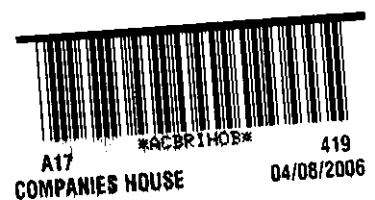


THE UNITED REFORMED CHURCH
(YORKSHIRE PROVINCE) TRUST
LIMITED

Charity registered no: 1068103
Company registered no: 1562723

ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2005



THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

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THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2005

This report fulfils the requirements of the Charities Act 1993 for a Trustees' Annual Report and the requirements of the Companies Act 1985 for a Directors' Report.

Reference And Administrative Information

Company registration number: 1562723

Charity registration number: 1068103

Registered Office: Somerset House, St Paul's Street
Morley, Leeds, LS27 9EP
Telephone 0113 289 8490
Fax 0113 289 8491
Email office@urcyorkshire.org.uk

Web Site: www.urcyorkshire.org.uk

Trustees & Directors: Mr M Asbridge
Miss M E Atkinson (Treasurer)
Mr B Brook
Rev D Coote
Rev A Harrison
Mrs V Morrison
Mr A Murison
Mr J Pulman

Secretary to Trustees & Company Secretary: Mrs Sheila Duncan

Bankers: National Westminster Bank plc
Leeds City Branch, PO Box 154,
8 Park Row, Leeds, LS1 1QS

Solicitors: Lupton Fawcett
Yorkshire House,
Greek Street, Leeds, LS1 5SX

Auditors: Jolliffe Cork LLP
Chartered Accountants & Registered Auditors,
33 George Street,
Wakefield, WF1 1LX

Investment Managers: Brewin Dolphin Securities
34 Lisbon Street,
Leeds, LS1 4LX

Property Adviser: Walker Singleton
Property House, Lister Lane,
Halifax, HX1 5AS

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

Structure, Governance and Management

The United Reformed Church (Yorkshire Province) Trust Limited ('the Association') is a company limited by guarantee under the provisions of the Companies Act 1985. The governing instrument is the Memorandum & Articles of Association which are dated 19 May 1981.

The membership consists of the members for the time being of the Synod Council of the Yorkshire Synod of the United Reformed Church. At 31 December 2005 the number of members totalled 16 (2004 – 15). In the event of the Association being wound up, every person who is a member, or who has been a member within one year, is liable to contribute to the debts and liabilities of the Association a sum not exceeding £1.

The business of the Association is managed by the members of the Executive Council who are trustees of the charity, and directors of the United Reformed Church (Yorkshire Province) Trust Ltd for the purposes of company law. Members of the Executive Council are the members for the time being of the Financial Resources Committee of the Synod. Each of the six geographical districts of the Synod appoints a member, though at the end of 2005 there was a vacancy in one district, and Synod appoints the Treasurer. The Synod Moderator and Synod Clerk are ex-officio members of the Committee.

There were no changes of directors during the year. Those listed on page 1 are the only directors to serve from the beginning of the year to the date of this report.

During 2006 there will be discussion about the policy and procedures for the induction and training of trustees but in the meantime Charity Commission publications are made available for all trustees.

The Financial Resources Committee of the Synod meets six times a year and is responsible for all financial decisions. Investments are monitored by a sub-committee on which one trustee and the Treasurer serve. This sub-committee meets four times a year and implements investment strategies established by the trustees. Minutes of the meetings are circulated to the trustees.

The Association operates as an autonomous body but, along with twelve other Synods (or regions), is part of The United Reformed Church and this brings a share of national responsibilities. Currently, a resource sharing process enables Synods with more resources to help those less well equipped and Yorkshire is a net contributor to this scheme.

Connected Charities

The United Reformed Church (Yorkshire Province) Trust Ltd is connected with the Yorkshire Congregational Union (Inc) which is custodian trustee to most of the local churches of the United Reformed Church in its Yorkshire Synod. The Yorkshire Congregational Union (Inc) shares the United Reformed Church (Yorkshire Province) Trust Ltd offices and administration, for which it pays a small charge based on its income. The two organisations have common trustees.

