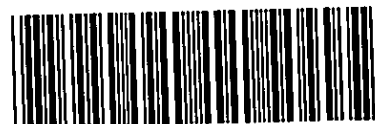


**THE UNITED REFORMED CHURCH
(NORTHERN PROVINCE)
TRUST LIMITED**

Company Number 134549
Charity Number 1132154

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2010**

THURSDAY



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**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

Directors	R E Francis	Chair
	J A Breslin	Secretary
	D Pigeon	Treasurer
	J C Durell	(to 31 12 2010)
	J C G Forrest	
	D C Hayward	(to 31 12 2010)
	J C Kennedy	
	M J Louis	
	J Miller	(to 31 12 2010)
	D Stemberbridge	
	A Taylor	
	W R H Taylor	(to 21 02 2010)
	P Ward	
Trust Officer	A Atkinson	
Finance Officer	H E Hogg	
Registered Office	4 College Lane Newcastle upon Tyne NE1 8JJ	
Bankers	Lloyds TSB	
	102 Grey Street Newcastle upon Tyne NE99 1SL	
	Bank of Scotland	
	41/51 Grey Street Newcastle upon Tyne NE1 6EE	
Solicitors	Dickinson Dees LLP	
	One Trinity Broad Chare Newcastle upon Tyne NE1 2HF	
	Ward Hadaway	
	Sandgate House	
	102 Quayside Newcastle upon Tyne NE1 3DX	
Investment Managers	UBS AG	
	2 St James' Gate Newcastle upon Tyne NE4 7JH	
Nominees	UBS AG	
	1 Curzon Street London W1J 5UB	
Auditors	RMT Accountants & Business Advisors	
	Gosforth Park Avenue Newcastle upon Tyne NE12 8EG	

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The Trustees, who are also the directors of the Company for the purposes of the Companies Act, submit their report and the audited accounts for the year ended 31 December 2010

Structure, Governance and Management

The Company was registered under the terms of the Charities Act 2006, in 2009. It is a private charitable company, limited by guarantee. The governing instruments are the Memorandum and Articles of Association which were adopted in revised form on 4 August 2009.

The trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 12 to the financial statements.

The Trustees are appointed by the United Reformed Church Northern Synod, and the officers are appointed by the Trustees. Nominations are sought either by direct approach or advertisement amongst the 78 churches within the Synod, as all members and Directors must be members of the United Reformed Church.

Upon appointment all Directors are provided with an induction pack explaining the work of the Trust, including the Charity Commission's leaflet "*The Essential Trustee what you need to know*". Regular training is given during the year.

The Trust board meets five times a year and considers all financial matters, decides on matters relating to policy making, and matters of concern to the various committees of Northern Synod and the local churches. The Trust will also decide on grant applications received from local churches/church bodies. Investments are monitored by a subcommittee, which meets four times a year, with the investment managers in attendance. The investment strategies established by the trustees are implemented. Minutes of the Investment Subcommittee's meetings are circulated to the trustees.

Relationship with the United Reformed Church Northern Synod

The Company holds the financial assets of the United Reformed Church Northern Synod in trust.

Risk Management

The Trust is aware of its responsibilities to assess risks in relation to its activities. To this end the trustees have undertaken a review to identify the major risks by area of activity, the nature of those risks, the likelihood of them happening and the measures needed to manage them.

Objectives and Activities

The purpose of the charitable company is to advance the Christian religion and propagate the gospel in accordance with the doctrines, principles and usages of the United Reformed Church for the benefit of the public, with particular responsibility to support the work of the Northern Synod of that church.

