

Charity Registration No. 1132154

Company Registration No. 134549 (England and Wales)

**THE UNITED REFORMED CHURCH
(NORTHERN PROVINCE) TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Ms J.W. Barr Mr W.I. Buchanan (until 23 January 2020) Dr H.J. Finlayson Mr J.C.G. Forrest (until 31 December 2020) Revd. D. Grosch-Miller Dr A. Hamnett (until 30 September 2020) Revd. A.P. Haws (until 28 May 2020) Ms C. Hogg Mr J.C. Kennedy (until 22 June 2021) Mr P.B. Matthew Ms J.R. Tomlin Mr G.I. Wanless (5 April 2020 onwards) Mr W. Duncan (1 January 2021 onwards)
Convenor	Revd. D. Grosch-Miller
Treasurer	Mr G.I. Wanless
Secretary	Mr W. Duncan (1 October 2020 onwards) Dr A. Hamnett (until 30 September 2020)
Trust officer	Mr A. Atkinson
Finance officer	Ms H.E. Hogg
Charity number	1132154
Company number	134549
Registered office	4 College Lane, Newcastle upon Tyne, NE1 8JJ
Auditor	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG
Bankers	Bank of Scotland Plc PO Box 1000, BX2 1LB Lloyds Bank plc PO Box 1000, BX1 1LT
Legal advisors	Womble Bond Dickinson (UK) LLP St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX Sintons LLP The Cube, Barrack Road, Newcastle upon Tyne, NE4 6DB
Investment managers	CCLA Investment Management Limited Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Property consultants	Sanderson Weatherall LLP Central Square South, Orchard Street, Newcastle upon Tyne, NE1 3AZ

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

CONTENTS

	Page
Directors' report	1 - 8
Independent auditor's report	9 - 11
Statement of financial activities	12 - 13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 38

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The Company's objectives are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages and the Basis of Union of the United Reformed Church. In pursuit of this, the Company acts as trustee, holding monies, investments and properties for these purposes and for local churches.

The Company supports the Northern Synod's vision, to enable local churches to be lively, informed and be effective in being the church in their local setting and Synod to be an expression of the Church at regional level, in the light of the five marks of mission (tell, teach, tend, transform and treasure). The Company provides financial, advisory and technical support to assist churches in the Synod to reflect the United Reformed Church's Vision 2020 programme and Walking the Way (Living the life of Jesus today).

Public benefit

The Company is aware of the Charity Commission's guidance on public benefit. This requirement is met by enabling local churches to provide their services to the general public.

Activities

The Company carries out its work under 4 headings and illustrative examples of activity in 2019 are given below.

- *1. Discipleship* - supporting Christian spirituality, nurture, lay and ministerial education, development and training.

This is a cornerstone of Synod activity and the Trust assists this by funding courses, sponsoring events, and offering grants for specific developments and projects which strengthen individual or group faith experience. Growing Leader courses continue throughout the Synod and increases capacity for leadership development. Through the Ministries and Development Committee, the Trust have been able to offer support for lay people attending courses on baptism and communion and acquiring skills and knowledge of Zoom. Training for Learning and Serving has been replaced by Stepwise and consists of five streams covering vocation, faith literacy, living church in community, transforming worship and faith leadership.

- *2. Mission* - promoting evangelism, mission, church growth, outreach and racial justice.

This is central to the Company's purposes. Specific examples include supporting church related community work, chaplaincies and local churches with projects and events. Grants are awarded for ministry in local ecumenical partnerships. Through the work of the Mission Enabler, the Trust can support the mission and outreach of local churches. Synod continues to explore new ways of being church.

- *3. Partnership* - supporting joint working with ecumenical, community and global partners.

The Company supports the Synod's partnership with the Presbyterian Church of Mozambique. Collaboration with Northern Synods continues and funding is available to assist with joint working on projects and events.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

- 4. *Property* - providing and managing housing for ministers, retired ministers and their widow(er)s or former civil partners and supporting local churches in proper care of their properties.

Property issues are considered by the Trust's Manse and Property sub-groups. Both groups initiate a schedule of surveys to assess the condition of property and subsequent maintenance requirements. Financial support for building preservation is made available through grants.

The Company continues to seek sustainable and responsible ways to fulfil Synod's aspirations and making resources available to assist with developing new forms of ministry. It also recognises the potential benefits of employing people to support churches in their work.

The Trust has continued to participate in the programme planning for the Synod Way Forward and will continue to participate in the programme and agree milestones.

The key issue remaining to the Trust is tackling how to use resources to support churches, which might involve employing more lay people, whilst maintaining its charitable duty to achieve best value for its investments.

Grant-making

Much of the Company's work is achieved through making grants (in 2020, some £214,656) , which are given to churches and other bodies as well as individuals, in accordance with published policies for the following purposes:

- Repair, maintenance and improvement of church and manse buildings
- Mission, outreach and fresh expressions of church
- Lay and ministerial education and learning
- Travel to events for young people
- Small welfare benevolences are also given.

Staffing and Volunteers

The work of the Company is carried out by volunteers (mainly the Directors) who receive expenses, as well as by two members of paid staff, who are responsible to the Board and refer to Directors or Officers when major decisions are needed. Local churches contribute towards the administrative costs of those employees. The work of the other staff is directed by the Synod.

No honoraria are paid to Directors of the Board, except for the Treasurer who, in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

Volunteers donated an estimated 700 hours' work in total during the year, which is difficult to value in financial terms. The Board takes the view that the Company is not excessively dependent on any one individual.

Volunteers support the Trust directly through their roles as Directors, and others offer their time and help to subgroups and committees. The role of volunteers in furthering church activities is extensive and without it the churches' effectiveness will be limited. The Synod has recognised that volunteers require support, and this is reflected in the Synod Way Forward.

Achievements and performance

Discipleship – (£129,365) As might be expected, COVID-19 has had a significant effect on events that had been planned, so much so that from late March onwards no face-to-face events occurred. However prior to that Churches were invited by the Moderator to a thinking day to get together and to 'come on an adventure', to discern and explore what might be possible. During the remaining part of the year a number of online courses were held to refresh, and train anew, lay leaders in Baptism, Presiding at Communion and acquiring skills of using Zoom.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Mission – (£116,655) Mission continued to be supported during 2020 and included grants to Crook Churches Together for their holiday clubs, ReNEw North East towards youth events, Northallerton Secret Garden for repairs to the tool shed roof, Roker URC to support craft sessions on-line, Newcastle City Chaplaincy, Holy Island, Jesmond URC for livestreaming equipment and Sunderland Connect Network for initial core costs. Emergency loans were available to be applied for by any Church who felt because of COVID-19 they were in financial hardship. A small grant application form/process has been developed to try and avoid unnecessary bureaucracy for churches when needing to make an approach for a small grant. Small mission grants were awarded, helping churches to benefit local communities and support to the Staying Alive initiative in Newcastle.