Risk assessment

The Executive Council has identified current risks and taken steps to establish systems that will prevent or mitigate those risks. The Trustees assess risks on an annual basis.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

Objectives and Activities

The Association is established to advance the Christian religion and propagate the Gospel in accordance with the doctrines, principles and usages of the United Reformed Church with particular responsibility for the Yorkshire Province of that Church.

The Association exists to support the United Reformed Churches of the Yorkshire Synod in their search to obey the will of Christ in their witness to the world. The main objective of the Association is to provide resources, funded by the Association's assets, to enable the churches to do this.

Currently, the main strategy of the Association is to maximise income through the Executive Council, in partnership with the Investment Sub Committee; and to apply the resources so generated in response to requests from the appropriate councils of the United Reformed Church in Yorkshire and in accordance with the United Reformed Church Acts 1972, 1981 and 2000.

Significant activities

Provision of information, advice, support and encouragement to churches covering:-

- Property maintenance and development
- Legal and compliance issues
- Terms of settlement for existing and new ministers
- Accounting requirements
- Management of the Mission and Ministry Fund Scheme

Administering the investments and property of the churches

Training and Resources enabling:-

- Both lay and ordained ministers
- Adults and young people
- Safeguarding of Children, Young People and Vulnerable Adults

Grant making and other financial support for church buildings and projects

Management and Maintenance of the investments and properties held for the use of the Association

Grants Policy

The objects of the Association dictate that grants can only be made to United Reformed Churches.

Normally, the only individuals who can receive a grant are retired ministers or their widow(er)s and these welfare grants are awarded in response to applications made to the Welfare Committee in April of each year. Applicants must be resident within the Yorkshire Synod.

United Reformed Churches can apply for grants from the following funds:-

- | | | |
|----------------------------------|---|--|
| Church Extension Fund | – | loans with associated grants for church building projects |
| Maintenance of the Ministry Fund | – | grants for new or re-shaped pastorates to assist with the costs of ministry. |
| Amalgamation Fund | – | for church missionary activities but not for building work |
| Closed Churches Fund | – | for 25% of the cost of church survey reports |

During recent years the Association has been awarding grants to churches to assist with the provision of facilities and access for the disabled. This scheme ceased in 2005.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

Grants Policy (continued)

All grant applications are considered by the Synod Financial Resources Committee but the committee acts on a recommendation from the Synod Council for Amalgamation Fund grants.

All grants are accounted for once a decision has been reached and the church notified and grants will be held for a maximum of three years. Any period of delay longer than this will require a re-application.

Achievements and Performance

The Association has maximised its income and applied its resources in response to requests from the appropriate councils of the Church and has employed staff to carry out the Activities shown on page 3.

In 2005, Churches have followed the five year programme of building surveys and many have completed building projects to meet the requirements of the Disabled Discrimination Act. Intake URC, Doncaster has embarked upon an ambitious redevelopment scheme in partnership with Sure Start and Doncaster Council.

The Association has, in partnership with the Land Registry, embarked upon a programme of registration of all Church and Synod owned properties. This should enable more efficient handling of property transactions and anticipates Government requirement for all property to be registered.

Regular courses and conferences have been organised by the Synod Development Officer and Youth and Children Work Trainer. These provide opportunities for training and education of ministers and lay members of the Churches, together with any who are interested in learning more of the Christian Faith and the United Reformed Church.

Significant time has been spent in developing the Synod Good Practice Policy in relation to the Safeguarding of Children, Young People and Vulnerable Adults and this work is now cascading down to the Churches who are being encouraged to make a 'Declaration of a Safe Church'.

Grants totalling £62,638 were actually paid in 2005 and a further total of £51,800 was awarded for payment over the next 6 years.

The performance of the Investment Portfolios was assessed by the Investment Sub Committee on behalf of the trustees and in each case the income generated exceeded the budget set by the Synod. Within the context of the current economic climate, the Trustees are satisfied with the performance of the Investments.

