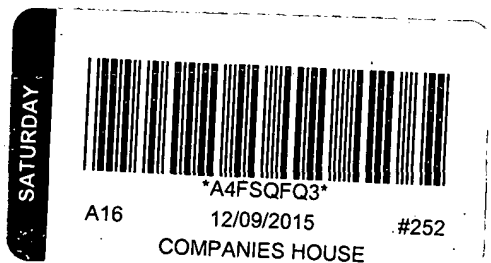


**THE UNITED REFORMED CHURCH  
(NORTHERN PROVINCE)  
TRUST LIMITED**

Company Number: 134549  
Charity Number: 1132154

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
31 DECEMBER 2014**



**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED  
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

Directors: J.A.Breslin - Chair  
A.Hamnett - Secretary  
D.Pigeon - Treasurer (to 14 April 2015)  
R.Dunn  
J.C.G.Forrest  
A.P.Haws (from 1 January 2015)  
J.C.Kennedy  
M.J.Louis  
P.B.Matthew  
D.Stembridge  
S.J.Swanston

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

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

Charity number: 1132154

Company number: 134549

Bankers: Bank of Scotland plc  
PO Box 1000 BX2 1LB

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

Lloyds Bank plc  
PO Box 1000 BX1 1LT

Legal Advisors: 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

Property Consultants: Sanderson Weatherall LLP  
22-24 Grey Street, Newcastle upon Tyne NE1 6AD

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 2014**

The Trustees, who are also the Directors of the Company for the purposes of the Companies Act 2006, present their report and the audited accounts for the year ended 31 December 2014.

### **Structure, Governance and Management**

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

The Directors give their time voluntarily, and receive no benefits from the Company. Any expenses reclaimed from the Company are set out in note 13 to the financial statements.

The Directors are appointed by the United Reformed Church Northern Synod, and the officers are appointed by the Board. A balanced Board is sought, with a mixture of experience and geographic spread. Where vacancies are identified, nominations are sought either by direct approach or advertisement amongst the 71 churches of the Synod. Under the United Reformed Church Acts 1972-2000, all members and Directors must be also members of a local church or ecumenical area of the United Reformed Church, and for this reason no candidates are sought outside the churches of the Northern Synod.

Upon appointment, all Directors are provided with an induction pack explaining the work of the Company, and including the Charity Commission's leaflet *The Essential Trustee: what you need to know*. Further training is provided during the year on a range of relevant topics.

The Board meets five times a year and receives reports, sets policies and takes major financial decisions. Subcommittees deal with investments, staff remuneration, denominational Ministry & Mission Fund assessments, church and manse properties, and human resources. Small grant applications are considered by subcommittees, with larger ones referred to the Board. Investments are monitored regularly, with quarterly reports from the Investment Managers. Periodic condition survey reports are received from the Property Consultants on local church properties.

All decisions are taken by simple majority, with the chairman having a casting vote. The Board may make decisions by agreement of two Directors, on straightforward, non-controversial matters. The day-to-day running of the Company's affairs is carried out by two members of office staff, who are responsible to the Board, 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 2014**

### *Relations with other Parties*

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

### *Risk Management*

The Directors are responsible for assessing the major risks to which the Company is exposed, and for establishing systems to mitigate those risks. The Directors have considered a number of factors which could have a negative effect on the Company's ability to pursue its aims, both in terms of the likelihood of their occurring and the probable impact of such events. These cover governance, financial, property, office functionality, legal, human resources, and local church issues.

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

### **Objectives and Activities**

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

The Company supports the Northern Synod's vision, to be part of a growing lively church bearing much fruit in the North East, by enabling local churches to be lively, informed and effective in being the church in their local setting and Synod to be an expression of the Church at regional level in the light of the United Reformed Church's Vision 2020 programme. It provides financial, advisory and technical support.

The Company carries out its work under 4 headings.

1. *Discipleship* – supporting Christian spirituality, nurture, lay and ministerial education, development and training.
2. *Mission* – promoting evangelism, mission, church growth, outreach and racial justice.
3. *Partnerships* – supporting joint working with ecumenical, community and global partners
4. *Property* – providing and managing housing for ministers, retired ministers and their widow(er)s, and supporting local churches in proper care of their properties.

