

**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 2007**

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THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

INDEX	PAGE
Trustees' annual report	1 - 6
Report of the auditors	7 - 8
Statement of financial activities	9
Summary income and expenditure account	10
Balance sheet	11
Notes to the financial statements	12 - 19

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

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 (to 21/05/07) Mr A B Brook Rev D G Coote Rev A Harrison (to 29/02/08) Mr J F Horton (from 22/01/07) Prof T B C McGuffog (from 21/11/07) Mrs G V Morrison Mr A Murison (Treasurer) Rev K Watson (from 01/03/08) Mr D G Wollacott (from 19/09/07)
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, East Parade, Leeds, LS1 5BD
Auditors:	Jolliffe Cork LLP Registered Auditors & Chartered Accountants, 33 George Street, Wakefield, WF1 1LX
Investment Managers:	Brewin Dolphin Securities 34 Lisbon Street, Leeds, LS1 4LX
Property Advisers:	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 2007 (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 is 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 2007 the number of members totalled 15 (2006 – 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 Limited 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. The members of the Financial Resources Committee are recruited from the membership of the churches of the Synod, the appointments being approved by the Yorkshire Synod Council and ratified by Synod. Synod also appoints the Treasurer and the Synod Moderator and Synod Clerk are ex-officio members of the Committee.

During the year Mr Andrew Murison succeeded Miss Margaret Atkinson as Treasurer and both Mr Dennis Wollacott and Prof Tom McGuffog were added to the Executive Council. In 2008 the Revd Kevin Watson has replaced the Revd Arnold Harrison. Those listed on page 1 are the only directors to serve from the beginning of the year to the date of this report.

The Association is aware of the need to enable and equip trustees and takes steps to make available Charity Commission publications and Newsletters.

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 Limited is connected with the Yorkshire Congregational Union (Incorporated) which is custodian trustee to most of the local churches of the United Reformed Church in its Yorkshire Synod. The Yorkshire Congregational Union (Incorporated) shares the United Reformed Church (Yorkshire Province) Trust Limited 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 2007 (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

Formulating a Synod Mission Strategy and prioritising the work.

Encouraging Churches to undertake mission activity relevant to their variety of contexts.

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

Advising and assisting with establishing, grouping, amalgamating or dissolution of local churches within the United Reformed Church and with other denominations.

Developing a strategy for the deployment of ordained ministry within the Synod and assisting churches during times of vacancy

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 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
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Maintenance of the Ministry Fund	- grants for new or re-shaped pastorates to assist with the costs of ministry.
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Amalgamation Fund	- for church missionary activities but not for building work
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Closed Churches Fund	- for 25% of the cost of church survey reports
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THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007 (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 2007, a new national structure was adopted which removed District Councils and the Association has spent much of the year developing new ways of working to ensure that the work of the local churches is enabled and envisioned. A new Deployment and Vacancy Committee has been established to handle much of the work, involved with the deployment and movement of ministers, previously undertaken by the District Councils.

The churches have continued to follow the five year programme of building surveys and many are also considering or actually embarking upon significant building projects. These include Bolton Villas, Bingley, Brackenhall, Dore & Totley, Greasbrough, Meersbrook Park, Saltaire and West Park, Harrogate

The Association has, in partnership with the Land Registry, nearly completed a programme of registration of all Church and Synod owned properties. The bulk of the properties are now registered and those few with queries are slowly but steadily being worked through. This process will enable more efficient handling of property transactions and anticipates Government requirement for all property to be registered.

Training and Development work was given a boost with the arrival, in August 2007, of a new Development Officer – Revd Dr James F Coleman. He is already building relationships that will enable him to 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.

Work continues to ensure that the Synod operates an effective Good Practice Policy in relation to the Safeguarding of Children, Young People and Vulnerable Adults. Churches continue to be encouraged to make a 'Declaration of a Safe Church'.