Partnerships – (£208,889) Costs relating to ecumenical ministries were shared during 2020, and resources were also shared with poorer synods in the United Reformed Church through the Resource Sharing process. Support grants continue to be awarded to local churches where required. The Board is also apprised of and involved with collaborative arrangements between other synods in Northern Britain. These are intended to provide efficiency gains and put in place supportive and constructive working partnerships. The Safeguarding Advisor is continuing to work with Synod, Trust and local churches to review and strengthen systems across all parts of the Synod. Pulpit supply continues to be subsidised by the Trust for churches in Northumberland. Liaising with Solicitors regarding church investment funds is ongoing throughout the year.

Property – (£341,308) The Company continued to maintain the properties for which it is directly responsible and ensured professional advice on legal and property matters for local churches. Church surveys were carried out throughout the year and grants were awarded for church and manse repairs and improvements totalling £112,306 during 2020. Significant improvements to the Synod Offices were completed during the year.

Goals achieved in 2020 include:

- Review Ministry & Mission calculations
- Improvements to the Synod Office
- Review of IT Support Advisors

Goals still in progress and carried forward to 2021 include:

- Recruit one or two part-time Administrative Assistants
- Complete the reform of the investment pool
- Review of Insurance Brokers
- Review of Property Consultants
- Complete the update of data protection practice
- Complete the production of a Financial Strategy

Financial review

During the year, total funds increased by £1,323,335 (2019: an increase of £1,711,444) to £13,597,968. The increase in funds is due to increases in the valuation of our investments of £651,160 and reduced expenditure across the year.

Income

Investment income of £334,349 was pleasing to note. Included in other income (note 5) is £1,111,353 for church properties handed over to the Trust for sale, an increase in 2020 of £198,771.

Expenditure

There were no exceptional items of expenditure during 2020.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Reserves Policy

The Company has a policy of maintaining sufficient reserves to provide the necessary income for the efficient running of the Synod's administration, and the provision of grants and donations to the church and to individuals in order to comply with the objects of the Trust. The Company's policy is to hold a level of reserves that will provide an income to meet its ongoing costs.

The Charity operates this policy taking note of the guidelines and recommendations contained in the Charity Commission document Charity reserves: building resilience CC19, while bearing in mind the need to raise sufficient income from its investments to meet its ongoing costs.

Reserves Needed

The Charity has assessed the reserves it needs using the guidance given in CC19 and the categories set out in Annex 1, A Simple approach to developing a Reserves Policy. A summary of the required reserves is as follows:

- a) To meet unforeseen emergencies and other needs £200,000
- b) To cover unforeseen day-to-day operational costs* £60,000
- c) Sources of income such as grants and donations not eventuating £40,000
- d) Planned spending commitments (e.g. grants to local churches which are approved but not yet taken up) £200,000
- e) Cover against 'troughs' in the cash budget* £200,000

Total Reserves Needed £700,000

NB * The estimates under b) and e) are based upon quarterly expenditure.

Whilst this figure is derived by using the guidelines set out in CC19, there was a case reported recently by a URC Synod, similar in size to Northern Synod, that it had forfeited the opportunity to receive a substantial grant because it was considered by the grant awarding body to have insufficient reserves. The Synod Trust actually held about £1.5 million in its reserves. Thus, it seems prudent for Northern Synod Trust to hold reserves in excess of £2 million to ensure it has access to grant funding as and when required.

Reserves Held (using CC19 guidelines)

Unrestricted funds in undesignated accounts (from note 21):

General funds	£915,104
General reserves	£2,467,257
Reserves	£3,382,361

There is no certainty as to when the designated and programme funds will be called upon, but all of these funds are active and can be called upon at any time. Also the section below relating to 'Sources of Income' applies to these funds.

Excess of reserves held over CC19 calculated requirements

Using the methods of calculation for required and actual reserves set out in the Charity Commission document CC19 there is a substantial excess of reserves held. The reason for this arose from the historic and present sources of the Charity's income.

Sources of the Charity's Income

The Charity's long-standing funds come from a combination of legacies, donations and sales of redundant properties. These funds are regarded by the Charity as having some of the character and function of Endowment Funds (as defined in CC19) though they are not designated as such. In particular, the income from investments provides a substantial portion of the Charity's total income meeting the final sentence of its Reserves Policy. Without this income the Charity could have annual deficits and its reserves could diminish at an increasing rate.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Investment Policy

The majority of the available funds of the Company are invested through its nominees, primarily the CCLA (Churches, Charities and Local Authorities) Investment Management Ltd, one of the largest Charity Fund Managers in the UK. The financial policy of the company is to maximise the total return whilst maintaining a steady income by which the financial requirements of the company can be met. The portfolio is highly diversified with investment in both UK and overseas equities. CCLA operates an active ethical policy based not only on the types of activity engaged in by companies in which the fund invests, but also on active engagement over issues such as good governance and management, and good environmental policies.

It is not felt that this policy is having any detrimental effect on income or capital; the fund has returns that compare well with other investment vehicles, and performance is monitored at meetings of the investment sub-committee, which are held twice yearly. The current target is a total return of inflation plus 5% over the long term, in the COIF Charities Ethical Investment Fund. This would include the provision of a reliable income stream that maintained its real value over time. It aims to control volatility to 75% of that of the UK equity market.

Risk Management

The Directors are responsible for assessing the major risks to which the Company is exposed, and for establishing systems to mitigate those risks. The Trust maintains a risk register and considers external and internal risks to which the Company is exposed. The Trust undertakes a formal review of the risks to which it is exposed each year.

The Directors have considered 44 factors which could have a negative effect on the Company's ability to pursue its aims, both in terms of the likelihood of their occurring and the probable impact of such events. These cover governance, financial, property, office functionality, legal, human resources, and local church issues.

