

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2003**

Company Number: 134549

**STRAUGHANS
Chartered Accountants
and Registered Auditor
Suite 6
Coniston House
Town Centre
Washington
Tyne & Wear
NE38 7RN**



THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

INDEX

	Pages
Directors' Report	1 - 4
Auditors' Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Accounts	8 - 9
List of Properties held as Custodian Trustee	10 - 16

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2003

Constitution

The United Reformed Church (Northern Province) Trust Limited (formerly known as the Durham and Northumberland Congregational Union (Incorporated)) was incorporated in England and Wales in 1914. It is excepted from registration with the Charity Commission by the Charities (Exception from Registration) Regulations 1996, as amended by the Charities (Exception from Registration) (Amendment) Regulations 2002. It is a private charitable Company, limited by guarantee.

The Company is governed by its Memorandum & Articles of Association, 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 and officers are appointed by the members, who are also all the qualifying members of The United Reformed Church Northern Synod, usually according to an agreed formula. The current formula was agreed by the Annual General Meeting on 13th October 2002, as follows: The Moderator, Clerk and Treasurer of the Synod, the Convenor of the Finance and Property Committee of The Synod, a representative of each District Council within the Synod, and up to seven other persons, on the basis of expertise. The Secretary shall be appointed from among the members of the Board of Directors. By the United Reformed Church Acts 1972 - 2000, all members and Directors must be also members of the United Reformed Church.

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.

Directors:	P.I. Poulter	(Chairman)
	J.A. Breslin	(Secretary)
	M. Holloway	(To 22nd March 2003 and as Treasurer to that date)
	D.C. Hayward	(and as Treasurer from 22nd March 2003)
	P.H. Clarke	
	J.E. Heathorn	
	S.J. Martin	
	J. Miller	
	I.J. Patterson	
	J.R. Tomlin	
	D.M. Walton	(From 6th September 2003)
	N.G. Watson	

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

Advisors and Organisations Serving the Company:

Trust Officer:	A. Atkinson
Synod Administrator:	A. Beecroft
Administrative Assistant:	P. Henderson
(to 11th December 2003)	

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2003

Bankers: Lloyds TSB plc
102 Grey Street
Newcastle upon Tyne
NE99 1SL

Solicitors: Merchant House
30 Cloth Market
Newcastle upon Tyne
NE1 1EE

Solicitors: Ward Hadaway
(from 6th November 2003) Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Investment Managers: Laing & Cruickshank Investment Management Limited
Citygate
St. James' Boulevard
Newcastle upon Tyne
NE1 4JD

Nominees: Productive Nominees Limited
Broadwalk House
5 Appold Street
London
EC2A 2DA

Auditors: Straughans
Chartered Accountants and Registered Auditor
Suite 6 Coniston House
Town Centre
Washington
Tyne & Wear
NE38 7RN

Principal Activities

The Company continues to act as custodian trustee, holding monies, investments and properties for the unincorporated association known as The United Reformed Church (Northern Province) Trust. The Trust has similar objects to the Company, and is the vehicle by which local churches, District Councils and the Synod hold monies, investments and properties. As such, the Company has no assets or liabilities of its own and has not traded during the year. Details of assets held on behalf of others are given in the notes and Appendix to these accounts.

All title deeds are held in safe custody by the Company's solicitors and certain other solicitors, and all investments are held by the nominees. Most of the properties are visited regularly by members of the United Reformed Church.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2003

Related Parties The Company shares the same trustees as the United Reformed Church (Northern Province) Trust, and shares eight of its trustees with the United Reformed Church Northern Synod.

Staffing The work of the Company is carried out by volunteers (including the Directors) who are entitled to receive expenses from the Synod, as well as by two members of paid Synod staff, who are employed by the United Reformed Church. A service charge is levied by the Synod towards the administrative costs of those employees. The Board takes the view that the Company is not excessively dependent on any one individual.

The United Reformed Church Northern Synod has agreed to indemnify any Director of the United Reformed Church (Northern Province) Trust Limited in respect of costs incurred where there has been no fraud or blatant disregard of the interests of members or beneficiaries on the part of that Director.

Investments The majority of the available funds of the Company are invested in the name of the custodian trustee, through its nominees. The Company received advice on investment policy and the use of monies from its stockbrokers. The Investment Subcommittee met throughout the year and regular reports were received on the performance of these funds. Policy has been to grow income and capital in the context of a prudent and diversified fund. Following the implementation of the Trustee Act 2000, the following terms have been adopted: moderate to moderate-aggressive risk tolerance; long-term timescale, emphasis on total return; with some income generation; a maximum exposure of 5% in any individual holding; performance measured against the WM Charities Constrained by Income Universe of Funds.

Reserves The Charity has no reserves.

Risks 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 nearly thirty 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. Six major risks have been identified, regarding legal compliance, insurance, financial loss, personnel, property and communications. The Directors continue to review and monitor these risks, and the adequacy of the systems in place to reduce them.

Review of the Year

Activities This year we welcomed Revd David Walton, Synod Treasurer, to the Board of Directors, and Dai Hayward replaced Malcolm Holloway as Company Treasurer. Following a review, Ward Hadaway, a large Newcastle law firm, was appointed as the Company's legal advisor.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2003

Statement of Directors' Responsibilities

The Charities Act 1993 and the Charities (Statement of Account) Regulations 1995 require the Directors to prepare accounts for each financial year. In preparing these accounts, the Directors are encouraged to follow the recommendations outlined in the Statement of Recommended Practice on Accounting and Reporting by charities (issued October 2000).

The Directors are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs 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 best practice and


- (a) select suitable accounting policies and then apply them consistently.
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether the policies adopted are in accordance with the appropriate Statement of Recommended Practice and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue in operation.

