc.; web traffic demonstrating engagement and usefulness of materials published on the www.unionpublishing.org website; social media engagement. International licensing agreements.

Mission - Capture and publication of mission stories from Union's ecosystem; monitoring numbers of students across the School who go on to mission, resourcing church planting or church rejuvenation with finance and people; activities of learning hubs involved in mission in their local context.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

ACHIEVEMENT AND PERFORMANCE

Public benefit

The organisation's trustees can confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Union Foundation is a Christian ministry which primarily benefits the international church constituency it serves and enables healthy growth. These benefits stem from the four strategies which work together as a church growth ecosystem to ensure health and growth around the world.

Union covers a wide range of learning: from the highest academic level, our published research benefits the knowledge base of the international church and church lay leaders are equipped by the provision of free articles and inexpensive books for their personal growth. Union is keen to maximise the effectiveness of its students by seeing them strategically deployed where they can be most useful in mission. We do this by working closely with many churches, networks and agencies who offer great expertise and specific geographical knowledge. A number of new churches, which are now serving and helping local communities in the UK and in Europe, have been established with support from Union Mission.

Union's premises and facilities are made available as an ongoing resource to benefit and serve the needs of local churches and host conferences on issues of local, national and global significance.

Significant charitable activities and achievements against objectives.

Union Scholars - www.newtonhouse.ust.ac.uk

Newton House has been the subject of a re-focusing effort. While local interest in the Oxford site was low, international interest was strong, so Newton House has been reformed to better raise leaders and scholars effectively. It will be renamed 'Union Scholars' and invest in people rather than primarily running a centre. The new scholars programme launched with 30 participants from 15 nations.

Union School of Theology - www.ust.ac.uk

Our School of Theology (UST) is validated by the Open University for its undergraduate and graduate taught programmes. UST has maintained quality assurance from the QAA for its degree programmes validated by the OU. As a result, UST is able to sponsor international students under the Tier 4 visa regulations, and our UK courses are designated for student finance. UST's research continues to build through an increasing number of new PhD students on the course validated by Vrije Universiteit Amsterdam (Free University of Amsterdam).

Student recruitment figures are extremely encouraging and resilient, with annual growth of 10% and the admission of 100 new students, the student body now reaching 300. The School's new MA programme accommodates a new international market and will improve both our reach and resilience, enrolling students from September 2025.

This year, we opened 5 new Learning Communities (both in person and online groups) which act as hubs for theological education, church planting, and healthy church growth. We currently have 30 Learning communities with 50% of students outside the UK in over 30 nations.

Consolidation of the Daniel Rowland Centre to serve Welsh language and bilingual churches, with the first Daniel Rowland Gathering held recently at the Ministry Centre. It was encouraging to see new engagement with Welsh speaking churches.

Union Publishing - www.unionpublishing.org

Union Publishing has made significant progress in providing the Church with resources that inspire delight in God while fostering growth in Christ. Over the past year, the publishing house achieved financial sustainability for the first time, generating around £90,000 in sales. This is a remarkable milestone for such a young publisher, and we give thanks to God for this achievement. We released 6 new books this year with 14 books published in total. 17,000 Union books have been distributed globally since Union Publishing was established. 300,000 downloads of the Delighting in the Trinity Podcast by Michael Reeves have been accessed. Union Grow, a video course platform, was launched with a total of 30 new courses on the platform and 280 subscribers.

The partnership with Crossway remains strong, and the growth of Union Publishing's email list and licensing agreements reflects the ongoing success of the ministry in fulfilling its mission and reaching an ever-wider audience. Union Publishing books are now available in several languages, including French, German, Arabic, Portuguese and Korean.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

Union Mission - www.union-mission.org

Union Mission has been able to channel around £95000 to 25 church planting and ministry projects in Europe. 211 projects were supported in total with over £1.5 million awarded since 2017. We established close partnerships with Union Learning Communities, including 'hub-plus' in Belfast, Adis Ababa and Madagascar. The aim is to bring the whole Union ecosystem (extending to books, content and gatherings) to these locations, catalysing the reformation of leaders and churches on the ground. There will be a gathering of 150-200 pastors/planters from Ireland in Belfast in March 2025, organised by our Belfast hub-plus mentor, with UST's Provost as an invited speaker.

Summary of charity's progress against its objectives.

Union is committed to further developing its ministry ecosystem to serve healthy and sustainable church growth. This is resulting in a growing international profile in the area of theological resources, training & education, community and church mission. Union Foundation's intention is to be able to come alongside churches and be a resource to help them disciple and raise their people in the faith.

Evidence of the charity's progress, measured by the achievement of its strategic plan, demonstrates a measurable service to the church. Union Publishing continues to produce world-class resources which help Christians enjoy God and serve his church, mobilising potential leaders to be trained for ministry. We hear of pastors studying our resources for sermon preparation and friends reading articles together on Zoom. Our School of Theology has made theological education more accessible through its Learning Communities along with generous scholarships. It has secured great collaborative partners for degree validation, excellence with the Quality Assurance Agency, student finance and tier 4 student visas. This has allowed the charity to move forward and achieve its strategic objectives in a timely manner. A third of UST graduates are establishing a new church or re-establishing a dying one, either during or after their studies, with some accessing church planting funds. All are resulting in growth of churches across the Union network.

FINANCIAL REVIEW

We are grateful to report that Union's ministry grew again in 2023-24.

Income from student fees increased from £568k to £574k, Union Publishing from £39k to £90k and our Ministry Centre including the Courtyard Café & Bookshop from £31k to £59k. Income from donations reduced from £818k to £779k but overall, our total income increased from £1489m to £1549m.

We were able to reduce our total expenditure from £1,607m to £1,578m as we worked hard to manage our overheads and expenses.

Our net expenditure improved this year with a deficit of £28k against £118k last year. We continue to work towards greater financial resilience so that Union's ministry can continue to benefit the Church.

Principal risks and uncertainties and summary of plans and strategies for managing the risks.

The principal risks faced by Union as outlined in our corporate Risk Register are the challenges of a small-sized enterprise with pressure on cash flow as Union grows, with investment on online development as well as broadening its activities into research, publishing and mission. It was decided by trustees that Union should leverage its property to relieve pressure on cashflow and help create free reserves in the next two years.

UST Faculty Staff Shortages

There is a moderate risk that UST may experience staff shortages due to ill health or pandemic which could impact on the delivery of specialised modules. UST's policy enables us, in the event of staff absences, to rearrange classes at another convenient date or provide an alternative lecturer to deliver lectures. A number of modules are taught by integrated teams, and others in the team can substitute for absences of others in the staff team. Because the teaching delivered in Learning Communities is pre-recorded in advance of the academic year, there is no risk of non-delivery of this material, and Learning Communities are allowed backup copies in case there is interruption to the live online delivery. This is being further mitigated in the future with the vast majority of lectures being delivered by prerecorded video, it will completely mitigate this risk.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

Cash flow

Union has undergone a huge transformation, growing three ministries from a residential seminary into a larger decentralised ministry with a vision to enable healthy church growth through investing in leaders and churches. This change in vision has meant ongoing changes to the organisation, its structure, its training model & provision and its processes. This comes with significant investment. Especially as UST is pioneering cutting edge theological education and resources.

We continue to be challenged by the increasing costs of providing theological education, including the cost burden of regulatory compliance and programme validation. However, there are a number of good developments and plans to ensure we have adequate funds to meet these challenges :

- Mortgage the property to put ourselves on a more solid financial footing and build free reserves.
- Union has established a 501 (c) (3) charitable foundation to attract tax-efficient funding from churches, trusts and individuals in the US, which is proving very successful. More developments are progressing to grow our US constituency further.
- Union's growing profile, nationally and globally, has resulted in invitations to apply for significant grant funding, particularly to help with Union's development of learning hubs and infrastructure, which we believe will become a regular source of financial support.
- Union is opening up additional sources of income through content, publishing, conferences and rentals, café and bookstore.

Reserves policy

The trustees aim to maintain sufficient resources to fund the running and development of the Foundation and the ownership of the buildings and other fixed assets, in accordance with the charitable objects. The aim over time would be to obviate the need to use an overdraft facility. Subject to funds being available, it is our policy is to maintain a reserve of approximately 25% of annual expenditure.

As at 31 August 2024 total reserves were £1,547,597 (2023: £1,576,089), of which £68,234 (2023: £42,961) is represented by restricted funds. At the Balance Sheet date £1,950,217 (2023: £1,965,075) has been invested in the charity's fixed assets and therefore the charity is currently left with no free reserves

Funds

Funds received for specific purposes are shown as restricted funds in the accounts. In addition, the trustees designate some of the donations received towards scholarships for students.

FUTURE PLANS

Union's strategic vision is the reformation of Christ's church worldwide. We want to help recruit, raise, deploy and support church leaders to grow the church. Union aims to have a specific impact in Europe by making grant funding available for graduates seeking to establish a new church or rejuvenate an existing one. Union is building its network of alumni, learning communities and church planting hubs as well as friends who want to connect and be equipped and encouraged through its ministry ecosystem.

We will keep innovating and investing in online infrastructure and decentralised learning. Our ministry model is to be flexible and accessible for the church, which will mean how people access Union will be robust enough to cope with any future lockdowns or travel restrictions. The Post-COVID era expects this from all Higher Education providers and Union has been in the providential position to have invested and developed in this direction for many years. The pandemic has merely accelerated what was already happening in HE. We will also keep investing in our ministry centre in Wales to enhance the experience for all who will relax, study and stay at the Ministry Centre.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Union Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 February 1986, amended on 20 June 2003, 2 March 2006 and 27 Feb 2011, and further amended by Change of Name 19 October 2016 and again amended on 2 February 2023. It is registered as a charity with the Charity Commission. Day to day management is undertaken by the President, under authority delegated by the Board of Trustees.

Recruitment and appointment of new trustees

Trustees are appointed to represent the global Christian community across various denominational and non-denominational groupings making up the conservative (largely Reformed) Christian constituency which the School serves. Trustees are appointed who have an appropriate range of skills and experience for the effective strategic management of the charity. They are recruited internationally to reflect the governance and structure of Union. The charity is able to benefit from trustees who bring a greater range of strategic and management expertise and experience from national and international business and charitable organisations.

Induction and training of new trustees

New Board Members are carefully chosen for the particular skills and experience they bring to the School. Each new trustee receives a copy of the latest annual accounts, the Memorandum and Articles and the Charity Commission's advice on trustee responsibility. Most new Board Members already have considerable experience as charity trustees. The President liaises with Board Members, particularly via the Chairman, providing them with information about the activities and general operations. This facilitates decision-making by the Board with regard to strategic initiatives. Trustees are required to carry out a self-appraisal periodically, a board development plan being created from the feedback to ensure the health of the Board.

Organisational structure

The Board of Trustees administers the charity and meets three times a year. The President was appointed by the trustees to manage the day-to-day operations of the charity and present regular reports to the trustees.

The Executive Director serves the Trustee Board as Company Secretary, and the Vice President focuses on internal leadership and management of teams and staff.

The Provost and Directors of Scholars and Union Publishing were appointed by the President to manage the day-to-day operations of UST, Publishing and Union Scholars.

Key management remuneration

A new salary scale linked to the university sector and combined with research into other charitable companies, was adopted by the Board and formed the benchmark. Since then, Union has sought to bring salaries into line with the scale and address anomalies as necessary. The trustees also carried out a full review of key staff remuneration in 2021. A full salary review for all staff is scheduled for each January, and we typically apply a 2% pay increase to keep up with inflation in addition to a performance-related incremental increase each year. In January 2024 the annual increase was 5%.

Related parties

Union has a strong working partnership with SaRang Church in South Korea. The leaders and congregation in Seoul have been very supportive of the partnership over a number of years. Union Foundation US was set up by Union Foundation to help Union fundraise in the US and operates as fiscal agent.

Risk management

Union has a robust Risk Management Framework which includes a risk register co-owned by several lead staff, identifying major risks to which the charity is exposed. There is a comprehensive IT Disaster Recovery plan in place. The trustees are satisfied that the right systems are in place to meet major risks and ensure Union is prepared to tackle challenging scenarios through Union's Business Continuity Management and Plan. This has been achieved in collaboration with the Board.

The annual financial accounts are professionally audited externally, and management accounts are provided to the trustees on a monthly basis. Insurance cover is reviewed annually, informed by an independent expert. All health and safety systems are regularly scrutinised.

UNION FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
01987227 (England and Wales)

Registered Charity number
517324

Registered office
Bryntirion
BRIDGEND
Bridgend
CF31 4DX

Trustees

Rev Sam Ko (Chairman)	
Rev Michael P Tindall (Vice Chairman)	
Rev Dr Douglas Birdsall	
Rev Steve Levy	
Prof Michael Joyston Fernando	- resigned 22 May 2023
Sean Shepley	- resigned 24 February 2023
Dr Daniel Shin	
Yun Lee	
Dr Gwenfair Adams	
Rev Trevor Archer	- appointed 24 February 2023
Ki Il Kim	- appointed 24 February 2023
Dr Ernest Edifor	- appointed 22 May 2023
Mrs Sung-Joo Kim	- appointed 22 MAY 2023
Dr Daniel Henderson	- appointed 15 December 2023

Auditors

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Solicitors

Property:
Loosemores
Alliance House
18-19 High Street
CARDIFF
CF10 1PT

Charity Law:
Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Senior staff

President of Union	Rev Dr Michael Reeves
Executive Director of Union	Dr Joel Morris
Vice President (Associate Director)	Dr Daniel Hames
Provost and Director of Mission	Dr Clive Bowsher
Director of Publishing	Chance Faulkner
Director of Newton House	Robert Trenckmann

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Union Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Approved by order of the Board of Trustees on 21 March 2025 and signed on its behalf by:


.....
S S Ko, Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

Opinion

We have audited the financial statements of Union Foundation (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (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 August 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

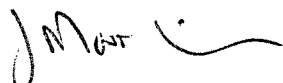
- Enquiries of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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. The 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 misrepresentations.

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

Use of our report

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



Julia Mortimer FCCA (Senior Statutory Auditor)
for and on behalf of MHA
Statutory Auditor
CARDIFF
CF23 8RS

Date: 25 March 2025

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

UNION FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	643,317	177,183	820,500	817,703
Charitable activities					
Theological training	6	574,211	-	574,211	567,932
Union publishing		89,634	-	89,634	38,535
Theological services		-	-	-	25,321
Other trading activities	4	59,191	-	59,191	31,092
Investment income	5	338	-	338	281
Other income		<u>5,506</u>	<u>-</u>	<u>5,506</u>	<u>8,347</u>
Total		<u>1,372,197</u>	<u>177,183</u>	<u>1,549,380</u>	<u>1,489,211</u>
EXPENDITURE ON					
Raising funds	7	47,457	-	47,457	-
Charitable activities					
Theological training	8	1,162,887	151,910	1,314,797	1,386,314
Mission grants		102,952	-	102,952	115,548
Union publishing		<u>112,666</u>	<u>-</u>	<u>112,666</u>	<u>105,389</u>
Total		<u>1,425,962</u>	<u>151,910</u>	<u>1,577,872</u>	<u>1,607,251</u>
NET INCOME/(EXPENDITURE)		(53,765)	25,273	(28,492)	(118,040)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,533,128</u>	<u>42,961</u>	<u>1,576,089</u>	<u>1,694,129</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,479,363</u>	<u>68,234</u>	<u>1,547,597</u>	<u>1,576,089</u>

The notes form part of these financial statements

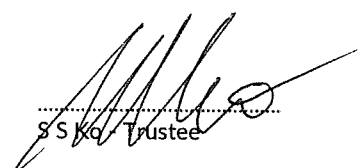
UNION FOUNDATION

BALANCE SHEET
31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	15	1,950,217	-	1,950,217	1,965,079
CURRENT ASSETS					
Stocks	16	34,999	-	34,999	27,615
Debtors	17	79,029	5,000	84,029	61,966
Cash at bank and in hand		<u>8,343</u>	<u>63,234</u>	<u>71,577</u>	<u>408</u>
		122,371	68,234	190,605	89,989
CREDITORS					
Amounts falling due within one year	18	<u>(396,085)</u>	-	<u>(396,085)</u>	<u>(274,059)</u>
NET CURRENT ASSETS		<u>(273,714)</u>	<u>68,234</u>	<u>(205,480)</u>	<u>(184,070)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,676,503	68,234	1,744,737	1,781,009
CREDITORS					
Amounts falling due after more than one year	19	<u>(197,140)</u>	-	<u>(197,140)</u>	<u>(204,920)</u>
NET ASSETS		<u>1,479,363</u>	<u>68,234</u>	<u>1,547,597</u>	<u>1,576,089</u>
FUNDS					
Unrestricted funds	23			1,479,363	1,533,128
Restricted funds				<u>68,234</u>	<u>42,961</u>
TOTAL FUNDS				<u>1,547,597</u>	<u>1,576,089</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 March 2025 and were signed on its behalf by:


.....
S S K G, Trustee

The notes form part of these financial statements

UNION FOUNDATION**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	107,496	(81,595)
Interest paid		<u>(28,036)</u>	<u>(18,758)</u>
Net cash provided by/(used in) operating activities		<u>79,460</u>	<u>(100,353)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(30,821)	(6,785)
Interest received		<u>338</u>	<u>281</u>
Net cash used in investing activities		<u>(30,483)</u>	<u>(6,504)</u>
Cash flows from financing activities			
New loans in year		-	46,195
Loan repayments in year		<u>(44,028)</u>	<u>(14,157)</u>
Net cash (used in)/provided by financing activities		<u>(44,028)</u>	<u>32,038</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period	2	4,949	(74,819)
		<u>(12,596)</u>	<u>62,223</u>
Cash and cash equivalents at the end of the reporting period	2	<u>(7,647)</u>	<u>(12,596)</u>

The notes form part of these financial statements

UNION FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(28,492)	(118,040)
Adjustments for:		
Depreciation charges	44,806	51,844
Loss on disposal of fixed assets	877	-
Interest received	(338)	(281)
Interest paid	28,036	18,758
Increase in stocks	(7,384)	(14,462)
(Increase)/decrease in debtors	(22,063)	4,779
Increase/(decrease) in creditors	<u>92,054</u>	<u>(24,193)</u>
Net cash provided by/(used in) operations	<u>107,496</u>	<u>(81,595)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash in hand	1,906	408
Notice deposits (less than 3 months)	69,671	-
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(79,224)</u>	<u>(13,004)</u>
Total cash and cash equivalents	<u>(7,647)</u>	<u>(12,596)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/23 £	Cash flow £	At 31/8/24 £
Net cash			
Cash at bank and in hand	408	71,169	71,577
Bank overdraft	<u>(13,004)</u>	<u>(66,220)</u>	<u>(79,224)</u>
	<u>(12,596)</u>	<u>4,949</u>	<u>(7,647)</u>
Debt			
Debts falling due within 1 year	(27,352)	5,053	(22,299)
Debts falling due after 1 year	<u>(185,620)</u>	<u>5,780</u>	<u>(179,840)</u>
	<u>(212,972)</u>	<u>10,833</u>	<u>(202,139)</u>
Total	<u>(225,568)</u>	<u>15,782</u>	<u>(209,786)</u>

The notes form part of these financial statements

1. STATUTORY INFORMATION

Union Foundation is a company limited by guarantee, incorporated in Wales within the United Kingdom. The registered office is Bryntirion, Bridgend CF31 4DX.

The financial statements are prepared in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to provide rigorous biblical and accessible education, training and resources for church leaders and church members to enable their personal and corporate growth in Christ.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At 31 August 2024 there were net current liabilities of £205,480. Union is continuing to grow its international network through Learning Communities, students, alumni, and partner churches. Union is continuing to experience growth in student numbers at 10% a year. Union Foundation US has proved very important in raising additional financial support from the USA. A number of plans are in hand to develop courses and extend our reach into USA, as well as new partnerships with ministries and high net worth givers, which will each bring a significant financial benefit to the organisation. Friends of Union donor programme has been very successful and is continuing to grow rapidly, already bringing in a steady income from regular monthly donors. It is taking longer than expected to deal with the growing liabilities, but we have been successful in securing a large loan on the property to reset our financial position and create a structured way to secure free reserves within two or three years. Taking these factors into account, and with the ongoing support of SaRang Church, the trustees consider the going concern basis adopted for the preparation of the financial statements to be appropriate

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

This includes capital grants.

Donations and legacies income

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from other trading activities

Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

2. ACCOUNTING POLICIES - continued

Investment income

Investment income is recognised on a receivable basis.

Basis of recognition of liabilities

Expenditure is recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis. Allocation of expenses has occurred between direct expenditure and support costs for some wages and salaries and related costs based on an estimate of time spent in those areas. A similar allocation has occurred for the premises and related costs based on an estimate of the areas used.

Tangible fixed assets

All fixed assets are initially recorded at cost. The charity has taken advantage of the option available on transition to FRS 102 to treat revalued assets as recorded at deemed cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, furniture and equipment	20% straight line
Property	2% straight line
Website	20% straight line
Land	Nil

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Debtors

Trade debtors and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2. ACCOUNTING POLICIES - continued**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme, and it contributes to employees' individual personal pension plans. Contributions payable to the schemes are charged to the Statement of Financial Activities in the period to which they relate.

Fund accounting

Unrestricted funds are those which may be used for general charitable purposes at the discretion of the trustees.

Restricted funds have been received with specific stipulations from the donor as to their use and may only be used for such purposes.