The charity seeks to support local churches in their outreach and mission by the provision of support, being financial, advisory or technical.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The Trust seeks to meet the financial needs of the Northern Synod and to support the local churches in a wide range of activities which further the work of the United Reformed Church, by means of the unrestricted funds

The Trust further shares with, supports and encourages the objectives of the Northern Synod

- discipleship – doctrine, spirituality, prayer and worship, ministerial training, Christian nurture and education
- mission – promoting evangelism, mission, church growth, outreach, and racial justice
- partnerships – promoting ecumenical partnerships, community partnerships and global partnerships
- property – housing for ministers, retired ministers and their spouses and widow(er)s, maintenance of buildings and manses

Activities

- The overall management, as trustee, of the funds of the Company, which consist primarily of investments, property, cash and loans to local churches
- The disposal/use of redundant properties and the letting of temporarily vacant manses, pursuant to the resolutions of the local church meeting
- Supporting the charitable work of local churches in their local communities through its role as custodian trustee

The Trust shares with and supports the Northern Synod as it seeks to

- maintain the public worship of God according to the principles and usages for the time being of the United Reformed Church
- proclaim the good news of the Kingdom
- teach, baptise and nurture new believers
- respond to human need by loving service
- transform unjust structures of society
- strive to safeguard the integrity of creation, to sustain and renew the life of the earth

Grant-making Policy

Grants are made at the discretion of the Trust and can be categorised as follows

- church property grants
- manse property grants
- mission grants
- ministries and training grants

Grants are awarded to local churches and individuals in accordance with the terms of the guidelines as prescribed

Staffing

The day to day working of the company is undertaken by two members of paid Northern Synod staff who are responsible to the Board, and who refer to the Directors when major decisions are needed

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

ACHIEVEMENTS

Through its retention of solicitors and surveyors for general legal and property advice, the Trust has provided £19,015 (2009 £11,812) worth of support to local churches on a variety of matters, enabling them to make informed decisions and to comply with the law

Over the year the portfolio of funds held by the United Reformed Church (Northern Province) Trust outperformed the benchmark with a gain of 16.1% against an indexed return of 13.2%. The result should be viewed in relation to the continuing volatility of stock markets across the world

FINANCIAL REVIEW

Statement of Financial Activities

The Statement of Financial Activities is shown on page 9

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. The Company's policy is to hold a level of reserves that will provide an income to meet its ongoing costs

Investment Policy

The majority of the available funds of the Company are invested in the name of the custodian trustee, through its nominees. The Company receives advice on investment policy and the use of monies from its investment manager. The policy has been to grow income and capital in the context of a prudent and diversified fund. The policy has been designed to implement the terms of the Trustee Act 2000

Ethical Considerations

Companies whose principal activities (i.e. 15% or more of turnover) involve armaments, tobacco, pornography or gambling, or which are recognised as being exploitative of their employees, shall generally be omitted from the portfolio. It is not felt that this policy is having a significantly detrimental long-term effect on the performance of the portfolio

The investment manager has discretionary powers to manage the portfolio within the parameters set out in the policy, and reports regularly to the Investment Subcommittee on the performance of the funds

Balance Sheet

Total funds increased in the year by £919,574 To £8,354,531, mainly due to unrealised investment gains of £525,982 on revaluation of investments at the year end, and gains on sale of assets of £297,286. An analysis of funds movement is shown on page 18

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

Property

Property under the control of the Trust is valued using various methods, being

- revaluation
- original purchase price
- survey valuation
- share of purchase price
- insurance reinstatement

Pension

The Northern Synod operates a defined benefit scheme in respect of its employees, which is administered by the Pensions Trust through the United Reformed Church in London on behalf of the Synod. The pension cost charged in the accounts represents the contributions payable by the Synod to the scheme during the year.

Future Plans

The Company plans to continue its work for the foreseeable future and is committed to assisting the Northern Synod to take forward its intended objectives and activities.

During 2010 it was agreed that a 5 year programme would be undertaken to have all local church buildings surveyed. The aim of the programme is to allow the Trust and the local church to be aware of the condition of the properties and to allow for a structured programme of repairs to be undertaken by the church.

In 2010 a Property Subgroup was established, the remit of the group being to receive church property surveys and support churches in the implementing of the findings, to ensure and support good management of property developments and smaller schedules of work as required, in conjunction with the local church, to offer assistance and advice on general matters of concern to the local church, or to seek to work with the local church in the provision of information where professional advice as required can be sought.

