



Trustees' Report and Financial Statements **2015**

(A company limited by guarantee, number 135934,
Registered Charity No. 1133373)



The
**United
Reformed
Church**



UNITED REFORMED CHURCH TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2015

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UNITED REFORMED CHURCH TRUST

(A company limited by guarantee, number 135934, Registered Charity number 1133373)

TRUSTEES' REPORT

(Incorporating the Report of the Directors)

The directors, who are also trustees of the charity, submit their report and the audited consolidated financial statements for the year ended 31 December 2015. The company is trustee for the General Assembly of the United Reformed Church, and is responsible for reporting its financial affairs.

REFERENCE AND ADMINISTRATIVE INFORMATION

Corporate Trustee Registered Office: 86 Tavistock Place London WC1H 9RT

Directors and Trustees

The directors who served during the year and to the date of this report, unless otherwise indicated, were as follows:

<u>Name</u>	<u>Ex officio</u>	<u>Appointed / Resigned</u>
Mr Andrew Atkinson		
Mrs Jane Baird	Deputy General Secretary, Administration & Resources	
Revd Michael Davies		
Mr John Ellis	Honorary Treasurer/ Moderator of the General Assembly	
Mr Alastair Forsyth		
Revd Richard Gray (Chairman)		
Revd David Grosch-Miller	Moderator of the General Assembly	
Dr Ian Harrison		
Revd Michael Hopkins	Clerk of the General Assembly	
Mr Neil McKenzie		
Mrs Val Morrison		
Mr Emmanuel Osae		Appointed 15 September 2015
Mr Peter Pay		
Revd John Proctor	General Secretary	
Mr Andrew Summers		
Mrs Margaret Thompson		

Secretary: Ms Sandi Hallam-Jones

Most of the directors are appointed as trustees by the General Assembly of the United Reformed Church, to serve for up to four years (with a possibility of renewal for one further period of four years), having been nominated through the representative processes of the Church. There are six directors who serve ex officio, their appointment or election to their positions having been similarly nominated. The directors receive no remuneration but may be reimbursed their expenses of attending meetings.

Most newly appointed directors are already familiar with many aspects of their role through serving on Assembly committees or Synod bodies, but they are provided with relevant documentation and encouraged to sign up to receiving regular information from sources such as the Charity Commission. Training is provided via general external courses and events where possible, and training is given in connection with quarterly meetings in specific areas of governance as needs arise, to assist in the performance of their duties as trustees.

Trustees of subsidiary charities at the date of this report:

United Reformed Church Retired Ministers' Housing Society Limited

(Exempt charity, registered under IPS Act 1965, number 15986R)

Chair: Revd David Bedford

Secretary: Mr Andrew Bottomley

Committee of management (appointed for a renewable term of three years): Revd Anne Bedford, Mr John Ellis, Revd Nicola Furley-Smith, Mr Malcolm Lindo, Revd John Proctor, Mr Peter West

Westminster College, Cambridge

(Registered Charity number 311449)

Convenor of Trustees: Revd Nigel Uden

Principal: Revd Neil Thorogood

Trustees: Revd Nigel Appleton, Canon Brian Long, Revd Kristin Ofstad, Revd Eileen Springett, Dr Jean Stevenson, Revd Prof David Thompson, Revd Samantha White, Mr Christopher Wright

Others with charity governance responsibilities

Moderators Elect - Revd Kevin Watson, Mr Alan Yates

Immediate Past Moderator – Revd Dr Michael Jagessar

Convenor of the Assembly Arrangements Committee – Revd James Breslin

Deputy General Secretary, Discipleship - Revd Richard Church

Deputy General Secretary, Mission – Ms Francis Brien

The key management personnel of the charity are the members of the General Secretariat: the General Secretary and three Deputy General Secretaries

Mission Council

The ex officio trustees, the Chair of trustees and the others listed above are members of Mission Council by virtue of the offices that they hold. Other members are the other convenors of the General Assembly Standing committees, URC Youth representatives, Synod moderators and three representatives from each Synod. These are listed below, as at December 2015.

Convenors: Mrs Wilma Frew, Mr Peter Knowles, Revd Tracey Lewis, Revd Timothy Meachin, Revd Helen Mee, Revd Prof Neil Messer, Revd Gethin Rhys, Revd Elizabeth Welch, Mrs Irene Wren.

URC Youth representatives: Mr Andrew Weston (Moderator), Mr Alexander Nunn, Mr Stephen Ball.

Synod moderators and representatives:

- 1 Northern: Revd Lis Mullen, Revd Joan Grindrod-Helms, Mr Robert Jones, *vacancy*
- 2 North Western: Revd Andrew Mills, Mr Andy Braunston, Mrs Pamela Dent, Revd Mike Walsh
- 3 Mersey: Revd Jacky Embrey, Mrs Joan Colwell, Mrs Rita Griffiths, Revd Tim Meadows
- 4 Yorkshire: Revd Kevin Watson, Revd Dr David Pickering, Mrs Jenny Poulter, Mr Christopher Reed
- 5 East Midlands: Revd Peter Meek, Mr David Greatorex, Ms Helen Lidgett, Revd Jenny Mills
- 6 West Midlands: Revd Steve Faber, Mr Andrew Evans, Revd Angela Gemmer-Small, Mrs Margaret Marshall
- 7 Eastern: Revd Paul Whittle, Mrs Ruth Dixon, Revd Geoffrey Felton, Mr Keir Hounsome
- 8 South Western: Revd Ruth Whitehead, Mr George Faris, Mrs Gwen Jennings, Revd Philip Nevard
- 9 Wessex: Revd Clare Downing, Mrs Susan Brown, Revd Graham Hoslett, Mrs Rosie Martin
- 10 Thames North: Revd Dr Andrew Prasad, Mr Simon Fairington, Mr Victor Russell, Revd Edward Sanniez
- 11 Southern: Revd Nicola Furley-Smith, Revd Derrick Dzandu-Hedidor, Mr Frank Liddell, Revd Kim Plumpton
- 12 Wales: Revd Simon Walkling, Revd Adrian Bulley, Mrs Barbara Jones, Revd Paul Robinson
- 13 Scotland: Revd John Humphreys, Revd Trevor Jamison, Ms Morag McLintock, Dr Jim Merrilees

United Reformed Church Finance Committee

Convenor: Mr John Ellis

Chief Finance Officer: Mr Andrew Grimwade

Revd Kate Gartside, Mrs Elsie Gilliland, Revd Richard Gray, Mr Brian Hosier, Mr Iain McLaren, Mr Richard Pryor, Mr Ian Simpson, Revd Richard Turnbull, Revd David Walton

Legal Advisers

Towns Needham & Co (legal adviser to General Assembly)
Kingsgate 2nd Floor
51-53 South King Street
Manchester M2 6DE

Veale Wasbrough Vizards LLP
3 Brindley Place
Birmingham
B1 2JB

Actuaries

Aon Hewitt Limited
Carnegie House
Peterborough Road
Harrow
Middlesex HA1 2AJ

Independent Auditors

Mazars LLP
Chartered Accountants and Statutory Auditors
Times House, Throwley Way
Sutton, Surrey SM1 4JQ

Bankers

HSBC Bank plc
City of London Corporate Banking Centre
60 Queen Victoria Street
London EC4N 4TR

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustee

The General Assembly of the United Reformed Church in 2006 appointed United Reformed Church Trust as its corporate trustee. Following consultation with the Charity Commission, the company in December 2009 adopted new memorandum and articles and was registered as a Charity. It acts as steward of the charity assets on behalf of the General Assembly.

Church Governance

The governing body of the United Reformed Church is the General Assembly. The authority under which the General Assembly acts was given by the resolutions passed at the Uniting Assemblies of 1972, 1981 and 2000; and the United Reformed Church Acts 1972, 1981 and 2000 enabled those resolutions to be given legal effect in relation to the finance and property of the Church. These Acts of Parliament together with the Basis, Structure and Rules of Procedure for the time being of the United Reformed Church (as contained in sections A - C of the Manual of the United Reformed Church) contain the foundation documents of the Church, known as the Scheme of Union. Each General Assembly appoints members to Mission Council, although those appointed to represent Synods are nominated by the Synods concerned. The names of members of Mission Council are listed above. The purpose of Mission Council is to enable the Church, in its General Assembly, to take a more comprehensive view of the activity and policy of the Church, to decide more carefully about priorities and to encourage the outreach of the Church to the community.

Charity Status

The United Reformed Church, having charitable status at General Assembly, Synod and local church levels, was formerly excepted from charity registration by legislation. With the implementation of the Charities Act 2006 this exception ended for charities with an annual gross income over £100,000, and as a result United Reformed Church Trust, Synod Trusts and local churches in England and Wales no longer excepted are now registered charities. Under section 30(2)(c) of the Charities Act 2011 the exception continues to apply to other local churches. Churches in Scotland and the Synod of Scotland are registered under Scottish legislation.

Employees

The charity is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, gender reassignment, sexual orientation, religious beliefs, colour, ethnic or national origin, age, marital status or disability. In respect of disabled persons, therefore, it seeks to eradicate less favourable treatment by endeavouring to identify and remove barriers to participation in employment, training, promotion, leadership and representation on church committees.

The charity provides employees with information on matters of concern to them, and consults them regularly, so that their views can be taken into account when making decisions likely to affect their interests. Employee involvement is encouraged, for example by a staff association at the main office, as achieving a common awareness of the charity's priorities and of the financial and economic factors affecting it plays a major role in maintaining its performance.

Remuneration

Remuneration of key management personnel is set in the same way as that of other equivalent staff. All ministers are paid the same basic stipend, the level of which is recommended annually by a sub-committee of Ministries committee having regard to external data on pay and cost inflation, reviewed by Finance committee and confirmed by the Trustees. The pay of lay staff is assessed when a post is created, by a Human Resources advisory group having regard to comparable posts in the charity sector and among church bodies in particular; it is reviewed and confirmed by a remuneration committee, which decides annual cost of living increases. Any reassessment of a post's remuneration is by the same process.

OBJECTIVES AND ACTIVITIES

The charity's Objects are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church.

- **Public benefit**

Having regard to the guidance published by the Charity Commission, the Trustees continued to provide public benefit by seeking to advance the Christian religion in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. In addition, the Church at General Assembly level acts as an umbrella resource body for the 13 National and Provincial Synods and over 1400 local churches, which are all separate charities.

- **Worship and partnership**

The United Reformed Church is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the three nations of England, Scotland and Wales. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have over three hundred shared congregations. It also takes new forms through the 'Fresh Expressions' initiative offering Christian worship, teaching, fellowship and service in non-traditional venues and styles. The United Reformed Church is a partner in 'Fresh Expressions' with the Methodist Church, the Church of England, and other Free Church participants.

- **Making a difference**

As the Catch the Vision prayer states, we are 'God's people', being 'transformed by the gospel' in order to 'make a difference'. That 'difference' is being made in many ways, from the preaching of the gospel, through the pastoral care which helps individuals manage the traumas and transitions of life, to the community building undertaken by our Church Related Community Workers (CRCWs), and the funds that we raise to reduce world poverty through Commitment for Life. In 2010 the General Assembly adopted a mission framework called Vision2020 which set out ten priorities for the Church's outreach at national, regional and local levels. The Local Mission and Ministry Review process, through which the Synods challenge and support their churches, is another key vehicle for increasing the effectiveness of local witness and service.

TRUSTEES' REPORT CONTINUED

- **Subsidiary charities**

The United Reformed Church Retired Ministers' Housing Society Limited has as its objects to carry on for the benefit of the community the business of providing, for retired ministers and widow/ers of ministers of the United Reformed Church, housing and associated amenities, or assistance to enable them to provide this for themselves.

The object of Westminster College, Cambridge, is to be a theological college of the United Reformed Church, and thus to provide education and promote the Christian religion.

STRATEGIC REPORT

Achievements and Performance

Most of the company's activities are carried out through the councils and committees of the United Reformed Church, and a detailed review of the work and activities of Mission Council and the General Assembly Standing committees is incorporated in the Book of Reports, Resolutions and Papers to General Assembly. General Assembly normally meets biennially, and the General Assembly in July 2016 will receive reports covering the two year period from July 2014. We report below on that work and on the specific activities of the Trustees as steward of the charity's assets.