Future Plans

The United Reformed Church is undergoing a period of change and 2006 will see decisions about future structures. The Association is examining its own structures and resources as well as supporting the local churches as new ways of working are developed. The Church is attempting to 'Catch the Vision' and restore mission to the place of first priority.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

Financial Review

Results for the year

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities 2005".

The excess of income over expenditure for the year amounted to £186,081 (2004 was £116,818).

Reserves policy

Reserves will be held to finance the normal work of the United Reformed Church in Yorkshire, together with its responsibilities to the work nationally, for a period of 12 months. The average expenditure over the three years, to 31st December 2005, was £324,054 and the level of reserves at that date was £453,829. The Executive Council will take steps to reduce the reserves to the level of one year's expenditure. This policy will be reviewed annually.

Use of Funds

The assets are available and adequate to fulfil the obligations of the Association. Each fund has sufficient resources in an appropriate form to meet its obligations. All the assets of the Association are used for the direct charitable purposes of the Association and were acquired in accordance with powers vested in the Executive Council. The financial position at the Balance Sheet date is satisfactory and will enable the Association to meet future obligations.

Investment policy and investment powers

On 16th November 2005 the Executive Council approved a revised Investment Policy Statement. This document outlines the responsibilities of the various committees within the Synod and contains details of the Discretionary Management of the Investments by Brewin Dolphin Securities Ltd.

The policy document outlines the Requirements, Restrictions, Recording and Reporting under which the Managers will operate. This policy was revised during 2005 following the decision to add 'companies that were predominantly involved with the printing and distribution of pornography' to the list of restrictions which had previously consisted of companies predominantly involved with alcohol, gambling, tobacco and armaments.

Property

All property under the control of the Association is shown at open market value (subject to existing tenancies if applicable) as indicated in notes 9 and 11.

In 2005 the Trust acquired a church building through closure and this property was realised, yielding net proceeds of £257,341. The proceeds of the sale are shown as part of the 'Net assets from closed churches' in the Statement of Financial Activities and in note 2.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

Statement of responsibilities of the Executive Council

Company law requires the Executive Council to prepare financial statements for each financial year which give a true and fair view of the state of the Association's financial activities during the year and of its financial position at the year end. In preparing those financial statements, the Executive Council should follow best practice and:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The Executive Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Association and which enable it to ascertain its financial position and to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and regulations thereunder. It is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

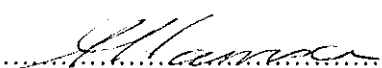
These financial statements comply with current statutory requirements and with the requirements of the Association's governing document.

Auditors

Jolliffe Cork LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

SIGNED ON BEHALF OF THE EXECUTIVE COUNCIL


..... Miss M E Atkinson (Treasurer)


..... Revd Arnold Harrison (Executive Council Member)

15 March 2006

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

We have audited the financial statements of The United Reformed Church (Yorkshire Province) Trust Limited for the year ended 31 December 2005, which comprise the Statement of Financial Activities, the Income and Expenditure account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

As described in the Statement of responsibilities of the Executive Council, the trustees' (who are also the directors of The United Reformed Church (Yorkshire Province) Trust Limited for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Annual Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

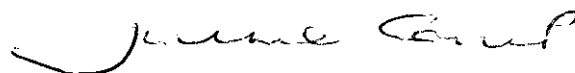
Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2005 and of its net income for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Dated this 15th March 2006