A Manse Subgroup was established during 2010. The remit of the group is to oversee and monitor the implementation of "The Guidelines and Procedures for the Care of Manses in Northern Synod" as agreed by the Synod, to oversee manse visits during the declaration of vacancies and when lease renewals are due, and to support churches in the bringing up to standard of their manses by overseeing schedules of work as and when appropriate, to offer assistance and advice on general matters of concern to the local church, or to seek to work with the church in the provision of information where professional advice as required can be sought.

Statement of Trustees Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Company's financial activities during the year and of its financial position at the year end. In preparing financial statements the trustees should follow good practice and

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

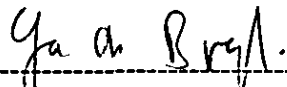
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in operation

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


Auditors

The Auditors, RMT, have expressed their willingness to continue in office, and a resolution to reappoint them will be proposed at the Board Meeting held on 8 July 2011.

BY ORDER OF THE BOARD



J A Breslin (Secretary)



Date

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED
REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED FOR THE
YEAR ENDED 31 DECEMBER 2010**

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Ltd for the year ended 31 December 2010 which comprises the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities))

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditor

As explained more fully in the Trustees Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

Opinion on financial statements

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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED
REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED FOR THE
YEAR ENDED 31 DECEMBER 2010**

Matters on which we are required to report by exception

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


- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us,
- the financial statements are not in agreement with the accounting records and returns,
- certain disclosures of directors' remuneration specified by law are not made,
- 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 and the directors' annual report in accordance with the small company's regime

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 of the state of the charity's affairs as at 31 December 2010, and of its incoming resources and application of resources, including income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom generally Accepted Accounting Practice,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Trustee's Annual Report is consistent with the financial statements



**Anthony Josephs (Senior Statutory Auditor)
for and on behalf of
RMT
Statutory Auditors
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG**

Date: 12.11.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2010
(Including Income Expenditure Account and Statement of Recognised Gains and Losses)

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2010 £	Total 2009 £
Incoming Resources						
Incoming resources from generated funds						
Voluntary income	2	121,308	142,454	-	263,762	1,656,033
Activities for generating funds	3	-	2,825	-	2,825	54
Investment income	4	170,273	5,942	-	176,215	172,815
Incoming resources from charitable activities	5	40	-	-	40	35
Other incoming resources	6	670,179	2,162	-	672,341	21,619
Total incoming resources		961,800	153,383	-	1,115,183	1,850,556
Resources Expended						
Monies Paid to Investors	-	8,752	16,229	-	24,981	-
Costs of generating funds	7	11,481	-	-	11,481	11,756
Fundraising Expenditure	8	-	3,214	-	3,214	-
Charitable Activities	9	618,469	127,779	-	746,248	619,934
Governance Costs	11	30,954	-	-	30,954	25,524
Total resources expended		669,656	147,222	-	816,878	657,214
Net incoming resources before other recognised gains and losses		292,144	6,161	-	298,305	1,193,342
Other Recognised Gains/(Losses)						
Gain on sales of assets		95,287	-	-	95,287	(73,573)
Sale of investments		-	-	-	-	731
Gains on investment assets		467,154	41,144	17,684	525,982	707,688
Net movement in funds		854,585	47,305	17,684	919,574	1,828,188
Funds brought forward		6,887,719	372,214	175,024	7,434,957	5,606,769
Total funds carried forward		7,742,304	419,519	192,708	8,354,531	7,434,957