A wide consultation took up the discussion that the Faith and Order Committee had led at the 2014 Assembly, about those aspects of the Church's heritage and ethos that are particularly relevant for witness today, and the results of this will be brought forward to the 2016 General Assembly. The Faith and Order Committee also developed its proposals on the service of elders, and will bring proposals on 'authorised elders' to the 2016 Assembly – elders who would lead sacramental services as part of their leadership and care in local congregations.

A further consultation around the Church in the winter of 2014-15 considered how the URC might respond to recent legislation on the marriage of same-sex couples. Once that consultation was complete, the Church's Mission Council convened an extra meeting of General Assembly for one day at Birmingham in June 2015. There Assembly decided to commend a particular way of dealing with this matter, and in order that any decision might be constitutionally watertight, the proposal was then referred to the synods of the Church with a view to its returning finally to Assembly in July 2016.

After the 2014 Assembly had approved a revised description for the role of Synod Moderator, two Moderator's posts fell vacant during 2015, and new Moderators were appointed; work also began in 2015 towards filling two Moderatorial vacancies that would arise through retirements in mid-2016. New proposals were set out for the role of our National Synods in Scotland and Wales, and these will come forward for final consideration at the 2016 General Assembly.

The work of the Church's central office continued to evolve: a Deputy General Secretary (Discipleship) took post in May 2015, completing the four-person General Secretariat, which provides more careful lines of management than had previously been possible, and closer integration of the staff team as a whole. Mission Council committed itself to retaining the Church's central office in London, and asked for plans to be drawn for refurbishment of the property, to improve its accessibility, to develop it as a workplace, to enhance its 'green' credentials, and to allow a quarter of the building to be commercially let. The General Secretariat also began work towards integrating and re-organising the Church's central database, and improving the facilities for hosting 'virtual meetings' – where committee members from far away can participate by logging in rather than by travelling in. In a conciliar and scattered Church this initiative stands to improve and accelerate some decision-making, and to save money in doing so.

Committee work

Children's and Youth Work

In order to give direction to the work of the Committee, a set of priorities has been agreed which will enable staff to better manage their commitments and to be sure that work focuses on the areas prioritised.

The committee has continued to follow an annual theme approach to its work, giving a consistency across its various programmes. The themes were set by a gathering of some 35 people from across the URC's children & youth networks, including Assembly and synod staff, committee members and young people. In the next few years, more theme-related work will emerge. 'Feasts and Festivals' is the theme for the whole denomination in 2017, celebrating the 500th anniversary of the Reformation and the centenary of Constance Coltman's ordination as our first woman minister.

The Child Friendly Church Award (CFCA) continues to provide an excellent framework for churches to reflect on their ability to cater for the needs of children and young people in their communities and contexts, making sure that the work is truly relevant, accessible and engaging for all involved. Since General Assembly 2014, eight new CFCAs have been presented, along with eighteen award renewals.

The committee has been working through the process of restructuring its youth participation programme, United Reformed Church Youth, formerly FURY (Fellowship of United Reformed Youth). The URC Youth handbook, framework and standing orders have been created in order to document how the newly formed URC youth executive carries out its work alongside and in between Youth Assembly. URC Youth now draws a parallel in how it is structured to the rest of the denomination, most notably with synod youth representatives forming part of the URC youth executive, much like each synod has a voice at Mission Council. In its final form the URC Youth restructuring was very well received with the endorsement from the children's and youth work committee being approved at Mission Council.

URC Youth Assembly 2015 saw the 'Time to Change' Pledge signed, committing Youth Assembly to doing everything in its power to tackle mental health stigma, promote living conversations about mental wellbeing, and make the best provision possible for people facing mental health difficulties, across the organisation. As part of their work they have produced the resource, *Get Talking*, to help churches engage with the subject. The Youth Assembly 2016 event was a great success with 150 young people attending.

Much work continues with Pilots. A new revised edition of Compass, the handbook for Pilots leaders, is about to be published. The Pilots on Safari day in May 2015 proved to be a success with over 1,500 Pilots, friends and church families attending the event. May 2017 will see a further Big Day Out, as part of the many activities being planned under the 'Feasts and Festivals' initiative. Pilots were instrumental in the production of two publications: *Let Justice Flow*, a joint venture with Christian Aid, and *Theology of Pilots*, in addition to the regular resource materials for Pilots companies. Conversations are taking place in Pilots forums, looking to the future and the place of Pilots in the 21st century, in an attempt to see how it can impact on more children and young people.

Work has been done on the website to ensure that the children's and youth work pages are able to make the most of the current system, offering information, inspiration, ideas, resources, suggestions and activities. The same will be done for the Pilots pages, which are in urgent need of review.

Communications and Editorial

The communications department continues forward under the leadership of Ms Gill Nichol.

The department and committee's work is informed by the Mission Statement ratified by Mission Council in November 2014.

The communications department exists to promote effective communication and celebration of the Gospel in and beyond the United Reformed Church by:

- Giving voice to good news
- Facilitating regional/national communications
- Supporting the communications of Church House departments and General Assembly
- Resourcing the local churches

TRUSTEES' REPORT CONTINUED

The review of the department was completed in 2015 and formed part of the business of Mission Council in November 2015. It clarified and defined the activities and responsibilities of the various areas and has helped the committee and department to identify better the needs of the denomination and how these might be met with the resources available.

The department has sought to be creative in enhancing its resources and is very grateful to volunteers who have offered their time and expertise, working alongside staff to edit publications and web copy.

Resourcing the local churches informs much of the department's work – including the books chosen for the online store; the Bible studies and the new practical features in Reform, the development of News Update (e-newsletter) as well as synod- based communications training.

The affirmation of the Church's support by Mission Council, the launch of its digital edition and a structured marketing programme to encourage new subscribers have been key events for Reform.

The department continues to support the work of Mission Council and General Assembly by the production of business papers, audio visual resources and denominational and media reporting of those events as well as handling the denomination's external communications and managing the web-site. The department also handles all reputation management matters for the denomination. This work is largely unseen but can be very time-consuming and always takes priority over other less urgent work.

Modernisation of equipment and working methods continues. Staff changes mean that the department continues in transition, as does the committee with the appointment of Mr Peter Knowles as convenor replacing Revd John Humphreys who has safely steered the committee and department through a period of significant change. Mr Knowles brings with him extensive experience in journalism and broadcast media.

Education and Learning

If 2014 was the year of reviews for Education and Learning, 2015 was the year of implementing the recommendations of reviews and moving forward into new ways of working.

January saw the first of three residential meetings of the Education & Learning Committee during the year, and it was at this that the provisional recommendations of the Training for Learning and Serving (TLS) review group were discussed. The committee undertook to act upon these during the year, with the overall acceptance that after serving the United Reformed Church for more than 20 years, it was time to plan for the successor of TLS.

In May the participants of the Big Picture Meeting of 2014 were recalled and used an appreciative inquiry approach to begin to address this. There was a providential confluence with the thinking of the mission committee, which resulted in the establishment of a missional discipleship task group.

In September the committee met for its final meeting of the year and came to the decision to recommend to Mission Council that there would be no more enrolments in the TLS foundation course, thus signalling the intention to create something new. Much of the final quarter of the year was taken up with conversations around early work on the transition period in order to maintain stability for existing TLS students whilst covering the essential functions which TLS has offered.

The arrival of the new Deputy General Secretary for Discipleship in May gave impetus for the work on missional discipleship, as well as starting the process of forming a Discipleship team from the Secretaries for Education & Learning and Ministries, the Head of Children and Youth, the CRCW Development Officer, and the Safeguarding Officer. Regular team meetings have built trust and encouraged collaboration.

There was persistence in developing new routines of work, seen in the way that the task groups on blended learning and mapping research continued their work behind the scenes, each making the necessary progress. The reshaped Financial Assessment Scheme (FAS) was adopted for the first time with new ministerial training candidates ("EM1" students) and its implementation is being monitored. Changes in staffing meant that the administration of the EM1 expenses system was overhauled, with clearer responsibilities between the finance officers of the three colleges where EM1 is pursued, the education & learning office, and the finance office at Church House. An unusually large number of people moved from EM1 to EM2 (for newly ordained ministers) in 2015, and work done on the EM2

programme since 2012 enabled this to happen smoothly. Continuing attention to developing the use of appreciative inquiry was affirmed by the committee when it met in September, with support for time being invested in the production of an ecumenical handbook on appreciative inquiry in the churches.

Equalities

The remit of the Equalities committee is 'to remind the United Reformed Church that equality is enshrined in its theology, life and work and to challenge the practice of the URC where appropriate.' Much of the work of the committee is in the promotion and encouragement of equality and diversity. This is achieved through established links with the other Assembly committees as well as by being alert to the work undertaken on Assembly's behalf by bodies such as the Joint Public Issues Team (JPIT) and members of staff but particularly the work around racial justice and intercultural ministry.

The committee monitors the diversity of membership in the United Reformed Church's committees and groups and notes that the balance of committees can be affected significantly by the diversity of ex officio members.

The committee is pleased to note an updated equal opportunities monitoring form for use in recruitment at Church House and the inclusion of expected standards in all job descriptions, one element of which is equality and diversity.

The committee is aware of new technologies being trialled in order to increase opportunities for participation and is exploring the consequent equalities issues around these new ways of working.

Ministries

The committee is concerned with the specific recognised ministries which provide leadership for the Church, including church related community work, eldership, lay preaching and the ministry of word and sacraments, but also recognises that each of these has a duty to enable discipleship in others. Work in 2015 continued looking at ministerial pressure and the accountability of ministers to the Church. Predictions regarding the number of ministers available to the Church through deployment mean the committee has a significant role in working with synods to develop ways of using this ministry that serve the mission of the Church and does not always default to traditional patterns.

There were thirteen church related community workers in accredited 'churches in community' across the Church in 2015. The module on church and community in the Training for Learning and Serving programme continues to highlight the importance of community engagement by congregations, as well as by specialist staff.

Special category ministry posts are authorised for areas of new work beyond the typical work of ministers in local churches. Some 25 of our ministers serve in these posts as chaplains, evangelists or pioneer ministers. In addition we have eight full-time chaplains in Her Majesty's Forces, and we support and oversee their ministry through participation in the work of the United Navy, Army and Air Force Board.

Mission

The work of the mission committee continues to be shaped by vision2020, the ten-year framework of mission priorities agreed by General Assembly 2010. The ten priorities of vision2020 are as follows:

Spirituality and prayer	Evangelism
Identity	Church growth
Christian ecumenical partnerships	Global partnerships
Community partnerships	Justice and peace
Hospitality and diversity	The integrity of creation

Support for churches' engagement with the vision2020 framework continued with the organising of a workshop together with the Windermere Centre in November 2015. The workshop brought together people from local churches to share stories of engagement in mission with their communities. A website was created to share these stories widely with other churches in the United Reformed Church.

The URC took part in Season of Invitation for the first year, an initiative of Back to Church Sunday. Training was offered to local churches to equip their members for inviting their friends to church on five Sundays, from September to Christmas. Within the URC six synods took advantage of the training offered.

TRUSTEES' REPORT CONTINUED

The United Reformed Church continues to be a partner in the HOPE initiative, which was evaluated after its second phase in the early part of 2015. This resulted in a proposal to continue with HOPE until 2020 with an interdenominational emphasis on evangelism. In 2016 HOPE will encourage churches to engage in community events for the Queen's 90th birthday and to reach out to visitors at their Christmas services.

The mission committee, together with the communications and editorial committee, supported the United Reformed Church becoming an associate sponsor of the Greenbelt festival in 2016 and 2017. The partnership is a natural fit, building on the URC's rich Nonconformist history of exploration of radical Christian faith and working for justice, and the dynamic and creative energy of the Greenbelt festival.

Work continued on developing an emphasis on missional discipleship. The mission committee and the education and learning committee are now working together on this, following education and learning's review of the Church's main lay training programme, Training for Learning and Serving. The new emphasis on discipleship will be launched in 2017 with resource material for local congregations.

The URC is a full partner in the ecumenical Fresh Expressions movement which champions and resources new types of churches by promoting best practice, providing effective support and creating genuine partnership. The United Reformed Church's co-ordinator for Fresh Expressions post was made full time in May 2015, which will enable a greater emphasis on the strategic development of fresh expressions in the Church and greater support of pioneer ministers.