Grants totalling £54,264 were actually paid in 2007 and a further total of £42,800 has been awarded for payment over the next 4 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. However, the capital performance of the Portfolios reflected the difficult economic climate, especially in the 6 months to 31st December, and showed a loss of 6% of Market Value during 2007.

Future Plans

The new ways of working developed in 2007 will be assessed during 2008 and any required adjustments will be made. The Association will continue to examine how best to resource and enable the mission and outreach of the local churches.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007 (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" issued in 2005

The excess of expenditure over income for the year amounted to £60,420 (in 2006 there was an excess of expenditure over income of £6,868)

Reserves policy

Reserves are unrestricted funds which are not held as fixed assets. 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 2007, was £358,613 and the level of reserves at that date was £426,678. As new structures and patterns of working are still to be finalised, the Executive Council will take no steps to alter the level of reserves until the new systems and policies are in place. This Reserves 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 21st November 2007 the Executive Council reviewed the Investment Policy Statement and, in the absence of any amendments, once again confirmed the Policy Document dated 16th November 2005. 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 also 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 as indicated in notes 9 and 11 of the Financial Statements. The valuations used were those provided by Walker Singleton, as at 1st January 2006, with the exception of the property obtained during 2007 where the purchase price was used

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007 (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:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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

So far as each member of the Executive Council at the date of this report is aware,

- there is no relevant audit information of which the Association's auditors are unaware, and
- the Executive Council have taken all steps which they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

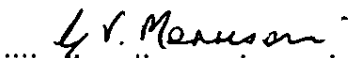
Auditors

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



Mr A E Murison (Treasurer)



Mrs G V Morrison (Executive Council Member)

19 March 2008

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 2007, which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of The United Reformed Church (Yorkshire Province) Trust Limited for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Executive Council

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 whether the information given in the Trustees' Annual Report is consistent with the financial statements. In addition we report to you if, in our opinion, the charity 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 charitable company'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED (continued)

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 charitable company's affairs as at 31st December 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

Dated this 19th March 2008

**33, George Street,
Wakefield,
WF1 1LX**



**Jolliffe Cork LLP
Registered Auditors
and Chartered Accountants**

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2007

		Unrestricted Funds	Restricted Funds	Endowment Funds	2007 Total Funds	2006 Total Funds
	Note	£	£	£	£	£
INCOMING RESOURCES						
Voluntary income						
Gifts and donations		110	479		589	1,560
Investment income						
Income from quoted investments		203,882	16,325		220,207	218,052
Investment property rents		38,539	-		38,539	36,360
Interest on bank balances		20,556	14,514		35,070	30,632
Incoming resources from charitable activities						
Interest on loans to churches		-	4,403		4,403	5,853
Rents from non-investment property		10,336	-		10,336	3,970
Net assets from closed churches	2	-	-		-	21,648
Management charge		577	-		577	149
Other incoming resources						
Profit on sale of tangible asset		-	2,610		2,610	-
Total incoming resources	16	274,000	38,331	-	312,331	318,224
RESOURCES EXPENDED						
Costs of generating funds						
Managing investments	4	13,748	17,895	5,433	37,076	35,026
Charitable activities						
Grantmaking	5	29,159	23,000	-	52,159	39,683
Other charitable activities	5	236,983	33,082	-	270,065	236,245
Governance costs	6	18,884	-	-	18,884	19,541
Total resources expended		298,774	73,977	5,433	378,184	330,495
Net incoming resources before transfers		(24,774)	(35,646)	(5,433)	(65,853)	(12,271)
Gross transfers between funds	16	(2,430)	2,430	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(27,204)	(33,216)	(5,433)	(65,853)	(12,271)
Gains on revaluation of fixed assets for the charity's own use		-	-	-	-	524,487
Gains/(losses) on investment assets	11	(22,119)	(189,132)	(75,261)	(286,512)	669,767
Net movement in funds		(49,323)	(222,348)	(80,694)	(352,365)	1,181,983
RECONCILIATION OF FUNDS						
Total funds brought forward						
At 1 January 2007		501,347	6,574,093	1,137,014	8,212,454	6,353,352
Total funds carried forward						
At 31 December 2007	16 & 17	452,024	6,351,745	1,056,320	7,860,089	7,535,335