33, George Street,
Wakefield,
WF1 1LX



Jolliffe Cork LLP
Chartered Accountants
and Registered Auditors

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2005

		Unrestricted Funds	Restricted Funds	Endowment Funds	2005 Total Funds	2004 Total Funds
INCOMING RESOURCES	Note	£	£	£	£	£
Voluntary income						
Gifts and donations		640	732		1,372	2,105
Gift from amalgamated churches		-	-		-	2,249
Investment income						
Income from quoted investments		179,563	15,206		194,769	183,481
Investment property rents		37,208	-		37,208	34,434
Interest on bank balances		13,083	9,996		23,079	16,558
Incoming resources from charitable activities						
Interest on loans to churches		-	6,051		6,051	6,482
Rents from non-investment property		6,592	-		6,592	9,423
Net assets from closed churches	2	-	290,842		290,842	135,044
Management charge		1,899	-		1,899	8,120
Other incoming resources						
Profit on sale of tangible asset		-	2,266		2,266	-
Total incoming resources	16	238,985	325,093	-	564,078	397,896
RESOURCES EXPENDED						
Costs of generating funds						
Managing investments	4	10,564	16,383	5,043	31,990	29,968
Charitable activities						
Grantmaking	5	55,476	61,200	-	116,676	54,343
Other charitable activities	5	197,645	20,857	-	218,502	186,242
Governance costs	6	15,872	-	-	15,872	15,234
Total resources expended		279,557	98,440	5,043	383,040	285,787
Net incoming resources before transfers		(40,572)	226,653	(5,043)	181,038	112,109
Gross transfers between funds	16	(36,260)	36,260	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(76,832)	262,913	(5,043)	181,038	112,109
Gains on revaluation of fixed assets for the charity's own use		-	-	-	-	(476)
Gains on investment assets	11	38,652	338,848	118,581	496,081	287,261
Net movement in funds		(38,180)	601,761	113,538	677,119	398,894
RECONCILIATION OF FUNDS						
Total funds brought forward						
At 1 January 2005		511,226	4,901,770	940,356	6,353,352	5,954,458
Total funds carried forward						
At 31 December 2005	16 & 17	473,046	5,503,531	1,053,894	7,030,471	6,353,352

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 £	2004 £
Total income of continuing operations	564,078	397,896
Total expenditure of continuing operations	377,997	281,078
	<hr/>	<hr/>
Net income for the year	186,081	116,818
Gain on disposal of fixed asset investments	35,361	35,006
	<hr/>	<hr/>
Net income for the period	221,442	151,824
	<hr/> <hr/>	<hr/> <hr/>

Notes

Total income comprises £238,985 for unrestricted funds and £325,093 for restricted funds. A detailed analysis of income by source is given in the Statement of Financial Activities.

Analyses of expenditure are provided in the Statement of Financial Activities and notes 2 to 4.

Net income before investment asset disposals of £186,081 comprises £76,832 net expenditure on unrestricted funds and £262,913 net income on restricted funds, as shown by the Statement of Financial Activities.

The Summary Income and Expenditure account is derived from the Statement of Financial Activities which together with the notes 1 to 19 provides full information on the movements during the year on all the charity's funds.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

BALANCE SHEET AT 31 DECEMBER 2005

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	9	940,077	961,452
Investments	11	5,294,981	4,721,940
		<u>6,235,058</u>	<u>5,683,392</u>
Current assets			
Debtors	12	377,363	124,906
Short term deposits		495,114	552,114
Cash at bank and in hand		12,385	3,910
		<u>884,862</u>	<u>680,930</u>
Creditors: amounts falling due within one year	14	(67,949)	(10,970)
Net current assets		<u>816,913</u>	<u>669,960</u>
Total assets less current liabilities		<u>7,051,971</u>	<u>6,353,352</u>
Creditors: amounts falling due after more than one year	15	(21,500)	-
		<u>7,030,471</u>	<u>6,353,352</u>
Funds	16 & 17		
Endowment funds		1,053,894	940,356
Restricted funds		5,503,531	4,901,770
Unrestricted funds		473,046	511,226
		<u>7,030,471</u>	<u>6,353,352</u>

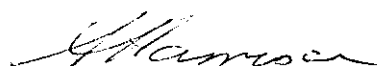
The financial statements were approved by the Executive Council on 15 March 2006

Miss M E Atkinson



Treasurer

Revd A Harrison



Executive Council Member

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and certain fixed assets, and in accordance with the Companies Act 1985, accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" revised in 2005.

Incoming resources

Donations and legacies, which are rare and small, are included when they are received. Investment income is included when it is receivable, and includes any recoverable income tax. Property rents and interest on loans are included when they fall due. Investments and other assets from churches which have closed are accounted for when the amount receivable can reasonably be ascertained.