The notes on pages 11 to 21 form part of these financial statements

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2010

Company Number 134549

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2010 £	Total 2009 £
Fixed Assets						
Tangible assets	15	2,963,290	-	-	2,963,290	3,164,038
Investments	16	4,120,388	408,681	192,239	4,721,308	4,206,805
		<u>7,083,678</u>	<u>408,681</u>	<u>192,239</u>	<u>7,684,598</u>	<u>7,370,843</u>
Current Assets						
Short-term debtors	17	239,818	12,597	469	252,884	33,574
Long-term debtors	17	32,002	-	-	32,002	44,905
Cash at banks & in hand	18	731,224	1,141	-	732,365	341,191
		<u>1,003,044</u>	<u>13,738</u>	<u>469</u>	<u>1,017,251</u>	<u>419,670</u>
Liabilities						
Creditors falling due within one year	19	(138,583)	(2,900)	-	(141,483)	(28,367)
Net Current Assets		<u>864,461</u>	<u>10,838</u>	<u>469</u>	<u>875,768</u>	<u>391,303</u>
Total Assets Less Current Liabilities		<u>7,948,139</u>	<u>419,519</u>	<u>192,708</u>	<u>8,560,366</u>	<u>7,762,146</u>
Creditors falling due after more than one year	19	(21,667)	-	-	(21,667)	(21,667)
Provisions for liabilities and charges	20	(184,168)	-	-	(184,168)	(305,522)
Net Assets		<u>7,742,304</u>	<u>419,519</u>	<u>192,708</u>	<u>8,354,531</u>	<u>7,434,957</u>
Funds						
	21-23					
Unrestricted funds		7,742,304	-	-	7,742,304	6,887,719
Restricted funds		-	419,519	-	419,519	372,214
Endowed funds		-	-	192,708	192,708	175,024
		<u>7,742,304</u>	<u>419,519</u>	<u>192,708</u>	<u>8,354,531</u>	<u>7,434,957</u>

Approved by the board of directors and authorised for issue on 8 July 2011 and signed on its behalf by



R F Francis
Chair



J A Breslin
Secretary

The notes on pages 11 to 21 form part of these financial statements

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

1 Accounting Policies

The financial statements are prepared on the historical cost basis of accounting, as modified by the revaluation of investments and certain fixed assets, and have been prepared in accordance with the Companies Act 2006 (effective April 2008), the Charities Act 1993, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005)

- (a) Investments are stated at market value as at 31 December 2010, and have been revalued at that date
- (b) Income from investments is brought into account when received. All other amounts are shown on an accruals basis. Income arising on endowed funds is treated as an addition to the endowment.

Expenditure is accounted for on an accruals basis. 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.

- (c) 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.

Depreciation has been provided on certain of the freehold properties held by The United Reformed Church (Northern Province) Trust Limited. These freehold properties are depreciated over 50 years. No impairment reviews have been deemed necessary during the year.

Furniture and fittings are depreciated at 25% using the straight-line method.

- (d) The Charity has taken advantage of the exemption conferred by Financial Reporting Standard 1 from presenting a cashflow statement, as it qualifies as a small company.
- (e) All unrealised gains and losses on investments are recognised and included in the Statement of Financial Activities.
- (f) Transfers from the 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, and balances are usually returned to the Reserve Fund.
- (g) Details of the nature and purpose of each fund are explained in Note 23.
- (h) Designated funds are determined by the Board.

2 Voluntary Income

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Contributions from local churches	93,189	-	-	93,189	-
Donations	27,000	-	-	27,000	-
Other Income	1,119	142,454	-	143,573	-
See note 26	-	-	-	-	1,656,033
	<u>121,308</u>	<u>142,454</u>	<u>-</u>	<u>263,762</u>	<u>1,656,033</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

3 Fundraising Income

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Mozambique - General	-	2,825	-	2,825	-
See note 26	-	-	-	-	54
	-	2,825	-	2,825	54

4 Investment Income

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Bank interest	3,099	163	-	3,262	-
Rental income	42,052	-	-	42,052	-
Loan interest	32	-	-	32	-
Dividends and Interest	125,090	5,779	-	130,869	-
See note 26	-	-	-	-	172,815
	170,273	5,942	-	176,215	172,815

5 Charitable Income

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Music Bank fees	40	-	-	40	-
See note 26	-	-	-	-	35
	40	-	-	40	35

6 Other Incoming Resources

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Property Sales	670,000	-	-	670,000	-
Sundry Income	179	-	-	179	-
Monies Received from Investors	-	2,162	-	2,162	-
See note 26	-	-	-	-	21,619
	670,179	2,162	-	672,341	21,619

7 Costs of Generating Funds

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Investment manager's fees	11,481	-	-	11,481	-
See note 26	-	-	-	-	11,756
	11,481	-	-	11,481	11,756

8 Fundraising Expenditure

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Mozambique Expenses	-	3,214	-	3,214	-
	-	3,214	-	3,214	-