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	£	£
Total income of continuing operations	312,331	318,224
Total expenditure of continuing operations	372,751	325,092
Net expenditure for the year	(60,420)	(6,868)
(Loss)/Gain on disposal of fixed asset investments	(39,289)	26,968
Net income for the period	(99,709)	20,100

Notes

Total income comprises £274,000 for unrestricted funds and £38,331 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 expenditure before investment asset disposals of £60,420 comprises £27,204 net expenditure on unrestricted funds and £33,216 net expenditure 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 18 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 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	9	1,576,454	1,446,163
Investments	11	5,628,341	5,939,945
		<u>7,204,795</u>	<u>7,386,108</u>
Current assets			
Debtors	12	157,079	140,181
Short term deposits		561,114	740,114
Cash at bank and in hand		4,885	13,728
		<u>723,078</u>	<u>894,023</u>
Creditors: amounts falling due within one year	14	(58,784)	(57,177)
Net current assets		<u>664,294</u>	<u>836,846</u>
Total assets less current liabilities		<u>7,869,089</u>	<u>8,222,954</u>
Creditors amounts falling due after more than one year	15	(9,000)	(10,500)
		<u>7,860,089</u>	<u>8,212,454</u>
Funds	16 & 17		
Endowment funds		1,056,320	1,137,014
Restricted funds		6,351,745	6,574,093
Unrestricted funds		452,024	501,347
		<u>7,860,089</u>	<u>8,212,454</u>

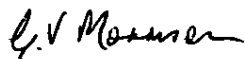
The financial statements were approved by the Executive Council on 19 March 2008

Mr A E Murison



Treasurer

Mrs G V Morrison



Executive Council Member

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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 synod executive or financial resources committee and the recipient has been told of that approval.

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. Long leasehold properties are defined as those properties with an unexpired lease term of more than 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 2007 (continued)

2 Net assets from closed churches

	2007 £	2006 £
Bank balances from closed church	-	21,648
Net proceeds of sale of redundant church	-	-
	<u>-</u>	<u>21,648</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	7,804	1,951	79,989	7,804	97,548
Office rates and maintenance	1,442	360	14,775	1,441	18,018
Office expenses and equipment	1,592	398	16,318	1,592	19,900
Depreciation	1,146	286	11,742	1,145	14,319
	<u>11,984</u>	<u>2,995</u>	<u>122,824</u>	<u>11,982</u>	<u>149,785</u>

4 Costs of generating funds

	Direct costs £	Support costs £	2007 £	2006 £
<i>Managing investments</i>				
Investment management fees	25,092	-	25,092	24,804
Support costs	-	11,984	11,984	10,222
	<u>25,092</u>	<u>11,984</u>	<u>37,076</u>	<u>35,026</u>