The URC continues to play a full role in the Joint Public Issues Team (JPIT) which, in addition to the Baptist Union of Great Britain, the Methodist Church and URC, now includes the Church of Scotland. In February 2015 JPIT hosted its third conference, the theme of which was 'Think, Pray Vote', encouraging people to reflect on the relationship between their faith and political involvement ahead of the UK General Election. A briefing document *Faith in Politics* was also produced for local churches. In 2016 a similar document has been produced for the EU referendum.

JPIT has also enabled our churches collectively to respond to government consultations on freedom of information request protocols, Sunday trading and local authority pension fund investment.

Much of the work of JPIT is done through campaigns, which included the Rethink Sanctions campaign calling for a full and independent review of the benefits sanctions scheme, and the Enough campaign which drew attention to the need to keep the link between a family's needs and the support that is offered by the benefits system.

It is encouraging to see the growth of regional JPIT groups. There is an active network in the West Midlands and an emerging group beginning to take shape in Yorkshire. These groups tend to engage with UK wide issues in a way which corresponds to their local setting.

The National Rural Officer serves both the Methodist Church and the United Reformed Church and works to support rural churches to play a central role in their communities. A new initiative which the Rural Officer has worked on is Rural Mission Sunday, an opportunity to celebrate the rural church.

World church engagement took place through individual and group visits to Taiwan, Zambia, Botswana, Malawi, Mozambique, Zimbabwe, Myanmar, Germany, Italy, Israel and the occupied Palestinian Territory, Jamaica and Guyana. Our Assembly Moderators also visited Hungary, Southern Africa, Papua New Guinea, the USA and Korea. On the visit to Korea, Assembly Moderator Revd David Grosch-Miller signed a memorandum of understanding between the United Reformed Church and the Presbyterian Church of Korea. With the growing number of newer migrant Christian communities in the UK this MOU will serve as a model to follow.

We also received leadership teams from the Presbyterian Church in Taiwan, the Presbyterian Church in Cuba, the Presbyterian Church of Korea and the Church of North India. Staff members of our partner churches in Kiribati and Tuvalu in the Pacific came to participate in the Earth Year conference of the Southern Synod and shared their stories of how their islands are affected by the effects of climate change.

The United Reformed Church sends and receives five mission partners, three of whom finished their term of service in 2015. One mission partner continues to serve in Zambia, while a minister from the Presbyterian Church in Taiwan works as a chaplain in Manchester and London supporting Taiwanese and Mandarin speaking students.

The world church is here to stay, thriving and taking roots within the life of the United Reformed Church itself. This was evident during the 2015 multicultural celebration in Birmingham. Under the theme, *Journeys: Drinking from many Wells* around 400 people met for a day of worship, music, dance, art, food and other intercultural exchange.

During 2015 and 2016 resources for conversations on migration have been developed, aimed at local churches to facilitate the exploring of issues around moving/migrating. Working with the theme '*at home in a strange place*', the resources help people reflect together on their experiences and create opportunities for churches to connect faith, worship, advocacy, solidarity and practical engagement.

Commitment for Life continued to raise the profile of Christian Aid and Global Justice Now within the United Reformed Church, raising £381k for projects in Bangladesh, Central America, Israel and the occupied Palestinian territory and Zimbabwe. With Christian Aid and other non-governmental organisations, as well as through the Joint Public Issues Team, the URC has been campaigning on climate change in the lead up to the UN meeting in Paris in December 2015 and will continue to be part of events and campaign actions on this subject. Commitment for Life joined the celebration of 'Fairtrade is 20'. Following a consultation with partners, the Fairtrade Church scheme will be relaunched in 2016. Commitment for Life was part of the planning group for an Ecumenical World Development Conference on 'Hope in a changing climate'. The Commitment for Life/Christian Aid Collective intern scheme continues to build a legacy for the future.

On the ecumenical scene one of the potentially most significant developments has been the work of a small group within Churches Together in England (CTE) on the life and future of Local Ecumenical Partnerships (LEPs). The Churches, including the United Reformed Church, are now reflecting on the outcomes of this work and the implications for their different traditions.

We continue to be engaged in bilateral relations, with the Church of England and with the Roman Catholic Church. Reports on these conversations will be produced and discussed during 2016. One of the most active bilateral bodies continues to be the Methodist/United Reformed Liaison Group. The chief piece of work of this group is currently focused on the united ecumenical areas in which the two Churches operate a shared structure.

Interfaith work is growing in significance. Much of it takes place ecumenically and focuses on encouraging local churches and individual Christians to build up good interfaith relations.

Safeguarding

Throughout 2015, the updated safeguarding policy, Good Practice 4, was developed and disseminated to churches and synods. This was a significant piece of work, with contributions from a number of people throughout the country. Part three of this policy, Adults at Risk, was being produced at the end of 2015 and has been available since February 2016.

The URC now employs a full time Safeguarding Officer, who is supported by a Safeguarding Advisory Group, which includes Discipleship department staff alongside external professionals with significant safeguarding experience.

Another significant change was moving from Churches' Agency for Safeguarding (CAS) to Due Diligence Checking Ltd (DDC) as the umbrella organisation for Disclosure and Barring Checks. This was a large project which again relied heavily on a variety of staff from across the URC.

Also in autumn 2015 the URC launched its Past Case Review, of previous practice over the life of the denomination. Phase one, a review of past and present ministers' records, was completed early in 2016. Phase two, a wider invitation to report poor practice, is currently being planned for implementation later in 2016.

TRUSTEES' REPORT CONTINUED

Resourcing Our Work

All the above must be set in the context of our resources, which continue to be carefully managed in an uncertain economic climate. Detail of the latest year is given in the financial review below, but we have also to consider broader trends. Among these are:

- Giving to central funds from our local churches have since 2010 been on a downward trend, averaging a reduction of around 1% per annum. There are some encouraging signs that the decline has slowed;
- Investment values have been volatile but little changed over the year, while investment income has continued to grow slowly;
- Changes in the economic environment continue to affect the valuation of the Ministers' Pension Fund, since very low interest rates increase the cost of providing pensions. Progress in reducing the fund's deficit has been maintained, both by investment out-performance and improving actuarial assumptions. The Church's other pension scheme, mainly for lay staff, is affected by the same issues, and is managed more remotely; following a review, changes to its benefit structure have been proposed, intended to mirror those already implemented in the ministers' fund.
- Work has continued to identify and achieve further longer term savings in expenditure, in particular on governance and facilities.

Managing the Assets

Investments & Investment Policy

United Reformed Church Trust acts as corporate trustee of the central funds of the United Reformed Church. The powers of investment are given under the memorandum and articles of association of the trustee company. The Investment Committee of the Church, which reports to the trustees, keeps under review our investment policy and monitors the performance of our fund managers. All investments are held in pooled funds that aim to comply with the ethical policies agreed by the Church.

The Investment Committee, having previously with the agreement of the Trustees consolidated the Trust's investments with a single fund manager, CCLA, whose strategy and governance it considered to fit best with the Church's policy, continued to monitor the investments throughout 2015. It was pleased to note capital performance better than expected and than other fund managers, along with some income growth.

Properties

United Reformed Church Trust is responsible for the management of the properties included in its balance sheet. The management of nearly 350 houses for retired ministers is delegated to the United Reformed Church Retired Ministers' Housing Society Limited, which has four dedicated staff members and a Committee of management. Its staff members also oversee the houses occupied as manses by Synod Moderators and others in General Assembly posts. Other properties include the buildings of Westminster College, which are managed by the College Trustees, the Windermere Centre, the former Yardley Hastings centre and United Reformed Church House, London.

The Trust made further progress in considering possibilities for the improvement of United Reformed Church House (86 Tavistock Place, London) to make it better fit for purpose and to create space for rent-paying tenants. Consultants were appointed with a view to facilitating a 'design and build' contract, and Mission Council agreed to the scope of the work. In March 2016 approval has been given to a preferred contractor and expected expenditure of around £2.5million, with work expected to commence in autumn 2016.

Other actions during the period include:

- Approval of leases of parts of the Westminster College site to The Woolf Institute and to the Cambridge Theological Federation.
- Agreement in principle of a lease of most of the Yardley Hastings centre to a local charity.

Risk Management

During the year the trustees have undertaken a review of the risks with which the central administration of the Church is faced. This is carried out by means of an annual request to departments and committees to identify risks in their areas and to report, noting the measures that are being taken to manage the risk.

The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into two areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with a declining membership and consequent reduction in resource.

Reputational matters are taken very seriously and the Church has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the communications department who will advise on its handling or, if the matter is particularly sensitive, will handle it directly. The General Secretary is made aware of all issues and will intervene personally if appropriate.

The safeguarding of children and adults at risk is seen as a key responsibility of the Church. Updated guidance on safeguarding matters was issued to all churches in 2015 and materials are available on the Church's website. Churches are required to report annually on safeguarding matters to their synod's safeguarding officer. A Safeguarding Officer at Church House together with the synods' own safeguarding officers are available to offer advice and guidance to churches. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

In response to the Goddard enquiry, the Church is conducting a review of all ministers' files to ensure that any historic issues were dealt with appropriately. Should there be any doubt the matter is being reviewed by experts in the field and further action taken as necessary.

The risks associated with a declining membership are unlikely to crystallise in the near future but in the longer term are likely to have an effect on the way the Church operates. More specifically the risks identified are:

- difficulty in balancing the number of ministers available with the finances available;
- difficulty in balancing the number of ministers available with the demands of local churches;
- reduction in voluntary donations which finance the administration of the Church, the stipends of ministers and the salaries of staff; and
- difficulty in finding sufficient local volunteers to run local churches, staff administrative structures and organise events.

The Church has a procedure for assessing the anticipated ministry available for deployment to each of the synods so that expectations can be set. It also has a robust budgeting procedure which ensures that the financial implications of decisions are understood and that resources and available finance are matched.

Future Developments

In the coming two years work will move forward rapidly on *Walking the Way*, the Church's new programme of Christian education and formation for missional discipleship. The *Training for Learning and Serving* programme, which has served well since the 1990s, will be gradually phased out, and the new scheme will aim to help a much wider group of church members than TLS had recently reached.

As a complement to this work on lay development, we shall ask searching questions about how we use and deploy our ministers. The number of small congregations that we presently have, and the schedule of ministerial retirements in the coming decade, will stretch our ministers unrealistically, unless we start using them in more strategic and effective ways. Work is beginning in 2016 to grasp this nettle with sharper determination than before.

Our safeguarding Past Cases Review will allow and oblige us to review our record in an accountable way. What it may bring to light we cannot presently know. But robust and careful processes are being put in place to ensure that concerns are properly heard and followed up. The Church has no wish to hide – nor to hide from – difficulties of this nature.

TRUSTEES' REPORT CONTINUED

We shall commemorate at our 2016 General Assembly the Battle of the Somme, exactly a hundred years earlier. Looking to 2017, we shall prepare material and work with other churches towards celebrating the quinqucentenary of the Lutheran Reformation. And plans are already well advanced for marking the centenary of the ground-breaking ordination of our first woman minister, also in 2017.

Work will continue on plans to refurbish and reconfigure Church House in London, and we plan that major building work will be undertaken there through the winter of 2016-17.

Westminster College continues to use its renewed facilities with imagination and versatility, and has recently welcomed onto site the central office of the Cambridge Theological Federation (in a Victorian professor's house) and the contractors who are building the Woolf Institute (on what was once a lawn). In the coming years Westminster will expect to develop as a thriving centre for Christian learning, ecumenical collaboration and interfaith encounter.

Financial Review

The financial statements show the consolidated income, expenditure, assets and liabilities of those trusts and other funds controlled by United Reformed Church Trust (the Trust) and administered for the benefit of the United Reformed Church under the overall authority of the General Assembly. These represent the charitable assets of the United Reformed Church that United Reformed Church Trust manages on its behalf and applies towards its charitable purposes. They include the operations of Westminster College (the College), its resource centre for learning in Cambridge, which is a registered charity in its own right, and its subsidiary company Westminster College Trading Limited. They also include the operations of the United Reformed Church Retired Ministers' Housing Society Limited (RMHS), which is an exempt charity providing housing and associated amenities for persons who are retired ministers or widow/ers of ministers of the United Reformed Church. The Balance Sheet also reports separately the assets and liabilities of the Trust, excluding the College and RMHS, and details are given of the funds, incoming and outgoing resources and assets of the College and RMHS as subsidiary charities.