Basis of allocation of expenditure

Grants payable are voluntary payments to individuals, local URC churches or URC organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved by the financial resources committee and the recipient has been told of that approval.

This is a change of policy; previously grants were accounted for only when paid. No adjustment has been made for grants authorised but not paid at 31 December 2004.

Support costs incurred in maintaining the office and employing the office staff have been allocated to the various activities of the Trust, investment management and governance in proportion to the time spent by office staff on each activity.

Investment assets

Investment assets are included at market value at the balance sheet date. Investment properties are valued professionally every five years. In between the valuations the Trustees' best estimate of market value is used. In accordance with standard accounting practice, no depreciation is charged on investment properties. All changes in value in the year, whether realised or not, are reported in the Statement of Financial Activities.

Tangible fixed assets and depreciation

Freehold and leasehold properties held for continuing use by the Trust are revalued by professional valuers every 5 years and are depreciated over 50 years. Properties acquired between valuations are included at cost and depreciated over 50 years. Properties sometimes pass to the Trust from United Reformed Churches in Yorkshire which have closed. If they are to be retained they are valued on acquisition. If the property is to be sold it is not revalued.

Office equipment is capitalised where a purchase or project costs over £1,000, and is included at cost less a provision for depreciation. This is calculated to write down the cost of tangible fixed assets by equal annual instalments over their expected useful lives, which are between 3 and 10 years.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

2 Net assets from closed churches

	2005 £	2004 £
Bank balances from church closed in year	33,501	2,442
Net proceeds of sale of redundant church	257,341	132,602
	<u>290,842</u>	<u>135,044</u>

When United Reformed Churches in Yorkshire close, the net assets and building pass to the Closed Churches Fund. The building is not included in fixed assets if it is sold within the year of closure. There can be significant variances in this income from one year to another.

3 Allocation of support costs

The Trust allocates its support costs as shown.

	Managing investments £	Grant- making £	Other charitable activities £	Governance £	Total £
Office staff costs	6,487	1,622	66,494	6,487	81,090
Office rates and maintenance	1,264	316	12,965	1,265	15,810
Office expenses and equipment	643	161	6,590	643	8,037
Depreciation	556	139	5,698	556	6,949
	<u>8,950</u>	<u>2,238</u>	<u>91,747</u>	<u>8,951</u>	<u>111,886</u>

4 Costs of generating funds

	Charitable expenses £	Support costs £	2005 £	2004 £
<i>Managing investments</i>				
Investment management fees	23,040		23,040	21,430
Support costs		8,950	8,950	8,538
	<u>23,040</u>	<u>8,950</u>	<u>31,990</u>	<u>29,968</u>

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

5 Costs of charitable activities	Charitable expenses	Support costs	Total 2005	Total 2004
	£	£	£	£
<i>Grantmaking</i>				
Grants to individuals				
Retired ministers and widows (11 grants)	7,200		7,200	7,000
Grants to URC institutions			-	
Church property projects (12 grants)	22,654		22,654	14,031
Church mission activities (7 grants)	48,500		48,500	10,500
Church property surveys (18 grants)	3,534		3,534	2,462
Other URC provinces (2 grants)	32,550		32,550	18,216
Support costs		2,238	2,238	2,134
	<u>114,438</u>	<u>2,238</u>	<u>116,676</u>	<u>54,343</u>
<i>Other charitable activities</i>				
Training ministers and lay members	48,347	-	48,347	50,658
Administering churches' property and investments	2,234	31,329	33,563	30,303
Supporting committees and Synod	6,615	14,545	21,160	21,142
Pastoral work	883	7,832	8,715	8,503
Supporting and encouraging URC churches, districts and centrally	4,412	30,209	34,621	32,707
Chaplaincies, industrial mission and ecumenical relations	5,666	1,118	6,784	9,381
Management & maintenance of Synod properties	57,781	6,714	64,495	33,229
Sundry and contingencies	817	-	817	319
	<u>126,755</u>	<u>91,747</u>	<u>218,502</u>	<u>186,242</u>
6 Governance costs	Charitable expenses	Support costs	Total 2005	Total 2004
	£	£	£	£
External audit fee	4,935	-	4,935	4,641
Internal audit and accountancy	1,281	-	1,281	1,350
Legal fees	705	-	705	705
Support costs	1,908	8,951	10,859	8,538
	<u>8,829</u>	<u>8,951</u>	<u>17,780</u>	<u>15,234</u>

No fee was paid to Jolliffe Cork LLP for any service other than audit.