Significant risks identified include:

- Difficulties in appointing appropriate trustees or co-opted committee members to maintain the balance of the Trust
- Irreconcilable differences between Trust and a local church arise over trusteeship issues
- Dysfunctional board dominated by strong individuals, taking bad decisions
- Income from churches falls below levels needed by the Trust to sustain activities
- Denominational financial responsibilities have to be re-funded
- Property surveys reveal extensive and costly repairs needed to many church properties
- IT systems fail including catastrophic power failure
- Office unable to provide adequate service to Trust owing to overstretch
- Failure to adhere to legal guidelines and framework in the activities of the Trust
- HR issues involving failure to comply with legislation on the recruitment, selection and treatment of employees of Trust
- HR issues involving failure to comply with legislation on the recruitment, selection and treatment of employees of local churches part or wholly funded by Trust
- Advice on HR issues within local churches proving inadequate or misleading, and leading to difficulties with employees.

The Directors will continue to review and monitor these risks, and the adequacy of the systems in place to reduce them.

COVID-19 risk

The ongoing COVID-19 pandemic continues to generate a significant level of uncertainty in the global economy. The Directors will regularly assess the likely effects on the Trust's operations in an attempt to mitigate the risk as far as possible.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Factors Affecting Performance

The Company's ability to achieve its objectives depends on several factors, not necessarily within its control, such as performance of investments, and the effective coordinated work of professional advisors. In 2020 there were no significant factors of this type.

Other factors of which the Trust is cognisant include the reduction in volunteers across the Synod and in churches which can cause them to close. This in turn reduces income from churches. Some remaining churches will have high maintenance costs. All these issues have been considered by the Trust and Synod when developing future plans.

Plans for the Future

The Company plans to continue its work for the foreseeable future.

The Company has agreed in principle to support a strategic Way Forward plan for the Synod, and Trustees recognise their important role in assisting the implementation of the Synod's future strategy.

The Board reflects a broad range of professional experience within private, statutory and voluntary organisations, and of course extensive involvement with ministry and churches all of which will be drawn upon to steer the Company through the changes in the Synod which lies ahead.

Goals for 2021 include:

- Review of board membership
- Review auditors' appointment
- Complete the update of data protection practice
- Recruit a Property Officer
- Complete strategic conversation around the Synod

Structure, governance and management

The United Reformed Church (Northern Province) Trust Limited (formerly known as the Durham and Northumberland Congregational Union (Incorporated)) was incorporated in England & Wales in 1914. It is a private charitable company, limited by guarantee. It is governed by its Memorandum & Articles of Association, adopted in revised form on 4 August 2009, which confer various powers, including powers to hold, maintain and administer property, money and investments; to buy and sell property and investments; and to take over any assets legally transferred to the Company.

Directors/Trustees

The Directors who served during the year were:

Ms J.W.Barr
Mr W.I.Buchanan
Dr H.J.Finlayson
Mr J.C.G.Forrest
Revd. D.Grosch-Miller
Dr A.Hamnett
Revd. A.P.Haws
Ms C.Hogg
Mr J.C.Kennedy
Mr P.B.Matthew
Ms J.R.Tomlin
Mr G.I. Wanless

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Most of the Directors give their time voluntarily and receive no benefits from the Company. Any expenses reclaimed from the Company are set out in note 10 to the financial statements. The exception is Mr G.I.Wanless who, as treasurer and in recognition of the additional work carried out by him, receives an annual honorarium of 10% of a minister's stipend.

The Directors are appointed by the United Reformed Church Northern Synod, and the officers are appointed by the Board. A balanced Board is sought, with a mixture of experience, gender, and geographic spread. Where vacancies are identified, nominations are sought either by direct approach or advertisement amongst the 68 churches of the Synod. Under the United Reformed Church Acts 1972-2000, all members and Directors must also be members of a local church or ecumenical area of the United Reformed Church, and for this reason no candidates are sought outside the churches of the Northern Synod.

Upon appointment, all Directors are provided with an induction pack explaining the work of the Company and including the Charity Commission's leaflet The Essential Trustee: what you need to know. Further training is provided during the year. The Board meets five times a year and receives reports, sets policies and takes major financial decisions.

Subcommittees deal with investments, staff remuneration, denominational Ministry & Mission Fund assessments, church and manse properties, and human resources. Small grant applications are considered by subcommittees, with larger ones referred to the Board. Investments are monitored regularly, with quarterly reports from the Investment Managers. Periodic condition survey reports are received from the Property Consultants on local church properties.

All decisions are taken by simple majority, with the Convenor having a casting vote. The Board may make decisions by agreement of two Directors, on straightforward, non-controversial matters. The day-to-day running of the Company's affairs is carried out by two members of office staff, who are responsible to the Board. The Finance Officer and Trust Officer support the day to day working of the Trust Company. Their tasks are operational in nature and they work within parameters defined by their role descriptions. The Trust Officer supports the Trust with administrative and legal support with policy decisions referred to the Board.

The Trust has a remuneration policy to provide effective stewardship of resources as well as being objective and transparent so that salary levels are perceived as being fair and rational. The salaries of lay staff employed by the Trust are assessed when a new post is created. This is carried out by members of the Human Resources Sub-Group. In making a recommendation of an appropriate salary level account is taken of:

- Levels of remuneration for posts of comparable responsibility within the not-for-profit sector in the North East of England
- Salaries being paid by the URC and other denominations across the United Kingdom.

The proposed salary and its rationale are then discussed with the Remuneration sub-committee and the outcome recommended to the Trust. Salaries of lay staff are reviewed annually to reflect changes in the level of responsibility and increases in the cost of living which have occurred in the last 12 months. In exceptional circumstances a bonus payment may be recommended by the Remuneration sub-committee to reflect the performance of duties well in excess of what might normally be expected of the post-holder.

Relations with other Parties

The Company carries out its activities in concert with and in support of the United Reformed Church Northern Synod, an unregistered unincorporated charitable association.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Directors' responsibilities

The directors, who also act as trustees for the charitable activities of The United Reformed Church (Northern Province) Trust Limited, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Auditor

A resolution proposing that RMT Accountants & Business Advisors Ltd be reappointed as auditor of the company will be put at a Board Meeting.

Disclosure of information to auditor

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Directors' report was approved by the Board of Directors.

D. Grosch-Miller
Director (Convenor)

Dated: 31 August 2021

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

Opinion

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Limited (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Directors' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Directors' report.