Transfers are made from restricted to unrestricted funds once the conditions for the restriction have been met.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Gifts	786,500	817,703
Legacies	<u>34,000</u>	<u>-</u>
	<u>820,500</u>	<u>817,703</u>

4. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Ministry income	-	3,488
Cafe and bookshops sales	23,811	-
Rental income	<u>35,380</u>	<u>27,604</u>
	<u>59,191</u>	<u>31,092</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2024

5. INVESTMENT INCOME			
		2024	2023
		£	£
Bank interest receivable		<u>338</u>	<u>281</u>
6. INCOME FROM CHARITABLE ACTIVITIES			
		2024	2023
		£	£
Income from college fees	Activity	574,211	567,932
Union publishing	Theological training	89,634	38,535
Theological services	Union publishing	-	25,321
	Theological services	<u>-</u>	<u>25,321</u>
		<u>663,845</u>	<u>631,788</u>
7. RAISING FUNDS			
Other trading activities			
		2024	2023
		£	£
Café purchases		<u>47,457</u>	<u>-</u>
8. CHARITABLE ACTIVITIES COSTS			
		Direct	Support
		Costs (see	costs (see
		note 9)	note 10)
		£	£
Theological training		973,521	341,276
Mission grants		95,197	7,755
Union publishing		<u>73,884</u>	<u>38,782</u>
		<u>1,142,602</u>	<u>387,813</u>
			Totals
			£
			1,314,797
			102,952
			<u>112,666</u>
			<u>1,530,415</u>
9. DIRECT COSTS OF CHARITABLE ACTIVITIES			
		2024	2023
		£	£
Staff costs		541,975	527,344
DIS life assurance cover		5,595	3,169
Rates and water		20,142	20,583
Insurance		9,124	8,949
Light and heat		32,609	20,187
Telephone		9,772	12,467
Postage and stationery		8,146	7,453
Bursary donations		41,198	27,453
Visiting lecturers' expenses		34,387	21,326
Library		7,112	35,510
University invigilation fees		53,943	62,003
IT		25,546	47,118
Repairs and maintenance		15,081	25,880
Service contracts		1,368	437
Cleaning		10,884	18,461
Provisions/Catering		458	52,715
Staff expenses		15,700	5,288
Miscellaneous expenses		4,107	4,342
Provision for bad debts		2,400	11,257
UST support systems		39,818	-
Grants to Church Planting projects		95,197	91,752
Learning Hubs, studio & editing		<u>8,550</u>	<u>11,283</u>
Carried forward		983,112	1,014,977

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2024

9. DIRECT COSTS OF CHARITABLE ACTIVITIES - continued

	2024	2023
	£	£
Brought forward	983,112	1,014,977
Theological services	-	15,591
Union publishing	73,884	64,349
Newton House expenses	38,067	26,359
Graduation expenses	2,545	1,361
Student hardship payment	896	1,680
Reformation fellowship	37	27,566
Daniel Rowland Centre	501	409
Depreciation	42,683	49,015
Loss on sale of assets	877	-
	<u>1,142,602</u>	<u>1,201,307</u>

10. SUPPORT COSTS

	Staff costs	Depreciation	Other	Governance costs	Totals
	£	£	£	£	£
Theological training	165,513	1,869	159,755	14,139	341,276
Mission grants	3,762	42	3,630	321	7,755
Union publishing	<u>18,808</u>	<u>212</u>	<u>18,155</u>	<u>1,607</u>	<u>38,782</u>
	<u>188,083</u>	<u>2,123</u>	<u>181,540</u>	<u>16,067</u>	<u>387,813</u>

11. NET INCOME/(EXPENDITURE)

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

	2024	2023
	£	£
Auditors' remuneration	5,856	5,850
Depreciation - owned assets	44,806	51,844
Hire of plant and machinery	5,595	3,169
Deficit on disposal of fixed assets	<u>877</u>	<u>-</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 31 August 2024 or for the year ended 31 August 2023.

Trustees' expenses

Expenses totalling £686 (2023 - £148) were paid on behalf of 1 (2023 - 1) trustee during the year for travel and accommodation costs. No further amounts were paid to trustees.

13. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	631,431	639,093
Social security costs	55,860	55,149
Other pension costs	<u>42,767</u>	<u>38,308</u>
	<u>730,058</u>	<u>732,550</u>

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

2024	2023
<u>23</u>	<u>22</u>

UNION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2024****13. STAFF COSTS - continued**

No employees received emoluments in excess of £60,000.

The total key management personnel remuneration benefits paid during the year was £329,908 (2023 - £183,597).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	724,238	93,465	817,703
Charitable activities			
Theological training	567,932	-	567,932
Union publishing	38,535	-	38,535
Theological services	25,321	-	25,321
Other trading activities	31,092	-	31,092
Investment income	281	-	281
Other income	8,347	-	8,347
Total	<u>1,395,746</u>	<u>93,465</u>	<u>1,489,211</u>
EXPENDITURE ON			
Charitable activities			
Theological training	1,364,563	21,751	1,386,314
Mission grants	23,797	91,751	115,548
Union publishing	105,389	-	105,389
Total	<u>1,493,749</u>	<u>113,502</u>	<u>1,607,251</u>
NET INCOME/(EXPENDITURE)	(98,003)	(20,037)	(118,040)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,631,131	62,998	1,694,129
TOTAL FUNDS CARRIED FORWARD	<u>1,533,128</u>	<u>42,961</u>	<u>1,576,089</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2024

15. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, furniture and equipment £	Website £	Totals £
COST				
At 1 September 2023	2,389,151	304,282	85,446	2,778,879
Additions	-	30,821	-	30,821
Disposals	-	(106,464)	(42,246)	(148,710)
At 31 August 2024	<u>2,389,151</u>	<u>228,639</u>	<u>43,200</u>	<u>2,660,990</u>
DEPRECIATION				
At 1 September 2023	467,249	272,727	73,824	813,800
Charge for year	26,183	13,583	5,040	44,806
Eliminated on disposal	-	(105,587)	(42,246)	(147,833)
At 31 August 2024	<u>493,432</u>	<u>180,723</u>	<u>36,618</u>	<u>710,773</u>
NET BOOK VALUE				
At 31 August 2024	<u>1,895,719</u>	<u>47,916</u>	<u>6,582</u>	<u>1,950,217</u>
At 31 August 2023	<u>1,921,902</u>	<u>31,555</u>	<u>11,622</u>	<u>1,965,079</u>

Included in freehold property is land recorded at deemed cost of £1,080,000 which is not depreciated.

16. STOCKS

	2024 £	2023 £
Stocks	<u>34,999</u>	<u>27,615</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	18,173	14,837
Other debtors	1,499	680
Prepayments and accrued income	<u>64,357</u>	<u>46,449</u>
	<u>84,029</u>	<u>61,966</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Bank loans and overdrafts (see note 20)	101,523	40,356
Trade creditors	114,497	98,752
Social security and other taxes	15,638	14,034
Other creditors	10,559	10,274
Interest free loans	16,000	47,195
Accruals and deferred income	<u>137,868</u>	<u>63,448</u>
	<u>396,085</u>	<u>274,059</u>

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Included in Accruals and deferred income is:

	2024	2023
	£	£
Deferred income brought forward	61,739	130,745
Fees received in advance	124,538	61,739
Released to fees	(61,739)	(130,745)
	<u>124,538</u>	<u>61,739</u>

Deferred income carried forward

124,538 61,739

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

	2024	2023
	£	£
Bank loans (see note 20)	179,840	185,620
Interest free loans	17,300	19,300
	<u>197,140</u>	<u>204,920</u>

Amounts falling due in more than 5 years:

Bank loans payable by instalments	<u>104,541</u>	<u>129,177</u>
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20. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	21,597	13,004
Bank loans	<u>22,299</u>	<u>27,352</u>
	<u>43,896</u>	<u>40,356</u>

Amounts falling between one and two years:

Bank loans	<u>22,299</u>	<u>27,352</u>
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Amounts falling due between two and five years:

Bank loans	<u>87,275</u>	<u>87,275</u>
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Amounts falling due in more than five years:

Repayable by instalments:		
Bank loans	70,266	70,993

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	6,600	7,890
Between one and five years	<u>8,250</u>	<u>14,850</u>
	<u>14,850</u>	<u>22,740</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2024

22. SECURED DEBTS

The following secured debts are included within creditors:

	2024	2023
	£	£
Bank overdrafts	21,597	13,004
Bank loans	<u>202,139</u>	<u>212,972</u>
	<u>223,736</u>	<u>225,976</u>

The bank borrowings are secured by a first legal charge over the property.

23. MOVEMENT IN FUNDS

	At 1/9/23	Net movement	Transfers	At
	£	in funds	between	31/8/24
	£	£	funds	£
Unrestricted funds				
General fund	1,533,128	(53,765)	-	1,479,363
Restricted funds				
Bursary gifts	-	(19,036)	19,036	-
Welsh publications	1,290	-	-	1,290
SaRang scholarship fund	-	22,160	(19,036)	3,124
SaRang projects fund	13,327	12,455	-	25,782
Building and roofing fund	-	10,019	-	10,019
Chairman's expenses fund	2,273	-	-	2,273
Language Prize Fund	2,300	-	-	2,300
Video Publishing Project	10,693	(10,693)	-	-
Student Hardship Fund	3,253	2,354	-	5,607
Daniel Rowland Centre	9,825	6,843	-	16,668
Strategic Development	-	1,171	-	1,171
	<u>42,961</u>	<u>25,273</u>	<u>-</u>	<u>68,234</u>
TOTAL FUNDS	<u>1,576,089</u>	<u>(28,492)</u>	<u>-</u>	<u>1,547,597</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	1,372,197	(1,425,962)	(53,765)
Restricted funds			
Bursary gifts	3,496	(22,532)	(19,036)
SaRang scholarship fund	33,348	(11,188)	22,160
SaRang projects fund	107,652	(95,197)	12,455
Building and roofing fund	10,019	-	10,019
Video Publishing Project	-	(10,693)	(10,693)
Student Hardship Fund	3,250	(896)	2,354
Daniel Rowland Centre	17,809	(10,966)	6,843
Strategic Development	1,609	(438)	1,171
	<u>177,183</u>	<u>(151,910)</u>	<u>25,273</u>
TOTAL FUNDS	<u>1,549,380</u>	<u>(1,577,872)</u>	<u>(28,492)</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2024

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/22 £	Net movement in funds £	At 31/8/23 £
Unrestricted funds			
General fund	858,007	(98,003)	760,004
Revaluation reserve	<u>773,124</u>	<u>-</u>	<u>773,124</u>
	1,631,131	(98,003)	1,533,128
Restricted funds			
Welsh publications	1,290	-	1,290
SaRang projects fund	22,129	(8,802)	13,327
Chairman's expenses fund	2,273	-	2,273
Language Prize Fund	2,500	(200)	2,300
Video Publishing Project	22,893	(12,200)	10,693
Student Hardship Fund	1,913	1,340	3,253
Daniel Rowland Centre	<u>10,000</u>	<u>(175)</u>	<u>9,825</u>
	<u>62,998</u>	<u>(20,037)</u>	<u>42,961</u>
TOTAL FUNDS	<u>1,694,129</u>	<u>(118,040)</u>	<u>1,576,089</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,395,746	(1,493,749)	(98,003)
Restricted funds			
Bursary gifts	1,336	(1,336)	-
SaRang scholarship fund	940	(940)	-
SaRang projects fund	82,949	(91,751)	(8,802)
Language Prize Fund	-	(200)	(200)
Video Publishing Project	-	(12,200)	(12,200)
Student Hardship Fund	3,020	(1,680)	1,340
Daniel Rowland Centre	<u>5,220</u>	<u>(5,395)</u>	<u>(175)</u>
	<u>93,465</u>	<u>(113,502)</u>	<u>(20,037)</u>
TOTAL FUNDS	<u>1,489,211</u>	<u>(1,607,251)</u>	<u>(118,040)</u>

Bursary gifts are donations made towards the fees of students at the college.

The Welsh Publications fund represents a donation received for the purpose of funding the publication of books in the Welsh language.

The SaRang scholarships fund consists of donations received from the SaRang Community Church to provide assistance for students towards their fees.

The SaRang projects fund is for the purpose of supporting mission projects, mainly in the UK and Europe. These are, generally, either the planting of new churches or the revitalization of existing churches.

The Chairman's expenses fund represents donations received from SaRang Community Church to cover the travel expenses of the Chairman and sundry other costs at his discretion.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2024

23. MOVEMENT IN FUNDS - continued

Language Prize - In accordance with the donor's wishes, a fund has been created to help support and encourage training in the biblical languages. The fund will be used to award prizes to the best performing students in Greek and Hebrew, as decided by the Programme Leaders.

Video Publishing fund

This fund comprises donations given to support the production of videos and other similar learning resources for use by students and for publication and sale through Union Publishing.

Student Hardship fund

This fund is mainly the accumulation of voluntary contributions by staff through Give As You Earn. The money raised is used to assist students in particular financial difficulties. Decisions on which students can be helped are made by a staff.

Daniel Rowland Centre

This is a partnership between Union and those sharing the gospel in Welsh-speaking and bilingual settings in Wales. Donations received are used to support the salary and expenses of the Network Coordinator.

Building fund

From time to time we receive donations for the repair or development of the buildings at Bryntirion House.

Strategic Development fund

This fund comprises donations which have been given to contribute towards expenses incurred in pursuing Union's strategic development through networking and conferences.

24. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution pension scheme and contributes to employees' personal pension plans. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions paid by the company and amounted to £42,767 (2023 - £38,308). At the year end there were contributions of £6,721 (2023 - £5,632) outstanding.

25. RELATED PARTY DISCLOSURES

Union Foundation and SaRang Church have a formal agreement to work together. During the year SaRang donated a total of £334,269 (2023 - £472,187).

Union Foundation received donations of £211,159 (2023 - £215,560) from Union Foundation US (a not-for-profit organisation incorporated in the United States). Joel Morris and Mike Reeves, key management personnel with Union Foundation are directors of Union Foundation US.

Union Foundation received donations from trustees totalling £5,019 during the year and repaid interest free loans totalling £7,803 to trustees.

UNION FOUNDATION

England & Wales - Charity number 517324

Accounts

REGISTERED COMPANY NUMBER: 01987227 (England and Wales)
REGISTERED CHARITY NUMBER: 517324

Union

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023
FOR
UNION FOUNDATION

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

UNION FOUNDATION

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FOR THE YEAR ENDED 31 AUGUST 2023**

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UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019).

Union's vision is the reformation of Christ's church worldwide, and its mission is growing leaders, growing churches.

As School, Publishing, Research and Mission work together, Union provides a mission ecosystem that can accelerate healthy, sustainable church growth.

The following four strategies are employed to enable Union to realise its vision and achieve its mission:

- o **Research - We fortify the Church's mission through theological excellence.** Union Research nurtures the theologians, authors and teachers of the future to ensure the ongoing mission of the church is healthy and robust. Our community of scholars and PhD students produce the finest evangelical theology to bolster our school, publishing, and mission.
- o **School of Theology - We form men and women to grow Christ's church.** At Union School of Theology, we offer courses from pre-degree to degrees from BA to PhD, shaping our students to be theologically rigorous, biblically faithful, and Christlike. In all our academic programmes, our formation of leaders, and our training of preachers, we want to see our students delighting in God and captured by the glory of Christ.

Our campus is Union's home and base for residential study. Our Learning Communities provide accessible, affordable theological education in the context of the local church.

- o **Publishing - We fuel reformation in churches and lives.** Union Publishing invests in the next generation of leaders with theology that gives them a taste for a deeper knowledge of God. From books to our free content at www.unionpublishing.org, we are committed to producing excellent resources that will refresh, transform and grow believers and their churches.
- o **Mission - We foster church growth through people and finances.** Union Mission facilitates the planting and revitalisation of churches and their ministries in the UK, Europe and world-wide. We work collaboratively to deploy and support church leaders and help our hubs plant churches by giving them access to potential funding.

Criteria or measures the charity uses to assess success in the reporting period.

We measure achievement according to our four strategies:

Research - Engagement with pastors, theologians and scholars, nationally and internationally; theological publishing, conferences and other high-level input to theological research; helping to realise the potential of theological scholars.

School of Theology - Numbers of students; increasing numbers of healthy learning communities with sustained numbers of students; the quality of the students' academic achievement and the level of their spiritual growth and maturity as developing leaders; the collective increase in fee income.

Publishing - Engagement and consumption of Union media; magazines, books, video, articles, podcasts, conference attendance etc.; web traffic demonstrating engagement and usefulness of materials published on the www.unionpublishing.org website; social media engagement.

Mission - Capture and publication of mission stories from students and alumni; monitoring numbers of students across the School who go on to mission, resourcing church planting or church rejuvenation with finance and people; activities of learning hubs involved in mission in their local context.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

Public benefit

The organisation's trustees can confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Union Foundation is a Christian ministry which primarily benefits the international church constituency it serves and enables healthy growth. These benefits stem from the four strategies which work together to ensure health and growth for the church around the world. Through the School of Theology, the blessings of the Christian Gospel are extended through preaching and teaching, youth work, social care, community work and the many other areas in which our graduates impact society at large.

Union covers a range of learning: from the highest academic level, our published research benefits the knowledge base of the international church and church lay leaders are equipped by the provision of free articles and inexpensive books for their personal growth. Union is keen to maximise the effectiveness of its students by seeing them strategically deployed where they can be most useful in mission. We do this by working closely with many churches, networks and agencies who offer great expertise and specific geographical knowledge. A number of new churches, which are now serving and helping local communities in the UK and in Europe, have been established with support from Union Mission.

Union's premises and facilities are made available as an ongoing resource to benefit and serve the needs of local churches and host conferences on issues of local, national and global significance.

ACHIEVEMENT AND PERFORMANCE

Significant charitable activities and achievements against objectives.

Newton House - www.newtonhouse.ust.ac.uk

This year, Professor Donald Fairbairn became Dean of Newton House, replacing Dr. Michael A.G. Haykin who now becomes a Senior Fellow. Fairbairn gave Newton House's Spring Lecture Series and has begun mentoring members of the community.

As Newton House aims to raise up the next generation of evangelical scholars to serve the church, we have begun to explore partnership with theological institutions around the world. We provided training and support for Rwandan leaders who lead the first ever theological society and conference in Rwanda. With senior leaders in Nigeria, we're exploring ways to provide theological training in Lagos, Nigeria-Africa's largest city.

We're developing strategic relationships with partners around the world in theological education and Newton House serves participants from India, Poland, Mexico, Colombia, Brazil, the UK and the US.

Union School of Theology - www.ust.ac.uk

Our School of Theology (UST) is validated by the Open University for its undergraduate and graduate taught programmes. UST has maintained quality assurance from the QAA for its degree programmes validated by the OU. As a result, UST is able to sponsor international students under the Tier 4 visa regulations, and our UK courses are designated for student finance. UST's research continues to build through an increasing number of new PhD students on the course validated by Vrije Universiteit Amsterdam (Free University of Amsterdam).

We welcomed our largest ever intake of students this academic year. In September, 116 future leaders began their study, preparation, and spiritual formation with Union. Our student body has grown by a record 13% and now stretches over 30 countries around the world.

This year, we opened 12 new Learning Communities (both in person and online groups) which act as hubs for theological education, church planting, and healthy church growth. These include Abuja (Nigeria), Addis Ababa (Ethiopia), Alexandria (Egypt), Atlanta, Belfast, Houston, Los Angeles, North India, and Poznan (Poland).

Union Publishing - www.unionpublishing.org

Our Essentials series began this year, introducing readers to ten key essentials of evangelical belief in short, accessible volumes. Michael Reeves' Right With God and Tim Chester's Scripture is Supreme have been released, with Donald Fairbairn's The Trinity forthcoming.

Union books are now available in 7 languages, including Arabic, Portuguese and Korean.

Gospel People, Right with God, and Authentic Ministry were all released in Korean, while Gospel People is also now available in French, and Evangelical Pharisees was translated into Portuguese. Rejoice and Tremble is now in French and Spanish.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

The Growing Gospel Integrity series continues in partnership with Crossway, with titles now available from Gavin Ortland, Joe Rigney, and Sinclair Ferguson

Union Mission - www.union-mission.org

Union Mission has been able to channel £67,000 to 12 church planting and ministry projects around the world. Support from our generous donors reached Leiria in Portugal, Serbia, Spain, Naples in Italy, and Hungary. Church planters at Union's Learning Community in Albania have benefitted from a grant. Meanwhile, we continued to support planting projects in England and Wales, and hosted a conference at our ministry centre with Conrad Mbewe and Pete Greasley.

Summary of charity's progress against its objectives.

Union is committed to further developing its ministry ecosystem to serve the Church for healthy and sustainable growth. This is resulting in a growing international profile in the area of theological resources, training & education, community and church mission.

Evidence of the charity's progress, measured by the achievement of its strategic plan, demonstrates a measurable service to the church. Union Publishing continues to produce world-class resources which help Christians enjoy God and serve his church, mobilising potential leaders to be trained for ministry. We hear of pastors studying our resources for sermon preparation and friends reading articles together on Zoom. Our School of Theology has made theological education more accessible through its Learning Communities and flexible BA along with scholarships. It has secured great collaborative partners for degree validation, excellence with the Quality Assurance Agency, student finance and tier 4 student visas. This has allowed the charity to move forward and achieve its strategic objectives in a timely manner. A third of UST graduates are establishing a new church or re-establishing a dying one, either during or after their studies, with some accessing church planting funds. All are resulting in growth of churches across the Union network.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW

We are pleased to report further growth in our finances this year.

Income

Our total income was £1.489m compared to £1.477m last year.

Fee income from our various courses was similar to last year (£568k v. £572k). Voluntary donations and grants from churches, individuals, trusts and other organisations, given to support and develop the work of the Foundation, increased from £756k to £818k, an increase of £62k or 8%. At the same time our income from Union Publishing rose from £22k to £39k, an encouraging result in our first full year as a publisher.

Expenditure

Total expenditure was £1.607m compared to £1.616m last year, a reduction of £9k.

Salary costs were £733k compared to £681k last year. The main cause of the increase is the recruitment of new staff during the year, particularly in respect of Union Publishing. Expenditure for Union Publishing, excluding associated salaries, was £85k compared to £59k last year, reflecting the cost of producing new titles and responding to the need for re-prints. Some operating costs increased compared to last year, as follows. Travel costs were £82k compared to £50k. This reflects the increasing opportunities for both fundraising and conference speaking, on the part of our President. Donations of £21k were received to offset some of the flight costs (£16k last year). Library expenditure rose from £18k to £36k, mainly as a result of a £15k investment in a new digital subscription service for students. Much of this cost was subsidised through student fees. IT costs increased from £30k to £47k as we continued to develop our online mode of teaching and its requisite technology. We also invested over £10k in a new student management system to streamline our student processes from application through to course completion, and to improve the student's access to information. Catering costs rose from £28k to £53k. This reflects the additional wages, increased food costs and other expenses incurred in converting our previous dining area to a new onsite café and bookshop ready for the new academic year.

Net income

We finished the year with an improved deficit of £118k compared to £139k in the previous year.

We are planning now for a period of stability and financial resilience with the aim of serving the church well through our School, Publishing, Research and Mission ministry areas.

Principal risks and uncertainties and summary of plans and strategies for managing the risks.