7 Staff costs	2005	2004
	£	£
Wages and salaries	87,872	84,971
Employer's National Insurance	7,431	7,137
Pension contributions	9,662	9,321
	<u>104,965</u>	<u>101,429</u>

The average number of full-time equivalent employees during the year was 5 (2004- 5).

No employee received remuneration of more than £60,000 per annum.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

8 Trustees' expenses

Members of the Executive Council are entitled to claim travel expenses for attending its meetings. The synod clerk and treasurer may claim other expenses (travel, telephone, stationery etc) incurred in their capacity as trustees. No trustee nor anyone connected with the trustees received any remuneration in 2005 or 2004.

The total of expenses claimed, by 10 trustees, for the year was:

£1,339

£1,556

9 Tangible assets

	Freehold Property	Office equipment	Total
Cost or valuation	£	£	£
At 1 January 2005	1,002,164	59,760	1,061,924
Additions	-	5,708	5,708
Disposals	(100)	(8,115)	(8,215)
At 31 December 2005	1,002,064	57,353	1,059,417
Depreciation			
At 1 January 2005	61,170	39,302	100,472
Charge for the period	20,044	6,949	26,993
Disposals	(10)	(8,115)	(8,125)
At 31 December 2005	81,204	38,136	119,340
Net book amount			
At 31 December 2005	920,860	19,217	940,077
At 31 December 2004	940,994	20,458	961,452
Historical cost of revalued assets and later additions	756,160	-	756,160

Property

Net book amount

The freehold property is used for the direct charitable purposes of the Trust and comprises:	£
Housing for ministers of local churches (a part share in 7 properties)	577,376
Church buildings (part share in one property)	64,400
Graveyards (4 sites)	360
Provincial office building	278,724
	920,860

All properties were revalued as at 1 January 2001 by Walker Singleton on an open market basis, subject to existing tenancies if applicable, in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors. One manse was acquired following the closure of the church, and was valued at £165,000 by Hodsons Estate Agents, as at 31 December 2002. The Trust share in one manse was revalued after the church paid for improvements. Other additions since the revaluations are shown at cost.

10 Taxation

The Trust is a registered charity and is exempt from taxation under the provisions of the Charities Act 1960. Income represents the net amount received together with tax repaid and repayable thereon.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

11 Fixed asset investments	Investment Properties	Quoted investments	Balances at stockbroker	Total
	£	£	£	£
Market value				
At 1 January 2005	460,867	4,196,456	64,617	4,721,940
Less:				
Disposals at opening book value	-	(752,386)	-	(752,386)
Deposits reinvested	-	-	(114,512)	(114,512)
Investment management fees	-	-	(23,040)	(23,040)
Cash deposited for investment			100,000	100,000
Add:				
Acquisitions at cost	-	902,259	-	902,259
Revaluation at year end	-	460,720	-	460,720
At 31 December 2005	460,867	4,807,049	27,065	5,294,981
Historical cost				
At 31 December 2005	-	3,635,746	27,065	3,662,811
Disposals: Proceeds	-	787,747	-	787,747
Book value at 1 Jan 2005		(752,386)	-	(752,386)
Gain	-	35,361	-	35,361

The investment property which is leasehold, at Aberdeen Walk, Scarborough, was revalued as at 1 January 2001 by Walker Singleton on an open market basis in accordance with guidelines issued by the Royal Institute of Chartered Surveyors.