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

9 Charitable Activities

	Direct Activities £	Grant- making (note 11) £	Support Costs (note 10) £	2010 Total £	2009 Total £
<i>Objectives</i>					
Discipleship	5,148	1,050	22,982	29,180	-
Mission	875	5,842	34,297	41,014	-
Partnership	371,153	13,851	20,753	405,757	-
Property	251,604	(9,267)	27,960	270,297	-
See note 26	-	-	-	-	619,934
Total	628,780	11,476	105,992	746,248	619,934

This may be analysed as follows

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Charitable Activities	618,469	127,779	-	746,248	-
See note 26	-	-	-	-	619,934
	618,469	127,779	-	746,248	619,934

10 Allocation of support costs

	Office & Executive £	Office Staff £	Resource Staff £	Total £
Discipleship	6,861	10,550	5,571	22,982
Mission	6,861	14,066	13,370	34,297
Partnerships	6,861	10,550	3,342	20,753
Property	6,861	21,099	-	27,960
Subtotal	27,444	56,265	22,283	105,992
Governance	6,861	14,066	-	20,927
Total	34,305	70,331	22,283	126,919

Basis of Allocation	Office & Executive %	Office Staff %	Resource Staff %
Discipleship	20	15	25
Mission	20	20	60
Partnerships	20	15	15
Property	20	30	-
Subtotal	80	80	100
Governance	20	20	-
Total	100	100	100

Support 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 Mission Executive Committee

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

11 Governance Costs

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Accountants' and bank fees	-	-	-	-	1,667
Audit fees	9,972	-	-	9,972	5,000
Sundry expenses	55	-	-	55	37
Support costs (note 10)	20,927	-	-	20,927	18,820
Total	30,954	-	-	30,954	25,524

12 Grants Given

	2010 £	2009 £
Mission	6,342	-
Partnership	(4,500)	-
Property	(9,267)	-
See note 26	-	154,621
	(7,425)	154,621

A full list of the individuals and institutions to which the grants have been awarded is available on request from the Synod Office. During the year several grants have been written back as they are no longer payable. At the year end the company had entered into arrangements with Newcastle City Council to provide grants to fund two Early Years capital projects totalling £60,000. The conditions attached to these grants have not yet been met and therefore no provision has been made in these accounts.

13 Expenses/Remuneration

None of the Trustees received any remuneration for their services to the Synod. During the year Trustees were reimbursed for the following expenses incurred in connection with their duties:

	£
Travelling and Photocopying Expenses (7 Trustees)	281

Salaries and wages

	Office Staff £	Resource Staff £	Total £
Gross Salaries	52,446	10,625	63,071
Fixed Car Allowance	-	2,165	2,165
Housing Allowance	-	1,476	1,476
Employer's National Insurance	4,430	1,567	5,997
Employer's Pension Contribution	13,455	-	13,455
	70,331	15,833	86,164

During the year there were an average of 2.5 full-time equivalent employees. In addition a further person was employed in the post of Resource Staff. No employee received emoluments above £60,000. The employees at this time are contracted to the United Reformed Church Northern Synod.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

14 Pension Costs

Final Salary (defined benefit) pension scheme

The company currently meets the cost of the contributions into a final salary (defined benefit) pension scheme for office staff who are employees of The United Reformed Church Northern Synod. The scheme is administered by The Pensions Trust but the company is not the only participating employer in the scheme and is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. The pension contributions detailed in note 13 represent contributions payable by the company to the fund, based on 26% of basic salary and amounted to £13,455. Members contributed 6% of pensionable salary throughout the year.

Triennial actuarial valuations of the scheme are performed by a professionally qualified actuary. The most recent formal actuarial review of the scheme was at 30 September 2007 where it was agreed that these contributions were satisfactory in order to maintain the long term financial health of the scheme.