The principal risks faced by Union as outlined in our corporate Risk Register are the challenges of a small-sized enterprise with potential administrative and faculty shortages as a consequence, and pressure on cash flow as Union grows, with investment on online development as well as broadening its activities into research, publishing and mission.

Coronavirus Risk

The risk of pandemic had been identified in our Business Continuity Plan. It was a particularly unpredictable risk from the outset and as such the course of action was reactionary and it was important to follow government guidance and legislation. As an alternative HE provider we had our own specific guidance from the Welsh Government. It was critical to have risk assessment to be carried out prior to reoccupation of the campus, but also critical to assess the risk to business continuity. Fortunately, Union was in a position to adapt easily to remote operations for as long as needed without detriment to operations or service to our students. Our vulnerability is in the form of staffing and the dangers outlined below posed by Covid.

UST Faculty Staff Shortages

There is a moderate risk that UST may experience staff shortages due to ill health or pandemic which could impact on the delivery of specialised modules. UST's policy enables us, in the event of staff absences, to rearrange classes at another convenient date or provide an alternative lecturer to deliver lectures. A number of modules are taught by integrated teams, and others in the team can substitute for absences of others in the staff team. Because the teaching delivered in Learning Communities is pre-recorded in advance of the academic year, there is no risk of non-delivery of this material, and Learning Communities are allowed backup copies in case there is interruption to the live online delivery.

If due to staff shortages we are unable to provide students with the modules that were agreed when they entered the programme, students will be offered suitable alternatives. The School has appointed more faculty members as well as admin staff to help mitigate this risk.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

Cash flow

Union has undergone a transformation, growing three ministries from a seminary with a vision to educate pastors into a larger ministry with a larger vision to enable healthy church growth through investing in leaders and churches. This change in vision has meant ongoing changes to the organisation, its structure, its training model & provision and its processes. This comes with significant investment. Especially as UST is pioneering cutting edge theological education.

We continue to be challenged by the increasing costs of providing theological education, including the cost burden of regulatory compliance and programme validation. However, there are a number of good developments and plans to ensure we have adequate funds to meet these challenges and additional risk posed by the pandemic:

- Our more flexible validated programmes are bringing an increase in students and associated income for the School whether studying on campus or in community where they live.
- Union has established a 501 (c) (3) charitable foundation to attract tax-efficient funding from churches, trusts and individuals in the US, which is proving very successful. More developments are progressing to grow our US constituency further.
- Union's growing profile, nationally and globally, has resulted in invitations to apply for significant grant funding, particularly to help with Union's development of learning hubs and infrastructure, which we believe will become a regular source of financial support.
- Union is opening up additional sources of income through content, publishing, conferences and rentals and plans to open a café and bookstore in September 2023.

Reserves policy

The trustees aim to maintain sufficient resources to fund the running and development of the Foundation and the ownership of the buildings and other fixed assets, in accordance with the charitable objects. The aim over time would be to obviate the need to use an overdraft facility. Subject to funds being available, it is our policy is to maintain a reserve of approximately 25% of annual expenditure.

As at 31 August 2023 total reserves were £1,576,089 (2022: £1,694,129), of which £42,691 (2022: £62,998) is represented by restricted funds. At the Balance Sheet date £1,965,079 (2022: £2,010,138) has been invested in the charity's fixed assets and therefore the charity is currently left with no free reserves

Funds

Funds received for specific purposes are shown as restricted funds in the accounts. In addition, the trustees designate some of the donations received towards scholarships for students.

FUTURE PLANS

Union's strategic vision is the reformation of Christ's church worldwide. We want to help recruit, raise, deploy and support church leaders to grow the church. Union aims to have a specific impact in Europe by making grant funding available for graduates seeking to establish a new church or rejuvenate an existing one. Through the Mission Network, Union is building its network of alumni, learning communities and church planting hubs as well as friends who want to connect. Reformation Fellowship has its own membership, regular magazine and gatherings.

We will keep innovating and investing in online infrastructure and decentralised learning. Our ministry model is to be flexible and accessible for the church, which will mean how people access Union will be robust enough to cope with any future lockdowns or travel restrictions. The Post-COVID era expects this from all Higher Education providers and Union has been in the providential position to have invested and developed in this direction for many years. The pandemic has merely accelerated what was already happening in HE. We will also keep investing in our campus in Wales to enhance the experience for all who will work, study and stay at the campus.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Union Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 February 1986, amended on 20 June 2003, 2 March 2006 and 27 Feb 2011, and further amended by Change of Name 19 October 2016 and again amended on 2 February 2023. It is registered as a charity with the Charity Commission. Day to day management is undertaken by the President, under authority delegated by the Board of Trustees.

Recruitment and appointment of new trustees

Trustees are appointed to represent the global Christian community across various denominational and non-denominational groupings making up the conservative (largely Reformed) Christian constituency which the School serves. Trustees are appointed who have an appropriate range of skills and experience for the effective strategic management of the charity. They are recruited internationally to reflect the governance and structure of Union. The charity is able to benefit from trustees who bring a greater range of strategic and management expertise and experience from national and international business and charitable organisations

Induction and training of new trustees

New Board Members are carefully chosen for the particular skills and experience they bring to the School. Each new trustee receives a copy of the latest annual accounts, the Memorandum and Articles and the Charity Commission's advice on trustee responsibility. Most new Board Members already have considerable experience as charity trustees. The President liaises with Board Members, particularly via the Chairman, providing them with information about the activities and general operations. This facilitates decision-making by the Board with regard to strategic initiatives. Trustees are required to carry out a self-appraisal periodically, a board development plan being created from the feedback to ensure the health of the Board.

Organisational structure

The Board of Trustees administers the charity and meets three times a year. The President was appointed by the trustees to manage the day-to-day operations of the charity and present regular reports to the trustees.

The Executive Director serves the Trustee Board as Company Secretary, and the Associate Director assists the President.

The Provost and Directors of Newton House and Union Publishing were appointed by the President to manage the day-to-day operations of UST, Publishing and Newton House. The Executive Director oversees the operation of Union Mission with a team of volunteers.

Key management remuneration

A new salary scale was adopted by the Board in 2013/14. The university sector, combined with research into other charitable companies, formed the benchmark. Since then, Union has fully brought salaries into line with the scale and address anomalies as necessary. We normally apply a 2% pay increase to keep up with inflation. The trustees have carried out a full review of key staff remuneration in 2021. A full salary review is scheduled for January 2024.

Related parties

Union has a strong working partnership with SaRang Church in South Korea. The leaders and congregation in Seoul have been very supportive of the partnership over a number of years. Union Foundation US was set up by Union Foundation to help Union fundraise in the US and operates as fiscal agent.

Risk management

Union has a robust Risk Management Framework which includes a risk register co-owned by several lead staff, identifying major risks to which the charity is exposed. There is a comprehensive IT Disaster Recovery plan in place. The trustees are satisfied that the right systems are in place to meet major risks and ensure Union is prepared to tackle challenging scenarios through Union's Business Continuity Management and Plan. This has been achieved in collaboration with the Board.

The annual financial accounts are professionally audited externally, and management accounts are provided to the trustees on a monthly basis. Insurance cover is reviewed annually, informed by an independent expert. All health and safety systems are regularly scrutinised.

UNION FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
01987227 (England and Wales)

Registered Charity number
517324

Registered office
Bryntirion
BRIDGEND
Bridgend
CF31 4DX

Trustees

Rev Sam Ko (Chairman)
Rev Michael P Tindall
Rev Dr Douglas Birdsall
Rev Steve Levy
Prof Michael Joyston Fernando - resigned 22 May 2023
Sean Shepley - resigned 24 February 2023
Dr Daniel Shin
Yun Lee
Dr Gwenfair Adams
Rev Trevor Archer - appointed 24 February 2023
Ki Il Kim - appointed 24 February 2023
Dr Ernest Edifor - appointed 22 May 2023
Mrs Sung-Joo Kim - appointed 22 May 2023
Dr Daniel Henderson - appointed 15 December 2023

Auditors

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Solicitors

Property:
Loosemores
Alliance House
18-19 High Street
CARDIFF
CF10 1PT

Charity Law:

Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

Senior staff

President of Union	Rev Dr Michael Reeves
Executive Director of Union	Dr Joel Morris
Vice President (Associate Director)	Dr Daniel Hames
Provost and Director of Mission	Dr Clive Bowsher
Director of Publishing	Chance Faulkner
Director of Newton House	Robert Trenckmann

UNION FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Union Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

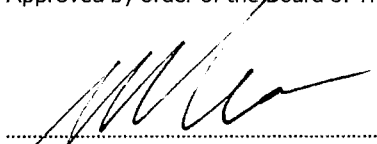
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

On 30 June 2023 as a result of a recent merger, Watts Gregory LLP resigned as auditor in accordance with Section 516 of the Companies Act 2006 and re-engaged its services as MHA.

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

Approved by order of the Board of Trustees on 20/3/24 and signed on its behalf by:



.....
S.S. Ko - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

Opinion

We have audited the financial statements of Union Foundation (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (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 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- Evaluating the reasons for any large or unusual transactions;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. to underlying supporting documentation.

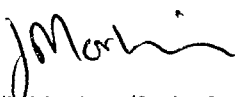
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UNION FOUNDATION**

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. The 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 misrepresentations.

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

Use of our report

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



Julia Mortimer (Senior Statutory Auditor)
for and on behalf of MHA
Statutory Auditor
CARDIFF
CF23 8RS

Date: 22 April 2024

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

UNION FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	724,238	93,465	817,703	756,035
Charitable activities					
Theological training	6	567,932	-	567,932	572,131
Union publishing		38,535	-	38,535	21,465
Theological services		25,321	-	25,321	88,875
Other trading activities	4	31,092	-	31,092	30,748
Investment income	5	281	-	281	23
Other income		8,347	-	8,347	8,056
Total		<u>1,395,746</u>	<u>93,465</u>	<u>1,489,211</u>	<u>1,477,333</u>
EXPENDITURE ON					
Charitable activities					
Theological training	7	1,364,563	21,751	1,386,314	1,324,364
Mission grants		23,797	91,751	115,548	225,754
Union publishing		105,389	-	105,389	66,046
Total		<u>1,493,749</u>	<u>113,502</u>	<u>1,607,251</u>	<u>1,616,164</u>
NET INCOME/(EXPENDITURE)		(98,003)	(20,037)	(118,040)	(138,831)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,631,131	62,998	1,694,129	1,832,960
TOTAL FUNDS CARRIED FORWARD		<u>1,533,128</u>	<u>42,961</u>	<u>1,576,089</u>	<u>1,694,129</u>

The notes form part of these financial statements

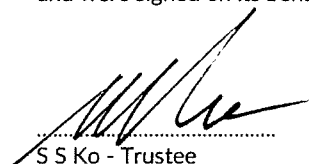
UNION FOUNDATION

**BALANCE SHEET
31 AUGUST 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	14	1,965,079	-	1,965,079	2,010,138
CURRENT ASSETS					
Stocks	15	27,615	-	27,615	13,153
Debtors	16	50,376	11,590	61,966	66,745
Cash at bank and in hand		<u>(43,967)</u>	<u>31,371</u>	<u>(12,596)</u>	<u>62,223</u>
		34,024	42,961	76,985	142,121
CREDITORS					
Amounts falling due within one year	17	<u>(261,055)</u>	-	<u>(261,055)</u>	<u>(239,655)</u>
NET CURRENT ASSETS		<u>(227,031)</u>	<u>42,961</u>	<u>(184,070)</u>	<u>(97,534)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,738,048	42,961	1,781,009	1,912,604
CREDITORS					
Amounts falling due after more than one year	18	<u>(204,920)</u>	-	<u>(204,920)</u>	<u>(218,475)</u>
NET ASSETS		<u>1,533,128</u>	<u>42,961</u>	<u>1,576,089</u>	<u>1,694,129</u>
FUNDS					
Unrestricted funds	22			1,533,128	1,631,131
Restricted funds				<u>42,961</u>	<u>62,998</u>
TOTAL FUNDS				<u>1,576,089</u>	<u>1,694,129</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 20/3/24 and were signed on its behalf by:


S S Ko - Trustee

The notes form part of these financial statements

UNION FOUNDATION**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(81,595)	(22,628)
Interest paid		<u>(18,758)</u>	<u>(16,462)</u>
Net cash used in operating activities		<u>(100,353)</u>	<u>(39,090)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,785)	(35,914)
Sale of tangible fixed assets		-	3,200
Interest received		<u>281</u>	<u>23</u>
Net cash used in investing activities		<u>(6,504)</u>	<u>(32,691)</u>
Cash flows from financing activities			
New loans in year		46,195	-
Loan repayments in year		<u>(14,157)</u>	<u>(24,018)</u>
Net cash provided by/(used in) financing activities		<u>32,038</u>	<u>(24,018)</u>
Change in cash and cash equivalents in the reporting period		(74,819)	(95,799)
Cash and cash equivalents at the beginning of the reporting period		<u>62,223</u>	<u>158,022</u>
Cash and cash equivalents at the end of the reporting period		<u>(12,596)</u>	<u>62,223</u>

The notes form part of these financial statements

UNION FOUNDATION**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023****1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(118,040)	(138,831)
Adjustments for:		
Depreciation charges	51,844	56,117
Profit on disposal of fixed assets	-	(3,200)
Interest received	(281)	(23)
Interest paid	18,758	16,462
Increase in stocks	(14,462)	(13,153)
Decrease/(increase) in debtors	4,779	(12,438)
(Decrease)/increase in creditors	<u>(24,193)</u>	<u>72,438</u>
Net cash used in operations	<u>(81,595)</u>	<u>(22,628)</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/22 £	Cash flow £	At 31/8/23 £
Net cash			
Cash at bank and in hand	<u>62,223</u>	<u>(74,819)</u>	<u>(12,596)</u>
	<u>62,223</u>	<u>(74,819)</u>	<u>(12,596)</u>
Debt			
Debts falling due within 1 year	(27,956)	604	(27,352)
Debts falling due after 1 year	<u>(199,175)</u>	<u>13,555</u>	<u>(185,620)</u>
	<u>(227,131)</u>	<u>14,159</u>	<u>(212,972)</u>
Total	<u>(164,908)</u>	<u>(60,660)</u>	<u>(225,568)</u>

The notes form part of these financial statements

UNION FOUNDATION

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

1. STATUTORY INFORMATION

Union Foundation is a company limited by guarantee, incorporated in Wales within the United Kingdom. The registered office is Bryntirion, Bridgend CF31 4DX.

The financial statements are prepared in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to provide rigorous biblical and accessible education, training and resources for church leaders and church members to enable their personal and corporate growth in Christ.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At 31 August 2023 there were net current liabilities of £181,725 (2022 - £97,534). Union has continued to grow its international profile, as evidenced by the calibre of recent faculty appointments. Union is also continuing to experience growth in student numbers and learning communities. The establishment of Union US has proved helpful in raising additional financial support, and this will be developed further. A number of plans are in hand to develop courses and extend our reach, which will each bring a financial benefit to the organisation. Consequently, the trustees are confident that last year's positive move towards a net current asset position will return moving forward, and as such consider the going concern basis adopted for the preparation of the financial statements to be appropriate.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

This includes capital grants.

Donations and legacies income

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from other trading activities

Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income

Investment income is recognised on a receivable basis.

2. ACCOUNTING POLICIES - continued

Basis of recognition of liabilities

Expenditure is recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis. Allocation of expenses has occurred between direct expenditure and support costs for some wages and salaries and related costs based on an estimate of time spent in those areas. A similar allocation has occurred for the premises and related costs based on an estimate of the areas used.

Tangible fixed assets

All fixed assets are initially recorded at cost. The charity has taken advantage of the option available on transition to FRS 102 to treat revalued assets as recorded at deemed cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, furniture and equipment	20% straight line
Property	2% straight line
Website	20% straight line
Land	Nil

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Debtors

Trade debtors and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme and it contributes to employees' individual personal pension plans. Contributions payable to the schemes are charged to the Statement of Financial Activities in the period to which they relate.

Fund accounting

Unrestricted funds are those which may be used for general charitable purposes at the discretion of the trustees.

Restricted funds have been received with specific stipulations from the donor as to their use and may only be used for such purposes.

Transfers are made from restricted to unrestricted funds once the conditions for the restriction have been met.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Gifts	<u>817,703</u>	<u>756,035</u>

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Conference centre income	3,488	3,136
Rental income	<u>27,604</u>	<u>27,612</u>
	<u>31,092</u>	<u>30,748</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Bank interest receivable	<u>281</u>	<u>23</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023 £	2022 £
Income from college fees	Theological training	567,932	572,131
Union publishing	Union publishing	38,535	21,465
Theological services	Theological services	25,321	88,875
		<u>631,788</u>	<u>682,471</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Theological training	1,029,616	356,698	1,386,314
Mission grants	107,342	8,206	115,548
Union publishing	64,349	41,040	105,389
	<u>1,201,307</u>	<u>405,944</u>	<u>1,607,251</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	527,344	499,242
DIS life assurance cover	3,169	3,032
Rates and water	20,583	21,058
Insurance	8,949	8,937
Light and heat	20,187	21,218
Telephone	12,467	12,020
Postage and stationery	7,453	6,383
Bursary donations	27,453	31,768
Visiting lecturers' expenses	21,326	38,118
Library	35,510	17,612
University invigilation fees	62,003	55,935
IT	47,118	29,900
Repairs and maintenance	25,880	38,162
Service contracts	437	1,496
Cleaning	18,461	23,372
Provisions/Catering	52,715	27,563
Staff expenses	5,288	8,262
Miscellaneous expenses	4,342	9,725
Provision for bad debts	11,257	-
Grants to Church Planting projects	91,752	165,329
Learning Hubs, studio & editing	11,283	16,006
Theological services	15,591	28,525
Union publishing	64,349	58,373
Newton House expenses	26,359	35,963
Graduation expenses	1,361	7,835
Student hardship payment	1,680	736
Reformation fellowship	27,566	9,619
Daniel Rowland Centre	409	-
Depreciation	49,015	52,815
	<u>1,201,307</u>	<u>1,229,004</u>

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

9. SUPPORT COSTS

	Staff costs £	Depreciation £	Other £	Governance costs £	Totals £
Theological training	180,582	2,490	158,182	15,444	356,698
Mission grants	4,104	56	3,695	351	8,206
Union publishing	<u>20,520</u>	<u>283</u>	<u>18,482</u>	<u>1,755</u>	<u>41,040</u>
	<u>205,206</u>	<u>2,829</u>	<u>180,359</u>	<u>17,550</u>	<u>405,944</u>

10. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Auditors' remuneration	5,850	4,500
Depreciation - owned assets	51,844	56,117
Hire of plant and machinery	3,169	3,032
Surplus on disposal of fixed assets	<u>-</u>	<u>(3,200)</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 31 August 2023 or for the year ended 31 August 2022.

Trustees' expenses

Expenses totalling £148 (2022 - £209) were paid on behalf of 1 (2022 - 1) trustee during the year for travel and accommodation costs. No further amounts were paid to trustees.

12. STAFF COSTS

	2023 £	2022 £
Wages and salaries	639,093	586,326
Social security costs	55,149	58,530
Other pension costs	<u>38,308</u>	<u>35,771</u>
	<u>732,550</u>	<u>680,627</u>

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

2023	2022
<u>22</u>	<u>22</u>

No employees received emoluments in excess of £60,000.

The total key management personnel remuneration benefits paid during the year were £183,597 (2022 - £176,329).