The Finance Committee of the Church is responsible for the general financial oversight of funds administered for the benefit of the United Reformed Church, its long-term financial planning, and the preparation and control of its budget under the authority of Mission Council and the trustees. The Committee ensures that proper procedures are in place for the maintenance of accounting records, controlling and monitoring the budgetary process, and the preparation of financial statements in compliance with applicable United Kingdom law and accounting standards. To this end the Committee meets with the auditors at least once a year. The Committee may take such decisions with regard to the finances of the Church as are necessary within the policies set by the General Assembly.

Reserves Policy

The Consolidated Balance Sheet on page 21 shows the disposition of the various charity funds totalling £69,187k as at 31 December 2015 (2014 restated: £57,038k). The term "reserves" describes that part of a charity's income funds that is freely available. Much of our funds are invested in property or restricted in use.

The unrestricted fund net assets readily available are £13,916k. This represents a little less than eight months of unrestricted fund expenditure, a small increase from 2014. Expenditure of £2.5million from reserves has been authorised in respect of the refurbishment of Church House, which would reduce the reserves to a little over six months of unrestricted fund expenditure.

The Finance Committee, which reviews the policy annually, considers that readily available reserves of between three and six months of unrestricted fund expenditure are more than adequate to support the Church's ongoing activities, especially since Ministry and Mission Fund contributions are pledged in advance by local churches via Synods. It also notes that, while long-term pension liabilities are not deducted in arriving at readily available reserves, there are contributions to pension scheme deficits to be met each year. It therefore considers that the present level of reserves is satisfactory.

Grant making

Grants are made on the recommendation of the relevant committee. Each application is assessed on its individual merits.

2015 Financial Results

The results for 2015 are set out in more detail in the Consolidated Statement of Financial Activities on page 20. This shows that there was, overall, an increase in funds in the year of £12,149k. The following table shows the breakdown of this increase compared with the increase for the previous year, which has been restated as a result of changes to reporting requirements:

	2015	2014(restated)
	£000	£000
Voluntary income:		
Ministry and Mission Fund contributions	19,483	19,643
Donations, grants and legacies	2,370	2,196
Income from charitable activities	1,506	1,347
Trading income	579	431
Investment income	1,590	1,487
Other income	3,110	1,597
Total income	28,638	26,701
Expenditure:		
Cost of generating funds	550	397
Charitable activities	24,528	23,250
Other	683	532
Total expended	25,761	24,179
Gains on investment assets	360	1,361
Net income	3,237	3,883
Actuarial gain on pension schemes	8,912	4,891
	12,149	8,774

Ministry and Mission Fund contributions

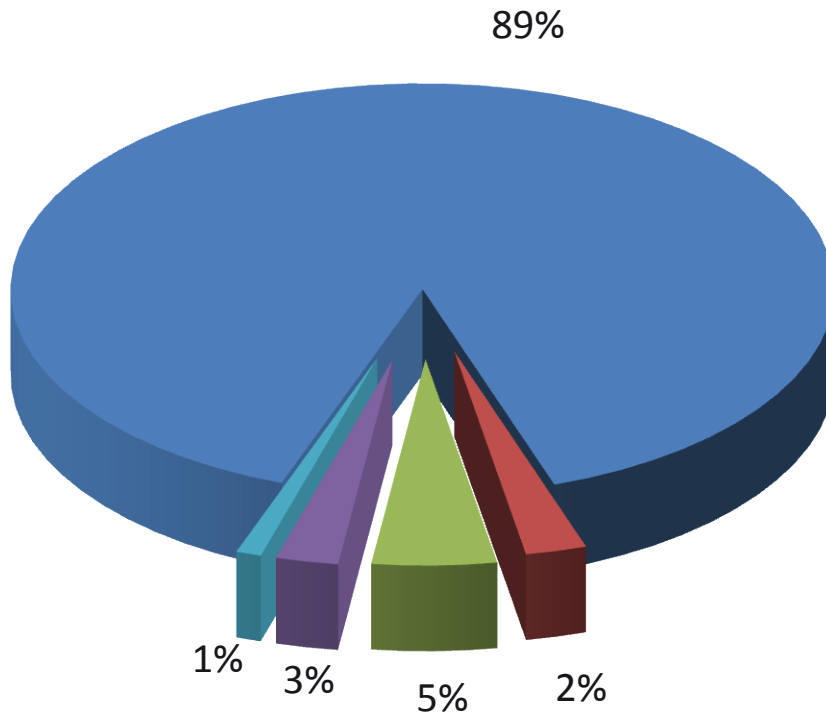
The pie chart on page 15 gives a visual picture, showing that 89% of our unrestricted income comes from Ministry and Mission Fund contributions, which again totalled a little under £20million and in which most Synods matched the amount pledged. We are very grateful for the faithful and regular giving that this represents, enabling us to support ministry and mission across our three nations, and the major way in which we fund, in partnership, all our work for the kingdom of God. The pie chart on page 16 shows visually that 93% of our unrestricted expenditure, totalling £20,096k, is used to provide the financial resources to train, equip and provide ministry.

Donations, grants and legacies

We are very grateful for regular grants from a number of trusts, detailed in note 3(b) to the financial statements, as well as for many other donations; in particular, the contributions totalling £386k from Synods towards the costs of funding the Ministers' Pension Fund. Donations to the Westminster College Development Appeal received in the year totalled £400k. Our retired ministers' housing funds received donations from Synods, trusts, churches and individuals totalling £322k. Commitment for Life donations from churches and individuals rose slightly to £381k. Legacies bequeathed for general purposes are held in a separate designated Legacy Fund, available for projects not covered by regular budgets. The balance in this fund is now £964k and allocations and grants totalled £110k in 2015.

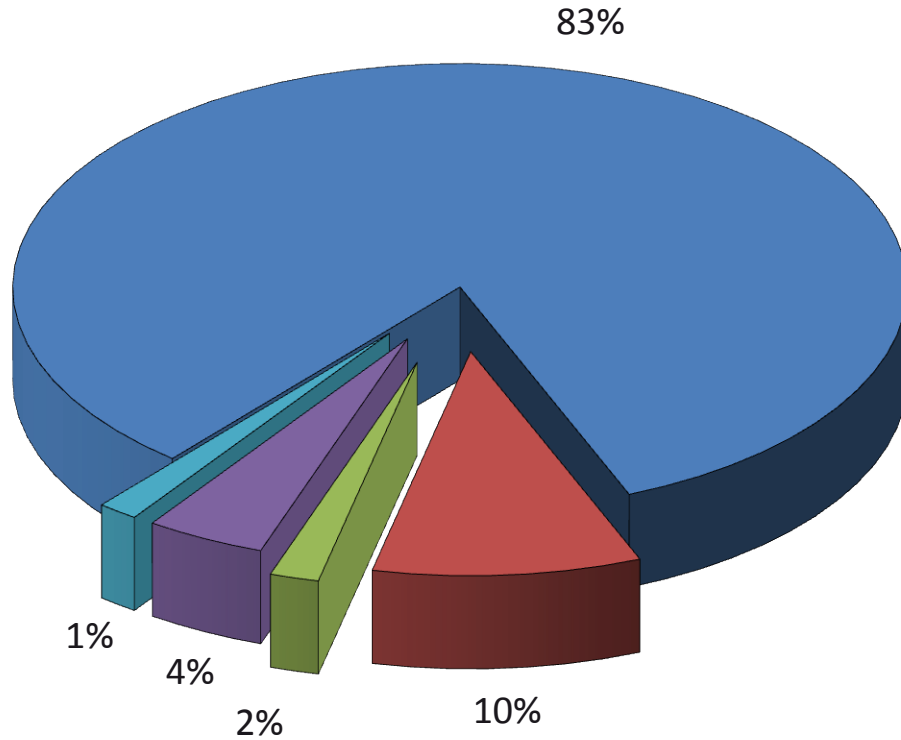
TRUSTEES' REPORT CONTINUED

**Unrestricted Income - £21.8m
Year ended 31 December 2015**



- Ministry and Mission Fund contributions
- Donations, grants and legacies
- Investment income
- Income from charitable activities
- Other income

Unrestricted Expenditure - £21.7m Year ended 31 December 2015



- Ministry
- Education and Learning
- Children's and Youth work
- Mission programmes
- Publishing

TRUSTEES' REPORT CONTINUED

Investment income

Total investment income increased, partly owing to more funds having been invested in 2014. Trust funds invested in equity-based pooled funds saw some modest dividend growth, while interest rates on cash deposits remained at historically low levels.

Trading income/cost of generating funds

In 2014 Westminster College set up a subsidiary company, Westminster College Trading Limited, in order to be able to make full use of its newly refurbished facilities, by offering bed and breakfast accommodation and a wider range of conferences and events. Income from these sources totalled £579k in 2015, and direct and attributable costs totalled £550k.

Income from charitable activities

This income includes rental income from retired ministers' housing properties, the student accommodation, catering and course fee income of Westminster College and the Windermere Centre, as well as sales of publications and subscriptions to Reform magazine.

Other income

Most of this income (£1,896k) represents the net proceeds of the granting of long leases on parts of the Westminster College site to the Cambridge Theological Federation and The Woolf Institute. The balance represents mainly net gains from selling retired ministers' housing properties when they fall vacant, the proceeds of which are used to acquire properties for retiring ministers or sometimes for rehousing them in later years. In 2015 seven properties were bought and 16 were sold.

Expenditure – Charitable activities

These costs are analysed in note 6 on page 27, and include a share of support costs.

Ministry: £19,266k. The maintenance of ministry is the most important charge on the Church's resources. This sum pays for the stipends, social security and pension costs of over 450 stipendiary ministers and CRCWs, and includes all costs of the Synod Moderators. In 2015 the cost of ministry rose, as the retirements of stipendiary ministers were balanced by a large group of new ordinations. The total also includes costs relating to retired ministers, of supplementing pensions and maintaining housing; expenditure on the latter rose further in 2015.

Education and Learning: £3,128k. The considerable commitment of resources to training ministers has continued. This sum includes our support for our Resource Centres for Learning, which reflects their wider role in providing learning opportunities for the whole Church, as well as direct support of those training for ministry. Other costs relate to ongoing ministerial training and TLS and other lay training. It includes the total operating costs of the Windermere Centre and the relevant costs of Westminster College.

Youth and Children's Work: £385k. The programmes continued to be developed in 2015, with a stable staff and volunteer group. New resources included a film of Pilots work, and 'Pilots on Safari' was the highlight of the year's activities.

Mission Programmes: £1,430k. The Mission Committee and team continue to progress longer-term strategies, including the Vision2020 grants programme for projects at home and abroad. Commitment for Life grants were little changed in line with donations.

Publishing: £319k. The costs of publishing Reform magazine have continued to be tightly controlled while maintaining its quality. In-house publishing has been limited but successful, in particular the online store.

Gains on investment assets

The change in investment values from the beginning to end of the year, broken down by fund, is shown in the Summary of Fund Movements in note 19. Equity markets were volatile during 2015, but ended little changed on the year. Investment gains and losses over time are shown in the five year summary on page 42.

Actuarial gains on pension obligations

We are required to take full account of actuarial gains and losses arising each year in the United Reformed Church Ministers' Pension Fund (MPF), and owing to new accounting requirements now also in the United Reformed Church Final Salary Scheme (FSS), mainly for lay staff. In 2015 the MPF actuarial

position benefitted from a 5% fall in the actuarial cost of securing pensions under the prescribed formula, while the value of the fund's diversified investments was close to expectations; this resulted in a significant decrease in the reserves required, and a net actuarial gain for the year of £7.7million. For similar reasons the FSS reports an actuarial gain of £1.2million. More details are given in notes 22 and 23 to the financial statements on pages 36 to 39. The Church continued to make the required deficit contributions to both funds mainly from contributions from local churches to the Ministry and Mission Fund, and the Synods in 2015 completed their agreed six year programme of MPF funding.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of United Reformed Church Trust for the purposes of company law), are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONCLUSION

The Trustees have approved this Report, and as directors of the company have approved the Strategic Report included within it. Those wanting more information or explanations about any aspect of the Church's finances are encouraged to address their enquiries to the Treasurer.