15 Tangible Fixed Assets

	Freehold land & buildings £	Loans secured on property £	Fixtures fittings & equipment £	Total £
Cost or valuation				
At 1 January 2010	2,926,557	239,310	19,767	3,185,634
Additions	-	-	6,858	6,858
Disposals	(202,000)	-	-	(202,000)
At 31 December 2010	<u>2,724,557</u>	<u>239,310</u>	<u>26,625</u>	<u>2,990,492</u>
Depreciation				
At 1 January 2010	10,153	-	11,443	21,596
Charge for year	1,117	-	4,489	5,606
At 31 December 2010	<u>11,270</u>	<u>-</u>	<u>15,932</u>	<u>27,202</u>
Net book value				
At 31 December 2010	<u>2,713,287</u>	<u>239,310</u>	<u>10,693</u>	<u>2,963,290</u>
At 31 December 2009	<u>2,916,404</u>	<u>239,310</u>	<u>8,324</u>	<u>3,164,038</u>

The properties comprised in the total above are managed by the United Reformed Church Northern Synod for the purpose of providing houses for some ministers, retired ministers and their spouses. The Northern Synod has purchased a number of properties and had others transferred to it by Synod resolution. All properties are vested in the United Reformed Church (Northern Province) Trust Limited.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
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16 Fixed Asset Investments

	UK Listed Investments £	Ex-UK Listed Investments £	2010 £	2009 £
Market value brought forward	4,007,644	47,985	4,055,629	3,334,911
Additions (at cost)	677,113	-	677,113	441,882
	<u>4,684,757</u>	<u>47,985</u>	<u>4,732,742</u>	<u>3,776,793</u>
Disposals (at carrying value)	(591,477)	(47,985)	(639,462)	(428,852)
Net gain/(loss) on revaluation	525,985		525,985	707,688
Market value carried forward	<u>4,619,265</u>	<u>-</u>	<u>4,619,265</u>	<u>4,055,629</u>
Cash balance			100,457	149,590
War stock and Traidcraft investments transferred from the Synod			1,586	1,586
			<u>4,721,308</u>	<u>4,206,805</u>
Historical Cost				
31 December 2010	<u>3,791,108</u>	<u>28,725</u>	<u>3,819,833</u>	
31 December 2009	<u>3,718,860</u>	<u>-</u>	<u>3,718,860</u>	

All investments are held in a diversified pool, comprising a variety of gilts, bonds, stocks, shares, unit trusts, mutual funds (all listed on recognised stock exchanges) and cash. Investments are mainly in the UK Government and UK companies, with a few European companies. No individual holding is in excess of 5% of the portfolio.

Investments are included at market value, but shares in Traidcraft plc are recorded at cost. The Traidcraft shares represent a programme-related equity investment, in pursuit of the Synod's aims to make a difference in the wider world and link with global issues.

Investment management fees are paid by the company as a deduction from income, before allocation to each fund in the pool.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

17 Debtors

	2010 £	2009 £
Loans to churches (see below)	273,001	44,905
Prepaid expenses	1,619	3,736
Accrued income	1,701	19,210
Other debtors	8,565	10,628
	<u>284,886</u>	<u>78,479</u>
Included in the above are loans falling due after more than one year of	<u>32,002</u>	<u>44,905</u>

18 Cash at Bank and in Hand

	Unrestricted £	Restricted £	Endowed £	2010 Total £	2009 Total £
Deposit	683,849	-	-	683,849	201,553
Banks	47,191	1,141	-	48,332	139,606
Cash	184	-	-	184	32
	<u>731,224</u>	<u>1,141</u>	<u>-</u>	<u>732,365</u>	<u>341,191</u>

19 Creditors

	2010 £	2009 £
Amounts falling due within one year		
Accruals and deferred income	141,483	28,367
	<u>141,483</u>	<u>28,367</u>
Amounts falling due after more than one year		
Secured loan	21,667	21,667
	<u>21,667</u>	<u>21,667</u>
Total Creditors	<u>163,150</u>	<u>50,034</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
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20 Provisions for Liabilities and Charges