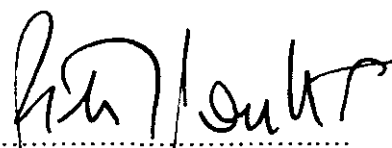
The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with relevant law. They are also responsible for safeguarding the assets of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

Auditors

The Auditors, Straughans, Chartered Accountants and Registered Auditor, have expressed their willingness to continue in office. A resolution for the re-appointment of Auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD


.....
Date


.....
P.I. Poulter (Chairman)

**AUDITORS' REPORT TO THE MEMBERS OF
THE UNITED REFORMED CHURCH
(NORTHERN PROVINCE) TRUST LIMITED**

We have audited the financial statements on pages 6 to 16, which have been prepared under the historical cost convention, and the accounting policies set out on pages 8 and 9.

This report is made solely to the charity's members, as a body, in accordance with the Financial Reporting Standard for Small Entities (effective June 2002). 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 Auditors' 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 directors and auditors

As described on page 4 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion

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

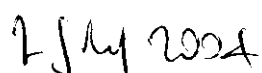
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's state of affairs as at 31st December 2003 and have been properly prepared in accordance with Companies Act 1985.

Straughans,
Chartered Accountants
and Registered Auditor,
Suite 6, Coniston House,
Town Centre,
Washington,
Tyne & Wear
NE38 7RN


.....
CHARTERED ACCOUNTANTS
and Registered Auditor


.....
DATE

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2003**

(Including Income & Expenditure Account and Statement of Recognised Gains & Losses)

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2003	Total Funds 2002
Total incoming resources	-	-	-	-	-
Total expenditure	-	-	-	-	-
Gross transfers between funds	-	-	-	-	-
Net Income/(Expenditure) for the year	-	-	-	-	-
Total Gains/(Losses) on investments	-	-	-	-	-
Net movement in funds	-	-	-	-	-
Total Funds brought forward	-	-	-	-	-
Total Funds carried forward	-	-	-	-	-

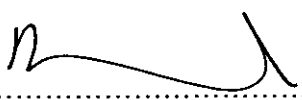
The notes on pages 8 to 16 form part of these financial statements.

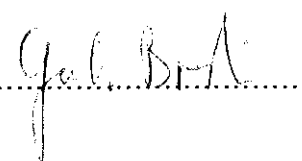
THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2003

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2003	Total Funds 2002
Gross Assets	-	-	-	-	-
Gross Liabilities	-	-	-	-	-
NET ASSETS	-	-	-	-	-
CAPITAL & RESERVES					
Called-up share capital (2)	-	-	-	-	-
Shareholders' Funds	-	-	-	-	-

The financial statements on pages 6 to 16 were approved at a meeting of the Board of Directors of the United Reformed Church (Northern Province) Trust Limited on *26 June 2004* and are signed on its behalf by:

 D.C. Hayward - Treasurer

 J.A. Breslin - Secretary

The notes on pages 8 to 16 form part of these financial statements.

UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities, the Financial Reporting Standard for Smaller Entities, the Charities Act 1993 and the Companies Act 1985.

2. SHARE CAPITAL

The Company is limited by guarantee and does not have a share capital.

3. INCOME AND EXPENDITURE ACCOUNT

The Company has not traded, made profit or losses nor incurred any liabilities during the year ended 31st December 2003.

4. COMMITMENTS

The Company has no outstanding commitments.

5. INVESTMENT HOLDINGS

The Company acts as custodian trustee, holding monies, investments and properties for the unincorporated association known as The United Reformed Church (Northern Province) Trust, on behalf of The United Reformed Church Northern Synod and various churches and districts in that Province, and therefore has no assets or liabilities in its own right.

The Directors have decided that certain assets should more properly be treated as assets of the Trust, and therefore held for all the pool investors at the relevant time. Income and expenditure from these assets is distributed across the investment pool. These assets comprise the freehold reversion of 44 properties in the Seaburn and Fulwell areas of Sunderland (from which nominal ground rents are collected), one share of £0 in the Low Row Management Company Limited, and the former Congregational burial grounds at Aspatia and Castle Carrock (shown in the appendix). The Directors take the view that whilst these are indeed assets of the Trust and should be disclosed as such, their value can be considered to be negligible.

The following table shows the funds held by The United Reformed Church (Northern Province) Trust and under the custody of The United Reformed Church (Northern Province) Trust Limited.

	31st December 2003		31st December 2002	
Cash Investments and Current Assets	£524,326		£296,508	
	<hr/>		<hr/>	
	Market Value	Cost	Market Value	Cost
Investments	£3,046,393	£2,924,122	£2,720,220	£2,923,184
	<hr/>	<hr/>	<hr/>	<hr/>

All of the above investments are held by the nominees on behalf of the Company.

UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE ACCOUNTS

6. Directors' Expenses

None of the Directors receives any remuneration for their services to the Company. During the year, none of the Directors were reimbursed by the United Reformed Church Northern Synod for expenses incurred in connection with their duties.

7. Staff Costs and Emoluments

	£
Gross salaries of seconded staff	14,690
Employer's National Insurance contributions	1,589
Employer's pension contributions	1,449
	<hr/>
	£17,729
	<hr/>

These secondments from the United Reformed Church Northern Synod amount to an overage of 0.95 full-time equivalent employees for the year. No employee received emoluments above £50,000.

8. Related Party Transactions

The United Reformed Church Northern Synod, United Reformed Church (Northern Province) Trust and the United Reformed Church (Northern Province) Trust Limited are all related parties in that there are elements of control in common with each other. The Company shares the same Trustees as the Trust and shares nine of its Trustees with Synod. Separate accounts are prepared for each body, which provide details of financial transactions between the related parties.