

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

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 26

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 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:

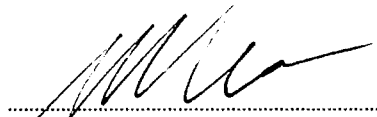
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 on20/3/24..... 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.

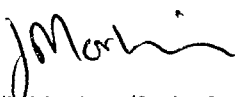
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNION FOUNDATION

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	6				
Theological training		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	7				
Theological training		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

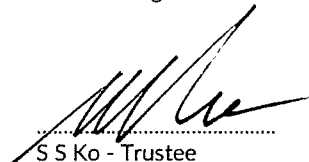
UNION FOUNDATION

**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	22				
Unrestricted funds				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><u>(12,596)</u></u>	<u><u>62,223</u></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

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.

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

		2023 £	2022 £
Income from college fees	Activity 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	30,748	-	30,748
Investment income	23	-	23
Other income	8,056	-	8,056
Total	<u>1,212,015</u>	<u>265,318</u>	<u>1,477,333</u>
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	<u>1,358,332</u>	<u>257,832</u>	<u>1,616,164</u>
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	<u>1,631,131</u>	<u>62,998</u>	<u>1,694,129</u>

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	<u>1,335</u>	<u>5,450</u>	<u>-</u>	<u>6,785</u>
At 31 August 2023	<u>2,389,151</u>	<u>304,282</u>	<u>85,446</u>	<u>2,778,879</u>
DEPRECIATION				
At 1 September 2022	441,084	254,119	66,753	761,956
Charge for year	<u>26,165</u>	<u>18,608</u>	<u>7,071</u>	<u>51,844</u>
At 31 August 2023	<u>467,249</u>	<u>272,727</u>	<u>73,824</u>	<u>813,800</u>
NET BOOK VALUE				
At 31 August 2023	<u>1,921,902</u>	<u>31,555</u>	<u>11,622</u>	<u>1,965,079</u>
At 31 August 2022	<u>1,946,732</u>	<u>44,713</u>	<u>18,693</u>	<u>2,010,138</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 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>1,832,960</u>	<u>(138,831)</u>	<u>1,694,129</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>1,477,333</u>	<u>(1,616,164)</u>	<u>(138,831)</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.