Signed on behalf of the trustees

Revd Richard Gray

Chair

10 May 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF UNITED REFORMED CHURCH TRUST

We have audited the financial statements of United Reformed Church Trust for the year ended 31 December 2015 which comprise the consolidated statement of financial activities, the consolidated and trust balance sheets, the consolidated cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company 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. This report is made solely to the trust'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 may state to the trust's members those matters that 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 trust and the trust's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the group's and of the trust's affairs as at 31 December 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosure of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Alistair Fraser (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Times House, Throwley Way, Sutton, Surrey, SM1 4JQ
Date: 10 May 2016

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	--- Income funds ---		--- Capital funds ---		2015	2014
		Unrestricted £'000	Restricted £'000	Unrestricted £'000	Restricted £'000	Total funds £'000	Total funds £'000
Income							
(See note 28)							
Donations and legacies							
Ministry and Mission Fund contributions	3(a)	19,483	-	-	-	19,483	19,643
Grants receivable	3(b)	77	52	-	-	129	132
Legacies		49	655	-	-	704	624
Commitment for Life donations		-	381	-	-	381	375
Other donations	3(c)	397	754	-	5	1,156	1,065
		523	1,842	-	5	2,370	2,196
Charitable activities	5						
Ministry		1	648	-	-	649	619
Education and Learning		290	322	-	-	612	479
Children's and Youth work		37	-	-	-	37	29
Mission programmes		17	-	-	-	17	1
Publishing		191	-	-	-	191	219
		536	970	-	-	1,506	1,347
Other trading activities		-	579	-	-	579	431
Investment income	4	1,068	522	-	-	1,590	1,487
Other income							
Gains on sale of properties		93	982	-	-	1,075	1,395
Lease premiums		-	1,896	-	-	1,896	75
Other income		124	15	-	-	139	127
		217	2,893	-	-	3,110	1,597
Total income and endowments		21,827	6,806	-	5	28,638	26,701
Expenditure on:							
Raising funds:							
Trading expenditure		-	550	-	-	550	397
Charitable activities	6						
Ministry		17,986	1,280	-	-	19,266	18,505
Education and Learning		2,110	1,018	-	-	3,128	2,681
Children's and Youth work		385	-	-	-	385	342
Mission programmes		943	487	-	-	1,430	1,376
Publishing		319	-	-	-	319	346
		21,743	2,785	-	-	24,528	23,250
Other expenditure		-	603	-	80	683	532
Total expenditure		21,743	3,938	-	80	25,761	24,179
Gains on investment assets		65	63	196	36	360	1,361
Net income(expenditure)		149	2,931	196	(39)	3,237	3,883
Transfers between funds		(303)	303	-	-	-	-
Actuarial gains on defined benefit pension schemes	22-23	8,912	-	-	-	8,912	4,891
Net movement in funds		8,758	3,234	196	(39)	12,149	8,774
Reconciliation of Funds							
Total funds brought forward at 1 January		(9,578)	44,315	16,755	5,546	57,038	48,264
Total funds carried forward at 31 December		(820)	47,549	16,951	5,507	69,187	57,038

All amounts relate to continuing operations.

There is no material difference between the net incoming resources stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The Companies Act income and expenditure account has been included in note 27.

The notes on pages 23 to 41 form an integral part of these financial statements.

CONSOLIDATED AND TRUST BALANCE SHEETS AS AT 31 DECEMBER 2015

	<i>Consolidated</i>	<i>Consolidated</i>	<i>Trust</i>	<i>Trust</i>
Note	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
		(restated)		(restated)
Fixed assets				
Intangible assets	8	-	-	-
Tangible assets	12			
Houses for retired ministers	37,934	38,005	836	861
Houses for serving ministers	4,904	4,796	4,904	4,796
Other properties	7,329	7,034	2,179	2,179
Total properties	50,167	49,835	7,919	7,836
Cars and equipment	679	771	111	123
	50,854	50,606	8,030	7,959
Investments and loans				
Investments	13	37,955	37,371	37,042
Programme-related investments	14	218	215	218
Loans	15	49	9,303	8,922
	89,426	88,828	54,919	54,141
Current assets				
Stocks and work in progress	5	4	5	4
Debtors	16	1,432	1,488	2,475
Cash at bank and in hand	7,646	5,380	5,790	4,646
	9,777	6,816	7,283	7,125
Creditors: amounts falling due within one year	17	(1,478)	(1,296)	(1,173)
Net current assets	8,494	5,338	5,987	5,952
Total assets less current liabilities	97,920	94,166	60,906	60,093
Defined benefit pension scheme liability	22-23	(24,698)	(24,698)	(33,093)
Other pension obligations	22	(4,035)	(4,035)	(4,035)
Net assets including pension liability	69,187	57,038	32,173	22,965
Unrestricted income funds				
General reserves	23,047	22,741	23,047	22,741
Revaluation reserve	831	774	831	774
Total unrestricted income funds before pension reserve	23,878	23,515	23,878	23,515
Pension reserve	(24,698)	(33,093)	(24,698)	(33,093)
Restricted income funds	47,549	44,315	11,437	11,140
Capital funds	22,458	22,301	21,556	21,403
TOTAL CHARITY FUNDS	19&20	69,187	32,173	22,965

Approved by the Trustees on 10 May 2016 and signed on their behalf by:

Revd Richard Gray
Chair

Mr John Ellis
Treasurer

United Reformed Church Trust is a company limited by guarantee, number 135934, and Registered Charity number 1133373.

The notes on pages 23 to 41 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	£'000	£'000
Cash flows from operating activities		
Net income before other recognised gains and losses (see page 20)	3,237	3,883
Adjustments for:		
Increase in stocks	(1)	(3)
Increase in debtors	(694)	(108)
Decrease in creditors	(63)	(168)
(Decrease)/increase in sums held for Synods and congregations	(132)	130
Gain on investment assets	(360)	(1,361)
Profit on sale of tangible fixed assets	(760)	(1,390)
Depreciation and impairment	248	236
Other investment income	(1,590)	(1,487)
Donations of properties received	-	(190)
Cash endowment received	(5)	(5)
Difference between pension contributions and actuarial cost	517	(318)
Cash flows generated from operations	397	(781)
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(2,288)	(3,035)
Receipts from sales of tangible fixed assets	2,552	2,994
Payments to acquire fixed asset investments	(195)	(3,267)
Receipts from sales of fixed asset investments	222	205
Loans and advances made to ministers	(37)	(17)
Loans repaid by ministers	20	31
Investment income	1,590	1,487
	1,864	(1,602)
Cash flows from financing		
Addition to capital endowment	5	5
	5	5
Net increase (decrease) in Cash (note 25)	2,266	(2,378)

The notes on pages 23 to 41 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006.

United Reformed Church Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

A separate Statement of Financial Activities and Cash Flow Statement have not been presented for United Reformed Church Trust itself because it has made use of the exemptions afforded by Section 408 of the Companies Act 2006.

The principal accounting policies, which have been applied consistently throughout the year, are set out below:

(i) Scope

The consolidated financial statements show the combined income, expenditure, assets and liabilities of the charitable funds administered by the Trust for the purposes of the United Reformed Church under the overall authority of the General Assembly, and include the total financial operations of Westminster College ("the college"), Westminster College Trading Limited and of the United Reformed Church Retired Ministers' Housing Society Limited ("the society"). The college is a registered charity (number 311449), while the society is a separate exempt charity registered under the Friendly and Industrial and Provident Societies Acts 1965 to 2003. Each is accounted for as a separate fund and branch of the Church in accordance with the SORP, and details are also given to reflect their legal status as subsidiary charities.

(ii) Classification of funds

Unrestricted income funds may be spent generally for furthering the religious and charitable work of the Church. Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received. However, if the purpose is one that forms part of the Church's regular expenditure and the income of the funds are fully spent each year, the restriction has no practical effect and funds with such restrictions are treated as unrestricted.

Capital funds (i.e. endowments) include some permanent endowments that are required to be retained but the income from these funds can be spent for the benefit of the Church subject, in certain cases, to specific restrictions contained in the original endowment. Other capital funds (i.e. expendable endowments) may be converted to income at the discretion of the trustees.

The main funds included in these financial statements, and their classification, are shown in notes 18 to 21.

(iii) Donations and legacies

Donations and legacies are accounted for on a receivable basis. In accordance with this policy, legacies are included when advice has been received from the personal representative of an estate that payment will be made or property transferred and the amount can be quantified with reasonable certainty. Gifts in kind are included within income at the value to the charity at the date of the gift. The value of services provided by volunteers has not been included.

(iv) Grants

Incoming grants are accounted for on a receivable basis. Outgoing grants are accounted for on a payable basis. Grants payable are included in the Statement of Financial Activities when approved and applied for. The value of such grants unpaid at the end of the year is accrued, unless there are unfulfilled conditions attached to them. In such cases these grants are treated as contingent liabilities.

(v) Ministry and Mission Fund contributions, investment income and other income

Ministry and Mission Fund contributions, investment income, income from charitable activities and other incoming resources are accounted for on a receivable basis. Contributions to the fund, based on local church pledges, are agreed annually in advance with each Synod; amounts received in excess of, or shortfalls from the agreed contributions are accounted for in the year.

(vi) Gains and losses on investments

Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

(vii) Expenditure

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Any irrecoverable VAT is included with the costs to which it relates. Directly attributable costs are allocated to the main charitable activities or to its governance; details are shown in notes 6 to 8. The support costs included in note 8 relate to the whole of the charity's activities and a proportion of these costs is allocated to expenditure headings on a basis that is consistent with the use of the resources.

(viii) Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

(ix) Pensions

The Church operates a funded defined benefit pension scheme for ministers and Church Related Community Workers (CRCWs) receiving a stipend, known as The United Reformed Church Ministers' Pension Fund. The assets of the scheme are managed independently of the Church. Pension costs are assessed in accordance with the advice of an independent qualified actuary.

The Church, together with most synod trusts, also uses The United Reformed Church Final Salary Scheme, a multi-employer defined benefit scheme operated by The Pensions Trust, an independent pension provider to the not-for-profit sector. It provides trustee and asset management services, and pension costs are assessed in accordance with the advice of an independent qualified actuary.

For both schemes, under FRS 102 para 28 – 'Retirement benefits', the amounts charged to expenditure are the current service costs, interest costs and expenses, which are included within charitable expenditure. Actuarial gains and losses are recognised immediately and disclosed in the Statement of Financial Activities.

The assets of the pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each year end. The resulting defined benefit asset or liability is presented separately after other net assets on the Balance Sheet.

(x) Tangible fixed assets

Tangible fixed assets having an initial cost of £250 or less are written off on acquisition. Assets having an initial cost greater than £250 are stated at cost when purchased and at valuation when received in specie. Property repairs are normally written off when incurred, except when improvements totalling more than £1,000 are made to a vacant property.

Many properties used as houses for retired ministers are owned jointly with tenants or Synods of the United Reformed Church. The value in the Balance Sheet of such properties is the cost (less any impairment charged) to the charity of the charity's share in the property.

Properties are maintained in a state of sound repair. The Finance Committee considers whether any impairment is necessary considering the lives of the properties and their residual value. Any material deficit between the anticipated recoverable amount of freehold property and its carrying value shown in the financial statements is recognised in the Statement of Financial Activities. Depreciation is no longer charged on these properties on grounds of materiality. The value of land is not depreciated.

Depreciation is charged on tangible assets as a percentage of cost as follows:

Improvements to property with limited life	5 % pa
Cars, computers and photocopiers	25 % pa
Other furniture and equipment	10 % pa

Other tangible assets in regular use, principally book collections acquired by or donated to Westminster College over the period since its foundation, are not included in the Balance Sheet, since to obtain a reliable valuation is not practicable. Further details are given in note 12.

(xi) Heritage assets

Westminster College owns certain manuscripts and artefacts that are not in regular use, but are held for their historical or artistic qualities. They were largely acquired by the founders and donated to the College at or soon after its foundation. No formal valuations have been obtained for these assets as the cost of obtaining such valuations would outweigh the benefit. As a result these assets are not included on the Balance Sheet, nor are the assets of the United Reformed Church History Society (see note 12(c)) for the same reasons.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED**(xii) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

(xiii) Investments

Listed securities are included at market value at the Balance Sheet date. Unlisted securities are stated at cost as there is no readily ascertainable market price.

(xiv) Concessionary loans

Loans to advance the Church's charitable purposes are held within fixed assets recognised and are stated at original cost and subsequently adjusted for any repayments or impairment.

(xv) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value

(xvi) Transition to FRS 102

The opening fund balances at the date of transition have been restated (see note 2) for the following items: Liability for post-employment benefits in multi-employer plans.

No subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 January 2014.