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

- adequate accounting records have not been kept, 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 Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the charity'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 Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

Mr Stephen Slater (Senior Statutory Auditor)
for and on behalf of RMT Accountants & Business Advisors Ltd
Statutory Auditor
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Date: 20 September 2021

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year						
		Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Total 2019 £
	Notes					
Income and endowments from:						
Donations and legacies	3	88	-	-	88	78,075
Investments	4	291,997	57,441	-	349,438	358,752
Other income	5	1,138,243	23,279	-	1,161,522	935,921
Total income		1,430,328	80,720	-	1,511,048	1,372,748
Expenditure on:						
Charitable activities	6	695,572	100,645	-	796,217	1,250,168
Other expenditure	12	-	42,656	21,422	64,078	70,805
Total resources expended		695,572	143,301	21,422	860,295	1,320,973
Net gains/(losses) on investments	11	543,360	129,222	-	672,582	1,659,669
Net incoming/(outgoing) resources before transfers		1,278,116	66,641	(21,422)	1,323,335	1,711,444
Gross transfers between funds		(472,309)	472,309	-	-	-
Net movement in funds		805,807	538,950	(21,422)	1,323,335	1,711,444
Fund balances at 1 January 2020		10,242,295	1,832,338	200,000	12,274,633	10,563,189
Fund balances at 31 December 2020		11,048,102	2,371,288	178,578	13,597,968	12,274,633

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year					
		Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
	Notes				
Income and endowments from:					
Donations and legacies	3	68,854	9,221	-	78,075
Investments	4	309,589	49,163	-	358,752
Other income	5	908,182	27,739	-	935,921
Total income		1,286,625	86,123	-	1,372,748
Expenditure on:					
Charitable activities	6	1,192,091	58,077	-	1,250,168
Other expenditure	12	-	70,805	-	70,805
Total resources expended		1,192,091	128,882	-	1,320,973
Net gains/(losses) on investments	11	1,382,242	277,427	-	1,659,669
Net incoming/(outgoing) resources before transfers		1,476,776	234,668	-	1,711,444
Gross transfers between funds		(100)	100	-	-
Net movement in funds		1,476,676	234,768	-	1,711,444
Fund balances at 1 January 2019		8,765,619	1,597,570	200,000	10,563,189
Fund balances at 31 December 2019		10,242,295	1,832,338	200,000	12,274,633

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	1,088,390		1,109,506	
Investment properties	15	155,000		155,000	
Investments	14	10,799,716		10,045,475	
		<u>12,043,106</u>		<u>11,309,981</u>	
Current assets					
Debtors falling due after one year	18	24,000		27,001	
Debtors falling due within one year	18	67,732		29,010	
Investments	16	1,236,353		889,000	
Cash at bank and in hand		632,644		387,655	
		<u>1,960,729</u>		<u>1,332,666</u>	
Creditors: amounts falling due within one year	19	<u>(28,204)</u>		<u>(31,975)</u>	
Net current assets		1,932,525		1,300,691	
Total assets less current liabilities		<u>13,975,631</u>		<u>12,610,672</u>	
Provisions for liabilities	20	<u>(377,663)</u>		<u>(336,039)</u>	
Net assets		<u>13,597,968</u>		<u>12,274,633</u>	
Capital funds					
Endowment funds		178,578		200,000	
Income funds					
Restricted funds	22	2,371,288		1,832,338	
Unrestricted funds		11,048,102		10,242,295	
		<u>13,597,968</u>		<u>12,274,633</u>	

The financial statements were approved by the Directors on 31 August 2021

D. Grosch-Miller
Trustee

G.I. Wanless
Trustee

Company Registration No. 134549

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(761,447)		(1,004,938)
Investing activities					
Purchase of tangible fixed assets		(79,230)		(334,911)	
Proceeds on disposal of tangible fixed assets		35,806		-	
Purchase of investments		(100,000)		-	
Proceeds on disposal of investments		800,422		1,030,000	
Investment income received		349,438		358,752	
Net cash generated from investing activities			1,006,436		1,053,841
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			244,989		48,903
Cash and cash equivalents at beginning of year			387,655		338,752
Cash and cash equivalents at end of year			632,644		387,655

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The United Reformed Church (Northern Province) Trust Limited is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office is 4 College Lane, Newcastle upon Tyne, NE1 8JJ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This includes taking into account the potential impact of COVID-19 to ensure that cashflow is positively managed and the impact to the Trust's operations are mitigated. The Directors have concluded that the going concern assumption is appropriate in preparing these financial statements.

1.3 Charitable funds

Transfers to and from the General reserve fund to designated funds are made in accordance with the annual budget and in accordance with need. Funds are closed when the purpose for which they were created comes to an end, or it is otherwise resolved to discontinue them.

Details of the nature and purpose of each fund are explained in note 23.
Designated funds are determined by the Board.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income arising on endowed funds is treated as an addition to the endowment.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is accounted for on an accruals basis. Grants payable are voluntary payments to individuals, local URC churches or other organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff and governance costs which support the charity and its activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold properties have been brought into the financial statements at the value at which they had previously been included in the accounts of the Northern Synod in 2009. Properties brought in after this date are valued at market value on donation or purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	25% straight line
Loans	No depreciation
Property improvements	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Valuation of investment property

As described in note 16 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Sanderson & Weatherall, Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

3 Donations and legacies

	Unrestricted funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	-	68,799	9,221	78,020
Legacies receivable	88	55	-	55
	<u>88</u>	<u>68,854</u>	<u>9,221</u>	<u>78,075</u>
Donations and gifts				
Contributions from local churches	-	67,779	-	67,779
M&M contributions	-	-	9,221	9,221
Other	-	1,020	-	1,020
	<u>-</u>	<u>68,799</u>	<u>9,221</u>	<u>78,020</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Investments

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Rental income	15,000	-	15,000	15,000	-	15,000
Income from listed investments	276,921	57,428	334,349	294,454	49,152	343,606
Interest receivable	76	13	89	135	11	146
	<u>291,997</u>	<u>57,441</u>	<u>349,438</u>	<u>309,589</u>	<u>49,163</u>	<u>358,752</u>

Rental income from investment properties is accounted for under income from investments.