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	490,717	265,318	756,035
Charitable activities			
Theological training	572,131	-	572,131
Union publishing	21,465	-	21,465
Theological services	88,875	-	88,875
Other trading activities			
Investment income	30,748	-	30,748
Other income	23	-	23
	8,056	-	8,056
Total	1,212,015	265,318	1,477,333
EXPENDITURE ON			
Charitable activities			
Theological training	1,066,532	257,832	1,324,364
Mission grants	225,754	-	225,754
Union publishing	66,046	-	66,046
Total	1,358,332	257,832	1,616,164
NET INCOME/(EXPENDITURE)	(146,317)	7,486	(138,831)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,777,448	55,512	1,832,960
TOTAL FUNDS CARRIED FORWARD	1,631,131	62,998	1,694,129

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, furniture and equipment £	Website £	Totals £
COST				
At 1 September 2022	2,387,816	298,832	85,446	2,772,094
Additions	1,335	5,450	-	6,785
At 31 August 2023	2,389,151	304,282	85,446	2,778,879
DEPRECIATION				
At 1 September 2022	441,084	254,119	66,753	761,956
Charge for year	26,165	18,608	7,071	51,844
At 31 August 2023	467,249	272,727	73,824	813,800
NET BOOK VALUE				
At 31 August 2023	1,921,902	31,555	11,622	1,965,079
At 31 August 2022	1,946,732	44,713	18,693	2,010,138

Included in freehold property is land recorded at deemed cost of £1,080,000 which is not depreciated.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

15.	STOCKS	2023 £	2022 £
	Stocks	<u>27,615</u>	<u>13,153</u>
16.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023 £	2022 £
	Trade debtors	14,837	31,933
	Other debtors	680	898
	Prepayments and accrued income	<u>46,449</u>	<u>33,914</u>
		<u>61,966</u>	<u>66,745</u>
17.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023 £	2022 £
	Bank loans and overdrafts (see note 19)	27,352	27,956
	Trade creditors	98,752	-
	Social security and other taxes	14,034	14,978
	Other creditors	10,274	10,680
	Interest free loans	47,195	1,000
	Accruals and deferred income	<u>63,448</u>	<u>185,041</u>
		<u>261,055</u>	<u>239,655</u>
	Included in Accruals and deferred income is:		
		2023 £	2022 £
	Deferred income brought forward	130,745	113,986
	Fees received in advance	61,739	130,745
	Released to fees	<u>(130,745)</u>	<u>(113,983)</u>
	Deferred income carried forward	<u>61,739</u>	<u>130,745</u>
18.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2023 £	2022 £
	Bank loans (see note 19)	185,620	199,175
	Interest free loans	<u>19,300</u>	<u>19,300</u>
		<u>204,920</u>	<u>218,475</u>
	Amounts falling due in more than 5 years:		
	Bank loans payable by instalments	<u>104,541</u>	<u>129,177</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

19. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand: Bank loans	<u>27,352</u>	<u>27,956</u>
Amounts falling between one and two years: Bank loans	<u>27,352</u>	<u>27,956</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>87,275</u>	<u>87,275</u>
Amounts falling due in more than five years: Repayable by instalments: Bank loans more 5 yr by instal	70,993	83,944

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	7,890	9,174
Between one and five years	<u>14,850</u>	<u>16,140</u>
	<u>22,740</u>	<u>25,314</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2023 £	2022 £
Bank loans	<u>212,972</u>	<u>227,131</u>

The bank borrowings are secured by a first legal charge over the property.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

22. MOVEMENT IN FUNDS

	At 1/9/22 £	Net movement in funds £	At 31/8/23 £
Unrestricted funds			
General fund	858,007	(98,003)	760,004
Revaluation reserve	<u>773,124</u>	<u>-</u>	<u>773,124</u>
	1,631,131	(98,003)	1,533,128
Restricted funds			
Welsh publications	1,290	-	1,290
SaRang projects fund	22,129	(8,802)	13,327
Chairman's expenses fund	2,273	-	2,273
Language Prize Fund	2,500	(200)	2,300
Video Publishing Project	22,893	(12,200)	10,693
Student Hardship Fund	1,913	1,340	3,253
Daniel Rowland Centre	<u>10,000</u>	<u>(175)</u>	<u>9,825</u>
	<u>62,998</u>	<u>(20,037)</u>	<u>42,961</u>
TOTAL FUNDS	<u>1,694,129</u>	<u>(118,040)</u>	<u>1,576,089</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,395,746	(1,493,749)	(98,003)
Restricted funds			
Bursary gifts	1,336	(1,336)	-
SaRang scholarship fund	940	(940)	-
SaRang projects fund	82,949	(91,751)	(8,802)
Language Prize Fund	-	(200)	(200)
Video Publishing Project	-	(12,200)	(12,200)
Student Hardship Fund	3,020	(1,680)	1,340
Daniel Rowland Centre	<u>5,220</u>	<u>(5,395)</u>	<u>(175)</u>
	<u>93,465</u>	<u>(113,502)</u>	<u>(20,037)</u>
TOTAL FUNDS	<u>1,489,211</u>	<u>(1,607,251)</u>	<u>(118,040)</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/21 £	Net movement in funds £	At 31/8/22 £
Unrestricted funds			
General fund	1,004,324	(146,317)	858,007
Revaluation reserve	<u>773,124</u>	<u>-</u>	<u>773,124</u>
	1,777,448	(146,317)	1,631,131
Restricted funds			
Bursary gifts	707	(707)	-
Welsh publications	1,290	-	1,290
SaRang scholarship fund	17,443	(17,443)	-
SaRang projects fund	21,299	830	22,129
Chairman's expenses fund	2,273	-	2,273
Language Prize Fund	2,500	-	2,500
Newton House fund	10,000	(10,000)	-
Video Publishing Project	-	22,893	22,893
Student Hardship Fund	-	1,913	1,913
Daniel Rowland Centre	<u>-</u>	<u>10,000</u>	<u>10,000</u>
	<u>55,512</u>	<u>7,486</u>	<u>62,998</u>
TOTAL FUNDS	<u><u>1,832,960</u></u>	<u><u>(138,831)</u></u>	<u><u>1,694,129</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,212,015	(1,358,332)	(146,317)
Restricted funds			
Bursary gifts	3,618	(4,325)	(707)
SaRang scholarship fund	-	(17,443)	(17,443)
SaRang projects fund	176,158	(175,328)	830
Newton House fund	-	(10,000)	(10,000)
Video Publishing Project	22,893	-	22,893
Student Hardship Fund	2,649	(736)	1,913
Daniel Rowland Centre	10,000	-	10,000
METES Project	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
	<u>265,318</u>	<u>(257,832)</u>	<u>7,486</u>
TOTAL FUNDS	<u><u>1,477,333</u></u>	<u><u>(1,616,164)</u></u>	<u><u>(138,831)</u></u>

Bursary gifts are donations made towards the fees of students at the college.

The Welsh Publications fund represents a donation received for the purpose of funding the publication of books in the Welsh language.

The SaRang scholarships fund consists of donations received from the SaRang Community Church to provide assistance for students towards their fees.

The SaRang projects fund is for the purpose of supporting mission projects, mainly in the UK and Europe. These are, generally, either the planting of new churches or the revitalization of existing churches.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2023

22. MOVEMENT IN FUNDS - continued

The Chairman's expenses fund represents donations received from SaRang Community Church to cover the travel expenses of the Chairman and sundry other costs at his discretion.

Language Prize - In accordance with the donor's wishes, a fund has been created to help support and encourage training in the biblical languages. The fund will be used to award prizes to the best performing students in Greek and Hebrew, as decided by the Programme Leaders.

23. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution pension scheme and contributes to employees' personal pension plans. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions paid by the company and amounted to £38,308 (2022 - £35,771). At the year end there were contributions of £5,632 (2022 - £5,758) outstanding.

24. RELATED PARTY DISCLOSURES

Union Foundation and SaRang Church have a formal agreement to work together. During 2023 SaRang donated a total of £472,187 (2022 - £489,799).

Union Foundation received donations of £174,560 (2022 - £215,560) from Union Foundation US (a not-for-profit organisation incorporated in the United States). Joel Morris and Mike Reeves, key management personnel with Union Foundation are directors of Union Foundation US.

UNION FOUNDATION

England & Wales - Charity number 517324

Accounts

REGISTERED COMPANY NUMBER: 01987227 (England and Wales)
REGISTERED CHARITY NUMBER: 517324

Union

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
FOR
UNION FOUNDATION

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Efed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

UNION FOUNDATION

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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) (effective 1 January 2019).

Union's vision is the reformation of Christ's church worldwide, and its mission is growing leaders, growing churches.

As School, Publishing, Research and Mission work together, Union provides a mission ecosystem that can accelerate healthy, sustainable church growth.

The following four strategies are employed to enable Union to realise its vision and achieve its mission:

- o **Research - We fortify the Church's mission through theological excellence.** Union Research nurtures the theologians, authors and teachers of the future to ensure the ongoing mission of the church is healthy and robust. Our community of scholars and PhD students produce the finest evangelical theology to bolster our school, publishing, and mission.
- o **School of Theology - We form men and women to grow Christ's church.** At Union School of Theology, we offer courses from pre-degree to degrees from BA to PhD, shaping our students to be theologically rigorous, biblically faithful, and Christlike. In all our academic programmes, our formation of leaders, and our training of preachers, we want to see our students delighting in God and captured by the glory of Christ.

Our campus is Union's home and base for residential study. Our Learning Communities provide accessible, affordable theological education in the context of the local church.

- o **Publishing - We fuel reformation in churches and lives.** Union Publishing invests in the next generation of leaders with theology that gives them a taste for a deeper knowledge of God. From books to our free content at www.unionpublishing.org, we are committed to producing excellent resources that will refresh, transform and grow believers and their churches.
- o **Mission - We foster church growth through people and finances.** Union Mission facilitates the planting and revitalisation of churches and their ministries in the UK, Europe and world-wide. We work collaboratively to deploy and support church leaders and help our hubs plant churches by giving them access to potential funding.

Criteria or measures the charity uses to assess success in the reporting period.

We measure achievement according to our four strategies:

Research - Engagement with pastors, theologians and scholars, nationally and internationally; theological publishing, conferences and other high-level input to theological research; helping to realise the potential of theological scholars.

School of Theology - Numbers of students; increasing numbers of healthy learning communities with sustained numbers of students; the quality of the students' academic achievement and the level of their spiritual growth and maturity as developing leaders; the collective increase in fee income.

Publishing - Engagement and consumption of Union media; magazines, books, video, articles, podcasts, conference attendance etc.; web traffic demonstrating engagement and usefulness of materials published on the www.unionpublishing.org website; social media engagement.

Mission - Capture and publication of mission stories from students and alumni; monitoring numbers of students across the School who go on to mission, resourcing church planting or church rejuvenation with finance and people; activities of learning hubs involved in mission in their local context.

Public benefit

The organisation's trustees can confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Union Foundation is a Christian ministry which primarily benefits the international church constituency it serves and enables healthy growth. These benefits stem from the four strategies which work together to ensure health and growth for the church around the world. Through the School of Theology, the blessings of the Christian Gospel are extended through preaching and teaching, youth work, social care, community work and the many other areas in which our graduates impact society at large.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Union covers a range of learning: from the highest academic level, our published research benefits the knowledge base of the international church and church lay leaders are equipped by the provision of free articles and inexpensive books for their personal growth. Union is keen to maximise the effectiveness of its students by seeing them strategically deployed where they can be most useful in mission. We do this by working closely with many churches, networks and agencies who offer great expertise and specific geographical knowledge. A number of new churches, which are now serving and helping local communities in the UK and in Europe, have been established with support from Union Mission.

Union's premises and facilities are made available as an ongoing resource to benefit and serve the needs of local churches and host conferences on issues of local, national and global significance.

ACHIEVEMENT AND PERFORMANCE

Significant charitable activities and achievements against objectives.

Union's Research activities are continuing to grow steadily through Newton House in Oxford. Our new research website is www.newtonhouse.ust.ac.uk. We gathered 70 emerging scholars and theologians in the summer for time with some of our Research Fellows, while Junior Fellows and Associates from six countries are enjoying the mentoring and scholarly community centred on Oxford.

Our School of Theology (UST) is validated by the Open University as well as ECTE for its undergraduate and graduate taught programmes. UST has maintained quality assurance from the QAA for its degree programmes validated by the OU. As a result, UST is able to sponsor international students under the Tier 4 visa regulations, and our UK courses are designated for student finance. UST currently has 255 students across all programmes and modes, studying at 29 Learning Communities and the campus in Wales. UST's research continues to build through an increasing number of new PhD students on the course validated by Vrije Universiteit Amsterdam (Free University of Amsterdam).

Now into the second year of operation Union's Publishing team have produced 4 books under its own steam in 2022, with books being translated into 6 languages. Books are available in eBook, print and audiobook formats.

Union Mission's grants have resourced 30+ church projects during the year, with around £156k having been awarded to churches. Union has awarded £1.3 million for church planting since 2017. Some of our students and Alumni are being referred to this facility as well as new projects to Union through partner donors. Projects have been reported on with some contributing to the Union Mission blog on www.union-mission.org.

Summary of charity's progress against its objectives.

Union is committed to developing its ministry model globally to serve the Church for healthy and sustainable growth. This is resulting in a growing international profile in the area of theological resources, education, community and church mission.

Evidence of the charity's progress, measured by the achievement of its strategic plan, demonstrates that the ministry model is working in the way it is serving the church. Union Publishing continues to produce world-class resources which help Christians enjoy God and serve his church, mobilising potential leaders to be trained for ministry. We hear of pastors studying our resources for sermon preparation and friends reading articles together on Zoom. Our School of Theology has made theological education more accessible through its Learning Communities and flexible BA along with scholarships. It has secured great collaborative partners for degree validation, excellence with the Quality Assurance Agency, student finance and tier 4 student visas. This has allowed the charity to move forward and achieve its strategic objectives in a timely manner. UST currently operates 27 learning communities established in North America and Europe. A third of UST graduates are establishing a new church or re-establishing a dying one, either during or after their studies, with some accessing the church planting fund. All are resulting in growth of the church through the Union family.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

We are pleased to report positive growth in our finances this year.

Income

Our total income was £1.48m compared to £1.41m last year, an increase of 5%. Fee income from our various courses grew by 1% to £572k. Donations and grants to support and develop the School, Newton House and Mission were £847k compared to £818k, an increase of 3.5%. Other income, including other trading activities such as Publishing increased from £28k to £58k.

Overall, the trend shows a continuing demand from students for our theological training, provided by the School, and strong support from donors for our publishing, research and mission activities.

Expenditure

Total expenditure was £1.62m (£1.34m last year). Salary costs were £681k (2021: £613k). This reflects our policy of an annual pay-scale uplift and performance-related progression on the salary scale. New staff were recruited to help with the extra work arising from our additional ministry areas and compliance requirements.

Other operating costs also increased compared to the previous year, for example: marketing (+£5k); travel (+£38k. Many of the Covid restrictions were lifted this year enabling travel to conferences and for fundraising. The costs were offset by £16k of recharges from supporting organisations); facilities and cleaning (+£8k); professional fees (+£20k. This was mainly for our QAA Review, legal work on our Articles of Association and some survey work on the estate); Newton House (+£36k); Reformation Fellowship (+£9k - a new initiative during the year); publishing (+£45k. The costs were incurred for the development of content and publication, and the purchase of sales stock).

Net income

We finished the year with a deficit of £139k (£74k surplus last year). Income grew this year, but we were challenged by the rising costs of running the School while continuing to develop our other ministry areas (e.g., Publishing and Newton House) and launching new ones (e.g., Reformation Fellowship). In the coming year we aim to consolidate these areas by maintaining control of the costs and optimising the income, while at the same time broadening our range of supportive partners in the UK and the USA to bring in more donor income.

Principal risks and uncertainties and summary of plans and strategies for managing the risks.

The principal risks faced by Union as outlined in our corporate Risk Register are the challenges of a small-sized enterprise with potential administrative and faculty shortages as a consequence, and pressure on cash flow as Union grows, with investment on online development as well as broadening its activities into research, publishing and mission.

Coronavirus Risk

The risk of pandemic had been identified in our Business Continuity Plan. It was a particularly unpredictable risk from the outset and as such the course of action was reactionary and it was important to follow government guidance and legislation. As an alternative HE provider we had our own specific guidance from the Welsh Government. It was critical to have risk assessment to be carried out prior to reoccupation of the campus, but also critical to assess the risk to business continuity. Fortunately, Union was in a position to adapt easily to remote operations for as long as needed without detriment to operations or service to our students. Our vulnerability is in the form of staffing and the dangers outlined below posed by Covid.

UST Faculty Staff Shortages

There is a moderate risk that UST may experience staff shortages due to ill health or pandemic which could impact on the delivery of specialised modules. UST's policy enables us, in the event of staff absences, to rearrange classes at another convenient date or provide an alternative lecturer to deliver lectures. A number of modules are taught by integrated teams, and others in the team can substitute for absences of others in the staff team. Because the teaching delivered in Learning Communities is pre-recorded in advance of the academic year, there is no risk of non-delivery of this material, and Learning Communities are allowed backup copies in case there is interruption to the live online delivery.

If due to staff shortages we are unable to provide students with the modules that were agreed when they entered the programme, students will be offered suitable alternatives. The School has appointed more faculty members as well as admin staff to help mitigate this risk.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Cash flow

Union has undergone a transformation, growing three ministries from a seminary with a vision to educate pastors into a larger ministry with a larger vision to enable healthy church growth through investing in leaders and churches. This change in vision has meant ongoing changes to the organisation, its structure, its training model & provision and its processes. This comes with significant investment. Especially as UST is pioneering cutting edge theological education.

We continue to be challenged by the increasing costs of providing theological education, including the cost burden of regulatory compliance and programme validation. However, there are a number of good developments and plans to ensure we have adequate funds to meet these challenges and additional risk posed by the pandemic:

- Our more flexible validated programmes are bringing an increase in students and associated income for the School whether studying on campus or in community where they live.
- Union has established a 501 (c) (3) charitable foundation to attract tax-efficient funding from churches, trusts and individuals in the US, which is proving very successful. More developments are progressing to grow our US constituency further.
- Union's growing profile, nationally and globally, has resulted in invitations to apply for significant grant funding, particularly to help with Union's development of learning hubs and infrastructure, which we believe will become a regular source of financial support.
- Union is opening up additional sources of income through content, publishing, conferences and rentals.

Reserves policy

The trustees aim to maintain sufficient resources to fund the running and development of the Foundation and the ownership of the buildings and other fixed assets, in accordance with the charitable objects. The aim over time would be to obviate the need to use an overdraft facility. Subject to funds being available, it is our policy is to maintain a reserve of approximately 25% of annual expenditure.

At 31 August 2022 total reserves were £1,694,129 (2021: £1,832,960), of which £62,998 (2021: £55,512) is represented by restricted funds. At the Balance Sheet date £2,010,138 (2021: £2,030,341) has been invested in the charity's fixed assets and therefore the charity is currently left with no free reserves.

Funds

Funds received for specific purposes are shown as restricted funds in the accounts. In addition, the trustees designate some of the donations received towards scholarships for students.

FUTURE PLANS

Union's strategic vision is the reformation of Christ's church worldwide. We want to help recruit, raise, deploy and support church leaders to grow the church. Union aims to have a specific impact in Europe by making grant funding available for graduates seeking to establish a new church or rejuvenate an existing one. Through the Reformation Fellowship, Union is building its network of alumni, learning communities and church planting hubs as well as friends who want to connect. Reformation Fellowship has its own membership, regular magazine and gatherings.

We will keep innovating and investing in online infrastructure and decentralised learning. Our ministry model is to be flexible and accessible for the church, which will mean how people access Union will be robust enough to cope with any future lockdowns or travel restrictions. The Post-COVID era expects this from all Higher Education providers and Union has been in the providential position to have invested and developed in this direction for many years. The pandemic has merely accelerated what was already happening in HE. We will also keep investing in our campus in Wales to enhance the experience for all who will work, study and stay at the campus.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Union Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 February 1986 and amended on 20 June 2003 and 2 March 2006 and again on 27 Feb 2011. It is registered as a charity with the Charity Commission. Day to day management is undertaken by the President, under authority delegated by the Board of Trustees.

Recruitment and appointment of new trustees

Trustees are appointed to represent the global Christian community across various denominational and non-denominational groupings making up the conservative (largely Reformed) Christian constituency which the School serves. Trustees are appointed who have an appropriate range of skills and experience for the effective strategic management of the charity. They are recruited internationally to reflect the governance and structure of Union. The charity is able to benefit from trustees who bring a greater range of strategic and management expertise and experience from national and international business and charitable organisations.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New Board Members are carefully chosen for the particular skills and experience they bring to the School. Each new trustee receives a copy of the latest annual accounts, the Memorandum and Articles and the Charity Commission's advice on trustee responsibility. Most new Board Members already have considerable experience as charity trustees. The President liaises with Board Members, particularly via the Chairman, providing them with information about the activities and general operations. This facilitates decision-making by the Board with regard to strategic initiatives. Trustees are required to carry out a self-appraisal periodically, a board development plan being created from the feedback to ensure the health of the Board.

Organisational structure

The Board of Trustees administers the charity and meets three times a year. The President was appointed by the trustees to manage the day-to-day operations of the charity and present regular reports to the trustees.

The Executive Director serves the Trustee Board as Company Secretary, who with the Associate Director are the President's Executive Team.

The Provost and Directors of Newton House and Union Publishing were appointed by the President to manage the day-to-day operations of UST, Publishing and Newton House. The Executive Director oversees the operation of Union Mission with a team of volunteers.

Key management remuneration

A new salary scale was adopted by the Board in 2013/14. The university sector, combined with research into other charitable companies, formed the benchmark. Since then, Union has fully brought salaries into line with the scale and address anomalies as necessary. We normally apply a 2% pay increase to keep up with inflation. The trustees have carried out a full review of key staff remuneration in 2021.

Related parties

Union has a strong working partnership with SaRang Church in South Korea. The leaders and congregation in Seoul have been very supportive of the partnership over a number of years. Union Foundation US was set up by Union Foundation to help Union fundraise in the US and operates as fiscal agent.

Risk management

Union has a robust Risk Management Framework which includes a risk register co-owned by several lead staff, identifying major risks to which the charity is exposed. There is a comprehensive IT Disaster Recovery plan in place. The trustees are satisfied that the right systems are in place to meet major risks and ensure Union is prepared to tackle challenging scenarios through Union's Business Continuity Management and Plan. This has been achieved in collaboration with the Board.

The annual financial accounts are professionally audited externally, and management accounts are provided to the trustees on a monthly basis. Insurance cover is reviewed annually, informed by an independent expert. All health and safety systems are regularly scrutinised.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01987227 (England and Wales)

Registered Charity number

517324

Registered office

Bryntirion
BRIDGEND
CF31 4DX

UNION FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees

Rev Sam Ko (Chairman)
Rev Michael P Tindall
Rev Dr Douglas Birdsall
Rev Steve Levy
Prof Michael Joyston Fernando
Joongja Kim - resigned 18 August 2022
Sean Shepley
Dr Daniel Shin
Yun Lee
Dr Gwenfair Adams

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Solicitors

Property:
Loosemores
Alliance House
18-19 High Street
CARDIFF
CF10 1PT

Charity Law:

Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

Senior staff

President of Union	Rev Dr Michael Reeves
Executive Director of Union	Dr Joel Morris
Associate Director	Dr Daniel Hames
Provost	Dr Clive Bowsher

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Union Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

UNION FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

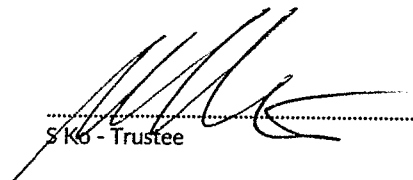
In so far as the trustees are aware:

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

AUDITORS

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

Approved by order of the Board of Trustees on 24 February 2023 and signed on its behalf by:


S/Ko - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

Opinion

We have audited the financial statements of Union Foundation (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (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 August 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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 which result from such irregularities. Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk related to posting inaccurate journals and management bias in accounting estimates. We addressed this risk by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- challenging assumptions made by management in relation to significant accounting estimates;
- considering the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation.