All investment assets are in the UK. Details of the portfolio of quoted investments are as follows:

	2005	2004
	£	£
Equity investments	2,998,633	2,395,640
Gilt-edged and fixed interest stocks	1,290,862	1,336,330
Investment and unit trusts	517,554	464,486
	4,807,049	4,196,456

The portfolio includes material investments (over 5% by value) in:

	£	£
6.25% Treasury Stock 2010	554,561	635,036
M&G Charifund	248,924	244,380

12 Debtors	2005	2004
	£	£
Loans to churches (see below)	83,296	88,187
Amounts due from YCU (Inc.)	1,899	3,120
Investment income receivable	21,454	20,769
Prepaid expenses	5,892	2,376
Other debtors	264,822	10,454
	377,363	124,906
Included above are loans falling due after more than one year of:	47,072	42,796

All loans are to churches within the province. The maximum repayment period is 5 years and interest is charged at 5%. The maximum capital outstanding on any loan at 31 December 2005 was £17,000.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

13 Related Parties

The Yorkshire Congregational Union (Inc) is a charity administered by the same trustees as the United Reformed Church (Yorkshire Province) Trust Limited, from the same office. It acts as custodian trustee for many of the United Reformed Churches in the Yorkshire Synod. The Yorkshire Congregational Union (Inc) has no employees; its administrative work is performed by employees of the United Reformed Church (Yorkshire Province) Trust Ltd, for which a management charge is made. The charge for 2005 of £1,899 (2004 - £3,120) is a debtor in these accounts. In 2004 the Yorkshire Congregational Union (Inc) repaid a grant of £5,000 made in 2002.

14 Creditors: amounts falling due within one year	2005 £	2004 £
Grants authorised but not yet paid	30,300	-
Other creditors	32,097	5,523
Accruals	5,552	5,447
	<u>67,949</u>	<u>10,970</u>

15 Creditors: amounts falling due after more than one year	2005 £	2004 £
Grants authorised but not yet paid	21,500	-

16 Movement in funds during 2005

	Balance 1 Jan 2005 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Revaluation gains/losses £	Balance 31 Dec 2005 £
Permanent endowments						
General Purposes	631,163	-	(3,375)	-	79,388	707,176
Church Extension	213,546	-	(1,152)	-	27,069	239,463
Maintenance of Ministry	15,052	-	(81)	-	1,909	16,880
Welfare of Ministry	64,513	-	(348)	-	8,177	72,342
Home Churches	16,082	-	(87)	-	2,038	18,033
	<u>940,356</u>	<u>-</u>	<u>(5,043)</u>	<u>-</u>	<u>118,581</u>	<u>1,053,894</u>
Restricted funds						
Closed Churches capital	4,576,400	293,108	(36,427)	-	338,848	5,171,929
Amalgamation - capital and income	98,570	4,302	(15,000)	-	-	87,872
Income funds:						
Church Extension	219,228	22,085	(5,500)	-	-	235,813
Maintenance of Ministry	-	740	(33,500)	32,760	-	-
Welfare	6,211	4,011	(7,200)	3,500	-	6,522
Home Churches	1,361	847	(813)	-	-	1,395
	<u>4,901,770</u>	<u>325,093</u>	<u>(98,440)</u>	<u>36,260</u>	<u>338,848</u>	<u>5,503,531</u>
Unrestricted Funds						
General income	192,016	36,304	(219,238)	124,870	-	133,952
Closed Churches income	-	188,507	(41,551)	(146,956)	-	-
Albion - capital and income	319,210	14,174	(18,768)	(14,174)	38,652	339,094
	<u>511,226</u>	<u>238,985</u>	<u>(279,557)</u>	<u>(36,260)</u>	<u>38,652</u>	<u>473,046</u>
Total Funds	<u>6,353,352</u>	<u>564,078</u>	<u>(383,040)</u>	<u>-</u>	<u>496,081</u>	<u>7,030,471</u>

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

16 Movement in funds during 2005 (continued)

The Trust is Trustee of all the funds, which are to be used by the United Reformed Church in its Yorkshire Synod.

Permanent Endowment funds represent those assets which must be held permanently by the Trust, principally investments. Any capital gains or losses arising on the investments form part of the fund. Investment management charges are charged against the fund. Income arising on the endowment funds is either restricted or unrestricted depending on the fund.