5 Other income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Properties held for sale	1,111,353	-	1,111,353	889,000	23,582	912,582
Other income	11,364	279	11,643	850	250	1,100
Rental income	15,526	-	15,526	18,332	-	18,332
Grant received	-	2,000	2,000	-	-	-
Monies received from investors	-	21,000	21,000	-	3,907	3,907
	<u>1,138,243</u>	<u>23,279</u>	<u>1,161,522</u>	<u>908,182</u>	<u>27,739</u>	<u>935,921</u>

Church properties handed over to the Trust for sale during 2020 are shown under properties held for resale. Properties that remain unsold have been included as current assets in assets held for sale, valued at expected sale value.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Discipleship	Mission	Partnership	Property	Total	Total
	2020	2020	2020	2020	2020	2019
	£	£	£	£	£	£
Direct activities	3,760	6,163	54,745	148,514	213,182	453,780
Grant funding of activities (see note 7)	5,142	57,871	39,337	112,306	214,656	471,530
Share of support costs (see note 8)	119,113	51,346	112,913	78,817	362,189	318,649
Share of governance costs (see note 8)	1,350	1,275	1,894	1,671	6,190	6,209
	<u>129,365</u>	<u>116,655</u>	<u>208,889</u>	<u>341,308</u>	<u>796,217</u>	<u>1,250,168</u>
Analysis by fund						
Unrestricted funds	129,013	116,655	163,506	286,398	695,572	1,192,091
Restricted funds	352	-	45,383	54,910	100,645	58,077
	<u>129,365</u>	<u>116,655</u>	<u>208,889</u>	<u>341,308</u>	<u>796,217</u>	<u>1,250,168</u>

For the year ended 31 December 2019

	Discipleship	Mission	Partnership	Property	Total
	£	£	£	£	2019
	£	£	£	£	£
Direct activities	10,126	13,020	215,961	214,673	453,780
Grant funding of activities (see note 7)	8,249	210,955	9,533	242,793	471,530
Share of support costs (see note 8)	103,950	42,781	104,805	67,113	318,649
Share of governance costs (see note 8)	1,552	1,552	1,552	1,553	6,209
	<u>123,877</u>	<u>268,308</u>	<u>331,851</u>	<u>526,132</u>	<u>1,250,168</u>
Analysis by fund					
Unrestricted funds	122,949	268,308	315,973	484,861	1,192,091
Restricted funds	928	-	15,878	41,271	58,077
	<u>123,877</u>	<u>268,308</u>	<u>331,851</u>	<u>526,132</u>	<u>1,250,168</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

	Discipleship 2020 £	Mission 2020 £	Partnership 2020 £	Property 2020 £	Total 2020 £	Total 2019 £
Grants to institutions:						
St Cuthbert's Centre, Holy Island	-	50,000	-	62,500	112,500	-
Horsley URC	-	-	-	26,978	26,978	-
Roker URC	-	9,000	-	16,679	25,679	10,000
Bellingham URC	-	-	14,903	-	14,903	-
Falstone & Kielder Church	-	-	13,357	-	13,357	-
Newcastle City Centre Chaplaincy	-	10,000	-	-	10,000	-
Gateshead Group	-	-	-	5,700	5,700	-
Connect Network Sunderland	-	5,000	-	-	5,000	5,000
Renew NE	-	5,000	-	-	5,000	-
Crookham URC	-	-	3,400	-	3,400	3,400
Wark LEP	-	-	3,217	-	3,217	-
St Andrew's Church, Crook	-	2,000	1,000	-	3,000	-
Denewell Avenue URC	-	-	-	2,246	2,246	-
Jesmond URC	-	1,746	-	-	1,746	-
Trinity Church, Ashington	-	-	-	1,000	1,000	-
Ponteland URC and Wideopen URC	-	850	-	-	850	-
Northallerton URC	-	667	-	-	667	35,258
Rothbury URC	-	-	-	-	-	100,000
Stockton Road URC	-	-	-	-	-	67,500
St George's URC, Hartlepool	-	-	-	-	-	46,000
Sunderland and Boldon Partnership	-	-	-	-	-	34,802
Wooler URC	-	-	-	-	-	30,000
Faith in the Community	-	-	-	-	-	30,000
Grindon Mission Project	-	-	-	-	-	29,917
Berwick URC	-	-	-	-	-	26,841
St George's URC, High Heaton	-	-	-	-	-	15,830
St Marks URC, Amble	-	-	-	-	-	7,550
St James's URC, Newcastle	-	-	-	-	-	6,375
Christ Church, Stanley	-	-	-	-	-	6,200
Diocese of Newcastle	-	-	-	-	-	6,000
St Andrew's, Blackhill	-	-	-	-	-	4,920
Heaton Churches Together	-	-	-	-	-	1,500
St Andrew's Dawson Street, Crook LEP	-	-	-	-	-	1,000
West Denton URC	-	-	-	-	-	800
Less grants no longer required	-	(26,392)	-	(2,797)	(29,189)	(17,384)
Minor institutional grants	768	-	26	-	794	-
Other	-	-	-	-	-	14,397
	<u>768</u>	<u>57,871</u>	<u>35,903</u>	<u>112,306</u>	<u>206,848</u>	<u>465,906</u>
Grants to individuals	4,374	-	3,434	-	7,808	5,624
	<u>5,142</u>	<u>57,871</u>	<u>39,337</u>	<u>112,306</u>	<u>214,656</u>	<u>471,530</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

(Continued)

For the year ended 31 December 2019

	Discipleship	Mission	Partnership	Property	Total
	2019	2019	2019	2019	2019
	£	£	£	£	£
Rothbury URC	-	-	-	100,000	100,000
Stockton Road URC	-	-	-	67,500	67,500
St George's URC, Hartlepool	-	34,000	-	12,000	46,000
Northallerton URC	-	-	-	35,258	35,258
Sunderland and Boldon Partnership	-	34,802	-	-	34,802
Wooler URC	-	30,000	-	-	30,000
Faith in the Community	-	30,000	-	-	30,000
Grindon Mission Project	-	29,917	-	-	29,917
Berwick URC	-	26,841	-	-	26,841
St George's URC, High Heaton	-	3,550	-	12,280	15,830
Roker URC	-	10,000	-	-	10,000
St Marks URC, Amble	-	50	-	7,500	7,550
St James's URC, Newcastle	-	-	-	6,375	6,375
Christ Church, Stanley	-	-	-	6,200	6,200
Diocese of Newcastle	-	6,000	-	-	6,000
Connect Network Sunderland	-	5,000	-	-	5,000
St Andrew's, Blackhill	-	-	4,920	-	4,920
Crookham URC	-	-	3,400	-	3,400
Heaton Churches Together	-	1,500	-	-	1,500
St Andrew's Dawson Street, Crook	-	-	-	-	-
LEP	-	-	1,000	-	1,000
West Denton URC	-	800	-	-	800
Less grants no longer required	-	(1,505)	(11,559)	(4,320)	(17,384)
Other	3,502	-	10,895	-	14,397
	<u>3,502</u>	<u>210,955</u>	<u>8,656</u>	<u>242,793</u>	<u>465,906</u>
Grants to individuals (0 grants)	4,747	-	877	-	5,624
	<u>8,249</u>	<u>210,955</u>	<u>9,533</u>	<u>242,793</u>	<u>471,530</u>

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

Discipleship

Discipleship grants are awarded for specific developments and projects which strengthen individual or group faith experience.