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UNION FOUNDATION**

Use of our report

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

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

3 March 2023

UNION FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	490,717	265,318	756,035	817,954
Charitable activities					
Theological training	6	572,131	-	572,131	566,076
Union publishing		21,465	-	21,465	-
Theological services		88,875	-	88,875	-
Other trading activities	4	30,748	-	30,748	25,953
Investment income	5	23	-	23	8
Other income		8,056	-	8,056	2,006
Total		<u>1,212,015</u>	<u>265,318</u>	<u>1,477,333</u>	<u>1,411,997</u>
EXPENDITURE ON					
Charitable activities					
Theological training	7	1,066,532	257,832	1,324,364	1,188,918
Mission grants		225,754	-	225,754	136,200
Union publishing		66,046	-	66,046	12,872
Total		<u>1,358,332</u>	<u>257,832</u>	<u>1,616,164</u>	<u>1,337,990</u>
NET INCOME/(EXPENDITURE)		(146,317)	7,486	(138,831)	74,007
RECONCILIATION OF FUNDS					
Total funds brought forward		1,777,448	55,512	1,832,960	1,758,953
TOTAL FUNDS CARRIED FORWARD		<u>1,631,131</u>	<u>62,998</u>	<u>1,694,129</u>	<u>1,832,960</u>

The notes form part of these financial statements

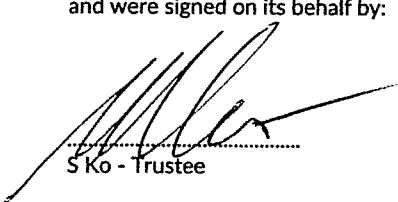
UNION FOUNDATION

**BALANCE SHEET
31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	14	2,010,138	-	2,010,138	2,030,341
CURRENT ASSETS					
Stocks	15	13,153	-	13,153	-
Debtors	16	66,745	-	66,745	54,307
Cash at bank and in hand		<u>(775)</u>	<u>62,998</u>	<u>62,223</u>	<u>158,022</u>
		79,123	62,998	142,121	212,329
CREDITORS					
Amounts falling due within one year	17	<u>(239,655)</u>	-	<u>(239,655)</u>	<u>(180,019)</u>
NET CURRENT ASSETS					
		<u>(160,532)</u>	<u>62,998</u>	<u>(97,534)</u>	<u>32,310</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,849,606	62,998	1,912,604	2,062,651
CREDITORS					
Amounts falling due after more than one year	18	<u>(218,475)</u>	-	<u>(218,475)</u>	<u>(229,691)</u>
NET ASSETS					
		<u>1,631,131</u>	<u>62,998</u>	<u>1,694,129</u>	<u>1,832,960</u>
FUNDS					
Unrestricted funds	22			1,631,131	1,777,448
Restricted funds				<u>62,998</u>	<u>55,512</u>
TOTAL FUNDS					
				<u>1,694,129</u>	<u>1,832,960</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 24 February 2023 and were signed on its behalf by:


S Ko - Trustee

The notes form part of these financial statements

UNION FOUNDATION**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(22,628)	191,725
Interest paid		<u>(16,462)</u>	<u>(20,934)</u>
Net cash (used in)/provided by operating activities		<u>(39,090)</u>	<u>170,791</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(35,914)	(48,438)
Sale of tangible fixed assets		3,200	-
Interest received		<u>23</u>	<u>8</u>
Net cash used in investing activities		<u>(32,691)</u>	<u>(48,430)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(24,018)</u>	<u>(33,111)</u>
Net cash used in financing activities		<u>(24,018)</u>	<u>(33,111)</u>
Change in cash and cash equivalents in the reporting period			
		(95,799)	89,250
Cash and cash equivalents at the beginning of the reporting period		<u>158,022</u>	<u>68,772</u>
Cash and cash equivalents at the end of the reporting period		<u><u>62,223</u></u>	<u><u>158,022</u></u>

The notes form part of these financial statements

UNION FOUNDATION**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022****1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(138,831)	74,007
Adjustments for:		
Depreciation charges	56,117	56,528
Profit on disposal of fixed assets	(3,200)	-
Interest received	(23)	(8)
Interest paid	16,462	20,934
Increase in stocks	(13,153)	-
(Increase)/decrease in debtors	(12,438)	3,248
Increase in creditors	<u>72,438</u>	<u>37,016</u>
Net cash (used in)/provided by operations	<u>(22,628)</u>	<u>191,725</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/21 £	Cash flow £	At 31/8/22 £
Net cash			
Cash at bank and in hand	<u>158,022</u>	<u>(95,799)</u>	<u>62,223</u>
	<u>158,022</u>	<u>(95,799)</u>	<u>62,223</u>
Debt			
Debts falling due within 1 year	(28,259)	303	(27,956)
Debts falling due after 1 year	<u>(210,391)</u>	<u>11,216</u>	<u>(199,175)</u>
	<u>(238,650)</u>	<u>11,519</u>	<u>(227,131)</u>
Total	<u>(80,628)</u>	<u>(84,280)</u>	<u>(164,908)</u>

The notes form part of these financial statements

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. STATUTORY INFORMATION

Union Foundation is a company limited by guarantee, incorporated in Wales within the United Kingdom. The registered office is Bryntirion, Bridgend CF31 4DX.

The financial statements are prepared in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to provide rigorous biblical and accessible education, training and resources for church leaders and church members to enable their personal and corporate growth in Christ.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At 31 August 2022 there were net current liabilities of £97,534 (2021 - current assets of £32,310). Union has continued to grow its international profile, as evidenced by the calibre of recent faculty appointments. Union is also continuing to experience a growth in student numbers and learning communities. The establishment of Union US has proved helpful in raising additional financial support, and this will be developed further. A number of plans are in hand to develop courses and extend our reach, which will each bring financial benefit to the organisation. Consequently, the trustees are confident that last year's positive move towards a net current asset position will return moving forward, and as such consider the going concern basis adopted for the preparation of the financial statements to be appropriate.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. This includes capital grants.

Donations and legacies income

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from other trading activities

Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income

Investment income is recognised on a receivable basis.

2. ACCOUNTING POLICIES - continued

Income

It is not the policy of the charity to show incoming resources net of expenditure.

Basis of recognition of liabilities

Expenditure is recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis. Allocation of expenses has occurred between direct expenditure and support costs for some wages and salaries and related costs based on an estimate of time spent in those areas. A similar allocation has occurred for the premises and related costs based on an estimate of the areas used.

Tangible fixed assets

All fixed assets are initially recorded at cost. The charity has taken advantage of the option available on transition to FRS 102 to treat revalued assets as recorded at deemed cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, furniture and equipment	20% straight line
Property	2% straight line
Website	20% straight line
Land	Nil

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Debtors

Trade debtors and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme and it contributes to employees' individual personal pension plans. Contributions payable to the schemes are charged to the Statement of Financial Activities in the period to which they relate.

Fund accounting

Unrestricted funds are those which may be used for general charitable purposes at the discretion of the trustees.

Restricted funds have been received with specific stipulations from the donor as to their use and may only be used for such purposes.

Transfers are made from restricted to unrestricted funds once the conditions for the restriction have been met.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Gifts	756,035	765,048
Legacies	-	41,044
Grants	-	11,862
	<u>756,035</u>	<u>817,954</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
HMRC Job Retention Scheme Grant	-	11,862

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Conference centre income	3,136	1,786
Rental income	27,612	24,167
	<u>30,748</u>	<u>25,953</u>

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

5. INVESTMENT INCOME			2022	2021
			£	£
	Bank interest receivable		<u>23</u>	<u>8</u>
6. INCOME FROM CHARITABLE ACTIVITIES			2022	2021
	Activity		£	£
	Income from college fees	Theological training	572,131	566,076
	Union publishing	Union publishing	21,465	-
	Theological services	Theological services	<u>88,875</u>	<u>-</u>
			<u>682,471</u>	<u>566,076</u>
7. CHARITABLE ACTIVITIES COSTS				
		Direct	Support	Totals
		Costs (see	costs (see	
		note 8)	note 9)	
		£	£	£
	Theological training	983,242	341,122	1,324,364
	Mission grants	187,389	38,365	225,754
	Union publishing	<u>58,373</u>	<u>7,673</u>	<u>66,046</u>
		<u>1,229,004</u>	<u>387,160</u>	<u>1,616,164</u>
8. DIRECT COSTS OF CHARITABLE ACTIVITIES			2022	2021
			£	£
	Staff costs		499,242	518,673
	DIS life assurance cover		3,032	4,092
	Rates and water		21,058	15,333
	Insurance		8,937	7,988
	Light and heat		21,218	24,119
	Telephone		12,020	7,348
	Postage and stationery		6,383	7,420
	Bursary donations		31,768	37,770
	Visiting lecturers' expenses		38,118	22,250
	Library		17,612	23,042
	University invigilation fees		55,935	54,589
	IT		29,900	35,014
	Repairs and maintenance		38,162	30,556
	Service contracts		1,496	1,276
	Cleaning		23,372	22,808
	Provisions/Catering		27,563	11,151
	Staff expenses		8,262	9,482
	Miscellaneous expenses		9,725	3,325
	Provision for bad debts		-	8,126
	Grants to Church Planting projects		165,329	112,212
	Learning Hubs, studio & editing		16,006	15,315
	Theological services		28,525	56,612
	Union publishing		58,373	12,872
	Newton House expenses		35,963	-
	Graduation expenses		7,835	-
	Student hardship payment		736	-
	Reformation fellowship		9,619	-
	Depreciation		<u>52,815</u>	<u>53,182</u>
			<u>1,229,004</u>	<u>1,094,555</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

9. SUPPORT COSTS

	Staff costs £	Depreciation £	Other £	Governance costs £	Totals £
Theological training	151,395	2,972	149,939	36,816	341,122
Mission grants	18,154	330	15,697	4,184	38,365
Union publishing	<u>6,836</u>	-	-	<u>837</u>	<u>7,673</u>
	<u>176,385</u>	<u>3,302</u>	<u>165,636</u>	<u>41,837</u>	<u>387,160</u>

10. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Auditors' remuneration	4,500	4,500
Depreciation - owned assets	56,117	56,528
Hire of plant and machinery	3,032	4,092
Surplus on disposal of fixed assets	<u>(3,200)</u>	<u>-</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 31 August 2022 or for the year ended 31 August 2021.

Trustees' expenses

Expenses totalling £209 (2021 - £189) were paid on behalf of 1 (2021 - 1) trustee during the year for travel and accommodation costs. No further amounts were paid to trustees.

12. STAFF COSTS

	2022 £	2021 £
Wages and salaries	586,326	534,518
Social security costs	58,530	46,360
Other pension costs	<u>35,771</u>	<u>32,297</u>
	<u>680,627</u>	<u>613,175</u>

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

2022	2021
<u>22</u>	<u>20</u>

No employees received emoluments in excess of £60,000.

The total key management personnel remuneration benefits paid during the year were £176,329 (2021 - £172,482).

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	595,923	222,031	817,954
Charitable activities			
Theological training	566,076	-	566,076
Other trading activities	25,953	-	25,953
Investment income	8	-	8
Other income	2,006	-	2,006
Total	1,189,966	222,031	1,411,997
EXPENDITURE ON			
Charitable activities			
Theological training	1,112,812	76,106	1,188,918
Mission grants	23,988	112,212	136,200
Union publishing	12,872	-	12,872
Total	1,149,672	188,318	1,337,990
NET INCOME	40,294	33,713	74,007
RECONCILIATION OF FUNDS			
Total funds brought forward	1,737,154	21,799	1,758,953
TOTAL FUNDS CARRIED FORWARD	1,777,448	55,512	1,832,960

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, furniture and equipment £	Website £	Totals £
COST				
At 1 September 2021	2,361,076	299,749	85,446	2,746,271
Additions	26,740	9,174	-	35,914
Disposals	-	(10,091)	-	(10,091)
At 31 August 2022	<u>2,387,816</u>	<u>298,832</u>	<u>85,446</u>	<u>2,772,094</u>
DEPRECIATION				
At 1 September 2021	415,096	244,853	55,981	715,930
Charge for year	25,988	19,357	10,772	56,117
Eliminated on disposal	-	(10,091)	-	(10,091)
At 31 August 2022	<u>441,084</u>	<u>254,119</u>	<u>66,753</u>	<u>761,956</u>
NET BOOK VALUE				
At 31 August 2022	<u>1,946,732</u>	<u>44,713</u>	<u>18,693</u>	<u>2,010,138</u>
At 31 August 2021	<u>1,945,980</u>	<u>54,896</u>	<u>29,465</u>	<u>2,030,341</u>

Included in freehold property is land recorded at deemed cost of £1,080,000 which is not depreciated.

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

15. STOCKS		
	2022	2021
	£	£
Stocks	<u>13,153</u>	<u>-</u>
16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2022	2021
	£	£
Trade debtors	31,933	29,111
Other debtors	898	1,455
Prepayments and accrued income	<u>33,914</u>	<u>23,741</u>
	<u>66,745</u>	<u>54,307</u>
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2022	2021
	£	£
Bank loans and overdrafts (see note 19)	27,956	28,259
Social security and other taxes	14,978	13,684
Other creditors	10,680	10,591
Interest free loans	1,000	13,499
Accruals and deferred income	<u>185,041</u>	<u>113,986</u>
	<u>239,655</u>	<u>180,019</u>
Included in Accruals and deferred income is:		
	2022	2021
	£	£
Deferred income brought forward	113,986	112,839
Fees received in advance	130,745	113,986
Released to fees	<u>(113,986)</u>	<u>(112,839)</u>
Deferred income carried forward	<u>130,745</u>	<u>113,986</u>
18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2022	2021
	£	£
Bank loans (see note 19)	199,175	210,391
Interest free loans	<u>19,300</u>	<u>19,300</u>
	<u>218,475</u>	<u>229,691</u>
Amounts falling due in more than 5 years:		
Bank loans payable by instalments	<u>104,541</u>	<u>129,177</u>

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

19. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand: Bank loans	<u>27,956</u>	<u>28,259</u>
Amounts falling between one and two years: Bank loans	<u>27,956</u>	<u>28,799</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>87,275</u>	<u>87,275</u>
Amounts falling due in more than five years: Repayable by instalments: Bank loans more 5 yr by instal	83,944	94,317

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	9,174	10,209
Between one and five years	<u>16,140</u>	<u>25,314</u>
	<u>25,314</u>	<u>35,523</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	<u>227,131</u>	<u>238,650</u>

The bank borrowings are secured by a first legal charge over the property.

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

22. MOVEMENT IN FUNDS

	At 1/9/21 £	Net movement in funds £	At 31/8/22 £
Unrestricted funds			
General fund	1,004,324	(146,317)	858,007
Revaluation reserve	<u>773,124</u>	<u>-</u>	<u>773,124</u>
	1,777,448	(146,317)	1,631,131
Restricted funds			
Bursary gifts	707	(707)	-
Welsh publications	1,290	-	1,290
SaRang scholarship fund	17,443	(17,443)	-
SaRang projects fund	21,299	830	22,129
Chairman's expenses fund	2,273	-	2,273
Language Prize Fund	2,500	-	2,500
Newton House fund	10,000	(10,000)	-
Video Publishing Project	-	22,893	22,893
Student Hardship Fund	-	1,913	1,913
Daniel Rowland Centre	<u>-</u>	<u>10,000</u>	<u>10,000</u>
	<u>55,512</u>	<u>7,486</u>	<u>62,998</u>
TOTAL FUNDS	<u>1,832,960</u>	<u>(138,831)</u>	<u>1,694,129</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,212,015	(1,358,332)	(146,317)
Restricted funds			
Bursary gifts	3,618	(4,325)	(707)
SaRang scholarship fund	-	(17,443)	(17,443)
SaRang projects fund	176,158	(175,328)	830
Newton House fund	-	(10,000)	(10,000)
Video Publishing Project	22,893	-	22,893
Student Hardship Fund	2,649	(736)	1,913
Daniel Rowland Centre	10,000	-	10,000
METES Project	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
	<u>265,318</u>	<u>(257,832)</u>	<u>7,486</u>
TOTAL FUNDS	<u>1,477,333</u>	<u>(1,616,164)</u>	<u>(138,831)</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/20 £	Net movement in funds £	At 31/8/21 £
Unrestricted funds			
General fund	964,030	40,294	1,004,324
Revaluation reserve	<u>773,124</u>	-	<u>773,124</u>
	1,737,154	40,294	1,777,448
Restricted funds			
Bursary gifts	2,106	(1,399)	707
Welsh publications	1,290	-	1,290
SaRang scholarship fund	7,443	10,000	17,443
SaRang projects fund	8,687	12,612	21,299
Chairman's expenses fund	2,273	-	2,273
Language Prize Fund	-	2,500	2,500
Newton House fund	-	10,000	10,000
	<u>21,799</u>	<u>33,713</u>	<u>55,512</u>
TOTAL FUNDS	<u>1,758,953</u>	<u>74,007</u>	<u>1,832,960</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,189,966	(1,149,672)	40,294
Restricted funds			
Bursary gifts	9,507	(10,906)	(1,399)
SaRang scholarship fund	10,000	-	10,000
SaRang projects fund	124,824	(112,212)	12,612
E Union	65,200	(65,200)	-
Language Prize Fund	2,500	-	2,500
Newton House fund	<u>10,000</u>	-	<u>10,000</u>
	<u>222,031</u>	<u>(188,318)</u>	<u>33,713</u>
TOTAL FUNDS	<u>1,411,997</u>	<u>(1,337,990)</u>	<u>74,007</u>

Bursary gifts are donations made towards the fees of students at the college.

The Welsh Publications fund represents a donation received for the purpose of funding the publication of books in the Welsh language.

The SaRang scholarships fund consists of donations received from the SaRang Community Church to provide assistance for students towards their fees.

The SaRang projects fund is for the purpose of supporting mission projects, mainly in the UK and Europe. These are, generally, either the planting of new churches or the revitalization of existing churches.

The Chairman's expenses fund represents donations received from SaRang Community Church to cover the travel expenses of the Chairman and sundry other costs at his discretion.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

22. MOVEMENT IN FUNDS - continued

The Europe Collaboration fund is a funding platform for church planting in Europe. Union acted as the fiscal sponsor to administer and distribute funds between 2017-18 and 2019-20. During 2019-20 the partnership came to an end; all nominated funds were distributed, and the balance of funds was returned to Europe Collaboration.

Newton House is Union's theological research centre in Oxford. A fund has been created to receive donations from those who wish to support its development. In 2020-21, a donation of £10,000 was made into the fund.

Language Prize

In accordance with the donor's wishes, a fund has been created to help support and encourage training in the biblical languages. The fund will be used to award prizes to the best performing students in Greek and Hebrew, as decided by the Programme Leaders.

E-Union

Funds were received for the purpose of developing Union's online theological education provision globally, to make it accessible and affordable to all who wish to train for church ministry. The funds were released throughout the year to expenditure on staff costs, IT and editorial work.

23. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution pension scheme and contributes to employees' personal pension plans. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions paid by the company and amounted to £35,771 (2021 - £32,297). At the year end there were contributions of £5,758 (2021 - £5,028) outstanding.

24. RELATED PARTY DISCLOSURES

An interest free loans of £Nil (2021 - £5,000) was owed to Rev S Ko at the year end.

A salary of £Nil (2021: £1,050) was paid to a close relation of key management personnel during the year.

Union Foundation and SaRang Church have a formal agreement to work together. During 2022 SaRang donated a total of £489,799 (2021 - £397,745).

Union Foundation received donations of £215,560 (2021 - £182,248) from Union Foundation US (a not-for-profit organisation incorporated in the United States). Joel Morris and Mike Reeves, key management personnel with Union Foundation are directors of Union Foundation US.

UNION FOUNDATION

England & Wales - Charity number 517324

Accounts

REGISTERED COMPANY NUMBER: 1987227 (England and Wales)
REGISTERED CHARITY NUMBER: 517324

Union

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
FOR
UNION FOUNDATION

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

UNION FOUNDATION

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FOR THE YEAR ENDED 31 AUGUST 2021**

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UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Union's vision is the reformation of Christ's church worldwide, and its mission is growing leaders, growing churches.

As School, Publishing, Research and Mission work together, Union provides a mission ecosystem that can accelerate healthy, sustainable church growth.

The following four strategies (from our Strategic Plan) are employed to enable Union to realise its vision and achieve its mission:

- o **Research - We fortify the Church's mission through theological excellence.**
Union Research nurtures the theologians, authors and teachers of the future to ensure the ongoing mission of the church is healthy and robust. Our community of scholars and PhD students produce the finest evangelical theology to bolster our school, publishing, and mission.
- o **School of Theology - We form men and women to grow Christ's church.**
At Union School of Theology, we offer courses from pre-degree to degrees from BA to PhD, shaping our students to be theologically rigorous, biblically faithful, and Christlike. In all our academic programmes, our formation of leaders, and our training of preachers, we want to see our students delighting in God and captured by the glory of Christ.

Our campus is Union's home and base for residential study. Our Learning Communities around the world provide accessible, affordable theological education in the context of the local church for those who want to study part-time and continue in existing ministry or work.
- o **Publishing - We fuel reformation in churches and lives.**
Union Publishing invests in the next generation of leaders with theology that gives them a taste for a deeper knowledge of God. From books to our free content at unionpublishing.org, we are committed to producing excellent resources that will refresh, transform and grow believers and their churches.
- o **Mission - We foster church growth through people and finances.**
Union Mission facilitates the planting and revitalisation of churches and their ministries in the UK, Europe and world-wide. We work collaboratively to deploy and support church leaders, and help our hubs plant churches by giving them access to potential funding.

Criteria or measures the charity uses to assess success in the reporting period.

We measure achievement according to our four strategies:

Research - Engagement with pastors, theologians and scholars, nationally and internationally; theological publishing, conferences and other high-level input to theological research; helping to realise the potential of theological scholars.

School of Theology - Numbers of students; increasing numbers of healthy learning communities with sustained numbers of students; the quality of the students' academic achievement and the level of their spiritual growth and maturity as developing leaders; the collective increase in fee income.

Publishing - Engagement and consumption of Union media; magazines, books, video, articles, podcasts, conference attendance etc.; web traffic demonstrating engagement and usefulness of materials published on the www.unionpublishing.org website; social media engagement.

Mission - Capture and publication of mission stories from students and alumni; monitoring numbers of students across the School who go on to mission, resourcing church planting or church rejuvenation with finance and people; activities of learning hubs involved in mission in their local context.

Public benefit

The organisation's trustees can confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

Public benefit

Union Foundation is a Christian ministry which primarily benefits the international church constituency it serves and enables healthy growth. These benefits stem from the four strategies which work together to ensure health and growth for the church around the world. Through the School of Theology, the blessings of the Christian Gospel are extended through preaching and teaching, youth work, social care, community work and the many other areas in which our graduates impact society at large.

Union covers a range of learning: at a high academic level, our published research benefits the knowledge base of the international church and church lay leaders are equipped by the provision of free articles and inexpensive books for their personal growth. Union is keen to maximise the effectiveness of its students by seeing them strategically deployed where they can be most useful in mission. We do this by working closely with many churches, networks and agencies who offer great expertise and specific geographical knowledge. A number of new churches, which are now serving and helping local communities in the UK and in Europe, have been established with support from Union Mission funding.

Union's premises and facilities are made available as an ongoing resource to benefit and serve the needs of local churches and host conferences on issues of local, national and global significance.