NOTE 2 RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. At the date of transition in applying the requirements of FRS 102 the following adjustments were required:

Liability for post-employment benefits in the United Reformed Church Final Salary Scheme and in The Pensions Trust's Growth Plan. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

Reconciliation of fund balances

	31 December 2014 £'000	31 December 2013 £'000
Fund balances as previously stated	60,131	50,308
Liabilities of the United Reformed Church Final Salary Scheme	(2,881)	(1,823)
Liabilities of The Pensions Trust's Growth Plan	(212)	(221)
Fund balances as restated	57,038	48,264

NOTE 3 VOLUNTARY INCOME**(a) Ministry and Mission Fund Contributions**

Synods	2015 £'000	2014 £'000
Northern	933	977
North Western	1,944	1,975
Mersey	1,128	1,155
Yorkshire	1,067	1,096
East Midlands	1,162	1,173
West Midlands	1,618	1,641
Eastern	1,887	1,867
South Western	1,392	1,451
Wessex	2,022	2,022
Thames North	2,303	2,214
Southern	2,734	2,744
Wales	542	588
Scotland	751	740
	19,483	19,643

(b) Grants Receivable

The Church receives income from a number of trusts. These are described below.

Congregational Memorial Hall Trust - £77k (2014: £70k). The United Reformed Church has a 70% interest in distributions from this Trust. In 2010 the trust distributed a share of half of its assets by way of a donation totalling £3,658k of investments. Income from the investments has replaced most of the grant.

Council for World Mission - £19k (2014: £7k). The Council has approved further grants totalling £79k over three years from its mission support programme, of which the first £17k was used in 2015. A further £2k received in 2014 from its capacity development programme was spent on a project in 2015.

The Cheshunt Foundation - £52k (2014: £62k). The foundation, which is an independent Trust not reporting to the United Reformed Church, supports Westminster College by funding the stipend and expenses of one of the teaching staff, by contributing to the college budget, by student bursaries and by providing financial support for ministers taking sabbatical leave.

(c) Donations

Other donations include £400k (2014: £521k) received by Westminster College towards its Development Appeal, and £386k (2014: £302k) received from Synods towards pension fund deficit contributions.

NOTE 4 INVESTMENT INCOME

	2015 £'000	2014 £'000
Unitised funds	1,565	1,456
Unlisted securities	1	1
Interest on short-term investment and bank deposits	24	30
	1,590	1,487

NOTE 5 INCOME FROM CHARITABLE ACTIVITIES

These comprise:

	2015 £'000	2014 £'000
Retired Ministers' Housing rents	626	618
Westminster College - accommodation, conferences, catering and fees	322	264
Windermere Centre - accommodation, catering and courses	240	207
Publication and resource sales	60	81
Reform magazine - subscriptions and advertising	130	138
Other programmes - fees, grants and sales	128	39
	1,506	1,347

NOTES TO THE FINANCIAL STATEMENTS CONTINUED**NOTE 6 ANALYSIS OF EXPENDITURE**

(a) The amount spent on charitable activities, including support costs, is summarised as follows:

	Direct programme expenditure £'000	Grant funding (note 6) £'000	Support costs (note 8) £'000	2015 Total £'000	2014 Total restated £'000
Ministry	16,867	768	1,631	19,266	18,505
Education and Learning	2,254	595	279	3,128	2,681
Children's and Youth work	312	24	49	385	342
Mission programmes	692	588	150	1,430	1,376
Publishing	276	-	43	319	346
	20,401	1,975	2,152	24,528	23,250

(b) The amounts spent on charitable activities, excluding support costs, may be analysed by programme as follows:

	Direct programme expenditure £'000	Grant funding £'000	2015 Total £'000	2014 Total restated £'000
Ministry				
Local and special ministries and CRCWs	15,141	357	15,498	15,006
Synod moderators - stipends and expenses	718	-	718	653
Pension grants	-	405	405	430
Retired ministers' housing	712	-	712	626
Ministries committee	296	6	302	267
	16,867	768	17,635	16,982
Education and Learning				
Initial training for ministry	853	592	1,445	1,167
Ongoing training for ministry	109	3	112	107
Lay training	153	-	153	159
Resource Centres support	575	-	575	444
Westminster College development	-	-	-	13
Windermere Centre programme	397	-	397	377
Education and Learning committee	167	-	167	179
	2,254	595	2,849	2,446
Children's and Youth work				
Staff costs	193	-	193	192
Resources and programme – children & youth	75	24	99	90
Resources and programme – Pilots development	44	-	44	15
	312	24	336	297
Mission programmes				
Grants to local churches	-	103	103	101
Ecumenical and international programmes	136	141	277	244
Commitment for Life programme	63	304	367	386
Other programmes	58	40	98	74
Mission committee	435	-	435	429
	692	588	1,280	1,234
Publishing				
Reform magazine	218	-	218	224
Publications and resources	58	-	58	77
	276	-	276	301
Total	20,401	1,975	22,376	21,259

NOTE 7 ANALYSIS OF GRANTS

	Grants to individuals £'000	Grants to institutions £'000	2015 Total £'000	2014 Total £'000
Pension grants	405	-	405	430
Welfare and other ministry grants	318	6	324	292
Student maintenance and training	578	17	595	533
Local churches - mission and facilities	-	103	103	101
Chaplaincies	-	39	39	42
Ecumenical church bodies	-	109	109	96
Commitment for Life programme	-	304	304	319
Other programmes	8	88	96	99
	1,309	666	1,975	1,912

Major grants to institutions in the year (included above) were:

Organisation	Type	2015 £'000	2014 £'000
Christian Aid	Commitment for Life	285	282
Council for World Mission	Ecumenical	25	25
Global Justice Now	Commitment for Life	19	37

NOTE 8 SUPPORT COSTS

Support costs comprise the premises costs of United Reformed Church House, and the staff and office costs in respect of: Central Secretariat (including Human Resources), Finance, Communications and Information Technology. These costs have been apportioned across the areas of charitable activity on the basis and in the amounts shown below.

	Premises costs £'000	Computer costs £'000	Staff and office costs £'000	2015 Total £'000	2014 Total £'000 restated
Basis of apportionment	Area	Staff	Actual costs		
Ministry	55	46	1,530	1,631	1,524
Education and Learning	19	13	247	279	235
Children's and Youth work	13	7	29	49	45
Mission	20	19	111	150	142
Publishing	13	6	24	43	45
	120	91	2,063	2,152	1,991

NOTE 9 GOVERNANCE COSTS

Governance costs are included in support costs and total £258k (2014: £419k). This figure includes the remuneration of the auditors, amounting to £44k (2014: £40k).

NOTE 10 NOTIFIED LEGACIES

Notification of one legacy for the general purposes of the Trust and two legacies for the restricted funds of Retired Ministers' Housing have been received that have not been included in the financial statements because the conditions for recognition have not yet been met. It is estimated that the amount receivable from one of these legacies is around £2k, but insufficient information is available to estimate the amounts receivable from the other two (2014: eight legacies, £404k).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED**NOTE 11 STIPEND AND SALARY COSTS**

During the year the following stipend and salary costs were incurred:

		2015	2014
		£'000	£'000
Ministers and CRCWs : 456 (2014: 476)	Gross stipends	11,412	11,675
	Social security costs	1,070	1,093
	Other pension costs	2,630	2,552
		<u>15,112</u>	<u>15,320</u>
Lay staff : 97 (2014 :96)	Gross salaries	2,405	2,309
	Social security costs	223	216
	Other pension costs	591	519
		<u>3,219</u>	<u>3,044</u>

The numbers shown represent the average for the year, and staff working for part of the year are included at the appropriate proportion calculated on a full time equivalent basis. They include staff working at Church House in London, the Windermere Centre and Westminster College in Cambridge.

There were no ministers, Church Related Community Workers or employees whose emoluments, excluding employer pension contributions, exceeded £60k during 2015 or 2014.

Key management personnel are the General Secretary and three Deputy General Secretaries; of these four two are ministers and two are lay staff. The total of employee benefits paid to key management personnel in 2015 was £160k.

In addition, a great amount of time, the value of which it is impossible to reflect in these financial statements, is donated by thousands of volunteers throughout the United Kingdom.

Individuals acting in a trustee capacity for the various United Reformed Church trusts received no remuneration in respect of their services as trustee, other than the reimbursement of travel expenses to 16 individuals during the year ended 31 December 2015 totalling £3,217 (2014: 22 individuals totalling £4,022).

NOTE 12 TANGIBLE FIXED ASSETS

(a) Consolidated:	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total £'000
Cost					
At 1 January 2015	38,599	4,853	7,281	1,529	52,262
Additions	1,402	108	723	47	2,280
Disposals	(1,508)	-	(334)	(83)	(1,925)
At 31 December 2015	38,493	4,961	7,670	1,493	52,617
Accumulated depreciation and impairment					
At 1 January 2015	594	57	247	758	1,656
Charge for year	-	-	111	135	246
Disposals	(35)	-	(17)	(79)	(131)
At 31 December 2015	559	57	341	814	1,771
Net book value					
At 31 December 2015	<u>37,934</u>	<u>4,904</u>	<u>7,329</u>	<u>679</u>	<u>50,846</u>
At 31 December 2014	<u>38,005</u>	<u>4,796</u>	<u>7,034</u>	<u>771</u>	<u>50,606</u>

NOTE 12 (continued)

Of the land and buildings included above, £5,478k (2014: £5,558k) are leasehold. At 31 December 2015 336 (2014: 346) houses were owned for housing retired ministers and 18 (2014: 17) houses for serving ministers. Although the total market value of all properties is not practicable to quantify, it is considerably in excess of the carrying value shown above.

Other properties include premises improvements at United Reformed Church House, the Yardley Hastings and Windermere Centres, and building improvement costs capitalised at Westminster College. At the Yardley Hastings property, which has a carrying value of £628k, the local church continues to use part of the premises and agreement has been reached for a long term lease of the remainder to a local charity.

With the exception of certain improvements and additions, including the costs of the major refurbishment in 2013-14, the buildings of Westminster College are not included in the Balance Sheet since the use of the College was originally a gift to the Church, the value of which cannot readily be ascertained without excessive cost. In addition there is a covenant in perpetuity restricting the Church's ability to use the College for purposes wider than that of a theological college; hence an open market value cannot be applied.

The College also owns certain tangible assets, which have been acquired or donated to it over the years since its foundation, not included in the Balance Sheet. These include the Academic Library and other book collections with an insurance valuation in excess of £1million, historic furniture and works of art. All book collections are in regular use, either for theological study and reference or for historical research. Other items are in use or on display as appropriate.

(b) Trust:	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total £'000
Cost					
At 1 January 2015	909	4,853	2,290	598	8,650
Additions	-	108	-	33	141
Disposals	(27)	-	-	(82)	(109)
At 31 December 2015	882	4,961	2,290	549	8,682
Accumulated depreciation and impairment					
At 1 January 2015	48	57	111	475	691
Charge for year	-	-	-	42	42
Disposals	(2)	-	-	(79)	(81)
At 31 December 2015	46	57	111	438	652
Net book value					
At 31 December 2015	836	4,904	2,179	111	8,030
At 31 December 2014	861	4,796	2,179	123	7,959

(c) Heritage Assets

Westminster College owns certain manuscripts and artefacts that are not in regular use, but held for their historical qualities. Most derive from the collections of the founding sisters, Agnes Lewis and Margaret Gibson, and were donated by them to the College during their lifetime. Some are displayed and others stored. In recent years some items of significant value, but not relevant to the heritage of the church traditions represented in the United Reformed Church nor to the present objectives of the College, were sold in order to raise funds for College development. The College also holds the archives, manuscripts and historic books of the United Reformed Church History Society (which is a separate charity) on behalf of the United Reformed Church. Indicative valuations have been obtained for some items held, but are not considered sufficiently robust to be reported here.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED**NOTE 13 INVESTMENTS**

	Consolidated		Trust	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Fixed asset investments				
Carrying value at beginning of year	37,955	33,527	37,042	32,647
Additions to investments at cost	194	3,267	194	3,267
Disposals at carrying value	(210)	(194)	(210)	(194)
Net gains/(losses) on revaluation	351	1,355	345	1,322
Carrying value at end of year	<u>38,290</u>	<u>37,955</u>	<u>37,371</u>	<u>37,042</u>

	Consolidated		Trust	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Investments comprise units in UK based Common Investment Funds at market value, as follows:				
COIF Charities Ethical Investment Fund	37,150	36,903	36,231	35,990
COIF Charities Property Fund	1,140	1,052	1,140	1,052
	<u>38,290</u>	<u>37,955</u>	<u>37,371</u>	<u>37,042</u>
Investments at book cost	<u>33,548</u>	<u>32,527</u>	<u>32,797</u>	<u>31,776</u>

The trustees believe that the carrying value of the investments is supported by their underlying net assets.