Mission

Mission grants are awarded to fund events and projects central to the company's purpose including promoting evangelism and church growth.

Partnership

Partnership grants are awarded to support joint working with ecumenical, community and global partners.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

(Continued)

Property

Property grants are awarded to support local churches in funding proper care of their properties.

Commitments

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	261,657	-	261,657	241,236	-	241,236
Depreciation	24,421	-	24,421	3,366	-	3,366
Office & executive	69,397	-	69,397	59,459	-	59,459
Office staff costs	3,642	-	3,642	4,939	-	4,939
Resource staff costs	3,072	-	3,072	9,649	-	9,649
Audit fees	-	6,000	6,000	-	6,000	6,000
Sundry expenses	-	190	190	-	209	209
	<u>362,189</u>	<u>6,190</u>	<u>368,379</u>	<u>318,649</u>	<u>6,209</u>	<u>324,858</u>
Analysed between						
Charitable activities	<u>362,189</u>	<u>6,190</u>	<u>368,379</u>	<u>318,649</u>	<u>6,209</u>	<u>324,858</u>

Basis of allocation

	Office & executive %	Office staff %	Resource staff %
Discipleship	25	17	76
Mission	25	14	3
Partnership	25	39	21
Property	25	30	-
	<u>100</u>	<u>100</u>	<u>100</u>

Support and governance costs are allocated as an approximation of average working time for staff costs, and equally between all categories for the running costs of the Synod Office and the Synod Executive Committee.

Governance costs includes payments to the auditors of £5,000 (2019: £5,000) for audit fees and £1,000 (2019: £1,000) for non audit services.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Directors

None of the Directors (or any persons connected with them) received remuneration during the year (2019: none), but 4 of them were reimbursed a total of £266 travelling and other expenses (2019: 7 were reimbursed £1,241). The treasurer received an annual honorarium of £2,760 being 10% of a minister's stipend in recognition of the additional work carried out by him.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Head count	12	11
Full-time equivalent	7	6

Employment costs

	2020 £	2019 £
Wages and salaries	190,700	181,709
Social security costs	16,267	15,460
Other pension costs	59,053	54,361
Apprenticeship levy	918	883
	<u>266,938</u>	<u>252,413</u>

Key management are considered to be the Directors of the Trust, none of whom received any remuneration this year or in the previous year. The treasurer received an annual honorarium of £2,760 being 10% of a minister's stipend in recognition of the additional work carried out by him.

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Revaluation of investments	<u>543,360</u>	<u>129,222</u>	<u>672,582</u>	<u>1,382,242</u>	<u>277,427</u>	<u>1,659,669</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Other expenditure

	Restricted funds 2020	Endowment funds 2020	Total 2020	Restricted funds 2019
Net loss on disposal of tangible fixed assets	-	21,422	21,422	-
Monies paid to investors	42,656	-	42,656	70,805
	<u>42,656</u>	<u>21,422</u>	<u>64,078</u>	<u>70,805</u>

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Loans	Property improvements	Total
	£	£	£	£	£
Cost					
At 1 January 2020	762,450	45,781	286,489	130,238	1,224,958
Additions	-	3,434	-	75,796	79,230
Disposals	-	-	(60,506)	-	(60,506)
At 31 December 2020	<u>762,450</u>	<u>49,215</u>	<u>225,983</u>	<u>206,034</u>	<u>1,243,682</u>
Depreciation and impairment					
At 1 January 2020	74,329	41,123	-	-	115,452
Depreciation charged in the year	15,420	3,817	-	20,603	39,840
At 31 December 2020	<u>89,749</u>	<u>44,940</u>	<u>-</u>	<u>20,603</u>	<u>155,292</u>
Carrying amount					
At 31 December 2020	<u>672,701</u>	<u>4,275</u>	<u>225,983</u>	<u>185,431</u>	<u>1,088,390</u>
At 31 December 2019	<u>688,121</u>	<u>4,658</u>	<u>286,489</u>	<u>130,238</u>	<u>1,109,506</u>

Freehold properties comprised in the total above are functional assets and managed by the Trust. Loans relate to properties for the purpose of providing houses for some ministers, retired ministers and their spouses. These properties are managed by the United Reformed Church Retired Minister's Housing Society Limited.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Fixed asset investments

	Common investment fund	Traidcraft Investment	Total
	£	£	£
Cost or valuation			
At 1 January 2020	10,043,969	1,506	10,045,475
Additions	114,803	-	114,803
Valuation changes	639,438	-	639,438
	<u>10,798,210</u>	<u>1,506</u>	<u>10,799,716</u>
At 31 December 2020	10,798,210	1,506	10,799,716
Carrying amount			
At 31 December 2020	<u>10,798,210</u>	<u>1,506</u>	<u>10,799,716</u>
At 31 December 2019	<u>10,043,969</u>	<u>1,506</u>	<u>10,045,475</u>

15 Investment property

	2020 £
Fair value	
At 1 January 2020 and 31 December 2020	<u>155,000</u>

The above property, Blyth URC, was obtained in 2009 and included at a valuation of £210,000 derived from the market value as calculated by an independent valuer. An updated valuation was obtained during 2018 and property is now valued at £155,000.

16 Current asset investments

	2020 £	2019 £
Assets held for sale	<u>1,236,353</u>	<u>889,000</u>

17 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>1,236,353</u>	<u>889,000</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	42,577	19,857
Prepayments and accrued income	25,155	9,153
	<u>67,732</u>	<u>29,010</u>
	2020	2019
	£	£
Amounts falling due after more than one year:		
Other debtors	24,000	27,001
	<u>24,000</u>	<u>27,001</u>
Total debtors	<u>91,732</u>	<u>56,011</u>
19 Creditors: amounts falling due within one year	2020	2019
	£	£
Other creditors	6,469	9,490
Accruals and deferred income	21,735	22,485
	<u>28,204</u>	<u>31,975</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20	Provisions for liabilities	2020	2019
		£	£
	Grant provisions	377,663	336,039
		<u> </u>	<u> </u>
	Movements on provisions:		
			Grant
			provisions
			£
	At 1 January 2020		336,039
	Additional provisions in the year		243,844
	Reversal of provision		(29,189)
	Utilisation of provision		(173,031)
			<u> </u>
	At 31 December 2020		377,663
			<u> </u>

Included in the above grants are amounts which are expected to be paid after more than one year totalling £100,521 (2019: £162,194).