ACHIEVEMENT AND PERFORMANCE

Significant charitable activities and achievements against objectives.

Union's Research activities have greatly increased thanks to the launch of a new research centre in Oxford called Newton House. This new ministry is run by our new Head of Operations under our Director. A new property has been secured in Oxford that serves as an office and study centre. We continue to build through an increasing number of new PhD students on the course validated by Vrije Universiteit Amsterdam (Free University of Amsterdam). Our Research website has been replaced by www.newtonhouse.ust.ac.uk.

Our School of Theology (UST) is validated by the Open University as well as ECTE for its undergraduate and graduate taught programmes. UST has maintained quality assurance from the QAA for its degree programmes validated by the OU. As a result, UST is able to sponsor international students under the Tier 4 visa regulations, and our UK courses are designated for student finance. Two more Learning Communities for Graduate Diploma and Masters' students have been established bringing the total number established to 40 in North America and Europe. Our School has enjoyed their third full year of OU validated undergraduate and postgraduate courses (with student finance and visas) and the uptake has been very encouraging.

The last two academic years are particularly encouraging because they represent growth through the pandemic, while the Higher Education landscape is continually changing. This growth reflects the robustness of our model. The number of registered degree students stands at 245, with Priscilla and the Anglican Theology and Practice course bringing the total registered to 270.

Throughout the pandemic Union's Publishing team have been producing video media for social media and website teaching content, and conference talks with live stream. We launched our branded series with a major Christian publisher for eight book volumes in January.

Union Mission's grants have resourced 18 church projects during the year, with around £111k having been awarded to churches. Union has awarded £1.12 million for church planting since 2017. Some of our students and Alumni are being referred to this facility as well as new projects to Union through partner donors. Projects have been reported on with some contributing to the Union Mission blog on www.union-mission.org.

Summary of charity's progress against its objectives.

Union is committed to developing its ministry model globally to serve the Church for healthy and sustainable growth. This is resulting in a growing international profile in the area of theological resources, education and church mission.

Evidence of the charity's progress, measured by the achievement of its strategic plan, demonstrates that the ministry model is working in the way it is serving the church. Union Publishing continues to produce world-class resources which help Christians enjoy God and serve his church, mobilising potential leaders to be trained for ministry. We hear of pastors studying our resources for sermon preparation and friends reading articles together on Zoom. Our School of Theology has made theological education more accessible through its Learning Communities and flexible BA along with scholarships. It has secured great collaborative partners for degree validation, excellence with the Quality Assurance Agency, student finance and tier 4 student visas. This has allowed the charity to move forward and achieve its strategic objectives in a timely manner. UST currently operates 27 learning communities established in North America and Europe. 25% of UST graduates are establishing a new church or re-establishing a dying one, either during or after their studies, with some accessing the church planting fund. All are resulting in growth of the church through the Union family.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

We are pleased to report positive growth in our finances this year.

Income

Total income was £1.41m (£1.32m last year). Fee income from students on our various courses was £566k (2020: £504k), an increase of £62k (12%) during a difficult pandemic year. General donations, legacies and grants in support of Union's operations and development were £691k, an increase of £115k. Substantial donations were made to help us continue developing our online learning platform and regional learning hubs. We also received funds of £127k (2020: £210k) for making grants to church planting projects in the UK and Europe.

Expenditure

Total expenditure was £1.34m (£1.36m last year). Our general operating expenditure (before mission grants) increased by £109k. Much emphasis has been placed this year on the development of our online learning provision. The higher spending also reflects the granting of more scholarships, the increased cost of salaries following a Board review, higher level COVID cleaning, and the development of our publishing ministry. Some savings were made in the areas of travel expenses, library costs and food provision again due to the effects of COVID.

Net income

We finished the year with a surplus of £74k, reversing last year's deficit of £38k

Principal risks and uncertainties and summary of plans and strategies for managing the risks.

The principal risks faced by Union as outlined in our corporate Risk Register are the challenges of a small-sized enterprise with potential administrative and faculty shortages as a consequence, and some pressure on cash flow as Union grows, with investment on online development as well as broadening its activities into research, publishing and mission.

Coronavirus risk

The risk of pandemic had been identified in our Business Continuity Plan. It was a particularly unpredictable risk from the outset and as such the course of action was reactionary and it was important to follow government guidance and legislation. As an alternative HE provider we had our own specific guidance from the Welsh Government. It was critical to have risk assessment to be carried out prior to reoccupation of the campus, but also critical to assess the risk to business continuity. Fortunately, Union was in a position to adapt easily to remote operations for as long as needed without detriment to operations or service to our students. Our vulnerability is in the form of staffing and the dangers outlined below posed by Covid.

UST faculty staff shortages

There is a moderate risk that UST may experience staff shortages due to ill health or pandemic which could impact on the delivery of specialised modules. UST's policy enables us, in the event of staff absences, to rearrange classes at another convenient date or provide an alternative lecturer to deliver lectures. A number of modules are taught by integrated teams, and others in the team can substitute for absences of others in the staff team. Because the teaching delivered in Learning Communities is pre-recorded in advance of the academic year, there is no risk of non-delivery of this material, and Learning Communities are allowed backup copies in case there is interruption to the live online delivery.

If due to staff shortages we are unable to provide students with the modules that were agreed when they entered the programme, students will be offered suitable alternatives. The School has appointed more faculty members as well as admin staff to help mitigate this risk.

Cash flow

Union has undergone a transformation from a seminary with a vision to educate pastors into a larger ministry with a larger vision to enable healthy church growth through investing in leaders and churches. This change in vision has meant changes to the organisation, its structure, its training model & provision and its processes, and a complete re-branding exercise. This comes with significant investment.

We continue to be challenged by the increasing costs of providing theological education, including the cost burden of regulatory compliance and programme validation. However, there are a number of good developments and plans to ensure we have adequate funds to meet these challenges and additional risk posed by the pandemic:

- Our more flexible validated programmes are bringing an increase in students and associated income for the School whether studying on campus or in community where they live.
- Union has established a 501 (c) (3) charitable foundation to attract tax-efficient funding from churches, trusts and individuals in the US, which is proving very successful. More developments are progressing to grow our US constituency further.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

- Union's growing profile, nationally and globally, has resulted in invitations to apply for significant grant funding, particularly to help with Union's development of learning hubs and infrastructure, which we believe will become a regular source of financial support.
- Union is being approached to supply theological services to other like-minded organisations in line with our aim to make theological education widely accessible, which will provide an additional line of income.

Reserves policy

The trustees aim to maintain sufficient resources to fund the running and development of the Foundation and the ownership of the buildings and other fixed assets, in accordance with the charitable objects. The aim over time would be to obviate the need to use an overdraft facility. Subject to funds being available, it is our policy to maintain a reserve of approximately 25% of annual expenditure.

At 31 August 2021 total reserves were £1,832,960 (2020: £1,758,953). Of which £55,512 (2020: £21,799) is represented by restricted funds. At the Balance Sheet date £2,030,341 (2020: £2,038,431) has been invested in the charity's fixed assets and therefore the charity is currently left with no free reserves.

Funds

Funds received for specific purposes are shown as restricted funds in the accounts. In addition, the trustees designate some of the donations received towards scholarships for students.

FUTURE PLANS

Union's strategic vision is the reformation of Christ's church worldwide. We want to help recruit, raise, deploy and support church leaders to grow the church. Union aims to have a specific impact in Europe by making grant funding available for graduates seeking to establish a new church or rejuvenate an existing one. Union plans to level up its network of alumni, learning communities and church planting hubs by creating the Reformation Fellowship. This will carry its own membership, regular magazine and regional gatherings.

Newton House is being developed and expanded to be a national centre for theological research. Union will keep developing its four key areas in order to serve the church more effectively according to its model. The Foundations Course is being developed as an onramp into formal theological education which is very accessible and designed to be done in community. This is a key development area for Union in the next year and will be unaffected by COVID.

We plan to keep investing in online infrastructure and decentralised learning, so, should there be longer term impact of COVID we will be able to adapt to such a scenario, which isn't too removed from our mode of operation. Our ministry model is to be flexible and accessible for the church, which will mean how people access Union will be robust enough to cope with any future lockdowns or travel restrictions. The Post-COVID era expects this from all Higher Education providers and Union has been in the providential position to have invested and developed in this direction for many years. The pandemic has merely accelerated what was already happening in the sector.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Union Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 February 1986 and amended on 20 June 2003 and 2 March 2006 and again on 27 Feb 2011. It is registered as a charity with the Charity Commission. Day to day management is undertaken by the President, under authority delegated by the Board of Trustees.

Recruitment and appointment of new trustees

Trustees are appointed to represent the global Christian community across various denominational and non-denominational groupings making up the conservative (largely Reformed) Christian constituency which the School serves. Trustees are appointed who have an appropriate range of skills and experience for the effective strategic management of the charity. They are recruited internationally to reflect the governance and structure of Union. The charity is able to benefit from trustees who bring a greater range of strategic and management expertise and experience from national and international business and charitable organisations.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New Board Members are carefully chosen for the particular skills and experience they bring to the School. Each new trustee receives a copy of the latest annual accounts, the Memorandum and Articles and the Charity Commission's advice on trustee responsibility. Most new Board Members already have considerable experience as charity trustees. The President liaises with Board Members, particularly via the Chairman, providing them with information about the activities and general operations. This facilitates decision-making by the Board with regard to strategic initiatives. Trustees are required to carry out a self-appraisal periodically, a board development plan being created from the feedback to ensure the health of the Board.

Organisational structure

The Board of Trustees administers the charity and meets three times a year. The President was appointed by the trustees to manage the day-to-day operations of the charity and present regular reports to the trustees.

The Executive Director serves the Trustee Board as Company Secretary, who with the Associate Director are the President's Executive Team.

The Provost was appointed by the President to manage the day-to-day operations of the School of Theology. School board meetings are held rotationally on a weekly basis to facilitate the smooth running and to maintain good communication.

Key management remuneration

A new salary scale was adopted by the Board in 2013/14. The university sector, combined with research into other charitable companies, formed the benchmark. Since then, Union has fully brought salaries into line with the scale and address anomalies as necessary. We normally apply a 2% pay increase to keep up with inflation. The trustees have carried out a full review of key staff remuneration in 2021.

Related parties

Union has a strong working partnership with SaRang Church in South Korea. The leaders and congregation in Seoul have been very supportive of the partnership over a number of years. Union Foundation US was set up by Union Foundation to help Union fundraise in the US and operates as fiscal sponsor.

Risk management

Union has a robust Risk Management Framework for the School of Theology which includes a risk register co-owned by several lead staff, identifying major risks to which the School is exposed. There is a comprehensive IT Disaster Recovery plan in place. The trustees are satisfied that the right systems are in place to meet major risks and ensure Union is prepared to tackle challenging scenarios through Union's Business Continuity Management and Plan. This has been achieved in collaboration with the Board.

The annual financial accounts are professionally audited externally, and management accounts are provided to the trustees on a monthly basis. Insurance cover is reviewed annually, informed by an independent expert. All health and safety systems are regularly scrutinised.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

1987227 (England and Wales)

Registered Charity number

517324

Registered office

Bryntirion
BRIDGEND
CF31 4DX

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

Trustees

Rev Sam Ko (Chairman)
Sung Joo Kim - resigned 11 September 2020
Ki Il Kim - resigned 11 September 2020
Rev Michael P Tindall
Rev Dr Douglas Birdsall
Joong Myung Jung - resigned 1 January 2021
Rev Steve Levy
Prof Michael Joyston Fernando
Joongja Kim
Sean Shepley
Dr Daniel Shin - appointed 11 September 2020
Yun Lee - appointed 26 February 2021
Dr Gwenfair Adams - appointed 10 September 2021

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Solicitors

Loosemores
Alliance House
18-19 High Street
CARDIFF
CF10 1PT

Senior staff

President of Union Rev Dr Michael Reeves
Executive Director of Union Dr Joel Morris
Provost Dr Dustin Benge

UNION FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Union Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

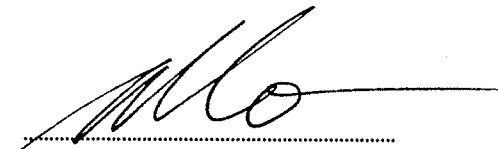
In so far as the trustees are aware:

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

AUDITORS

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

Approved by order of the Board of Trustees on25/2/2022..... and signed on its behalf by:


.....
S Ko - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

Opinion

We have audited the financial statements of Union Foundation (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (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 August 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

Based on our understanding of the group and the parent charitable company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UNION FOUNDATION**

Use of our report

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

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

2 March 2022

UNION FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	593,802	97,207	691,009	575,608
Mission grants		2,121	124,824	126,945	209,927
Charitable activities					
Theological training	6	566,076	-	566,076	503,710
Other trading activities	4	25,953	-	25,953	28,852
Investment income	5	8	-	8	66
Other income		2,006	-	2,006	2,590
Total		1,189,966	222,031	1,411,997	1,320,753
EXPENDITURE ON					
Charitable activities					
Theological training	7	1,112,812	76,106	1,188,918	1,092,517
Mission grants		23,988	112,212	136,200	265,814
Union publishing		12,872	-	12,872	-
Total		1,149,672	188,318	1,337,990	1,358,331
NET INCOME/(EXPENDITURE)		40,294	33,713	74,007	(37,578)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,737,154	21,799	1,758,953	1,796,531
TOTAL FUNDS CARRIED FORWARD		<u>1,777,448</u>	<u>55,512</u>	<u>1,832,960</u>	<u>1,758,953</u>

The notes form part of these financial statements

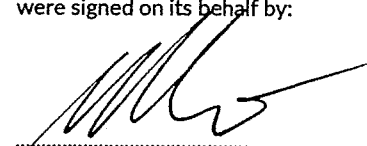
UNION FOUNDATION

BALANCE SHEET
31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	14	2,030,341	-	2,030,341	2,038,431
CURRENT ASSETS					
Debtors	15	44,307	10,000	54,307	57,555
Cash at bank and in hand		<u>112,510</u>	<u>45,512</u>	<u>158,022</u>	<u>68,772</u>
		156,817	55,512	212,329	126,327
CREDITORS					
Amounts falling due within one year	16	(180,019)	-	(180,019)	(165,597)
NET CURRENT ASSETS					
		<u>(23,202)</u>	<u>55,512</u>	<u>32,310</u>	<u>(39,270)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		2,007,139	55,512	2,062,651	1,999,161
CREDITORS					
Amounts falling due after more than one year	17	(229,691)	-	(229,691)	(240,208)
NET ASSETS					
		<u>1,777,448</u>	<u>55,512</u>	<u>1,832,960</u>	<u>1,758,953</u>
FUNDS					
Unrestricted funds	21			1,777,448	1,737,154
Restricted funds				<u>55,512</u>	<u>21,799</u>
TOTAL FUNDS					
				<u>1,832,960</u>	<u>1,758,953</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 25/2/2022 and were signed on its behalf by:


.....
S Ko - Trustee

The notes form part of these financial statements

UNION FOUNDATION**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	191,725	(7,124)
Interest paid		<u>(20,934)</u>	<u>(17,819)</u>
Net cash provided by/(used in) operating activities		<u>170,791</u>	<u>(24,943)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(48,438)	(26,993)
Interest received		<u>8</u>	<u>66</u>
Net cash used in investing activities		<u>(48,430)</u>	<u>(26,927)</u>
Cash flows from financing activities			
New loans in year		-	270,000
Loan repayments in year		<u>(33,111)</u>	<u>(264,817)</u>
Net cash (used in)/provided by financing activities		<u>(33,111)</u>	<u>5,183</u>
Change in cash and cash equivalents in the reporting period		89,250	(46,687)
Cash and cash equivalents at the beginning of the reporting period		<u>68,772</u>	<u>115,459</u>
Cash and cash equivalents at the end of the reporting period		<u>158,022</u>	<u>68,772</u>

The notes form part of these financial statements

UNION FOUNDATION**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	74,007	(37,578)
Adjustments for:		
Depreciation charges	56,528	53,852
Interest received	(8)	(66)
Interest paid	20,934	17,819
Decrease in debtors	3,248	21,319
Increase/(decrease) in creditors	<u>37,016</u>	<u>(62,470)</u>
Net cash provided by/(used in) operations	<u>191,725</u>	<u>(7,124)</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/20 £	Cash flow £	At 31/8/21 £
Net cash			
Cash at bank and in hand	<u>68,772</u>	<u>89,250</u>	<u>158,022</u>
	<u>68,772</u>	<u>89,250</u>	<u>158,022</u>
Debt			
Debts falling due within 1 year	(29,092)	833	(28,259)
Debts falling due after 1 year	<u>(220,908)</u>	<u>10,517</u>	<u>(210,391)</u>
	<u>(250,000)</u>	<u>11,350</u>	<u>(238,650)</u>
Total	<u>(181,228)</u>	<u>100,600</u>	<u>(80,628)</u>

The notes form part of these financial statements

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. STATUTORY INFORMATION

Union Foundation is a company limited by guarantee, incorporated in Wales within the United Kingdom. The registered office is Bryntirion, Bridgend CF31 4DX.

The financial statements are prepared in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to provide rigorous biblical and accessible education, training and resources for church leaders and church members to enable their personal and corporate growth in Christ.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At 31 August 2021 there were net current assets of £32,3210 (2020 – current liabilities of £39,270). Union has continued to grow its international profile, as evidenced by the calibre of recent faculty appointments. Union is also continuing to experience a growth in student numbers and learning communities. The establishment of Union US has proved helpful in raising additional financial support, and this will be developed further. A number of plans are in hand to develop courses and extend our reach, which will each bring financial benefit to the organisation. Consequently, the trustees are confident that last year's positive move towards a net current asset position will continue, and as such consider the going concern basis adopted for the preparation of the financial statements to be appropriate.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. This includes capital grants.

Donations and legacies income

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from other trading activities

Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income

Investment income is recognised on a receivable basis.

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES - continued

Basis of recognition of liabilities

Expenditure is recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis. Allocation of expenses has occurred between direct expenditure and support costs for some wages and salaries and related costs based on an estimate of time spent in those areas. A similar allocation has occurred for the premises and related costs based on an estimate of the areas used.

Tangible fixed assets

All fixed assets are initially recorded at cost. The charity has taken advantage of the option available on transition to FRS 102 to treat revalued assets as recorded at deemed cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, furniture and equipment	20% straight line
Property	2% straight line
Website	20% straight line
Land	Nil

Taxation

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

Debtors

Trade debtors and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme, and it contributes to employees' individual personal pension plans. Contributions payable to the schemes are charged to the Statement of Financial Activities in the period to which they relate.

Termination payments

The charitable company recognises termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Fund accounting

Unrestricted funds are those which may be used for general charitable purposes at the discretion of the trustees.

Restricted funds have been received with specific stipulations from the donor as to their use and may only be used for such purposes.

Transfers are made from restricted to unrestricted funds once the conditions for the restriction have been met.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Gifts and donations	638,103	560,315
Donations towards Mission Grants	126,945	209,927
Legacies	41,044	532
Grants	<u>11,862</u>	<u>14,761</u>
	<u>817,954</u>	<u>785,535</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
HMRC Job Retention Scheme Grant	<u>11,862</u>	<u>14,761</u>

4. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Conference centre income	1,786	3,555
Rental income	<u>24,167</u>	<u>25,297</u>
	<u>25,953</u>	<u>28,852</u>

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

5. INVESTMENT INCOME

	2021	2020
	£	£
Bank interest receivable	<u>8</u>	<u>66</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Income from college fees	<u>566,076</u>	<u>503,710</u>
Activity		
Theological training		

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Theological training	969,471	219,447	1,188,918
Mission grants	112,212	23,988	136,200
Union publishing	<u>12,872</u>	<u>-</u>	<u>12,872</u>
	<u>1,094,555</u>	<u>243,435</u>	<u>1,337,990</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	518,673	486,726
DIS life assurance cover	4,092	3,404
Rates and water	15,333	15,133
Insurance	7,988	9,219
Light and heat	24,119	25,414
Telephone	7,348	7,723
Postage and stationery	7,420	4,889
Bursary donations	37,770	4,210
Visiting lecturers' expenses	22,250	28,438
Library	23,042	30,535
University invigilation fees	54,589	60,153
IT	35,014	38,121
Repairs and maintenance	30,556	21,316
Service contracts	1,276	1,920
Cleaning	22,808	12,870
Provisions/Catering	11,151	17,140
Staff expenses	9,482	6,804
Miscellaneous expenses	3,325	3,946
Provision for bad debts	8,126	-
Grants to Church Planting projects	112,212	240,224
Learning Hubs, studio & editing	15,315	14,383
Theological services	56,612	39,078
Union publishing	12,872	-
Depreciation	<u>53,182</u>	<u>50,767</u>
	<u>1,094,555</u>	<u>1,122,413</u>

UNION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****9. SUPPORT COSTS**

	Staff costs £	Depreciation £	Other £	Governance costs £	Totals £
Theological training	85,052	3,011	115,064	16,320	219,447
Mission grants	<u>9,450</u>	<u>335</u>	<u>12,390</u>	<u>1,813</u>	<u>23,988</u>
	<u>94,502</u>	<u>3,346</u>	<u>127,454</u>	<u>18,133</u>	<u>243,435</u>

10. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Auditors' remuneration	4,500	4,759
Depreciation - owned assets	56,528	53,852
Hire of plant and machinery	4,092	3,404
Staff pension contributions	<u>-</u>	<u>30,665</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 31 August 2021 or for the year ended 31 August 2020.

Trustees' expenses

Expenses totalling £189 (2020 - £190) were paid on behalf of 1 (2020 - 1) trustee during the year for travel and accommodation costs. No further amounts were paid to trustees.

12. STAFF COSTS

	2021 £	2020 £
Wages and salaries	534,518	503,674
Social security costs	46,360	42,667
Other pension costs	<u>32,297</u>	<u>30,665</u>
	<u>613,175</u>	<u>577,006</u>

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

2021	2020
<u>20</u>	<u>18</u>

No employees received emoluments in excess of £60,000.

The total key management personnel remuneration benefits paid during the year were £172,482 (2020 - £146,832).