The endowment investments are pooled and held within the Common Investment Fund. All gains and income are credited to the constituent endowment and income funds in the proportion of the assets originally pooled, which were general (66.93%), church extension (22.84%), maintenance of the ministry (1.61%), welfare (6.90%) and home churches (1.72%).

Restricted funds are funds which have been given for particular purposes.

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

General purposes fund - use of the income is unrestricted for the furtherance of religious and other charitable work of the United Reformed Church within its Yorkshire Synod.

Church extension fund - makes loans and grants to local United Reformed Churches for the upkeep and repair of their buildings.

Maintenance of the ministry fund - makes grants to local churches towards the stipends and expenses of their ministers. These grants are usually spread over five years, the amount reducing each year.

Welfare of the ministry fund - makes grants in case of need to ministers, retired ministers and their dependants.

Home churches fund - represents a small amount of capital, the income from which forms part of the Synod's mission and ministry fund contributions to the United Reformed Church.

Closed churches fund - holds the funds from churches closed after 1972, under the terms of the URC Trusts set out in the 1972 URC Act, as modified by the 1981 Act. The capital is available for use in accordance with the URC Act 1981, Schedule 2, parts I and II. Income from the investment of the capital is directed to the general purposes fund and is used to fund the work of the Synod.

Albion fund - consists mainly of accrued income and is administered and managed as part of the general fund. During the last four years the Trust has awarded grants from this fund, totalling £63,018, to local churches to enable them to adapt their premises to ensure access for the disabled.

Amalgamation fund - holds funds arising from the sale of property following the amalgamation of churches. Both capital and income are available to local churches for church planting and extension, but not for buildings.

Transfers between funds

The net income on the Closed churches and Albion funds is unrestricted and transferred to the General fund each year. The General fund makes transfers to the maintenance of the ministry and welfare income funds to ensure they are never left in deficit.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)

17 Analysis of net assets between funds at 31 December 2005

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 December 2005 are represented by:				
Tangible fixed assets	19,217	920,860	-	940,077
Investments	335,992	3,905,358	1,053,631	5,294,981
Net current assets	117,837	677,313	263	795,413
Total net assets	473,046	5,503,531	1,053,894	7,030,471

18 Contingent liabilities

The association has guaranteed a loan made to a church in the Yorkshire Synod by the United Reformed Church Building Fund. At 31 December 2005 and 31 December 2004 the amounts outstanding were:

	2005 £	2004 £
Loan 694/324	19,994	28,159
	19,994	28,159

The Executive Council has no reason to expect the church to default on the loan.

19 Pension costs

The Trust contributes for office staff into a United Reformed Church lay staff pension scheme known as the "Home Staff" pension scheme, which is administered by The Pensions Trust. This is operated as a defined benefit scheme but the Trust is not the only participating employer in the scheme and is unable to identify its share of the underlying assets and liabilities and therefore the scheme is accounted for as a defined contribution scheme with the costs equal to the contributions made for the accounting period. During 2005 the Trust contributed 10% (2004: 10%) of basic salary in respect of members of the scheme, amounting to £6,795 (2004: £6,544). Members contributed 5% of pensionable pay. Triennial actuarial valuations of the scheme are performed by a professionally qualified actuary. The most recent actuarial review was at 30 September 2004. The employer's contribution rate will be increased from 10% to 18.5% with effect from 1 January 2006.

The Trust's Development Officer is a member of the United Reformed Church Ministers' Pension Fund. This is a defined benefit scheme and the assets are invested and managed by an independent trustee. The Trust is unable to identify its share of the underlying assets and liabilities and therefore the scheme is accounted for as a defined contribution scheme with the costs equal to the contributions made for the accounting period. Since 1 January 2004 the Trust's contribution has been 14.95% of pensionable pay, amounting to £2,867 (2004: £2,777). Members have contributed 4.5% of pensionable pay. The employer's contribution rate will be increased from 14.95% to 15.65% with effect from 1 January 2006.