Grants are normally awarded with a maximum contribution towards costs and a time frame to be claimed. If the grant is under spent or not claimed within the allotted time frame, the unclaimed grant provision is reversed.

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Unrestricted funds - current financial year

	Balance at 1 January 2020	Incoming resources	Movement in funds			Balance at 31 December 2020
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
General fund	962,889	300,397	(411,957)	20,423	43,352	915,104
General reserve	2,360,036		(27,140)		134,362	2,467,257
Property valuations	932,225		(15,420)		(10,506)	906,299
Manse fund	4,178,210	291,392	(34,751)	(470,331)	261,799	4,226,319
Property fund	586,043	837,487	(142,426)	(53,062)	30,401	1,258,443
Mission fund	1,109,430		(51,879)	127,760	77,624	1,262,934
Dr Brand legacy	19,767	1,053	(10,000)		925	11,745
Synod Way Forward Fund	93,695		(2,000)	(97,099)	5,404	-
	<u>10,242,295</u>	<u>1,430,329</u>	<u>(695,574)</u>	<u>(472,309)</u>	<u>543,360</u>	<u>11,048,102</u>

Unrestricted funds - previous financial year

	Balance at 1 January 2019	Incoming resources	Movement in funds			Balance at 31 December 2019
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
General fund	809,770	376,272	(394,029)	42,406	128,470	962,889
General reserve	2,003,645	-	(9,576)	-	365,967	2,360,036
Property valuations	975,145	-	(15,420)	(27,500)	-	932,225
Manse fund	3,180,512	656,692	(12,350)	(202,500)	555,856	4,178,210
Property fund	480,957	252,641	(373,389)	123,736	102,098	586,043
Mission fund	1,055,123	-	(221,463)	63,758	212,012	1,109,430
Ministers' pension	163,402	-	(163,402)	-	-	-
Dr Brand legacy	15,696	1,020	-	-	3,051	19,767
Synod Way Forward Fund	81,369	-	(2,462)	-	14,788	93,695
	<u>8,765,619</u>	<u>1,286,625</u>	<u>(1,192,091)</u>	<u>(100)</u>	<u>1,382,242</u>	<u>10,242,295</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Restricted funds

Current financial year

	Movement in funds					
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2020
	£	£	£	£	£	£
Dales fund	41,893	-	-	-	2,469	44,362
Ministry & mission fund	137,180	-	(38,856)	1,960	6,584	106,868
Moderator's benevolent fund	7,465	-	(3,434)	-	-	4,031
Mozambique partnership fund	15,602	498	-	(300)	933	16,733
Mozambique project fund	491	45	-	300	31	867
Northumberland project fund	3,660	-	-	-	216	3,876
Student's fund	9,091	-	(352)	-	515	9,254
Pulpit supply fund	5	-	(25)	20	-	-
Trust capital funds	849,775	34,147	(54,911)	470,329	75,981	1,375,321
Church funds	732,477	43,780	(42,656)	-	42,493	776,094
Northern Synod listening and rec fund	34,449	-	(2,567)	-	-	31,882
Charity Collections fund	250	250	(500)	-	-	-
Safeguarding fund	-	2,000	-	-	-	2,000
	<u>1,832,338</u>	<u>80,720</u>	<u>(143,301)</u>	<u>472,309</u>	<u>129,222</u>	<u>2,371,288</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Restricted funds

(Continued)

Prior financial year

	Movement in funds					
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2019
	£	£	£	£	£	£
Dales fund	35,298	-	-	-	6,595	41,893
Ministry & mission fund	103,721	9,221	1,948	-	22,290	137,180
Moderator's benevolent fund	8,342	-	(877)	-	-	7,465
Mozambique partnership fund	14,802	518	(2,396)	-	2,678	15,602
Mozambique project fund	660	20	(300)	-	111	491
Northumberland project fund	3,084	-	-	-	576	3,660
Student's fund	8,502	-	(928)	-	1,517	9,091
Pulpit supply fund	361	-	(456)	100	-	5
Trust capital funds	727,554	48,922	(52,582)	-	125,881	849,775
Church funds	657,440	27,192	(69,934)	-	117,779	732,477
Northernly Synod listening and rec fund	37,806	-	(3,357)	-	-	34,449
Charity Collections Fund	-	250	500	-	-	750
	<u>1,597,570</u>	<u>86,123</u>	<u>(128,882)</u>	<u>100</u>	<u>277,427</u>	<u>1,832,338</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Nature and purpose of funds

General fund

This fund is unrestricted, and was set up by Trust resolution in 2009, and designated for the day-to-day running of the Northern Synod. It was originally formed by combining various designated funds, and is now funded from contributions from local churches, investment income and property sales. This asset is represented by pooled investments and cash and office furniture and fittings.

General reserve fund

This fund is unrestricted, and consists of all the undesignated monies of the Synod. This asset is represented by pooled investments and cash.

Property valuations fund

This fund is unrestricted, and was set up in 2009. This asset is represented solely by property.

Manse fund

This fund is unrestricted, and was set up in 2006, and is funded from the sale of manses and retired ministers' houses. This asset is represented by pooled investments and cash.

Property fund

This fund is unrestricted, and was set up by Trust resolution in 2009 and is designated for making grants to churches and expenses incurred by the Trust in respect of property matters. It is funded from the sale of churches and halls and is represented by pooled investments and cash.

Mission fund

This fund is unrestricted, and was set up by Trust resolution in 2009. This fund is designated for the provision of grants for small church/community projects and longer term Partners in Mission projects which will require more substantial funding. The fund is a combination of the Development Fund and a legacy received, and is now funded from the sales of properties and donations from local churches. This asset is represented by pooled investments and cash.

Ministers' pension fund

This fund is unrestricted and is designated for contributing to the deficit on the URC ministers' pension fund. It arises from the sale of churches and is represented by pooled investments and cash.

Dr Brand legacy fund

This fund is unrestricted and arises from legacy income and is represented by pooled investments and cash. Dr James Brand left a legacy to the Presbytery of Newcastle in the 1960s. The Trust/Synod inherited it among the assets of the Districts of Newcastle and Durham & Teesside in 2008.