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

5 Costs of charitable activities	Direct costs	Support costs	Total 2007	Total 2006
	£	£	£	£
<i>Grantmaking</i>				
Grants to individuals				
Retired ministers and widows (10 grants)	8,000		8,000	7,500
Grants to URC institutions			-	-
Church property projects (1 grant)	2,500		2,500	-
Church mission activities (5 grants)	13,000		13,000	6,000
Church property surveys (12 grants)	2,864		2,864	2,728
Other URC provinces (1 grant)	22,800		22,800	20,900
Support costs		2,995	2,995	2,555
	<u>49,164</u>	<u>2,995</u>	<u>52,159</u>	<u>39,683</u>
<i>Other charitable activities</i>				
Training ministers and lay members	71,495	-	71,495	58,151
Administering churches' property and investments	2,292	41,940	44,232	37,335
Supporting committees and Synod	10,851	19,472	30,323	23,942
Pastoral work	991	10,485	11,476	9,346
Supporting and encouraging URC churches, districts and centrally	4,177	40,442	44,619	38,501
Chaplaincies, industrial mission and ecumenical relations	10,205	1,498	11,703	12,883
Management & maintenance of Synod properties	45,751	8,987	54,738	54,771
Sundry and contingencies	1,479	-	1,479	1,316
	<u>147,241</u>	<u>122,824</u>	<u>270,065</u>	<u>236,245</u>
6 Governance costs	Direct costs	Support costs	Total 2007	Total 2006
	£	£	£	£
External audit fee	4,972	-	4,972	4,935
Internal audit and accountancy	1,225	-	1,225	1,328
Legal fees	705	-	705	705
Revaluation fees	-	-	-	2,350
Support costs	-	11,982	11,982	10,223
	<u>6,902</u>	<u>11,982</u>	<u>18,884</u>	<u>19,541</u>
7 Staff costs			2007	2006
			£	£
Wages and salaries			86,045	91,128
Employer's National Insurance			7,282	7,677
Pension contributions			15,515	16,073
			<u>108,842</u>	<u>114,878</u>

The average number of full-time equivalent employees during the year was 5 (2006- 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 2007 (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 2007 or 2006.

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

£2,206

£1,754

9 Tangible assets

	Leasehold Property	Freehold Property	Office equipment	Total
Cost or valuation	£	£	£	£
At 1 January 2007	200,000	1,245,347	69,406	1,514,753
Additions	-	251,250	9,942	261,192
Disposals	-	(87,000)	(8,392)	(95,392)
At 31 December 2007	200,000	1,409,597	70,956	1,680,553
Depreciation				
At 1 January 2007	4,000	24,907	39,683	68,590
Charge for the period	4,000	28,192	10,288	42,480
Disposals	-	(2,610)	(4,361)	(6,971)
At 31 December 2007	8,000	50,489	45,610	104,099
Net book amount				
At 31 December 2007	192,000	1,359,108	25,346	1,576,454
At 31 December 2006	196,000	1,220,440	29,723	1,446,163
Historical cost of revalued assets and later additions	-	957,910	-	957,910

Property

Net book amount

The property is used for the direct charitable purposes of the Trust and comprises	£
Housing for ministers of local churches (a part share in 8 properties)	1,217,175
Church buildings (part share in one property)	74,349
Graveyards (4 sites)	384
Provincial office building	259,200
	1,551,108

All properties were revalued as at 1 January 2006 by Walker Singleton, external Chartered Surveyors, on an open market basis with vacant possession, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards, Fifth Edition, and that valuation amounted to £1,445,347. The additional property obtained in 2007 has been valued at the purchase price. The leasehold property is tenanted and was previously valued subject to the existing tenancies. The change in valuation basis is made as the Trust does not expect to sell the property while it is occupied.

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 2007 (continued)

11 Fixed asset investments	Investment Properties	Quoted investments	Balances at stockbroker	Total
Market value	£	£	£	£
At 1 January 2007	749,956	5,128,442	61,547	5,939,945
Less				
Disposals at opening book value	-	(1,375,334)	-	(1,375,334)
Deposits realised/(reinvested)	-	-	202,072	202,072
Investment management fees	-	-	(25,092)	(25,092)
Add:				
Acquisitions at cost	-	1,115,914	-	1,115,914
Revaluation	-	(229,164)	-	(229,164)
At 31 December 2007	749,956	4,639,858	238,527	5,628,341
Historical cost				
At 31 December 2007	-	3,905,638	238,527	4,144,165
Disposals				
Proceeds	-	1,317,986	-	1,317,986
Book value at 1 Jan 2007	-	(1,375,334)	-	(1,375,334)
Gain / (loss)	-	(57,348)	-	(57,348)

The investment property is 83.794% of the freehold at Aberdeen Walk, Scarborough, and was revalued as at 1 January 2006 by Walker Singleton, external Chartered Surveyors, on an open market basis, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards, Fifth Edition, and that valuation amounted to £749,956.

