

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

Company Number: 00134549
Charity Number: 1132154

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

WEDNESDAY



A3H3T1D7

A27

24/09/2014

#174

COMPANIES HOUSE

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Directors: R.E. Francis Chair (to 30/08/2013)
J.A. Breslin Chair (from 01/09/2013)
Dr. A. Hamnett Secretary
D. Pigeon Treasurer
R. Dunn
J.C.G. Forrest
A. F. Jackson (to 02/04/2013)
J.C. Kennedy
M.J. Louis
P.B. Matthew
J.M. Robertson (to 31/12/2013)
D. Stembridge
S.J. Swanston (from 12/10/2013)
A. Taylor (to 31/12/2013)

Trust Officer: A. Atkinson
Finance Officer: H.E. Hogg

Registered Office: 4 College Lane, Newcastle upon Tyne, NE1 8JJ

Bankers: Bank of Scotland
33 Old Broad Street, London Branch, PO Box 1000, BX12 1LB

Lloyds Bank plc
102 Grey Street, Newcastle upon Tyne, NE99 1SL

Virgin Money plc
Jubilee House, Gosforth, Newcastle upon Tyne, NE3 4PL

Solicitors: Bond Dickinson LLP
One Trinity Broad Chare, Newcastle upon Tyne, NE1 2HF

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 Ltd
Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The Trustees, who are also the directors of the Company for the purposes of the Companies Act 2006, submit their report and the audited accounts for the year ended 31 December 2013.

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 13 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 75 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

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

provision of support, being financial, advisory or technical.

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 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 2013

ACHIEVEMENTS

Through its retention of solicitors and surveyors for general legal and property advice, the Trust seeks to support the 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 slightly outperformed the benchmark with an increase of 16.8% for the portfolio as a whole, against an indexed gain of 15.5%. The result should be viewed in relation to the continuing volatility of stock markets and the current economic instability of countries 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 £468,337 to £8,717,861. Unrealised investment gains on revaluation of investments at the year-end stood at £733,137, however there was an excess of expenditure over income of £99,800, and the loss of sale of assets amounted to £165,000.

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 2013

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.

Development Enabler.

The Synod is considering employing a half time Development Enabler to work alongside ministers and congregations, helping them to plan and develop programmes, projects and events in response to the mission opportunities in their local areas, enabling them to grow in response to the challenge and the demands of an ageing and changing church.

Elders Conference.

In the light of more pressure being placed on Elders to take a more active leadership role in our churches due to fewer Ministers of Word and Sacrament being ordained. Northern Synod thinks it is important to offer as much support and encouragement in this vital role as is possible. The ministry of Eldership is seen as vital to the future of the United Reformed Church and in order to fill their role we wish to affirm and equip the Elders for the future. To this end Northern Synod is to hold a 24 hour residential conference to be led by John Ellis, Moderator of the United Reformed Church.

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

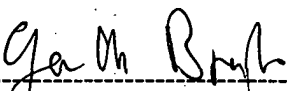
**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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.

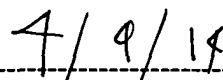
Auditors

The Auditors, RMT Accountants & Business Advisors Ltd, have expressed their willingness to continue in office, and a resolution to reappoint them will be proposed at the Board Meeting held on 15 November 2014.

BY ORDER OF THE BOARD



Revd J. A. Breslin (Chair)



Date

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED
REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED FOR THE
YEAR ENDED 31 DECEMBER 2013**

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Ltd for the year ended 31 December 2013 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. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED
REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED FOR THE
YEAR ENDED 31 DECEMBER 2013**

- 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.

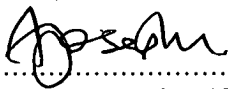
Opinion on other matter prescribed by the Companies Act 2006

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.

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 in accordance with the small company's regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the trustees report.



.....
Anthony Josephs (Senior Statutory Auditor)
for and on behalf of
RMT Accountants & Business Advisors Ltd
Statutory Auditors
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Date: 15-9-14.....