Synod Way Forward Fund

This fund is unrestricted and designated to manage costs relating to the Synod Way Forward. It is represented by pooled investments and cash.

Dales fund

The Dales Fund is restricted and is used to support rural ministry and properties in Swaledale. It is represented by pooled investments and cash.

Ministry and mission fund

This fund is restricted, and was set up in 1992, for the sole purpose of meeting ministry and mission commitments as necessary. It arises from accumulated surpluses and transfers from the Lancashire Congregational Union and North Tyne fund. Contributions from and to ecumenical partners are posted through this fund. This asset is represented by pooled investments and cash.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Nature and purpose of funds

(Continued)

Moderator's benevolent fund

This fund is restricted, and was set up in 1996 for the sole purpose of making discretionary grants to individuals. It arises from donations received by the Moderator. This asset is represented by one designated bank account and pooled investments and cash.

Mozambique partnership fund

This fund is restricted and was created in 2010 to sustain the partnership between Northern Synod and the Igreja Presbiteriana de Moçambique. The fund is supported by general donations from individuals and the General Reserve Fund. The asset is represented by pooled investments and cash.

Mozambique project fund

This fund was established in 2010 and is restricted. The fund was set up to collect donations from individuals, to support specific projects relating to the Partnership in Mozambique. The asset is represented by pooled investments and cash.

Northumberland project fund

This fund is restricted and was set up for the sole purpose of making grants for suitable projects in North Northumberland. This donation was received from Chatton United Reformed Church on closure of the church during 2016. The fund is to be held for a period of 5 years. The asset is represented by pooled investments and cash.

Students' fund

The Students' Fund was transferred from Newcastle Presbytery and is restricted to provide book grants to ministerial students. The asset is represented by pooled investments and cash.

Pulpit supply fund

This fund is restricted and was set up in 2011 to collect contributions from local churches and pay preaching fees and expenses in Northumberland. This asset is represented by pooled investments and cash.

Trust capital funds

These funds are restricted and arose from the sale of properties, and have been designated by Synod resolution for specific churches. These assets are represented by pooled investments and cash.

Church funds

These funds are restricted and are held on behalf of local churches. These assets are represented by pooled investments and cash.

Northerly Synods Listening and Reconciliation Fund

This fund is restricted and was set up in 2017. This fund will manage the grant received for this project in the five Northerly Synods and is represented by cash.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Analysis of net assets between funds

Current financial year

	Unrestricted	Restricted	Endowed	Total
	2020	2020	2020	2020
	£	£	£	£
Fund balances at 31 December 2020 are represented by:				
Tangible assets	938,390	-	150,000	1,088,390
Investment properties	155,000	-	-	155,000
Investments	8,445,765	2,353,951	-	10,799,716
Current assets/(liabilities)	1,875,430	28,517	28,578	1,932,525
Provisions	(366,483)	(11,180)	-	(377,663)
	<u>11,048,102</u>	<u>2,371,288</u>	<u>178,578</u>	<u>13,597,968</u>

Prior financial year

	Unrestricted	Restricted	Endowed	Total
	2019	2019	2019	2019
	£	£	£	£
Fund balances at 31 December 2019 are represented by:				
Tangible assets	909,506	-	200,000	1,109,506
Investment properties	155,000	-	-	155,000
Investments	8,245,237	1,800,238	-	10,045,475
Current assets/(liabilities)	1,268,591	32,100	-	1,300,691
Provisions	(336,039)	-	-	(336,039)
	<u>10,242,295</u>	<u>1,832,338</u>	<u>200,000</u>	<u>12,274,633</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

25 Operating lease commitments

Lessor

The company owns an investment property for rental purposes. Rental income earned during the year was £15,000. The property has a committed tenant until 2024.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2020 £	2019 £
Within one year	15,000	15,000
Between two and five years	45,000	60,000
	<u>60,000</u>	<u>75,000</u>

26 Related party transactions

There were no disclosable related party transactions during the year (2019: none).

27 Cash generated from operations

	2020 £	2019 £
Surplus for the year	1,323,335	1,711,444
Adjustments for:		
Investment income recognised in statement of financial activities	(349,438)	(358,752)
Loss on disposal of tangible fixed assets	21,422	-
Gift of property	(1,111,353)	(889,000)
Investment fee rebate reinvested	(14,803)	(14,767)
Fair value gains and losses on investments	(672,582)	(1,659,669)
Depreciation and impairment of tangible fixed assets	39,840	18,786
Movements in working capital:		
(Increase) in debtors	(35,721)	(5,633)
(Decrease)/increase in creditors	(3,771)	7,666
Increase in provisions	41,624	184,987
Cash absorbed by operations	<u>(761,447)</u>	<u>(1,004,938)</u>

28 Analysis of changes in net funds

The charity had no debt during the year.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

29 Properties vested in the company as custodian trustee

A comprehensive list of properties vested in the company is available on request to the URC Northern Synod Office.

30 Retirement benefit schemes

Final salary (defined benefit) pension scheme

The Trust contributed £59,053 (2019: £54,361) to The United Reformed Church Final Salary Scheme, a pension scheme principally for lay staff which is administered by TPT Retirement Solutions Trust (formerly The Pensions Trust). The scheme is a defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities – each member in the scheme pays a common contribution rate.

The most recent formal actuarial review of the scheme was at September 2019 when the scheme had a surplus of £2,689,000. The assumptions underlying that valuation include:

Discount Rate: 1.4% pa
Pensionable earnings growth: 2.5% for three years, 2.75% thereafter
Price Inflation and pension increase: 2.55%
Retirement age (active members): 65, with maximum commutation

31 Contingent liabilities

Discussions continue about the future funding of the URC Ministers' Pension Fund over the next 10 years as the scheme reaches maturity. An actuarial review of the scheme is currently ongoing and a deficit recovery plan will be required. It is likely that the Synod, in conjunction with all other Synods throughout the country, agree to commit some resources towards meeting this deficit. Due to the structure of the national church and ministerial appointments there is no legal obligation for the Trust but all Synods have been approached and there is wide acceptance that there is a moral obligation at the Synod level and that such support does fall within the charitable purposes of the Trust.

Whilst discussions are still ongoing and there is no binding agreement, the Trust has made an in-principle offer of £3,000,000 which would be payable over a period of 9 years commencing in 2022. This position is, however, subject to Synod ratification in October. The Trust continues to monitor and review the position to ensure that any such final commitment is affordable and does not put the financial stability of the Trust at risk.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.