	1 Year £	1 Year+ £	Total £
Grants approved	119,818	64,350	184,168

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

21 Movement in Funds

	Opening Balance £	Incoming Resources £	Outgoing Resources £	Revaluations/ Transfers £	Closing Balance £
General Fund	78,881	227,017	(171,291)	96,332	230,939
General Reserve	1,597,459	-	(13,081)	159,620	1,743,998
Property Valuations	3,138,048	-	(1,116)	(202,000)	2,934,932
Manse	1,116,806	290,325	(101,143)	346,038	1,652,026
Property Fund	76,469	415,294	(128,814)	(81,482)	281,467
Mission Fund	258,334	5,543	(8,642)	191,455	446,690
RMH 15% Manse Sales	36,695	-	(115,800)	79,105	-
Minister's Pension Fund	-	-	(95,087)	95,087	-
Revenue Fund	-	11,496	(11,481)	(15)	-
Dr Brand Legacy	3,042	1,119	-	443	4,604
Trust Capital A/cs	581,985	11,006	(23,201)	(122,142)	447,648
Total Unrestricted	6,887,719	961,800	(669,656)	562,441	7,742,304
Church Extension	10,737	-	-	1,085	11,822
Dales Fund	19,683	-	-	3,693	23,376
Ministry & Mission	87,750	142,259	(127,403)	11,648	114,254
Moderator's Benevolent	11,304	202	(377)	-	11,129
Mozambique Partnership	2,977	1,628	-	621	5,226
Mozambique Project	-	1,303	(3,214)	133	(1,778)
Students	5,778	-	-	584	6,362
Trust Capital A/cs	903	24	-	93	1,020
Church Funds	233,082	7,967	(16,228)	23,287	248,108
Total Restricted	372,214	153,383	(147,222)	41,144	419,519
RMH Endowed	175,024	-	-	17,684	192,708
Total Endowed	175,024	-	-	17,684	192,708
Total Funds	7,434,957	1,115,183	(816,878)	621,269	8,354,531

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

22 Analysis of Net Assets Between Funds

	Tangible Assets £	Investments £	Assets £	Creditors £	Total £
General Fund	10,691	168,446	135,697	(83,897)	230,937
General Reserve	-	1,615,701	128,296	-	1,743,997
Property Valuations	2,952,599	-	4,000	(21,667)	2,934,932
Manse	-	1,191,310	467,344	(6,628)	1,652,026
Property Fund	-	167,348	184,708	(70,588)	281,468
Mission Fund	-	347,536	144,254	(45,100)	446,690
RMH 15% Manse Sales	-	33,540	36,032	(69,572)	-
Minister's Pension Fund	-	-	29,906	(29,906)	-
Dr James Brand Legacy	-	3,217	1,388	-	4,605
Trust Capital A/c's	-	593,290	(128,581)	(17,060)	447,649
Total Unrestricted	2,963,290	4,120,388	1,003,044	(344,418)	7,742,304
Church Extension	-	11,793	29	-	11,822
Dales Fund	-	21,728	1,649	-	23,377
Ministry & Mission	-	99,156	15,098	-	114,254
Moderators Benevolent	-	10,215	914	-	11,129
Mozambique Partnership	-	3,589	1,637	-	5,226
Mozambique Project	-	134	988	(2,900)	(1,778)
Students	-	6,347	15	-	6,362
Trust Capital A/c's	-	994	26	-	1,020
Church Funds	-	254,725	(6,618)	-	248,107
Total Restricted	-	408,681	13,738	(2,900)	419,519
RMH Endowed	-	192,239	469	-	192,708
Total Endowed	-	192,239	469	-	192,708
Total Funds	2,963,290	4,721,308	1,017,251	(347,318)	8,354,531

23 Nature and Purpose of Funds

The assets represented by these funds are comprised of separately identified cash and property, and pooled cash and investments held by the company, as discussed below. These funds had previously been established in The United Reformed Church Northern Synod and were transferred to the company at the beginning of the year.

General Fund

This fund is unrestricted, and was set up by Trust resolution on 31 January 2009, and designated for the day-to-day running of the Northern Synod. It was formed by combining the General Purposes Account, the Resource Sharing Account, the Ministries and Training Committee Fund and the Development Support Group Fund. This asset is represented by the principal Trust bank account 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.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

Property Fund

This fund is unrestricted, and was set up by Trust resolution on 31 January 2009 and is designated for making grants to churches and expenses incurred by the Trust in respect of property matters

Mission Fund

This fund is unrestricted, and was set up by Trust resolution on 31 January 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. This asset is represented by pooled investments and cash.