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2013
(Including Income Expenditure Account and Statement of Recognised Gains and Losses)

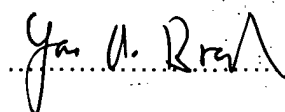
	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2013 £	Total 2012 £
Incoming Resources						
Incoming resources from generated funds:						
Voluntary income	2	364,184	76,789	1,864	442,837	192,331
Activities for generating funds	3	2,886	4,035	-	6,921	2,384
Investment income	4	175,181	10,977	-	186,158	168,019
Incoming resources from charitable activities	5	-	-	-	-	-
Other incoming resources	6	433,244	152,202	-	585,446	120,385
Total incoming resources		975,495	244,003	1,864	1,221,362	483,119
Resources Expended						
Monies Paid to Investors	-	-	7,152	-	7,152	-
Costs of generating funds	7	3,152	-	-	3,152	9,556
Fundraising Expenditure	8	2,886	1,237	-	4,123	-
Charitable Activities	9	1,162,322	112,126	1,864	1,276,312	612,961
Governance Costs	11	30,423	-	-	30,423	30,053
Total resources expended		1,198,783	120,515	1,864	1,321,162	652,570
Net Incoming Resources before other recognised gains and losses		(223,288)	123,488	-	(99,800)	(169,451)
Transfers						
Gross transfers between funds		134,078	(134,078)	-	-	-
Net incoming resources before other recognised gains and losses		(89,210)	(10,590)	-	(99,800)	(169,451)
Other Recognised Gains/(Losses)						
(Loss)/gain on sales of assets		(115,000)	-	(50,000)	(165,000)	96,054
Gain on investment assets		637,865	95,272	-	733,137	387,247
Net movement in funds		433,655	84,682	(50,000)	468,337	313,850
Funds Brought Forward		7,259,944	886,674	102,906	8,249,524	7,935,674
Total funds carried forward		7,693,599	971,356	52,906	8,717,861	8,249,524

The notes on pages 11 to 22 form part of these financial statements.

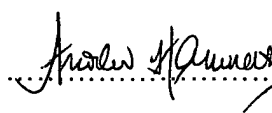
THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2013 £	Total 2012 £
Fixed Assets						
Tangible assets	15	2,240,382	-	-	2,240,382	2,172,519
Investments	16	5,539,260	873,126	52,906	6,465,292	5,234,035
		<u>7,779,642</u>	<u>873,126</u>	<u>52,906</u>	<u>8,705,674</u>	<u>7,406,554</u>
Current Assets						
Short-term debtors	17	11,598	-	-	11,598	21,181
Long-term debtors	17	22,897	-	-	22,897	85,000
Cash at banks & in hand	18	206,912	102,730	-	309,642	988,935
		<u>241,407</u>	<u>102,730</u>	<u>-</u>	<u>344,137</u>	<u>1,095,116</u>
Liabilities						
Creditors: falling due within one year	19	(48,320)	-	-	(48,320)	(118,923)
Net Current Assets		<u>193,087</u>	<u>102,730</u>	<u>-</u>	<u>295,817</u>	<u>976,193</u>
Total Assets Less Current Liabilities		<u>7,972,729</u>	<u>975,856</u>	<u>52,906</u>	<u>9,001,491</u>	<u>8,382,747</u>
Creditors: falling due after more than one year	19	(76,125)	-	-	(76,125)	-
Provisions for liabilities and charges	20	(203,005)	(4,500)	-	(207,505)	(133,223)
Net Assets		<u>7,693,599</u>	<u>971,356</u>	<u>52,906</u>	<u>8,717,861</u>	<u>8,249,524</u>
Funds						
	21-23					
Unrestricted funds		7,693,599	-	-	7,693,599	7,259,944
Restricted funds		-	971,356	-	971,356	886,674
Endowed funds		-	-	52,906	52,906	102,906
		<u>7,693,599</u>	<u>971,356</u>	<u>52,906</u>	<u>8,717,861</u>	<u>8,249,524</u>

Approved by the board of directors and authorised for issue on 4 September 2014 and signed on its behalf by:



J A Breslin
Chair



A. Hamnett
Secretary

The notes on pages 11 to 22 form part of these financial statements.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

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 2011, 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 2013, 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 General Reserve Fund to designated funds are made in accordance with the annual budget and in accordance with need. Funds are closed when the purpose for which they were created comes to an end, or it is otherwise resolved to discontinue them, and balances are usually returned to the General 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 £	2013 Total £	2012 Total £
Contributions from local churches	87,481	-	-	87,481	87,776
Donations	6,703	95	1,864	8,662	7,020
Other Income	270,000	76,694	-	346,694	97,535
	<u>364,184</u>	<u>76,789</u>	<u>1,864</u>	<u>442,837</u>	<u>192,331</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