## **THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

### *Grant-making*

Much of the Company's work is achieved through making grants (in 2014, some £286,127), which are given to churches and other bodies as well as individuals, in accordance with published policies for the following purposes:

- Repair, maintenance and improvement of church and manse buildings
- Mission, outreach and fresh expressions of church
- Lay and ministerial education and learning
- Travel to events for young people

Small welfare benevolences are also given.

### *Staffing and Volunteers*

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

Volunteers donated an estimated 350 hours' work in total during the year, which is hard to value in financial terms. The Board takes the view that the Company is not excessively dependent on any one individual.

### **Achievements (note 8)**

*Discipleship* – (£43,882) A spring retreat and summer school were organised as usual, and this year there was also a landmark conference for Elders and an inaugural meeting of the Church Secretaries' network. Grants were awarded to 15 ministers for continuing ministerial education and sabbatical costs were met for 6 ministers. Lay training grants were claimed by 8 of the 13 mission partnerships in the Synod, in addition to payment of course fees for Training for Learning and Serving.

*Mission* – (£113,001) Two new partners in mission were supported in 2014, the Newcastle Evangelist project and the Ponteland & Wideopen Family & Children's Work project, alongside five continuing partners, the Newcastle City Centre Chaplaincy, St Cuthbert's Centre on Holy Island, Church-Related Community Work projects in Newcastle and Sunderland and a further community project in Sunderland. In addition, seven small mission grants were made, helping churches to benefit their local communities.

*Partnerships* – (£310,576) Costs relating to ecumenical ministries were shared as usual, and resources were also shared with poorer synods in the United Reformed Church. Conversations were begun between the five northerly synods, which may

## **THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

lead to significant collaboration in future years. Contributions were also made to work of the URC Retired Ministers' Housing Society Ltd. Grants were made in support of some local churches and North East Churches Acting Together.

*Property* – (£370,001) The Company continued to maintain the properties for which it is directly responsible, and also ensured professional advice on legal and property matters for local churches. Grants were made for the repair or redevelopment of 14 churches, in particular the significant works which have brought new life to the church at Jesmond.

### **Financial Review**

During the year, total assets increased by £191,524 (2013 = £468,337), to £8,909,385. This was due to appreciation of investment values and income exceeding expenditure (after exceptional income and expenditure items in 2013 were not repeated). The Directors consider that this should enable the Company to continue to engage in significant future work.

The biggest source of income (59%) was from property sales. However, this figure varies considerably from year to year, and by its nature is not repeatable. Investment income of £223,321 was pleasing to note, and well ahead of expectations.

### *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 to churches and individuals. The Company aims to hold a level of reserves that will provide an income to meet these ongoing costs.

The seven major free unrestricted funds amount to £6,192,584 representing 70% of total assets. Five of these principal funds are designated for specific purposes. The remainder are subject to restriction or permanent endowment, imposed by the donors of those funds or by the Charity Commission.

### *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 current policy was set in 2013, with an emphasis on total return, whilst maintaining steady income across a balanced, diversified portfolio with a relatively aggressive risk exposure. An ethical screen is applied to direct UK investments, which omits companies with 5% or more exposure to armaments, consumer credit, environmental underperformance, gambling, pornography, abortifacients, or tobacco

It is not felt that this policy is having a significantly detrimental long-term effect. The investment manager has discretionary powers to manage the portfolio within the parameters set out by this policy, and reports regularly to the Investment Subcommittee on the performance of these funds.

## **THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

Performance is measured against a weighted benchmark of indices. Over the year, the portfolio of funds held by the Company underperformed the benchmark, with a return of 4% against an index of 6%.

### *Factors Affecting Performance*

The Company's ability to achieve its objectives depends on a number of factors, not necessarily within its control, such as performance of investments, and the effective coordinated work of professional advisors and staff. In 2014 there were no significant factors of this type.

### **Pensions**

The Company operates a defined benefit pension scheme for its employees, which is administered by the Pensions Trust, through the United Reformed Church payroll. The pension cost in the accounts represents the contributions payable by the Company to the scheme during the year.

### **Public Benefit**

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

### **Plans for the Future**

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

An expansion in resource staff is envisaged in 2015, to provide greater dynamic support for local churches in the synod in mission, discipleship and children's work. Procedures for safeguarding children and vulnerable adults are also being improved.