NOTE 14 PROGRAMME-RELATED INVESTMENTS

Programme-related investments are investments made in pursuit of the Trust's charitable purposes, the primary motivation for which is not financial but to further our objectives and programme. The principal programme-related investment is £200k as a Founder Member of Luther King House Educational Trust, which owns the property that houses our resource centre for learning at Northern College. Smaller investments are held in Oikocredit, the Christian Conference Trust and Traidcraft plc.

NOTE 15 CONCESSIONARY LOANS

	Consolidated		Trust	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
External loans comprise:				
To ministers	67	49	67	49
Inter-fund concessionary loans	-	-	9,236	8,873
	<u>67</u>	<u>49</u>	<u>9,303</u>	<u>8,922</u>

Loans to ministers are generally interest free.

Inter-fund concessionary loans represent the long-term indebtedness of the United Reformed Church Retired Ministers' Housing Society Limited to other funds of the Church. Loans have been made available for the purchase of properties, for as long as they are required, to enable the Society to fulfil its objectives.

NOTE 16 DEBTORS

	Consolidated		Trust	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Debtors comprise:				
Amounts owed by group undertakings	-	-	441	1,362
Tax recoverable	24	108	24	108
Other debtors	1,171	550	510	493
Prepayments and accrued income	931	774	513	512
	<u>2,126</u>	<u>1,432</u>	<u>1,488</u>	<u>2,475</u>

NOTE 17 CREDITORS: amounts falling due within one year

	Consolidated		Trust	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Current liabilities comprise:				
Amounts owed to group undertakings	-	-	221	-
Sums held for Synods and congregations	103	235	26	29
Other creditors including taxation and social security	539	642	534	635
Accruals and deferred income	641	601	515	509
	<u>1,283</u>	<u>1,478</u>	<u>1,296</u>	<u>1,173</u>

Creditors include £8k (2014: £2k) in respect of grants from the Council for World Mission received in the year but not yet spent on the relevant projects.

NOTE 18 UNRESTRICTED FUNDS

The Ministry and Mission Fund is the general fund of the Church through which the bulk of our income and expenditure, covered by the annual budget agreed by the Trustees and presented to Mission Council, is passed. Associated with it are two capital funds, Maintenance of the Ministry and Ministerial Training, the whole of whose income each year is transferred to the Ministry and Mission Fund, which is responsible for meeting ministry and training costs.

The Ministry and Mission unrestricted fund balance includes £964k (2014: £1,005k) designated as a Legacy fund, from which sums are allocated by the Finance Committee to projects not covered by regular budgets. The first allocations were in 2010, and £110k was allocated in 2015.

These funds include £16.9million held as capital, most having been gifted by other trusts. These funds are invested and the income is used as intended; in the case of £13.8million the capital is expendable by decision of the Trustees.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 19

SUMMARY OF FUND MOVEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Fund	Classification (see note 1(ii))	Funds at 1 Jan 2015 (As restated) £'000	Incoming Resources £'000	Resources Expended £'000	Transfers between funds £'000	Gains(losses) on investment assets £'000	Actuarial gains(losses) £'000	Funds at 31 Dec 2015 £'000
Ministry and Mission Fund	Capital Unrestricted	6,061 (9,578)	- 21,370	- (21,743)	- 154	60 65	- 8,912	6,121 (820)
Maintenance of the Ministry Fund	Capital Unrestricted	760 -	- 34	- -	- (34)	5 -	- -	765 -
Ministerial Training Fund	Capital Unrestricted	9,934 -	- 423	- -	- (423)	131 -	- -	10,065 -
Westminster College Funds	Capital * Restricted	898 6,299	- 3,312	- (2,161)	- 325	4 2	- -	902 7,777
Church Buildings Fund	Capital Restricted	184 3,142	- 121	- (82)	- -	- 20	- -	184 3,201
Retired Ministers' Housing Funds	Capital Restricted	391 4,935	- 255	- (40)	- -	- -	- -	391 5,150
Retired Ministers' Housing Society	Capital ** Restricted	- 26,876	- 2,253	- (794)	- -	- -	- -	- 28,335
Welfare Fund	Capital Restricted	664 3	- 41	- (53)	- 11	5 -	- -	669 2
Retired Ministers' Aid Fund	Capital Restricted	232 (299)	- 34	- (58)	- -	2 4	- -	234 (319)
Retired Ministers' Fund	Capital Restricted	243 (234)	- 204	- (294)	- -	2 21	- -	245 (303)
World Church and Mission Funds	Capital Restricted	249 669	- 43	- (8)	- -	2 4	- -	251 708
Windermere Centre Fund	Capital Restricted	- 411	- -	- -	- -	- -	- -	- 411
Yardley Hastings Fund	Capital Restricted	- 590	- -	- -	- -	- -	- -	- 590
Commitment for Life Fund	Capital Restricted	- 9	- 381	- (367)	- -	- -	- -	- 23
Other Funds	Capital Restricted	2,685 1,914	5 162	(80) (81)	- (33)	21 12	- -	2,631 1,974
Consolidated Totals (see page 16)		57,038	28,638	(25,761)	-	360	8,912	69,187
Comprising:	Capital	22,301	5	(80)	-	232	-	22,458
	Restricted	44,315	6,806	(3,938)	303	63	-	47,549
	Unrestricted	(9,578)	21,827	(21,743)	(303)	65	8,912	(820)
Trust Totals		26,058	23,073	(22,806)	(325)	354	8,912	32,173
Comprising:	Capital	21,403	5	(80)	-	228	-	21,556
	Restricted	11,140	1,241	(983)	(22)	61	0	11,437
	Unrestricted	(9,578)	21,827	(21,743)	(303)	65	8,912	(820)

* Funds of Westminster College Cambridge

** Funds of the United Reformed Church Retired Ministers' Housing Society Limited

The movements in the funds of the subsidiary charities are highlighted above.

The net income before transfers, totalling £3,237k, have been dealt with in the financial statements

of the Trust and its subsidiary entities as follows:

	£'000
URC Trust	625
Westminster College	1,374
Westminster College Trading Limited	29
Retired Ministers' Housing Society	1,209
	<u>3,237</u>

NOTE 20

**ANALYSIS OF NET ASSETS BETWEEN FUNDS
AS AT 31 DECEMBER 2015**

Fund	Net Assets 31 Dec 2015	Intangible Assets	Property	Cars and equipment	Investments	External Loans	Inter fund Loans	Net current assets	Pension Reserve	Inter- fund balances
	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ministry and Mission Fund	6,121 (820)		400	-	5,721	-	-	-	-	-
Maintenance of the Ministry Fund	765 -		-	-	765	-	-	-	-	-
Ministerial Training Fund	10,065 -		-	-	10,065	-	-	-	-	-
Westminster College Funds	902 7,777	8	323 4,828	- 568	579 340	- -	- -	- 2,475	- -	- (441)
Church Buildings Fund	184 3,201		183 -	- -	- 2,960	- -	- -	- -	- -	1 241
Retired Ministers' Housing Funds	391 5,150		391 445	- -	- -	- -	- 4,704	- 15	- -	- (15)
Retired Ministers' Housing Society	- 28,335		- 37,097	- -	- -	- -	- (9,236)	- 252	- -	- 222
Welfare Fund	669 2		- -	- -	669 -	- -	- -	- -	- -	- 2
Retired Ministers' Aid Fund	234 (319)		- -	- -	234 553	- -	- -	- -	- (882)	- 10
Retired Ministers' Fund	245 (303)		- -	- -	245 2,828	- -	- -	- -	- (3,153)	- 22
World Church and Mission Funds	251 708		- -	- -	251 631	- -	- -	- -	- -	- 77
Windermere Centre Fund	- 411		- 731	- 36	- -	- -	- -	- -	- -	- (356)
Yardley Hastings Fund	- 590		- 483	- -	- -	- -	- -	- -	- -	- 107
Commitment for Life Fund	- 23		- -	- -	- -	- -	- -	- -	- -	- 23
Other Funds	2,631 1,974		- -	- -	2,631 1,721	- -	- 45	- -	- -	- 208
Consolidated Totals	69,187	8	50,167	679	38,505	67	-	8,494	(28,733)	-
Capital	22,458	-	1,297	-	21,160	-	-	-	-	1
Restricted	47,549	8	43,584	604	9,033	-	(4,487)	2,742	(4,035)	100
Unrestricted	(820)	-	5,286	75	8,312	67	4,487	5,752	(24,698)	(101)
Trust Totals	32,173	-	7,919	111	37,586	67	9,236	5,767	(28,733)	220
Capital	21,556	-	974	-	20,581	-	-	-	-	1
Restricted	11,437	-	1,659	36	8,693	-	4,749	15	(4,035)	320
Unrestricted	(820)	-	5,286	75	8,312	67	4,487	5,752	(24,698)	(101)

The assets and liabilities of the subsidiary charities are highlighted above.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 21 RESTRICTED FUNDS

(a) Westminster College funds

This group of funds are the charity funds of Westminster College. In addition to the College general fund that deals with income and expenditure from its main academic activities, there are library funds, scholarship funds, its Development Appeal fund and other funds available for use in connection with the development of the College. Regular support from the Church is shown by way of transfer from the Ministry and Mission Fund.

(b) Church Buildings Fund

This fund may be used in the upkeep and repair of the buildings of the local churches of the United Reformed Church and the maintenance of the services therein; in the improvement and extension of the buildings of such churches; and in the provision and erection of buildings for use for the purposes of such churches or as residences for ministers of the United Reformed Church. Both grants and loans are available for these purposes; notes 7 and 15 give some details.

(c) Retired Ministers' Housing Funds and Retired Ministers' Housing Society

The whole of these funds is utilised by the Retired Ministers' Housing Committee in providing accommodation for ministers and ministers' widow/ers in their retirement. Income in 2015 included £322k from donations and £208k from legacies. Most of the remaining income arises from the profit on the sale of houses, the proceeds of which were largely re-invested in further house purchases. The indebtedness of the Society to the other funds of the Church is included in the Trust Balance Sheet and notes 15 to 17 as inter-fund loans and balances; note 24 gives information on its future commitments.

(d) Welfare Fund

This fund can be used to relieve cases of need among ministers of the United Reformed Church, their spouses and other dependants. Regular uses have been to provide a grant on the death of a minister to the surviving spouse, to provide a grant at Christmas to widow/ers of United Reformed Church ministers, counselling costs and assistance with medical costs. Surplus income of certain other funds is transferred to this fund.

(e) Retired Ministers' Fund and Retired Ministers' Aid Fund

These funds are used to supplement the pensions paid to ministers and ministers' widow/ers, principally by upgrading the pensions of former ministers of the Congregational Church and the Churches of Christ and the widow/ers of such ministers to a level of 95% of the pension that would have been paid if the minister's service had been to the former Presbyterian Church, and also to pay certain ill-health early retirement pensions. The balances shown for these funds are after deducting the actuarially assessed cost of the Church's constructive obligation to continue making these payments, totalling £4,035k.

(f) World Church and Mission Funds

These funds are used by the Mission Committee under the Belonging to the World Church programme and for other purposes, as the terms of the various trusts permit.

(g) Windermere Centre Fund and Yardley Hastings Fund

These funds were raised to develop the Windermere Centre and the Yardley Hastings Centre and are mainly invested in those properties. The annual income and costs of the Windermere Centre are shown through the Ministry and Mission Fund. The Yardley Hastings property houses the local church, and a long term lease has been agreed on the remainder of the premises.

(h) Commitment for Life Fund

This programme involves substantial sums of money being collected through the Church and Society office, and disbursed for Christian Aid programmes and other purposes. The balance held at the year end represents sums received, which had not yet been allocated.

(i) Other funds

There are some fifty other funds in the care of United Reformed Church Trust, covering many different activities relating to the Church centrally, and some to the wider parts of the United Reformed Church. Most of their income is earned from investments, and expenditure is in accordance with their various specific purposes.

NOTE 22 THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Pensions for most ministers are provided by The United Reformed Church Ministers' Pension Fund. The Fund is a defined benefit pension scheme and the assets are invested and managed by an independent trustee.