3 Fundraising Income

	Unrestricted £	Restricted £	Endowed £	2013 Total £	2012 Total £
Mozambique - General	2,886	4,035	-	6,921	2,384
	<u>2,886</u>	<u>4,035</u>	<u>-</u>	<u>6,921</u>	<u>2,384</u>

4 Investment Income

	Unrestricted £	Restricted £	Endowed £	2013 Total £	2012 Total £
Bank interest	18,515	1,480	-	19,995	21,613
Dividends and Interest	156,666	9,497	-	166,163	146,406
				-	-
	<u>175,181</u>	<u>10,977</u>	<u>-</u>	<u>186,158</u>	<u>168,019</u>

5 Charitable Income

	Unrestricted £	Restricted £	Endowed £	2013 Total £	2012 Total £
Music Bank fees	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6 Other Incoming Resources

	Unrestricted £	Restricted £	Endowed £	2013 Total £	2012 Total £
Property Sales	404,000	-	-	404,000	98,374
Sundry Income	41	-	-	41	85
Rental Income	29,203	-	-	29,203	20,325
Monies Received from Investors	-	152,202	-	152,202	1,601
	<u>433,244</u>	<u>152,202</u>	<u>-</u>	<u>585,446</u>	<u>120,385</u>

7 Costs of Generating Funds

	Unrestricted £	Restricted £	Endowed £	2013 Total £	2012 Total £
Investment manager's fees	3,152	-	-	3,152	9,556
	<u>3,152</u>	<u>-</u>	<u>-</u>	<u>3,152</u>	<u>9,556</u>

8 Fundraising Expenditure

	Unrestricted £	Restricted £	Endowed £	2013 Total £	2012 Total £
Mozambique Expenses	2,886	1,237	-	4,123	-
	<u>2,886</u>	<u>1,237</u>	<u>-</u>	<u>4,123</u>	<u>-</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

9 Charitable Activities

	Direct Activities £	Grant- making (note 12) £	Support Costs (note 10) £	2013 Total £	2012 Total £
<i>Objectives</i>					
Discipleship	3,045	10,423	33,311	46,779	35,651
Mission	8,277	118,378	64,777	191,432	59,380
Partnership	166,218	46,289	26,562	239,069	216,282
Property	709,880	49,176	39,976	799,032	301,648
Total	887,420	224,266	164,626	1,276,312	612,961

This may be analysed as follows:

	Unrestricted £	Restricted £	Endowed £	2013 Total £	2012 Total £
Charitable Activities	1,162,322	112,126	1,864	1,276,312	612,961
	1,162,322	112,126	1,864	1,276,312	612,961

10 Allocation of support costs

	Office & Executive £	Office Staff £	Resource Staff £	Total £
Discipleship	8,593	7,846	16,872	33,311
Mission	8,593	15,692	40,492	64,777
Partnerships	8,593	7,846	10,123	26,562
Property	8,593	31,383	-	39,976
Subtotal	34,372	62,767	67,487	164,626
Governance	8,593	15,692	-	24,285
Total	42,965	78,459	67,487	188,911

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

10 Allocation of support costs (continued)

Basis of Allocation	Office & Executive %	Office Staff %	Resource Staff %
Discipleship	20	10	25
Mission	20	20	60
Partnerships	20	10	15
Property	20	40	-
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.

11 Governance Costs

	Unrestricted £	Restricted £	Endowed £	2013 Total £	2012 Total £
Audit fees	6,000	-	-	6,000	6,000
Sundry expenses	138	-	-	138	110
Support costs (note 10)	24,285	-	-	24,285	23,943
Total	30,423	-	-	30,423	30,053

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

12 Grants Given

	2013 £	2012 £
Mission	127,878	19,092
Partnership	30,800	13,800
Property	49,176	120,251
	<u>207,854</u>	<u>153,143</u>

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

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 (6 Trustees)	<u>514</u>

Salaries and wages

	Ministers £	Office Staff £	Resource Staff £	Total. £
Gross Salaries	-	58,646	48,961	107,607
Fixed Car Allowance	1,300	-	1,000	2,300
Employer's National Insurance	467	4,801	3,622	8,890
Employer's Pension Contribution	-	15,011	10,237	25,248
Housing Allowance	2,088	-	-	2,088
	<u>3,855</u>	<u>78,458</u>	<u>63,820</u>	<u>146,133</u>

During the year there were an average of 2.5 full-time equivalent employees. In addition a further two people were employed as Resource Staff personnel. No employee received emoluments above £60,000.