### **Statement of Directors' Responsibilities**

Company and charity law require the Directors 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 end of the year. In preparing financial statements, the Directors 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; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Company will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose

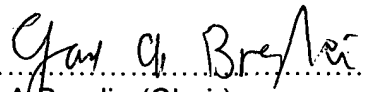
**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED  
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

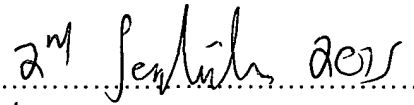
with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection 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 on 2 September 2015.

BY ORDER OF THE BOARD

  
.....  
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 2014**

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Ltd for the year ended 31 December 2014 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 Directors' 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 2014 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 2014**

- 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.

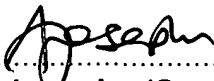
**Opinion on other matter prescribed by the Companies Act 2006**

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 directors' 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: 4/9/15 .....

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2014 £	Total 2013 £
<b>Incoming Resources</b>						
Incoming resources from generated funds:						
Voluntary income	2	93,262	63,855	-	157,117	442,837
Activities for generating funds	3	15,750	1,562	-	17,312	6,921
Investment income	4	199,042	24,279	-	223,321	186,158
Other incoming resources	5	617,350	1,369	-	618,719	585,446
<b>Total incoming resources</b>		<b>925,404</b>	<b>91,065</b>	<b>-</b>	<b>1,016,469</b>	<b>1,221,362</b>
<b>Resources Expended</b>						
Monies Paid to Investors	-	-	22,251	-	22,251	7,152
Costs of generating funds	6	25,593	3,119	-	28,712	3,152
Fundraising Expenditure	7	14,836	(20)	-	14,816	4,123
Charitable Activities	8	737,550	99,910	-	837,460	1,276,312
Governance Costs	10	28,024	-	-	28,024	30,423
<b>Total resources expended</b>		<b>806,003</b>	<b>125,260</b>	<b>-</b>	<b>931,263</b>	<b>1,321,162</b>
<b>Net Incoming Resources before other recognised gains and losses</b>		<b>119,401</b>	<b>(34,195)</b>	<b>-</b>	<b>85,206</b>	<b>(99,800)</b>
<b>Transfers</b>						
Gross transfers between funds		(154,710)	4,710	150,000	-	-
<b>Net incoming resources before other recognised gains and losses</b>		<b>(35,309)</b>	<b>(29,485)</b>	<b>150,000</b>	<b>85,206</b>	<b>(99,800)</b>
<b>Other Recognised Gains/(Losses)</b>						
Gain/(loss) on sales of assets		16,626	-	-	16,626	(165,000)
Gain on investment assets		78,446	11,246	-	89,692	733,137
<b>Net movement in funds</b>		<b>59,763</b>	<b>(18,239)</b>	<b>150,000</b>	<b>191,524</b>	<b>468,337</b>
Funds Brought Forward		7,693,599	971,356	52,906	8,717,861	8,249,524
<b>Total funds carried forward</b>		<b>7,753,362</b>	<b>953,117</b>	<b>202,906</b>	<b>8,909,385</b>	<b>8,717,861</b>

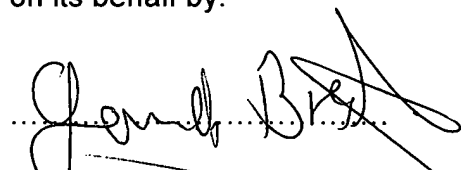
The notes on pages 12 to 22 form part of these financial statements.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2014**