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

	2007 £	2006 £
Equity investments	2,558,687	2,927,575
Gilt-edged and fixed interest stocks	1,225,328	1,534,386
Investment and unit trusts	855,843	666,481
	4,639,858	5,128,442

The portfolio includes material investments (over 5% by value) in:
6.25% Treasury Stock 2010

£	£
355,317	508,376

12 Debtors

	2007 £	2006 £
Loans to churches (see below)	119,350	106,322
Amounts due from YCU (Inc)	726	149
Investment income receivable	31,220	28,107
Prepaid expenses	5,783	5,603
	157,079	140,181
Included above are loans falling due after more than one year of:	101,590	81,518

All loans are to churches within the province. The maximum repayment period is 20 years and interest is charged at 5% or 3%. There is one indefinite interest-free loan, with no fixed repayment terms, to be repaid on the sale of a church building. The maximum capital outstanding on any loan at 31 December 2007 was £56,250 (31 December 2006: £59,250).

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007 (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 2007 of £577 (2006 - £149) is a debtor in these accounts

14 Creditors: amounts falling due within one year	2007	2006
	£	£
Grants authorised but not yet paid	33,800	37,400
Other creditors	17,817	14,126
Accruals	7,167	5,651
	58,784	57,177

15 Creditors: amounts falling due after more than one year	2007	2006
	£	£
Grants authorised but not yet paid	9,000	10,500

16 Movement in funds during 2007

	Balance 1 Jan 2007	Incoming resources	Outgoing resources	Transfers between funds	Revaluation gains/losses	Balance 31 Dec 2007
	£	£	£	£	£	£
Permanent endowments						
General Purposes	762,716	-	(3,636)	-	(50,397)	708,683
Church Extension	258,512	-	(1,241)	-	(17,173)	240,098
Maintenance of Ministry	18,223	-	(88)	-	(1,210)	16,925
Welfare of Ministry	78,096	-	(375)	-	(5,188)	72,533
Home Churches	19,467	-	(93)	-	(1,293)	18,081
	1,137,014	-	(5,433)	-	(75,261)	1,056,320
Restricted funds						
Closed Churches capital	6,220,579	2,610	(50,087)	-	(189,132)	5,983,970
Amalgamation - capital and income	86,090	4,929	(12,500)	-	-	78,519
Income funds:						
Church Extension	258,465	24,954	(2,500)	-	-	280,919
Maintenance of Ministry	775	795	-	(1,570)	-	-
Welfare	6,746	4,115	(8,000)	4,000	-	6,861
Home Churches	1,438	928	(890)	-	-	1,476
	6,574,093	38,331	(73,977)	2,430	(189,132)	6,351,745
Unrestricted Funds						
General income	131,832	34,758	(256,031)	195,833	-	106,392
Closed Churches income	-	223,252	(40,979)	(182,273)	-	-
Albion - capital and income	369,515	15,990	(1,764)	(15,990)	(22,119)	345,632
	501,347	274,000	(298,774)	(2,430)	(22,119)	452,024
Total Funds	8,212,454	312,331	(378,184)	-	(286,512)	7,860,089

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

16 Movement in funds during 2007 (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.

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 2007 (continued)

17 Analysis of net assets between funds at 31 December 2007

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 December 2007 are represented by:				
Tangible fixed assets	25,346	1,551,108	-	1,576,454
Investments	342,528	4,229,756	1,056,057	5,628,341
Net current assets	84,150	579,881	263	664,294
Long term liabilities	-	(9,000)		(9,000)
Total net assets	452,024	6,351,745	1,056,320	7,860,089

18 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 2007 the Trust contributed 18.5% (2006 18.5%) of basic salary in respect of members of the scheme, amounting to £14,047 (2006 £12,976). 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 as at 30 September 2004.

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. From 1 January 2007 the Trust's contribution was 17.25% (2006 15.65%) of pensionable pay, amounting to £1,468 (2006 £3,097). Members contributed 5.75% of pensionable pay.