14 Pension Costs

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 Province) Trust Ltd. 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 £25,248. Members contributed 6% of pensionable salary throughout the year.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

15 Tangible Fixed Assets

	Freehold £	Loans £	Fixtures £	Total £
Cost or valuation				
At 1 January 2013	1,842,025	339,310	29,034	2,210,369
Additions	270,000	50,000	1,861	321,861
Disposals	(250,000)	-	(862)	(250,862)
At 31 December 2013	<u>1,862,025</u>	<u>389,310</u>	<u>30,034</u>	<u>2,281,369</u>
Depreciation				
At 1 January 2013	12,000	-	25,851	37,851
Charge for year	1,000	-	2,136	3,136
At 31 December 2013	<u>13,000</u>	<u>-</u>	<u>27,987</u>	<u>40,987</u>
Net book value				
At 31 December 2013	<u>1,849,025</u>	<u>389,310</u>	<u>2,047</u>	<u>2,240,382</u>
At 31 December 2012	<u>1,830,025</u>	<u>339,310</u>	<u>3,184</u>	<u>2,172,519</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 as Trustee.

16 Fixed Asset Investments

	UK Listed Investments £	Ex-UK Listed Investments £	2013 £	2012 £
Market Value brought Forward	3,681,022	1,389,458	5,070,480	4,165,231
Additions (at cost)	<u>2,453,696</u>	<u>662,620</u>	<u>3,116,316</u>	<u>1,670,539</u>
	6,134,718	2,052,078	8,186,796	5,835,770
Disposals (at carrying value)	<u>(2,206,329)</u>	<u>(598,440)</u>	<u>(2,804,769)</u>	<u>(1,152,537)</u>
Net gain/(loss) on revaluation	563,302	169,835	733,137	387,247
Market value carried forward	<u>4,491,691</u>	<u>1,623,473</u>	<u>6,115,164</u>	<u>5,070,480</u>
Cash balance			348,622	162,049
Traidcraft investments			1,506	1,506
			<u>6,465,292</u>	<u>5,234,035</u>
Historical Cost				
31 December 2013	<u>4,031,961</u>	<u>1,355,118</u>	<u>5,387,079</u>	
31 December 2012	<u>3,160,078</u>	<u>1,136,441</u>	<u>4,296,519</u>	

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

16 Fixed Asset Investments (continued)

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.

17 Debtors	2013 £	2012 £
Loans to churches (see below)	22,897	91,501
Prepaid expenses	5,053	5,856
Accrued income	660	7,687
Other debtors	5,885	1,136
	<u>34,495</u>	<u>106,181</u>
Included in the above are loans falling due after more than one year of:	<u>22,897</u>	<u>85,000</u>

18 Cash at Bank and in Hand

	Unrestricted £	Restricted £	Endowed £	2013 Total £	2012 Total £
Deposit	141,752	101,447	-	243,199	918,876
Banks	64,988	1,283	-	66,271	69,931
Cash	172	-	-	172	129
	<u>206,912</u>	<u>102,730</u>	<u>-</u>	<u>309,642</u>	<u>988,935</u>

19 Creditors

	2013 £	2012 £
Amounts falling due within one year		
Accruals and deferred income	48,320	118,923
	<u>48,320</u>	<u>118,923</u>
Amounts falling due after more than one year		
	76,125	-
	<u>76,125</u>	<u>-</u>
Total Creditors	<u>124,445</u>	<u>118,923</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