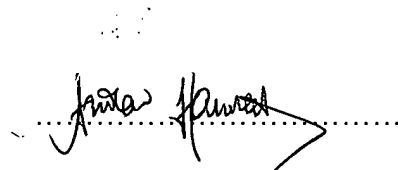
Company Number: 134549

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2014 £	Total 2013 £
<b>Fixed Assets</b>						
Tangible assets	14	1,560,010	-	200,000	1,760,010	2,240,382
Investments	15	6,110,328	931,683	-	7,042,011	6,465,292
		<u>7,670,338</u>	<u>931,683</u>	<u>200,000</u>	<u>8,802,021</u>	<u>8,705,674</u>
<b>Current Assets</b>						
Short-term debtors	16	14,033	1,785	-	15,818	11,598
Long-term debtors	16	8,001	-	-	8,001	22,897
Cash at banks & in hand	17	556,015	43,271	2,906	602,192	309,642
		<u>578,049</u>	<u>45,056</u>	<u>2,906</u>	<u>626,011</u>	<u>344,137</u>
<b>Liabilities</b>						
Creditors: falling due within one year	18	(61,345)	(3,001)	-	(64,346)	(48,320)
<b>Net Current Assets/Liabilities</b>		<u>516,704</u>	<u>42,055</u>	<u>2,906</u>	<u>561,665</u>	<u>295,817</u>
<b>Total Assets Less Current Liabilities</b>						
		8,187,042	973,738	202,906	9,363,686	9,001,491
Creditors: falling due after more than one year	18	(115,658)	-	-	(115,658)	(76,125)
Provisions for liabilities and charges	19	(318,022)	(20,621)	-	(338,643)	(207,505)
<b>Net Assets</b>		<u>7,753,362</u>	<u>953,117</u>	<u>202,906</u>	<u>8,909,385</u>	<u>8,717,861</u>
<b>Funds</b>						
	20-22					
Unrestricted funds		7,753,362	-	-	7,753,362	7,693,599
Restricted funds		-	953,117	-	953,117	971,356
Endowed funds		-	-	202,906	202,906	52,906
		<u>7,753,362</u>	<u>953,117</u>	<u>202,906</u>	<u>8,909,385</u>	<u>8,717,861</u>

Approved by the board of directors and authorised for issue on 2 September 2015 and signed on its behalf by:



J A Breslin  
Chair



A. Hamnett  
Secretary

The notes on pages 12 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 2014**

**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 2014, 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 22.
- (h) Designated funds are determined by the Board.

**2 Voluntary Income**

	Unrestricted £	Restricted £	Endowed £	2014 Total £	2013 Total £
Contributions from local churches	86,756	-	-	86,756	87,481
Donations	5,430	-	-	5,430	8,662
Other Income	1,076	63,855	-	64,931	346,694
	<u>93,262</u>	<u>63,855</u>	<u>-</u>	<u>157,117</u>	<u>442,837</u>

Other income includes £63,825 Ministry and Mission Contributions received from churches.

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014**

**3 Fundraising Income**

	Unrestricted £	Restricted £	Endowed £	2014 Total £	2013 Total £
Mozambique - General	-	1,562	-	1,562	6,921
Lindisfarne DVD Gospel	15,750	-	-	15,750	-
	<u>15,750</u>	<u>1,562</u>	<u>-</u>	<u>17,312</u>	<u>6,921</u>

**4 Investment Income**

	Unrestricted £	Restricted £	Endowed £	2014 Total £	2013 Total £
Bank interest	11,100	1,373	-	12,473	19,995
Dividends and Interest	187,942	22,906	-	210,848	166,163
	<u>199,042</u>	<u>24,279</u>	<u>-</u>	<u>223,321</u>	<u>186,158</u>

**5 Other Incoming Resources**

	Unrestricted £	Restricted £	Endowed £	2014 Total £	2013 Total £
Property Sales	591,204	-	-	591,204	404,000
Sundry Income	-	69	-	69	41
Rental Income	26,146	-	-	26,146	29,203
Monies Received from Investors	-	1,300	-	1,300	152,202
	<u>617,350</u>	<u>1,369</u>	<u>-</u>	<u>618,719</u>	<u>585,446</u>

**6 Costs of Generating Funds**

	Unrestricted £	Restricted £	Endowed £	2014 Total £	2013 Total £
Investment manager's fees	11,534	1,406	-	12,940	3,152
Commissions	14,059	1,713	-	15,772	-
	<u>25,593</u>	<u>3,119</u>	<u>-</u>	<u>28,712</u>	<u>3,152</u>

**7 Fundraising Expenditure**

	Unrestricted £	Restricted £	Endowed £	2014 Total £	2013 Total £
Mozambique Expenses	-	(20)	-	(20)	4,123
Lindisfarne DVD Gospel	14,836	-	-	14,836	-
	<u>14,836</u>	<u>(20)</u>	<u>-</u>	<u>14,816</u>	<u>4,123</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014**