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	568,748	216,787	785,535
Charitable activities			
Theological training	503,710	-	503,710
Other trading activities	28,852	-	28,852
Investment income	66	-	66
Other income	2,590	-	2,590
Total	1,103,966	216,787	1,320,753
EXPENDITURE ON			
Charitable activities			
Theological training	1,088,307	4,210	1,092,517
Mission grants	23,100	242,714	265,814
Total	1,111,407	246,924	1,358,331
NET INCOME/(EXPENDITURE)	(7,441)	(30,137)	(37,578)
Transfers between funds	2,885	(2,885)	-
Net movement in funds	(4,556)	(33,022)	(37,578)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,741,710	54,821	1,796,531
TOTAL FUNDS CARRIED FORWARD	<u>1,737,154</u>	<u>21,799</u>	<u>1,758,953</u>

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, furniture and equipment £	Website £	Totals £
COST				
At 1 September 2020	2,361,076	289,794	60,246	2,711,116
Additions	-	23,238	25,200	48,438
Disposals	-	(13,283)	-	(13,283)
At 31 August 2021	<u>2,361,076</u>	<u>299,749</u>	<u>85,446</u>	<u>2,746,271</u>
DEPRECIATION				
At 1 September 2020	389,474	240,403	42,808	672,685
Charge for year	25,622	17,733	13,173	56,528
Eliminated on disposal	-	(13,283)	-	(13,283)
At 31 August 2021	<u>415,096</u>	<u>244,853</u>	<u>55,981</u>	<u>715,930</u>
NET BOOK VALUE				
At 31 August 2021	<u>1,945,980</u>	<u>54,896</u>	<u>29,465</u>	<u>2,030,341</u>
At 31 August 2020	<u>1,971,602</u>	<u>49,391</u>	<u>17,438</u>	<u>2,038,431</u>

Included in freehold property is land recorded at deemed cost of £1,080,000 which is not depreciated.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	29,111	47,008
Other debtors	1,455	991
Prepayments and accrued income	<u>23,741</u>	<u>9,556</u>
	<u>54,307</u>	<u>57,555</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 18)	28,259	29,092
Social security and other taxes	13,684	13,485
Other creditors	10,591	15,457
Interest free loans	13,499	35,259
Accruals and deferred income	<u>113,986</u>	<u>72,304</u>
	<u>180,019</u>	<u>165,597</u>

Included in Accruals and deferred income is:

	2020 £	2019 £
Deferred income brought forward	112,839	112,031
Fees received in advance	64,380	112,839
Released to fees	<u>(112,839)</u>	<u>(112,031)</u>
Deferred income carried forward	<u>64,380</u>	<u>112,839</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	2020
	£	£
Bank loans (see note 18)	210,391	220,908
Interest free loans	<u>19,300</u>	<u>19,300</u>
	<u>229,691</u>	<u>240,208</u>

Amounts falling due in more than 5 years:

Bank loans payable by instalments	<u>104,541</u>	<u>129,177</u>
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18. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>28,259</u>	<u>29,092</u>

Amounts falling between one and two years:

Bank loans	<u>28,799</u>	<u>29,092</u>
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Amounts falling due between two and five years:

Bank loans - 2-5 years	<u>87,275</u>	<u>87,275</u>
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Amounts falling due in more than five years:

Repayable by instalments:		
Bank loans more 5 yr by instal	94,317	104,541

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	10,209	5,742
Between one and five years	<u>25,314</u>	<u>7,473</u>
	<u>35,523</u>	<u>13,215</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	<u>238,650</u>	<u>250,000</u>

The bank borrowings are secured by a first legal charge over the property.

UNION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

21. MOVEMENT IN FUNDS

	At 1/9/20 £	Net movement in funds £	At 31/8/21 £
Unrestricted funds			
General fund	964,030	40,294	1,004,324
Revaluation reserve	<u>773,124</u>	-	<u>773,124</u>
	1,737,154	40,294	1,777,448
Restricted funds			
Bursary gifts	2,106	(1,399)	707
Welsh publications	1,290	-	1,290
SaRang scholarship fund	7,443	10,000	17,443
SaRang projects fund	8,687	12,612	21,299
Chairman's expenses fund	2,273	-	2,273
Language Prize Fund	-	2,500	2,500
Newton House fund	<u>-</u>	<u>10,000</u>	<u>10,000</u>
	<u>21,799</u>	<u>33,713</u>	<u>55,512</u>
TOTAL FUNDS	<u><u>1,758,953</u></u>	<u><u>74,007</u></u>	<u><u>1,832,960</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,189,966	(1,149,672)	40,294
Restricted funds			
Bursary gifts	9,507	(10,906)	(1,399)
SaRang scholarship fund	10,000	-	10,000
SaRang projects fund	124,824	(112,212)	12,612
E Union	65,200	(65,200)	-
Language Prize Fund	2,500	-	2,500
Newton House fund	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	<u>222,031</u>	<u>(188,318)</u>	<u>33,713</u>
TOTAL FUNDS	<u><u>1,411,997</u></u>	<u><u>(1,337,990)</u></u>	<u><u>74,007</u></u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/19 £	Net movement in funds £	Transfers between funds £	At 31/8/20 £
Unrestricted funds				
General fund	968,586	(7,441)	2,885	964,030
Revaluation reserve	<u>773,124</u>	<u>-</u>	<u>-</u>	<u>773,124</u>
	1,741,710	(7,441)	2,885	1,737,154
Restricted funds				
Bursary gifts	2,106	-	-	2,106
Welsh publications	1,290	-	-	1,290
SaRang scholarship fund	7,443	-	-	7,443
SaRang projects fund	2,218	6,469	-	8,687
Building and roofing fund	-	2,885	(2,885)	-
Chairman's expenses fund	2,273	-	-	2,273
Europe Collaboration fund	<u>39,491</u>	<u>(39,491)</u>	<u>-</u>	<u>-</u>
	<u>54,821</u>	<u>(30,137)</u>	<u>(2,885)</u>	<u>21,799</u>
TOTAL FUNDS	<u>1,796,531</u>	<u>(37,578)</u>	<u>-</u>	<u>1,758,953</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,103,966	(1,111,407)	(7,441)
Restricted funds			
Bursary gifts	450	(450)	-
SaRang scholarship fund	3,760	(3,760)	-
SaRang projects fund	171,071	(164,602)	6,469
Building and roofing fund	2,885	-	2,885
Europe Collaboration fund	<u>38,621</u>	<u>(78,112)</u>	<u>(39,491)</u>
	<u>216,787</u>	<u>(246,924)</u>	<u>(30,137)</u>
TOTAL FUNDS	<u>1,320,753</u>	<u>(1,358,331)</u>	<u>(37,578)</u>

Bursary gifts are donations made towards the fees of students at the college.

The Welsh Publications fund represents a donation received for the purpose of funding the publication of books in the Welsh language.

The SaRang scholarships fund consists of donations received from the SaRang Community Church to provide assistance for students towards their fees.

The SaRang projects fund is for the purpose of supporting mission projects, mainly in the UK and Europe. These are, generally, either the planting of new churches or the revitalization of existing churches.

The Chairman's expenses fund represents donations received from SaRang Community Church to cover the travel expenses of the Chairman and sundry other costs at his discretion.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

21. MOVEMENT IN FUNDS - continued

The Europe Collaboration fund is a funding platform for church planting in Europe. Union acted as the fiscal sponsor to administer and distribute funds between 2017-18 and 2019-20. During 2019-20 the partnership came to an end; all nominated funds were distributed, and the balance of funds was returned to Europe Collaboration.

Newton House is Union's theological research centre in Oxford. A fund has been created to receive donations from those who wish to support its development. In 2020-21, a donation of £10,000 was made into the fund.

Language Prize

In accordance with the donor's wishes, a fund has been created to help support and encourage training in the biblical languages. The fund will be used to award prizes to the best performing students in Greek and Hebrew, as decided by the Programme Leaders.

E-Union

Funds were received for the purpose of developing Union's online theological education provision globally, to make it accessible and affordable to all who wish to train for church ministry. The funds were released throughout the year to expenditure on staff costs, IT and editorial work.

22. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution pension scheme and contributes to employees' personal pension plans. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions paid by the company and amounted to £32,297 (2020 - £30,665). At the year end there were contributions of £5,028 (2020 - £6,426) outstanding.

23. RELATED PARTY DISCLOSURES

An interest free loan of £5,000 (2020 - £13,760) was owed to Rev S Ko at the year end.

A salary of £1,050 was paid to a close relation of key management personnel during the year.

Union Foundation and SaRang Church have a formal agreement to work together. During 2021 SaRang donated a total of £397,745 (2020 - £364,381).

Union Foundation received donations of £182,248 (2020 - £209,753) from Union Foundation US (a not-for-profit organisation incorporated in the United States). Joel Morris and Mike Reeves, key management personnel with Union Foundation are directors of Union Foundation US.

UNION FOUNDATION

England & Wales - Charity number 517324

Accounts

REGISTERED COMPANY NUMBER: 1987227 (England and Wales)
REGISTERED CHARITY NUMBER: 517324

Union

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020
FOR

UNION FOUNDATION

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

UNION FOUNDATION

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FOR THE YEAR ENDED 31 AUGUST 2020**

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UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Union's vision is the reformation of Christ's church worldwide, and its mission is growing leaders, growing churches.

As School, Publishing, Research and Mission work together, Union provides a mission ecosystem that can accelerate healthy, sustainable church growth.

The following four strategies (from our Strategic Plan) are employed to enable Union to realise its vision and achieve its mission:

- o **Research - We fortify the Church's mission through theological excellence.**
Union Research nurtures the theologians, authors and teachers of the future to ensure the ongoing mission of the church is healthy and robust. Our community of scholars and PhD students produce the finest evangelical theology to bolster our school, publishing, and mission.
- o **School of Theology - We form men and women to grow Christ's church.**
At Union School of Theology, we offer courses from pre-degree to degrees from BA to PhD, shaping our students to be theologically rigorous, biblically faithful, and Christlike. In all our academic programmes, our formation of leaders, and our training of preachers, we want to see our students delighting in God and captured by the glory of Christ.

Our campus is Union's home and base for residential study. Our Learning Communities around the world provide accessible, affordable theological education in the context of the local church for those who want to study part-time and continue in existing ministry or work.
- o **Publishing - We fuel reformation in churches and lives.** Union Publishing invests in the next generation of leaders with theology that gives them a taste for a deeper knowledge of God. From books to our free content at unionpublishing.org, we are committed to producing excellent resources that will refresh, transform and grow believers and their churches.
- o **Mission - We foster church growth through people and finances.** Union Mission facilitates the planting and revitalisation of churches and their ministries in the UK, Europe and world-wide. We work collaboratively to deploy and support church leaders, and help our hubs plant churches by giving them access to potential funding.

Criteria or measures the charity uses to assess success in the reporting period.

We measure achievement according to our four strategies:

Research - Engagement with pastors, theologians and scholars, nationally and internationally; theological publishing, conferences and other high-level input to theological research; helping to realise the potential of theological scholars.

School of Theology - Numbers of students; increasing numbers of healthy learning communities with sustained numbers of students; the quality of the students' academic achievement and the level of their spiritual growth and maturity as developing leaders; the collective increase in fee income.

Publishing - Engagement and consumption of Union media; magazines, books, video, articles, podcasts, conference attendance etc.; web traffic demonstrating engagement and usefulness of materials published on the www.unionpublishing.org website; social media engagement.

Mission - Capture and publication of mission stories from students and alumni; monitoring numbers of students across the School who go on to mission, resourcing church planting or church rejuvenation with finance and people; activities of learning hubs involved in mission in their local context.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES

Public benefit

The organisation's trustees can confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Union Foundation is a Christian ministry which primarily benefits the church constituency it serves and enables healthy church growth. These benefits stem from the four strategies which work together to ensure health and growth for the church around the world. Through the School of Theology, the blessings of the Christian Gospel are extended through preaching and teaching, youth work, social care, community work and the many other areas in which our graduates impact society at large.

Union covers a range of learning: at a high academic level, our published research benefits the knowledge base of the international church and church lay leaders are equipped by the provision of free articles and inexpensive books for their personal growth. Union is keen to maximise the effectiveness of its students by seeing them strategically deployed where they can be most useful in mission. We do this by working closely with many churches, networks and agencies who offer great expertise and specific geographical knowledge. A number of new churches, which are now serving and helping local communities in the UK and in Europe, have been established with support from Union Mission funding.

Union's premises and facilities are made available as an ongoing resource to benefit and serve the needs of local churches and host conferences on issues of local, national and global significance.

ACHIEVEMENT AND PERFORMANCE

Significant charitable activities and achievements against objectives.

Union's Research activities have continued to build through an increasing number of new PhD students on the course validated by Vrije Universiteit Amsterdam (Free University of Amsterdam). We held our second Research Conference last January at the campus, with researchers and lecturers attending on campus and online through our Zoom room facility. Our new Research website will be relaunched in 2021 to help promote this strategy as well as help recruit potential PhD students. Work is ongoing to build a research community with a particular focus on Systematic Theology and Church History.

Our School of Theology (UST) is validated by the Open University as well as ECTE for its undergraduate and graduate taught programmes. UST has maintained quality assurance from the QAA for its degree programmes validated by the OU. As a result, UST is able to sponsor international students under the Tier 4 visa regulations, and our UK courses are designated for student finance. Several more Learning Communities for Graduate Diploma and Masters' students have been established bringing the total to 38 in North America and Europe. Our School has enjoyed their second full year of OU validated undergraduate and postgraduate courses (with student finance and visas) and the uptake has been encouraging with over 30% growth on the previous year's recruitment. The student body has grown steadily over the last 7 years by approx. 90 students to 215 students enrolled on all courses at the end of August. This is in a year of extreme challenge for all HE institutions around the world.

The huge advantage UST had going into the Coronavirus pandemic was to be able to leverage several years of constant investment into online systems, infrastructure and a decentralised learning model, as well as a recent development in the BA programme called the 'BA Flex'. The BA Flex was a very timely product development that gave prospective students the control over how and where they study the BA programme. With only two months rollout, we experienced large interest that resulted in an excellent first cohort contributing to the 32% growth in intake.

When the UK went into the first lockdown, we took all our teaching and operations online within 24 hrs as laid out in our Business Continuity plan. Our systems were already cloud based and so moving to remote operating was very swift and seamless. 2020 also brought new faculty into UST including our new Provost, Pastoral Dean and Old Testament & Hebrew Lecturer. All began employment remotely until the beginning of term in September where teaching was carried out according to the risk assessment. Before campus reoccupation a full risk assessment was carried out and the campus was prepared according to the reoccupation plan.

Throughout the pandemic Union's Publishing team have been producing video media for social media and website teaching content, and conference talks with live stream. In accordance with our Strategic Plan, we have an imprint with a major Christian publisher for eight book volumes with the first being launched in January 2021.

Union Mission's grants have resourced 28 church projects during the year, with around £165k having been awarded to churches in 17 different countries. Some of our students and Alumni are being referred to this facility as well as new projects to Union through partner donors. Projects have been reported on with some contributing to the Union Mission blog on www.union-mission.org.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENT AND PERFORMANCE

Summary of charity's progress against its objectives.

Union is committed to developing its ministry model globally to serve the Church for healthy and sustainable growth. This is resulting in a growing international profile in the area of theological resources, education and church mission.

Evidence of the charity's progress, measured by the achievement of its strategic plan, demonstrates that the ministry model is working in the way it is serving the church. Union Publishing continues to produce world-class resources which help Christians enjoy God and serve his church, mobilising potential leaders to be trained for ministry. We know of pastors studying our resources for sermon preparation and friends reading articles together on Zoom. Our School of Theology has made theological education super accessible through its Learning Communities and flexible BA. It has secured great collaborative partners for degree validation, excellence with the Quality Assurance Agency, student finance and tier 4 student visas. This has allowed the charity to move forward and achieve its strategic objectives. UST currently operates 25 learning communities established in North America and Europe. We have seen 139 church projects funded with over £968,000 awarded since the charity began its grant making activities. 25% of UST graduates are establishing a new church, either during or after their studies, with some accessing the church planting fund. All are resulting in growth of the church through the Union family.

FINANCIAL REVIEW

Income from student fees

Total income from courses was £503,710, very similar to the previous year. Fee income from our MTh programme was £55k (43%) higher than the previous year. Income from the BA programme was about the same as the year before, whereas income from the GDip programme was £61k less (about 28%). This is due in the main to the graduation of those students who started their course 2 years earlier when recruitment was at its highest. The programme continues to be popular, but in some ways, cyclical, as learning communities 'exhaust' their intake from their local area for a few years before recruiting again. We also anticipate higher levels of income as we grow the numbers of learning communities.

The Global Ministry Course was discontinued in 2019, but we introduced the Priscilla Course in partnership with the Church Society, specifically for women who wish to explore theology. This has proved to be a popular programme, with income rising from £5,250 in its first year to £9,350 in the current year, with good signs that it will continue growing

Income from general donations

General donations help us to maintain and develop the work of Union around the world. We are very thankful to those individuals, churches and trusts which continue to support the work of Union through generous and often sacrificial giving. The total amount of general donations received during the year was £568,748 (2018-19 £587,907). This includes the ongoing, substantial financial support volunteered by our friends, SaRang Church, whose partnership in this gospel work continues to be so valuable. Covid undoubtedly had an impact on our donation income, with one trust in particular delaying a substantial grant until the following year. Much of this gap was filled by our existing supporters.

Income from restricted donations

Restricted donations are those given for a specific purpose. The majority were designated for church planting projects around the world and Union plays the important role of distributing the funds according to the donors' wishes. During the year, £217k was received in restricted funds, compared to £436k the year before, reflecting a change in the donor partner.

Total income

In total, income for the year was £1,320,753, compared to £1,620,835 for the previous year. The main reason for the difference was the reduction in restricted income.

Expenditure

The cost of running Union - our general expenditure - was £1,111,407 for the year, which was £13k below last year. Costs continue to rise, particularly as we are in development mode - updating our teaching modes, creating new courses and expanding our network of learning hubs. Consequently, marketing and promotion costs increased from £61k to £75k; salaries increased from £565k to £577k as we needed to recruit both new and replacement staff during the latter part of the year; and IT costs rose from £32k to £39k as we continue to develop the IT infrastructure for our online learning platforms. However, whilst the Covid-19 situation placed some unwelcome restrictions on our activities, we were also able to make some savings. For example, the kitchen was closed for a period during lockdown, saving £10k on provisions, and trips for the purpose of fundraising were curtailed, reducing travel costs by £6k.

Expenditure in respect of restricted funds - mainly for church planting projects - was £249,809 compared to £479,376. The difference reflects the reduction in income following a change in the donor partners as mentioned above.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

Net income / expenditure

We ended the year with a net expenditure of £7,441 in respect of our general operating activities. After taking church planting activities into account, the overall net expenditure was £37,578.

Principal risks and uncertainties and summary of plans and strategies for managing the risks.

The principal risks faced by Union as outlined in our corporate Risk Register are the challenges of a small-sized enterprise with potential administrative and faculty shortages as a consequence, and some pressure on cash flow as Union grows, with investment on online development as well as broadening its activities into research, publishing and mission.

Coronavirus risk

The risk of pandemic had been identified in the 2017 Business Continuity Plan. It was a particularly unpredictable risk from the outset and as such the course of action was reactionary and it was important to follow government guidance and legislation. As an alternative HE provider we had our own specific guidance from the Welsh Government. It was critical to have risk assessment to be carried out prior to reoccupation of the campus, but also critical to assess the risk to business continuity. Fortunately, Union was in a position to adapt easily to remote operations for as long as needed without detriment to operations or service to our students. Our vulnerability is in the form of staffing and the dangers outlined below posed by Covid.

UST faculty staff shortages

There is a moderate risk that UST may experience staff shortages due to ill health or pandemic which could impact on the delivery of specialised modules. UST's policy enables us, in the event of staff absences, to rearrange classes at another convenient date or provide an alternative lecturer to deliver lectures. A number of modules are taught by integrated teams, and others in the team can substitute for absences of others in the staff team. Because the teaching delivered in Learning Communities is pre-recorded in advance of the academic year, there is no risk of non-delivery of this material, and Learning Communities are allowed backup copies in case there is interruption to the live online delivery.

If due to staff shortages we are unable to provide students with the modules that were agreed when they entered the programme, students will be offered suitable alternatives. The School has appointed more faculty members as well as admin staff to help mitigate this risk.

Cash flow

Union has undergone a transformation from a seminary with a vision to educate pastors into a larger ministry with a larger vision to enable healthy church growth through investing in leaders and churches. This change in vision has meant changes to the organisation, its structure, its training model & provision and its processes, and a complete re-branding exercise. This comes with significant investment.

We continue to be challenged by the increasing costs of providing theological education, including the cost burden of regulatory compliance and programme validation. However, there are a number of good developments and plans to ensure we have adequate funds to meet these challenges and additional risk posed by the pandemic:

- Our more flexible validated programmes are bringing an increase in students and associated income for the School whether studying on campus or in community where they live.
- Union has established a 501 (c) (3) charitable foundation to attract tax-efficient funding from churches, trusts and individuals in the US, which is proving very successful. More developments are progressing to grow our US constituency further.
- Union's growing profile, nationally and globally, has resulted in invitations to apply for significant grant funding, particularly to help with Union's development of learning hubs and infrastructure, which we believe will become a regular source of financial support.
- Union is being approached to supply theological services to other like-minded organisations in line with our aim to make theological education widely accessible, which will provide an additional line of income.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

Reserves policy

The trustees aim to maintain sufficient resources to fund the running and development of the Foundation and the ownership of the buildings and other fixed assets, in accordance with the charitable objects. The aim over time would be to obviate the need to use an overdraft facility. Subject to funds being available, it is our policy is to maintain a reserve of approximately 25% of annual expenditure.

At 31 August 2020 total reserves were £1,758,953 (£1,796,531 last year), of which £21,799 is represented by restricted funds. At the Balance Sheet date £2,038,431 has been invested in the charity's fixed assets and therefore the charity is currently left with no free reserves.

Funds

Funds received for specific purposes are shown as restricted funds in the accounts. In addition, the trustees designate some of the donations received towards scholarships for students.

FUTURE PLANS

Union's strategic vision is the reformation of Christ's church worldwide. We want to help recruit, raise, deploy and support church leaders to grow the church. Union aims to have a specific impact in Europe by making grant funding available for graduates seeking to establish a new church or rejuvenate an existing one.

The Oxford Centre is being developed and expanded to be a national centre for theological research. Union will keep developing its four key areas in order to serve the church more effectively according to its model. New programmes are being developed as onramps into formal theological education which are very accessible and designed to be done in community. This is a key development area for Union in the next year and will be unaffected by COVID.