20 Provisions for Liabilities and Charges

1 Year £	1 Year+ £	Total £
98,777	108,728	207,505

Grants approved

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	328,879	243,233	(283,201)	77,623	366,534
General Reserve Fund	1,611,366	-	-	205,380	1,816,746
Property Valuations Fund	2,171,949	270,000	(1,000)	(200,000)	2,240,949
Manse Fund	1,829,383	217,991	(622,757)	329,244	1,753,861
Property Fund	371,598	202,211	(121,213)	41,455	494,051
Mission Fund	919,916	6,737	(130,910)	167,620	963,363
RMH 15% Manse Sales Fund	-	-	(5,441)	5,441	-
Minister's Pension Fund	-	-	(29,216)	29,216	-
Revenue Fund	16,789	34,300	(3,153)	-	47,936
Dr Brand Legacy Fund	6,803	996	-	964	8,763
Pulpit Supply Fund	3,211	15	(1,830)	-	1,396
Trust Non Pool Fund	50	12	(62)	-	-
Total Unrestricted	7,259,944	975,495	(1,198,783)	656,943	7,693,599
Church Extension Fund	11,960	-	-	1,536	13,496
Dales Fund	26,719	-	-	3,432	30,151
Ministry & Mission Fund	144,925	76,694	(104,134)	17,221	134,706
Moderator's Benevolent Fund	10,475	121	(304)	-	10,292
Mozambique Partnership Fund	4,996	3,382	(3,721)	2,158	6,815
Mozambique Project Fund	3,260	797	(1,236)	307	3,128
Students Fund	6,435	-	-	826	7,261
Trust Capital Funds	423,791	5,591	(3,968)	(98,791)	326,623
Church Funds	254,113	157,418	(7,152)	34,505	438,884
Total Restricted	886,674	244,003	(120,515)	(38,806)	971,356
RMH Endowed Fund	102,906	1,864	(1,864)	(50,000)	52,906
Total Endowed	102,906	1,864	(1,864)	(50,000)	52,906
Total Funds	8,249,524	1,221,362	(1,321,162)	568,137	8,717,861

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

22 Analysis of Net Assets Between Funds

	Tangible Assets £	Investments £	Assets £	Creditors £	Total £
General Fund	2,047	245,554	179,293	(60,360)	366,534
General Reserve	-	2,178,081	(361,335)	-	1,816,746
Property Valuations Fund	2,238,335	-	2,614	-	2,240,949
Manse Fund	-	1,671,855	82,542	(536)	1,753,861
Property Fund	-	262,491	276,151	(44,591)	494,051
Mission Fund	-	573,443	521,798	(131,878)	963,363
RMH 15% Manse Sales Fund	-	-	5,441	(5,441)	-
Minister's Pension Fund	-	-	84,644	(84,644)	-
Revenue Fund	-	-	47,936	-	47,936
Dr James Brand Legacy Fund	-	4,988	3,775	-	8,763
Pulpit Supply Fund	-	-	1,396	-	1,396
Trust Non Pool Fund	-	-	-	-	-
Trust Capital Fund	-	433,597	(433,597)	-	-
RMH Endowed Fund	-	169,251	(169,251)	-	-
Total Unrestricted	2,240,382	5,539,260	241,407	(327,450)	7,693,599
Church Extension Fund	-	15,977	(2,481)	-	13,496
Dales Fund	-	30,134	17	-	30,151
Ministry & Mission Fund	-	139,649	(443)	(4,500)	134,706
Moderator's Benevolent Fund	-	-	10,292	-	10,292
Mozambique Partnership Fund	-	5,105	1,710	-	6,815
Mozambique Project Fund	-	616	2,512	-	3,128
Students Fund	-	8,600	(1,339)	-	7,261
Trust Capital Funds	-	326,623	-	-	326,623
Church Funds	-	346,422	92,462	-	438,884
Total Restricted	-	873,126	102,730	(4,500)	971,356
RMH Endowed Fund	-	52,906	-	-	52,906
Total Endowed	-	52,906	-	-	52,906
Total Funds	2,240,382	6,465,292	344,137	(331,950)	8,717,861

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 2010.

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.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

General Reserve Fund

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

Property 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 8 funds are all restricted. 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.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

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 Fund.

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.

Pulpit Supply Fund

This fund is restricted and was set up in 2011 to provide the payment of preaching fees and expenses in the Northumberland rural Churches. This asset is represented by 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 Pension Costs

Final Salary (defined benefit) pension scheme

The Trust contributes for office staff into a United Reformed Church lay staff pension scheme known as the 'Final Salary' 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 - each employer in that scheme pays

During 2013 the Trust contributed 26% (2012: 26%) of basic salary in respect of members of the Final Salary scheme, amounting to £25,248 (2012: £18,354). Members contributed 6% (2012: 6%) of pensionable salary throughout the accounting period.

Triennial actuarial valuations of the Final Salary scheme are performed by a professionally qualified actuary. The most recent formal review of the scheme was at 30 September 2010 when the scheme had a deficit of £2,733k. The assumptions underlying that valuation include:

Discount Rate:	pre retirement 7.5%, post retirement 4.2%
Pensionable earnings	2.6% for three years, 4.5% thereafter
Future pension increases:	2.60%
Retirement age:	60, with commutation

As a result of the actuary's recommendations, contributions by participating employers have continued unchanged at 26% of basic salary from 1 January 2013. The next triennial actuarial valuation as at 30 September 2013 is now underway which is required to be completed no later than 31 December 2014.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

25 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.