Property Valuations Fund

This fund is unrestricted, and was set up in 2001 and designated for purchase and maintenance of Synod properties. Funds were transferred to it out of the unrestricted assets of Retired Ministers' Housing. This asset is now represented solely by property, as the pooled investments and cash have been divided between the General Reserve Fund and the Manse Fund.

Manse Fund

This fund is unrestricted, and was set up in 2006, from the transfer of various individual manse funds. This asset is represented by pooled investments and cash.

Trust Capital Accounts

These 16 funds consist of unrestricted and restricted components. £581,985 is unrestricted and £903 is restricted. The restriction relates to the Keld & Thwaite fund (the origin and purposes of which are unclear). The funds, which arose largely from the proceeds of sale of redundant URC properties, have been designated by Synod resolution for certain churches. This asset is represented by pooled investments and cash.

Church Extension Fund

This fund is restricted, and was apportioned from the Durham & Northumberland Congregational Union and the Lancashire Congregational Union between 1981 and 1993, under Charity Commission schemes, and may only be used for the upkeep, repair, improvement, extension, provision and erection of URC buildings and manses. This asset is represented by pooled investments and cash.

Ministry and Mission Fund

This fund is restricted, and was set up by Committee resolution in 1992, for the sole purpose of meeting ministry and mission commitments as necessary. It was raised from accumulated surpluses over many years, and an apportionment from the Lancashire Congregational Union. It was agreed by Trust resolution on 31 January 2009 that the North Tyne Fund be transferred to the Ministry and Mission Fund. This asset is represented by pooled investments and cash.

Moderator's Benevolent Fund

This fund is restricted, and was set up by resolution of the United Reformed Church (Northern Province) Trust Limited in 1996, for the sole purpose of making discretionary grants to individuals. It arose from donations received by the Moderator. This asset is represented by two designated bank accounts.

Mozambique Partnership Fund

This fund has replaced the Mozambique Account and is restricted. The fund was created in 2010 to sustain the partnership between Northern Synod and the Igreja Presbiteriana de Moçambique. The fund is supported by donations from individuals that are not designated to be used for a specific project and a donation from the General Reserve.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

Mozambique Project Fund

This fund was established in 2010 and is restricted. The fund was set up to cater for donations made by individuals to support specific projects relating to the Partnership in Mozambique.

Students' Fund

The Student's Fund was set up by Presbytery in support of book grants to ministerial students, and transferred to Synod by Newcastle District Council. It is represented by pooled investments and cash.

Dales Fund

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

Retired Ministers' Housing (Endowed) Fund

This fund is endowed, and was set up in 2001, by transfer of endowed funds from Retired Ministers' Housing, originally arising from donations/legacies. This asset is represented by pooled investments and cash.

Church Funds

This fund is restricted and comprises of monies invested by the Trust on behalf of the local churches. This asset is represented by pooled investments and cash.

24 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.

25 Related Parties

The United Reformed Church Northern Synod and The United Reformed Church (Northern Province) Trust Limited are related parties in that the Directors are also representatives of The Northern Synod, which is a self governing body holding no funds. In addition the day to day working of the company is undertaken by two paid members of Northern Synod staff.

26 Comparative Figures

It was decided that as from 2010 the objectives of the Synod would reflect those of Vision 2020. In order to reflect this the objective headings have been amended to bring them in line with those of Vision 2020. A full breakdown of the objective comparisons for 2009 can be had on request from the office.

27 Ministers Pension Fund

The pension scheme for ministers which is run nationally as a central function of the United Reformed Church has been in deficit for some years despite several attempts to resolve the underfunding based on the valuation approach required of the scheme by the fund actuaries. After the most recent valuation all Synods were requested to confirm ongoing willingness to help reduce the underfunding. We have agreed to this request in relation to assisting with specific requests issued in 2009 to cover contributions from 2010 to 2012. As such the direct Synod contributions to the pension scheme have been treated as a new recurring cost. This policy will be reviewed on completion of the next actuarial review.