We plan to keep investing in online infrastructure and decentralised learning, so, should there be longer term impact of COVID we will be able to adapt to such a scenario, which isn't too removed from our mode of operation. Our ministry model is to be flexible and accessible for the church, which will mean how people access Union will be robust enough to cope with any future lockdowns or travel restrictions. The Post-COVID era expects this from all Higher Education providers and Union has been in the providential position to have invested and developed in this direction for many years. The pandemic has merely accelerated what was already happening in the sector.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Union Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 February 1986 and amended on 20 June 2003 and 2 March 2006 and again on 27 Feb 2011. It is registered as a charity with the Charity Commission. Day to day management is undertaken by the President, under authority delegated by the Board of Trustees.

Recruitment and appointment of new trustees

Trustees are appointed to represent the global Christian community across various denominational and non-denominational groupings making up the conservative (largely Reformed) Christian constituency which the School serves. Trustees are appointed who have an appropriate range of skills and experience for the effective strategic management of the charity. They are recruited internationally to reflect the governance and structure of Union. The charity is able to benefit from trustees who bring a greater range of strategic and management expertise and experience from national and international business and charitable organisations.

Induction and training of new trustees

New Board Members are carefully chosen for the particular skills and experience they bring to the School. Each new trustee receives a copy of the latest annual accounts, the Memorandum and Articles and the Charity Commission's advice on trustee responsibility. Most new Board Members already have considerable experience as charity trustees. The President liaises with Board Members, particularly via the Chairman, providing them with information about the activities and general operations. This facilitates decision-making by the Board with regard to strategic initiatives. Trustees are required to carry out a self-appraisal periodically, a board development plan being created from the feedback to ensure the health of the Board.

UNION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board of Trustees administers the charity and meets three times a year. The President was appointed by the trustees to manage the day-to-day operations of the charity and present regular reports to the trustees.

The Executive Director serves the Trustee Board as Company Secretary, who with the Associate Director are the President's Executive Team.

The Provost was appointed by the President to manage the day-to-day operations of the School of Theology. School board meetings are held rotationally on a weekly basis to facilitate the smooth running and to maintain good communication.

Key management remuneration

A new salary scale was adopted by the Board in 2013/14. The university sector, combined with research into other charitable companies, formed the benchmark. Since then, Union has fully brought salaries into line with the scale and address anomalies as necessary. We normally apply a 2% pay increase to keep up with inflation. The trustees have scheduled a full review of key staff remuneration for 2020-21.

Related parties

Union has a strong working partnership with SaRang Church in South Korea. The leaders and congregation in Seoul have been very supportive of the partnership over a number of years. Union Foundation US was set up by Union Foundation to help Union fundraise in the US and operates as fiscal sponsor.

Risk management

Union has a robust Risk Management Framework for the School of Theology which includes a risk register co-owned by several lead staff, identifying major risks to which the School is exposed. There is a comprehensive IT Disaster Recovery plan in place. The trustees are satisfied that the right systems are in place to meet major risks and ensure Union is prepared to tackle challenging scenarios through Union's Business Continuity Management and Plan. This has been achieved in collaboration with the Board.

The annual financial accounts are professionally audited externally, and management accounts are provided to the trustees on a monthly basis. Insurance cover is reviewed annually, informed by an independent expert. All health and safety systems are regularly scrutinised.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

1987227 (England and Wales)

Registered Charity number

517324

Registered office

Bryntirion
BRIDGEND
CF31 4DX

Trustees

Rev Sam Ko (Chairman)	
Wyn Thomas	- resigned 10 February 2020
Sung Joo Kim	- resigned 11 September 2020
Ki Il Kim	- resigned 11 September 2020
Rev Michael P Tindall	
Rev Dr Douglas Birdsall	
Joong Myung Jung	- resigned 1 January 2021
Rev Steve Levy	
Prof Michael Joyston Fernando	
Joongja Kim	
Sean Shepley	- appointed 10 February 2020
Dr Daniel Shin	- appointed 11 September 2020

UNION FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Solicitors

Loosemoors
Alliance House
18-19 High Street
CARDIFF
CF10 1PT

Senior staff

President of Union	Rev Dr Michael Reeves
Executive Director of Union	Dr Joel Morris
Provost	Dr Dustin Bengé

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Union Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

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

Approved by order of the Board of Trustees on Mar. 31st, 2021 and signed on its behalf by:


S Ko - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

Opinion

We have audited the financial statements of Union Foundation (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (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 August 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

Use of our report

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

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 4 March 2021

UNION FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	568,748	6,860	575,608	600,168
Mission grants		-	209,927	209,927	423,367
Charitable activities					
Theological training	6	503,710	-	503,710	560,783
Other trading activities	4	28,852	-	28,852	32,545
Investment income	5	66	-	66	67
Other income		2,590	-	2,590	3,905
Total		1,103,966	216,787	1,320,753	1,620,835
EXPENDITURE ON					
Charitable activities					
Theological training	7	1,088,307	4,210	1,092,517	1,131,587
Mission grants		23,100	242,714	265,814	460,203
Total		1,111,407	246,924	1,358,331	1,591,790
NET INCOME/(EXPENDITURE)		(7,441)	(30,137)	(37,578)	29,045
Transfers between funds	21	2,885	(2,885)	-	-
Net movement in funds		(4,556)	(33,022)	(37,578)	29,045
RECONCILIATION OF FUNDS					
Total funds brought forward		1,741,710	54,821	1,796,531	1,767,486
TOTAL FUNDS CARRIED FORWARD		1,737,154	21,799	1,758,953	1,796,531

The notes form part of these financial statements

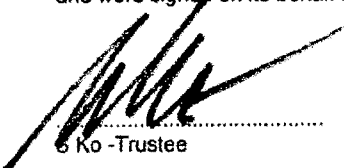
UNION FOUNDATION

BALANCE SHEET
AT 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	14	2,038,431	-	2,038,431	2,065,290
CURRENT ASSETS					
Debtors	15	57,555	-	57,555	78,874
Cash at bank and in hand		<u>46,973</u>	<u>21,799</u>	<u>68,772</u>	<u>115,459</u>
		104,528	21,799	126,327	194,333
CREDITORS					
Amounts falling due within one year	16	<u>(165,597)</u>	-	<u>(165,597)</u>	<u>(248,342)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(61,069)</u>	<u>21,799</u>	<u>(39,270)</u>	<u>(54,009)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,977,362	21,799	1,999,161	2,011,281
CREDITORS					
Amounts falling due after more than one year	17	<u>(240,208)</u>	-	<u>(240,208)</u>	<u>(214,750)</u>
NET ASSETS		<u>1,737,154</u>	<u>21,799</u>	<u>1,758,953</u>	<u>1,796,531</u>
FUNDS	21				
Unrestricted funds				1,737,154	1,741,710
Restricted funds				<u>21,799</u>	<u>54,821</u>
TOTAL FUNDS				<u>1,758,953</u>	<u>1,796,531</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees on Mar 3rd, 2021 and were signed on its behalf by:


.....
6 Ko -Trustee

The notes form part of these financial statements

UNION FOUNDATION

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	(7,124)	51,192
Interest paid		<u>(17,819)</u>	<u>(15,667)</u>
Net cash provided by (used in) operating activities		<u>(24,943)</u>	<u>35,525</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(26,993)	(58,117)
Interest received		<u>66</u>	<u>67</u>
Net cash provided by (used in) investing activities		<u>(26,927)</u>	<u>(58,050)</u>
Cash flows from financing activities:			
New loans in year		270,000	50,000
Loan repayments in year		<u>(264,817)</u>	<u>(35,676)</u>
Net cash provided by (used in) financing activities		<u>5,183</u>	<u>14,324</u>
Change in cash and cash equivalents in the reporting period		(46,687)	(8,201)
Cash and cash equivalents at the beginning of the reporting period		<u>115,459</u>	<u>123,660</u>
Cash and cash equivalents at the end of the reporting period		<u>68,772</u>	<u>115,459</u>

The notes form part of these financial statements

UNION FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(37,578)	29,045
Adjustments for:		
Depreciation charges	53,852	58,963
Interest received	(66)	(67)
Interest paid	17,819	15,667
Decrease/(increase) in debtors	21,319	(50,481)
Decrease in creditors	<u>(62,470)</u>	<u>(1,935)</u>
Net cash provided by (used in) operating activities	<u>(7,124)</u>	<u>51,192</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/19 £	Cash flow £	At 31/8/20 £
Net cash			
Cash at bank and in hand	115,459	(46,687)	68,772
Debt			
Debts falling due within one year	(14,242)	(14,850)	(29,092)
Debts falling due after one year	<u>(195,450)</u>	<u>(25,458)</u>	<u>(220,908)</u>
	<u>(209,692)</u>	<u>(40,308)</u>	<u>(250,000)</u>
Total	<u>(94,233)</u>	<u>(86,995)</u>	<u>(181,228)</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. STATUTORY INFORMATION

Union Foundation is a company limited by guarantee, incorporated in Wales within the United Kingdom. The registered office is Bryntirion, Bridgend CF31 4DX.

The financial statements are prepared in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to provide rigorous biblical and accessible education, training and resources for church leaders and church members to enable their personal and corporate growth in Christ.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At 31 August 2020 there were net current liabilities of £39,270 (2019 - £54,009). Union has continued to grow its international profile, as evidenced by the calibre of recent faculty appointments. Union is also continuing to experience a growth in student numbers and learning communities. The establishment of Union US has proved helpful in raising additional financial support, and this will be developed further. A number of plans are in hand to develop courses and extend our reach, which will each bring financial benefit to the organisation. Consequently, the trustees are confident that last year's positive move towards a net current asset position will continue, and as such consider the going concern basis adopted for the preparation of the financial statements to be appropriate.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

This includes capital grants.

Donations and legacies income

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate

Income from other trading activities

Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

2. ACCOUNTING POLICIES - continued

Investment income

Investment income is recognised on a receivable basis.

It is not the policy of the charity to show incoming resources net of expenditure.

Basis of recognition of liabilities

Expenditure is recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis. Allocation of expenses has occurred between direct expenditure and support costs for some wages and salaries and related costs based on an estimate of time spent in those areas. A similar allocation has occurred for the premises and related costs based on an estimate of the areas used.

Tangible fixed assets

All fixed assets are initially recorded at cost. The charity has taken advantage of the option available on transition to FRS 102 to treat revalued assets as recorded at deemed cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, furniture and equipment	20% straight line
Property	2% straight line
Website	20% straight line
Land	Nil

Taxation

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

Debtors

Trade debtors and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme and it contributes to employees' individual personal pension plans. Contributions payable to the schemes are charged to the Statement of Financial Activities in the period to which they relate.

Termination payments

The charitable company recognises termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Fund accounting

Unrestricted funds are those which may be used for general charitable purposes at the discretion of the trustees.

Restricted funds have been received with specific stipulations from the donor as to their use and may only be used for such purposes.

Transfers are made from restricted to unrestricted funds once the conditions for the restriction have been met.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Gifts and donations	560,315	600,168
Donations towards Mission Grants	209,927	423,367
Legacies	532	-
Grants	<u>14,761</u>	<u>-</u>
	<u>785,535</u>	<u>1,023,535</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
HMRC Job Retention Scheme Grant	<u>14,761</u>	<u>-</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Conference centre income	3,555	15,026
Rental income	<u>25,297</u>	<u>17,519</u>
	<u>28,852</u>	<u>32,545</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Bank interest receivable	<u>66</u>	<u>67</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Income from college fees	<u>503,710</u>	<u>560,783</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
Theological training	869,501	223,016	1,092,517
Mission grants	<u>252,912</u>	<u>12,902</u>	<u>265,814</u>
	<u>1,122,413</u>	<u>235,918</u>	<u>1,358,331</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	486,726	470,053
DIS life assurance cover	3,404	3,404
Rates and water	15,133	19,238
Insurance	9,219	8,272
Light and heat	25,414	24,184
Telephone	7,723	7,340
Postage and stationery	4,889	5,840
Bursary donations	4,210	7,822
Visiting lecturers' expenses	28,438	19,289
Library	30,535	26,055
University invigilation fees	60,153	71,736
IT	38,121	31,818
Repairs and maintenance	21,316	13,064
Service contracts	1,920	2,645
Cleaning	12,870	18,703
Provisions/Catering	17,140	27,430
Staff expenses	6,804	6,195
Miscellaneous expenses	3,946	7,404
Provision for bad debts	-	22,975
Grants to Church Planting projects	240,224	489,814
Learning Hubs, studio & editing	14,383	18,461
Theological services	39,078	-
Depreciation	50,767	55,316
	<u>1,122,413</u>	<u>1,357,058</u>

9. SUPPORT COSTS

	Staff costs £	Depreciation £	Other £	Governance costs £	Totals £
Theological training	90,280	3,085	118,180	11,471	223,016
Mission grants	-	-	11,561	1,341	12,902
	<u>90,280</u>	<u>3,085</u>	<u>129,741</u>	<u>12,812</u>	<u>235,918</u>

10. NET INCOME/(EXPENDITURE)

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

	2020 £	2019 £
Auditors' remuneration	4,759	4,104
Depreciation - owned assets	53,852	58,963
Hire of plant and machinery	3,404	3,404
Staff pension contributions	<u>30,665</u>	<u>30,387</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 31 August 2020 or for the year ended 31 August 2019.

Trustees' expenses

Expenses totalling £190 (2019 - £1,691) were paid on behalf of 1 (2019 - 2) trustees during the year for travel and accommodation costs. No further amounts were paid to trustees.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

12. STAFF COSTS

	2020 £	2019 £
Wages and salaries	503,674	493,347
Social security costs	42,667	41,435
Other pension costs	<u>30,665</u>	<u>30,387</u>
	<u>577,006</u>	<u>565,169</u>

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

2019	2018
<u>20</u>	<u>21</u>

No employees received emoluments in excess of £60,000.

The total key management personnel remuneration benefits paid during the year were £146,832.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	587,907	435,628	1,023,535
Charitable activities			
Theological training	560,783	-	560,783
Other trading activities	32,545	-	32,545
Investment income	67	-	67
Other income	<u>3,905</u>	-	<u>3,905</u>
Total	1,185,207	435,628	1,620,835
EXPENDITURE ON			
Charitable activities			
Theological training	1,124,414	7,173	1,131,587
Mission grants	<u>-</u>	<u>460,203</u>	<u>460,203</u>
Total	1,124,414	467,376	1,591,790
NET INCOME/(EXPENDITURE)	60,793	(31,748)	29,045
Transfers between funds	<u>12,000</u>	<u>(12,000)</u>	<u>-</u>
Net movement in funds	72,793	(43,748)	29,045
RECONCILIATION OF FUNDS			
Total funds brought forward	1,668,917	98,569	1,767,486
TOTAL FUNDS CARRIED FORWARD	<u>1,741,710</u>	<u>54,821</u>	<u>1,796,531</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, furniture and equipment £	Website £	Totals £
COST				
At 1 September 2019	2,354,936	283,564	60,246	2,698,746
Additions	6,140	20,853	-	26,993
Disposals	-	(14,623)	-	(14,623)
At 31 August 2020	<u>2,361,076</u>	<u>289,794</u>	<u>60,246</u>	<u>2,711,116</u>
DEPRECIATION				
At 1 September 2019	363,914	238,783	30,759	633,456
Charge for year	25,560	16,243	12,049	53,852
Eliminated on disposal	-	(14,623)	-	(14,623)
At 31 August 2020	<u>389,474</u>	<u>240,403</u>	<u>42,808</u>	<u>672,685</u>
NET BOOK VALUE				
At 31 August 2020	<u>1,971,602</u>	<u>49,391</u>	<u>17,438</u>	<u>2,038,431</u>
At 31 August 2019	<u>1,991,022</u>	<u>44,781</u>	<u>29,487</u>	<u>2,065,290</u>

Included in freehold property is land recorded at deemed cost of £1,080,000 which is not depreciated.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	47,008	63,078
Other debtors	991	785
Prepayments and accrued income	<u>9,556</u>	<u>15,011</u>
	<u>57,555</u>	<u>78,874</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 18)	29,092	14,242
Social security and other taxes	13,485	11,550
Other creditors	15,457	11,972
Interest free loans	35,259	70,384
Accruals and deferred income	<u>72,304</u>	<u>140,194</u>
	<u>165,597</u>	<u>248,342</u>

Included in Accruals and deferred income is:

	2020	2019
	£	£
Deferred income brought forward	112,839	112,031
Fees received in advance	64,380	112,839
Released to fees	<u>(112,839)</u>	<u>(112,031)</u>
Deferred income carried forward	<u>64,380</u>	<u>112,839</u>

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

	2020	2019
	£	£
Bank loans (see note 18)	220,908	195,450
Interest free loans	<u>19,300</u>	<u>19,300</u>
	<u>240,208</u>	<u>214,750</u>

Amounts falling due in more than 5 years:

Bank loans payable by instalments	<u>104,541</u>	<u>129,177</u>
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UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

18. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand: Bank loans	<u>29,092</u>	<u>14,242</u>
Amounts falling between one and two years: Bank loans	<u>29,092</u>	<u>14,900</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>87,275</u>	<u>48,959</u>
Amounts falling due in more than five years: Repayable by instalments: Bank loans more 5 yr by instal	<u>104,541</u>	<u>131,591</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	5,095	7,879
Between one and five years	<u>7,473</u>	<u>11,175</u>
	<u>12,568</u>	<u>19,054</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>250,000</u>	<u>209,692</u>

The bank borrowings are secured by a first legal charge over the property.

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

21. MOVEMENT IN FUNDS

	At 1/9/19 £	Net movement in funds £	Transfers between funds £	At 31/8/20 £
Unrestricted funds				
General fund	968,586	(7,441)	2,885	964,030
Revaluation reserve	<u>773,124</u>	<u>-</u>	<u>-</u>	<u>773,124</u>
	1,741,710	(7,441)	2,885	1,737,154
Restricted funds				
Bursary gifts	2,106	-	-	2,106
Welsh publications	1,290	-	-	1,290
SaRang scholarship fund	7,443	-	-	7,443
SaRang projects fund	2,218	6,469	-	8,687
Building and roofing fund	-	2,885	(2,885)	-
Chairman's expenses fund	2,273	-	-	2,273
Europe Collaboration fund	<u>39,491</u>	<u>(39,491)</u>	<u>-</u>	<u>-</u>
	54,821	(30,137)	(2,885)	21,799
TOTAL FUNDS	<u>1,796,531</u>	<u>(37,578)</u>	<u>-</u>	<u>1,758,953</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,103,966	(1,111,407)	(7,441)
Restricted funds			
Bursary gifts	450	(450)	-
SaRang scholarship fund	3,760	(3,760)	-
SaRang projects fund	171,071	(164,602)	6,469
Building and roofing fund	2,885	-	2,885
Europe Collaboration fund	<u>38,621</u>	<u>(78,112)</u>	<u>(39,491)</u>
	216,787	(246,924)	(30,137)
TOTAL FUNDS	<u>1,320,753</u>	<u>(1,358,331)</u>	<u>(37,578)</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/18 £	Net movement in funds £	Transfers between funds £	At 31/8/19 £
Unrestricted Funds				
General fund	895,793	60,793	12,000	968,586
Revaluation reserve	<u>773,124</u>	-	-	<u>773,124</u>
	1,668,917	60,793	12,000	1,741,710
Restricted Funds				
Bursary gifts	2,096	10	-	2,106
Welsh publications	1,290	-	-	1,290
SaRang scholarship fund	7,443	-	-	7,443
SaRang projects fund	5,112	(2,894)	-	2,218
Building and roofing fund	-	12,000	(12,000)	-
Chairman's expenses fund	2,273	-	-	2,273
Europe Collaboration fund	<u>80,355</u>	<u>(40,864)</u>	-	<u>39,491</u>
	98,569	(31,748)	(12,000)	54,821
TOTAL FUNDS	<u>1,767,486</u>	<u>29,045</u>	-	<u>1,796,531</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,185,207	(1,124,414)	60,793
Restricted funds			
Bursary gifts	1,010	(1,000)	10
SaRang scholarship fund	6,822	(6,822)	-
SaRang projects fund	200,999	(203,893)	(2,894)
Building and roofing fund	12,000	-	12,000
Europe Collaboration fund	<u>214,797</u>	<u>(255,661)</u>	<u>(40,864)</u>
	435,628	(467,376)	(31,748)
TOTAL FUNDS	<u>1,620,835</u>	<u>(1,591,790)</u>	<u>29,045</u>

UNION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2020

21. MOVEMENT IN FUNDS - continued

Bursary gifts are donations made towards the fees of students at the college.

The Welsh Publications fund represents a donation received for the purpose of funding the publication of books in the Welsh language.

The SaRang scholarships fund consists of donations received from the SaRang Community Church to provide assistance for students towards their fees.

The SaRang projects fund is for the purpose of supporting mission projects, mainly in the UK and Europe. These are, generally, either the planting of new churches or the revitalization of existing churches.

The Chairman's expenses fund represents donations received from SaRang Community Church to cover the travel expenses of the Chairman and sundry other costs at his discretion.

The Europe Collaboration fund is a funding platform for church planting in Europe. Union acted as the fiscal sponsor to administer and distribute funds between 2017-18 and 2019-20. During 2019-20 the partnership came to an end; all nominated funds were distributed, and the balance of funds was returned to Europe Collaboration.

Transfers between funds

A transfer of £2,885 (2019 - £12,000) has been made between the building and roofing fund and general funds to recognise capital expenditure during each year.

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme and contributes to employees' personal pension plans. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions paid by the company and amounted to £30,665 (2019 - £30,387). At the year end there were contributions of £6,426 (2019 - £5,485) outstanding.

23. RELATED PARTY DISCLOSURES

The following interest free loans were owed to trustees at 31 August 2020:

	2020	2019
	£	£
Mr W Thomas	3,000	3,000
Rev S Ko	13,760	28,760

Union Foundation and SaRang Church have a formal agreement to work together. During 2020 SaRang donated a total of £364,381 (2019 - £456,989).

Union Foundation received donations of £209,753 (2019 - £124,009) from Union Foundation US (a not-for-profit organisation incorporated in the United States). Joel Morris and Mike Reeves, key management personnel with Union Foundation are directors of Union Foundation US.

During the year, no donations (2019 - £9,990) were received from trustees.