**8 Charitable Activities**

	Direct Activities £	Grant- making (note 11) £	Support Costs (note 9) £	2014 Total £	2013 Total £
<i>Objectives</i>					
Discipleship	5,055	10,172	28,655	43,882	46,779
Mission	27,487	40,092	45,422	113,001	191,432
Partnership	258,131	13,415	39,030	310,576	239,069
Property	106,350	222,449	41,202	370,001	799,032
<b>Total</b>	<b>397,023</b>	<b>286,128</b>	<b>154,309</b>	<b>837,460</b>	<b>1,276,312</b>

This may be analysed as follows:

	Unrestricted £	Restricted £	Endowed £	2014 Total £	2013 Total £
Charitable Activities	737,550	99,910	-	837,460	1,276,312
	<b>737,550</b>	<b>99,910</b>	<b>-</b>	<b>837,460</b>	<b>1,276,312</b>

**9 Allocation of support costs**

	Office & Executive £	Office Staff £	Resource Staff £	Total £
Discipleship	7,669	19,162	1,824	28,655
Mission	7,669	35,929	1,824	45,422
Partnerships	7,669	16,767	14,594	39,030
Property	7,669	33,533	-	41,202
Subtotal	30,676	105,391	18,242	154,309
Governance	7,670	14,371	-	22,041
<b>Total</b>	<b>38,344</b>	<b>119,762</b>	<b>18,242</b>	<b>176,350</b>

<b>Basis of Allocation</b>	Office & Executive %	Office Staff %	Resource Staff %
Discipleship	20	16	10
Mission	20	30	10
Partnerships	20	14	80
Property	20	28	-
Subtotal	80	88	100
Governance	20	12	-
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014**

**10 Governance Costs**

	Unrestricted £	Restricted £	Endowed £	2014 Total £	2013 Total £
Audit fees	6,000	-	-	6,000	6,000
Sundry expenses	(17)	-	-	(17)	138
Support costs (note 10)	22,041	-	-	22,041	24,285
<b>Total</b>	<b>28,024</b>	<b>-</b>	<b>-</b>	<b>28,024</b>	<b>30,423</b>

**11 Grants Given**

	2014 £	2013 £
Discipleship	10,172	10,423
Mission	40,092	118,378
Partnership	13,415	46,289
Property	222,449	49,176
	<b>286,128</b>	<b>224,266</b>

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

**12 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 (4 Trustees)				£	345
<b>Salaries and wages</b>	<b>Ministers</b>	<b>Office Staff</b>	<b>Resource Staff</b>	<b>2014 Total</b>	<b>2013 Total</b>
	£	£	£	£	£
Gross Salaries	-	87,240	11,922	99,162	107,607
Fixed Car Allowance	375	-	-	375	2,300
Employer's National Insurance	92	7,550	556	8,198	8,890
Employer's Pension Contribution	-	22,244	3,071	25,315	25,248
Housing Allowance	291	-	-	291	2,088
	<b>758</b>	<b>117,034</b>	<b>15,549</b>	<b>133,341</b>	<b>146,133</b>

During the year there were an average of 3.8 full-time equivalent employees. No employee received emoluments above £60,000.



**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014**

**13 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 £25,315. Members contributed 6% of pensionable salary throughout the year.

**14 Tangible Fixed Assets**

	Freehold £	Loans £	Fixtures £	Total £
<b>Cost or valuation</b>				
At 1 January 2014	1,862,025	389,310	30,034	2,281,369
Additions	-	50,000	1,220	51,220
Disposals	(523,459)	(5,712)	-	(529,171)
At 31 December 2014	<u>1,338,566</u>	<u>433,598</u>	<u>31,254</u>	<u>1,803,418</u>
<b>Depreciation</b>				
At 1 January 2014	13,000	-	27,987	40,987
Charge for year	1,000	-	1,421	2,421
At 31 December 2014	<u>14,000</u>	<u>-</u>	<u>29,408</u>	<u>43,408</u>
<b>Net book value</b>				
At 31 December 2014	<u>1,324,566</u>	<u>433,598</u>	<u>1,846</u>	<u>1,760,010</u>
At 31 December 2013	<u>1,849,025</u>	<u>389,310</u>	<u>2,047</u>	<u>2,240,382</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.

**15 Fixed Asset Investments**

	UK Listed Investments £	Ex-UK Listed Investments £	2014 £	2013 £
Market Value brought Forward	4,491,691	1,623,473	6,115,164	5,070,480
Additions (at cost)	<u>2,585,028</u>	<u>1,199,699</u>	<u>3,784,727</u>	<u>3,116,316</u>
	7,076,719	2,823,172	9,899,891	8,186,796
Disposals (at carrying value)	<u>(1,940,326)</u>	<u>(1,273,390)</u>	<u>(3,213,716)</u>	<u>(2,804,769)</u>
Net gain/(loss) on revaluation	<u>(273,284)</u>	<u>362,976</u>	<u>89,692</u>	<u>733,137</u>
Market value carried forward	<u>4,863,109</u>	<u>1,912,758</u>	<u>6,775,867</u>	<u>6,115,164</u>
Cash balance			264,638	348,622
Traidcraft investments			1,506	1,506
			<u>7,042,011</u>	<u>6,465,292</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014**

**15 Fixed Asset Investments (continued)**

	UK Listed Investments £	Ex-UK Listed Investments £	Total
Historical Cost			
31 December 2014	4,612,781	1,652,123	6,264,904
31 December 2013	4,031,961	1,355,118	5,387,079

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.

**16 Debtors**

	2014 £	2013 £
Loans to churches (see below)	8,001	22,897
Prepaid expenses	5,756	5,053
Accrued income	-	660
Other debtors	10,062	5,885
	<u>23,819</u>	<u>34,495</u>
Included in the above are loans falling due after more than one year of:	<u>8,001</u>	<u>22,897</u>

**17 Cash at Bank and in Hand**

	Unrestricted £	Restricted £	Endowed £	2014 Total £	2013 Total £
Deposit	443,241	-	-	443,241	243,199
Banks	112,715	43,271	-	155,959	66,271
Cash	59	-	-	59	172
	<u>556,015</u>	<u>43,271</u>	<u>-</u>	<u>602,192</u>	<u>309,642</u>

**18 Creditors**

	2014 £	2013 £
<b>Amounts falling due within one year</b>		
Accruals and deferred income	64,346	48,320
	<u>64,346</u>	<u>48,320</u>
<b>Amounts falling due after more than one year</b>	115,658	76,125
	<u>115,658</u>	<u>76,125</u>
Total Creditors	<u>180,004</u>	<u>124,445</u>

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014**

**19 Provisions for Liabilities and Charges**

	1 Year £	1 Year+ £	Total £
Grants approved	218,011	120,632	338,643

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

**20 Movement in Funds**

	Opening Balance £	Incoming Resources £	Outgoing Resources £	Revaluations/ Transfers £	Closing Balance £
General Fund	366,534	299,119	(261,453)	48,733	452,933
General Reserve Fund	1,816,746	-	-	20,222	1,836,968
Property Valuations Fund	2,240,949	-	(1,000)	(679,171)	1,560,778
Manse Fund	1,753,861	349,142	(63,445)	574,427	2,613,985
Property Fund	494,051	11,554	(238,551)	9,129	276,183
Mission Fund	963,363	96,275	(71,773)	13,831	1,001,696
RMH 15% Manse Sales Fund	-	91,520	(91,520)	-	-
Ministers' Pension Fund	-	61,014	(61,014)	-	-
Revenue Fund	47,936	-	-	(47,936)	-
Dr Brand Legacy Fund	8,763	1,023	-	119	9,905
Lindisfarne Gospel Fund	-	15,750	(14,836)	-	914
Pulpit Supply	1,396	7	(2,411)	1,008	-
Total Unrestricted	7,693,599	925,404	(806,003)	(59,638)	7,753,362
Church Extension Fund	13,496	-	-	162	13,658
Dales Fund	30,151	-	-	361	30,512
Ministry & Mission Fund	134,706	63,825	(90,775)	1,497	109,253
Moderator's Benevolent Fund	10,292	48	(300)	-	10,040
Mozambique Partnership Fund	6,815	309	(11)	1,661	8,774
Mozambique Project Fund	3,128	1,702	(18)	83	4,895
Students Fund	7,261	-	-	87	7,348
Pulpit Supply Fund	-	-	-	(1,008)	(1,008)
Trust Capital Funds	326,623	10,242	(10,151)	5,964	332,678
Church Funds	438,884	14,939	(24,005)	7,149	436,967
Total Restricted	971,356	91,065	(125,260)	15,956	953,117
RMH Endowed Fund	52,906	-	-	150,000	202,906
Total Endowed	52,906	-	-	150,000	202,906
Total Funds	8,717,861	1,016,469	(931,263)	106,318	8,909,385

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2014**

**21 Analysis of Net Assets Between Funds**

	Tangible Assets £	Investments £	Current Assets £	Creditors £	Total £
General Fund	1,846	446,983	29,097	(24,993)	452,933
General Reserve Fund	-	1,812,835	24,133	-	1,836,968
Property Valuations Fund	1,558,164	-	2,614	-	1,560,778
Manse Fund	-	2,579,644	46,613	(12,272)	2,613,985
Property Fund	-	272,555	153,097	(149,469)	276,183
Mission Fund	-	988,536	165,117	(151,957)	1,001,696
RMH Manse Sales Fund	-	-	25,676	(25,676)	-
Ministers' Pension Fund	-	-	130,658	(130,658)	-
Revenue Fund	-	-	-	-	-
Dr James Brand Legacy Fund	-	9,775	130	-	9,905
Lindisfarne Gospel Fund	-	-	914	-	914
<b>Total Unrestricted</b>	<b>1,560,010</b>	<b>6,110,328</b>	<b>578,049</b>	<b>(495,025)</b>	<b>7,753,362</b>
Church Extension Fund	-	13,479	179	-	13,658
Dales Fund	-	30,111	401	-	30,512
Ministry & Mission Fund	-	107,818	22,876	(21,441)	109,253
Moderator's Benevolent Fund	-	-	10,040	-	10,040
Mozambique Partnership Fund	-	8,659	115	-	8,774
Mozambique Project Fund	-	4,831	64	-	4,895
Students Fund	-	7,251	97	-	7,348
Pulpit Supply Fund	-	-	1,173	(2,181)	(1,008)
Trust Capital Funds	-	328,308	4,370	-	332,678
Church Funds	-	431,226	5,741	-	436,967
<b>Total Restricted</b>	<b>-</b>	<b>931,683</b>	<b>45,056</b>	<b>(23,622)</b>	<b>953,117</b>
RMH Endowed Fund	200,000	-	2,906	-	202,906
<b>Total Endowed</b>	<b>200,000</b>	<b>-</b>	<b>2,906</b>	<b>-</b>	<b>202,906</b>
<b>Total Funds</b>	<b>1,760,010</b>	<b>7,042,011</b>	<b>626,011</b>	<b>(518,647)</b>	<b>8,909,385</b>

**22 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.

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General Fund

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

General Reserve Fund

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

Property Valuations Fund

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

Manse Fund

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

Property Fund

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

Mission Fund

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

RMH Manse Sales Fund

This fund is unrestricted and is designated for retired ministers' housing purposes. It arises from 15% of manse sales and is represented by pooled investments and cash.

Ministers' Pension Fund

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

Revenue Fund

This fund is unrestricted and all income and gains and losses are posted through this fund before being allocated to other funds. This asset is represented by pooled investments and cash.

Dr Brand Legacy Fund

This fund is unrestricted and arises from legacy income and is represented by pooled investments and cash.

Lindisfarne Gospel Fund

This fund is unrestricted and is designated for an ecumenical project which produced a dvd. It was funded from contributions from regional church bodies and is represented by pooled investments and

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
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Church Extension Fund

This fund is restricted, and was apportioned 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.

Dales Fund

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

Ministry and Mission Fund

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

Moderator's Benevolent Fund

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

Mozambique Partnership Fund

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

Mozambique Project Fund

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

Students' Fund

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

Pulpit Supply Fund

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

Trust Capital Funds

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

Church Funds

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

**THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED**  
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Retired Ministers' Housing (Endowed) Fund

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

**23 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 a common contribution rate.

During 2014 the Trust contributed 26% (2013: 26%) of basic salary in respect of members of the Final Salary scheme, amounting to £25,315 (2013: £25,248). Members contributed 6% (2013: 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 2013 when the scheme had a deficit of £2,725k. The assumptions underlying that valuation include:

Discount Rate:	pre retirement 6.6%, post retirement 3.7%
Pensionable earnings	2.5% for three years, 4% thereafter
Future pension increases:	2.5%
Retirement age:	60, with commutation

As a result of the actuary's recommendations, contributions by participating employers have increased to 28.2% of basic salary from 1st January 2015. The next triennial actuarial valuation is now underway which is required to be completed no later than 31st December 2015.

**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.