Triennial actuarial valuations of the pension scheme are performed by a qualified actuary. The actuarial valuation at 1 January 2015 was formally agreed on 23 September 2015. For the purpose of these financial statements, the actuary has updated that valuation at 31 December 2015 using assumptions that are consistent with the requirements of FRS102, and comparative figures have been restated. Compared with a year ago, this update has reduced the present value of scheme liabilities by 5% while asset values were almost unchanged. This has resulted in a decrease of £7.1million in the scheme's deficit and hence in the level of the pension reserve.

a) Contributions:

The defined benefit scheme is funded and is not contracted-out of the state scheme. Contributions in 2015 totalled 20.15% of pensionable pay, together with a fixed annual amount of deficit funding, in 2015 £1,128k (2014: £1,108k), increasing in line with stipends. Members' contributions are 7.5% of pensionable pay. Church contributions totalled £2,682k in 2015 (2014: £2,549k). Following the latest valuation, contributions from January 2016 will total 22.4% of pensionable pay, together with annual deficit funding of £958,000, increasing in line with stipends.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	2015	2014
Discount rate at year end	3.65%	3.45%
Expected return on plan assets at year end	n/a	n/a
Future stipend increases	1.90%	1.90%
Future pension increases (RPI up to 5%)	2.90%	2.90%
Future deferred pension revaluation (CPI)	1.90%	1.90%
Life expectancy of current male pensioners (age 65)	23.9	23.5
Life expectancy at 65 of future male pensioners (age 55)	24.5	24.0

b) The amounts recognised in the Balance Sheet are as follows:

	2015	2014
	Value at 31 Dec	Value at 31 Dec
	£'000	£'000
Present value of obligations	(134,771)	(141,710)
Fair value of plan assets	111,877	111,710
Net (liability)	<u>(22,894)</u>	<u>(30,000)</u>

c) The charge to the Statement of Financial Activities for the year comprised:

	2015	2014
	£'000	£'000
Operating charge		
Current service cost	1,994	1,918
Administrative expenses	301	325
Financing cost:		
Interest on net defined liability	1,026	1,549
Total operating charge	<u>3,321</u>	<u>3,792</u>
Other Comprehensive Income (OCI)		
Asset gains/(losses) arising during the year	(783)	12,029
Liability gains (losses) arising during the year	8,528	(4,553)
OCI	<u>7,745</u>	<u>7,476</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED**NOTE 22 (continued)****d) Change in defined benefit obligation:**

	2015	2014
	£'000	£'000
Opening defined benefit obligation	141,710	134,933
Service cost (inc. employee contributions)	2,810	2,740
Interest expense on DBO	4,830	5,743
Actuarial losses/(gains) on liabilities	(8,528)	4,553
Benefits paid	(6,051)	(6,259)
Closing defined benefit obligation	<u>134,771</u>	<u>141,710</u>

e) Change in fair value of plan assets:

	2015	2014
	£'000	£'000
Opening fair value of plan assets	111,710	98,700
Interest income on assets	3,804	4,194
Actuarial gains (losses)	(783)	12,029
Contributions by employer	2,682	2,549
Contributions by employees	816	822
Administrative expenses	(301)	(325)
Benefits paid	(6,051)	(6,259)
Closing fair value of plan assets	<u>111,877</u>	<u>111,710</u>

f) Future employer contributions:

The Church expects to contribute about £2,580,000 to the plan during the next accounting year.

g) Breakdown of plan assets:

The major categories of plan assets as a percentage of total plan assets are as follows:

	2014	2014
	Asset allocation	Asset allocation
	%	%
Equities	33.9	33.8
Property	8.2	7.5
Bonds	56.8	58.4
Cash/other	1.1	0.3

h) Five year comparison

The amounts for the current and previous four years are as follows:

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	134,771	141,710	134,933	128,870	119,436
Plan assets	111,877	111,710	98,700	91,622	89,941
Surplus/(deficit)	<u>(22,894)</u>	<u>(30,000)</u>	<u>(36,233)</u>	<u>(37,248)</u>	<u>(29,495)</u>

Other pension obligations

SORP 2015 requires that constructive obligations, although not legally binding, be recognised on a charity's balance sheet. United Reformed Church Trust considers that it has a long-term constructive obligation in respect of:

a) the pension supplements it pays to former ministers of the Congregational Church and the Churches of Christ and the widow/ers of those ministers, in order to bring their pension to a level of 95% of the pension that would have been paid if the minister's service had been to the former Presbyterian Church, and

b) other pension grants, principally for ill-health early retirement until 2004.

An independent actuarial assessment of the net present value of these future payments was obtained at the time of the formal actuarial review as at 31 December 2014, using comparable assumptions as for FRS 17 calculations; this value (£4,035k) has been deducted from the assets of the Retired Ministers' Fund or the Retired Ministers' Aid Fund included in the Balance Sheet.

NOTE 23 THE UNITED REFORMED CHURCH FINAL SALARY SCHEME

a) The United Reformed Church contributes to a staff pension scheme known as the "Final Salary" scheme; this too is a defined benefit scheme, which is administered by The Pensions Trust, its Trustee. The United Reformed Church is the principal employer in the scheme, and eleven synods and Northern College are participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities – each employer pays a common contribution rate. The information below is provided by the principal employer in respect of the whole scheme as required by FRS102.

Triennial actuarial valuations of the whole Final Salary scheme are performed by a qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September 2013, when the scheme had a deficit of £2,725k. For the purpose of these financial statements, the actuary has updated that valuation at 31 December 2015 using assumptions that are consistent with the requirements of FRS102, and comparative figures have been restated as if FRS102 had applied in previous years.

i) Contributions:

During 2015 the United Reformed Church contributed 28.2% (2014: 26%) of basic salary in respect of members of the scheme, which includes 10.5% as deficit funding and 3.2% to meet expenses and levies. Members contributed at the rate of 6% (2014: 6%) of pensionable salary throughout the accounting period.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	2015	2014	2013
Discount rate at year end	3.80%	3.40%	4.60%
Inflation (RPI)	3.10%	3.10%	3.50%
Inflation (CPI)	2.10%	2.10%	2.60%
Future salary increases	2.85%	2.85%	2.85%
Future deferred pension revaluation (CPI)	2.50%	2.50%	2.50%
Life expectancy in years of males retiring in 2015 (age 65)	23.0	n/a	n/a
Life expectancy in years of females retiring in 2015 (age 65)	24.7	n/a	n/a
Life expectancy in years of males retiring in 2035 (age 65)	24.7	n/a	n/a
Life expectancy in years of females retiring in 2035 (age 65)	26.2	n/a	n/a

ii) The amounts recognised in the Balance Sheet are as follows:

	2015	2014	2013
	Value at 31 Dec	Value at 31 Dec	Value at 31 Dec
	£'000	£'000	£'000
Present value of obligations	(21,122)	(21,861)	(18,443)
Fair value of plan assets	19,513	18,980	16,620
Net (liability)	<u>(1,609)</u>	<u>(2,881)</u>	<u>(1,823)</u>

iii) The charge to the Statement of Financial Activities for the year comprised:

	2015	2014
	£'000	£'000
Operating charge		
Current service cost	667	577
Administrative expenses	101	103
Net interest cost:	95	76
Total operating charge	<u>863</u>	<u>756</u>
Other Comprehensive Income (OCI)		
Asset gains/(losses) arising during the year	(407)	964
Liability gains (losses) arising during the year	1,574	(2,308)
OCI	<u>1,167</u>	<u>(1,344)</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED**iv) Change in defined benefit obligation:**

	2015	2014
	£'000	£'000
Opening defined benefit obligation	21,861	18,443
Current service cost (inc. contributions by plan participants)	868	814
Interest expense on DBO	745	854
Administrative expenses	101	103
Actuarial losses/(gains) on liabilities	(1,574)	2,308
Benefits paid and death in service premiums	(879)	(661)
Closing defined benefit obligation	<u>21,122</u>	<u>21,861</u>

v) Change in fair value of plan assets:

	2015	2014
	£'000	£'000
Opening fair value of plan assets	18,980	16,620
Interest income on assets	650	778
Actuarial gains (losses)	(407)	964
Contributions by employers	968	1,042
Contributions by plan participants	201	237
Benefits paid	(879)	(661)
Closing fair value of plan assets	<u>19,513</u>	<u>18,980</u>

vi) Future employer contributions:

Employers expect to contribute about £968,000 to the plan during the next accounting year.

vii) Breakdown of plan assets:

The major categories of plan assets are as follows:

	2015	2014	2013
	£'000	£'000	£'000
Equity-Type assets	9,724	8,724	7,974
Fixed Interest Bonds	3,838	3,762	3,215
Index-Linked bonds	3,525	3,822	2,924
Fixed Interest Gilts	395	560	382
Property	1,336	1,180	1,045
Other	695	932	1,080
Total assets	<u>19,513</u>	<u>18,980</u>	<u>16,620</u>

b) Certain members of the Final Salary scheme have also made additional voluntary contributions to the 'Growth Plan', a multi-employer funded pension plan operated by The Pensions Trust. Certain past contributions to this plan entitle the members to either a defined pension or a guaranteed capital sum to be converted into an annuity at retirement. The Church does not normally make contributions to the Growth Plan, but from 1 April 2013 has been required to do so as a result of an actuarial deficit. The most recent formal actuarial valuation of the Growth Plan, as at 30 September 2014, revealed a deficit of £177m, equivalent to a funding level of 82%. Its latest recovery plan includes a requirement for contributions from the Church over a period of 9.5 years from 1 April 2016, including £21k in 2016. The Church now recognises a liability for the net present value of these future contributions, amounting to £195k at the balance sheet date (2014: £212k). The present value is calculated using a discount rate of 2.5% (2014: 1.99%), and the charge to the Statement of Financial Activities of £8k (2014: £15k) represents the finance cost of unwinding the discount rate and the effect of any changes in actuarial assumptions.

In addition, in the event of no members continuing to contribute to the Growth Plan, there is a contingent obligation of an employer debt on withdrawal in respect of certain liabilities incurred before March 2010. The Pensions Trust estimated the Church's contingent obligation at £271k as at 30 September 2014, but there is not currently any expectation that this situation will arise.

NOTE 24 COMMITMENTS

At 31 December 2015 there were, in respect of the purchase of properties, commitments of £1,340k (2014: £953k), and contractual liabilities of £nil (2014: £nil). There were no commitments to make grants.

The Church is committed, through the United Reformed Church Retired Ministers' Housing Society Limited and other earmarked funds, to providing housing for retired ministers. Owing to the many unknown variables which would be involved in calculating the value of this long-term liability, no provision is included in the Balance Sheet.

These variables include the number of ministers requiring assistance from the Society and the level of contributions able to be made by individual ministers towards the cost of their homes. During 2015 £1.4 million was spent on acquiring housing for retired ministers, £650k on repairing and maintaining existing properties and profits of £1.1 million were earned from the sale of homes no longer required. Exercises have been undertaken periodically by the Society's management committee to collect information to assist more accurate long-term planning; these have confirmed a continuing significant level of need for assistance in the short to medium term. Future cash flow is kept under continuous review, and in recent years has benefitted from more properties being available for sale or a new tenant; there remains an expectation of a high cash requirement in the next few years.

The Trust entered into a legal Guarantee on 21 July 2010, under which it guarantees future contributions by the Church to the United Reformed Church Ministers' Pension Fund, as set out in the Schedule of Contributions in force from time to time up to an aggregate maximum amount of £16 million, using assets available for this purpose.

NOTE 25 CASH FLOW INFORMATION**Reconciliation of net cash flow to movement in net cash funds**

	2015	2014
	£'000	£'000
Increase (decrease) in cash in the period	2,266	(2,378)
Net cash funds at 1 January	5,380	7,758
Net cash funds at 31 December	<u>7,646</u>	<u>5,380</u>

Net cash funds are represented by bank balances and money on call, as shown on the Consolidated Balance Sheet. Of the total, £5,790k is shown on the Trust Balance Sheet.

NOTE 26 RELATED PARTY TRANSACTIONS

The Trust has taken advantage of the exemption given by Financial Reporting Standard 8, Related Party Disclosures, from disclosing transactions with its wholly owned subsidiaries.

NOTE 27 CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2015	2014
	£'000	£'000
Gross income from continuing operations	27,558	25,298
Net gains on disposal of fixed assets	1,075	1,398
Transfer from endowment funds	-	-
Total income	<u>28,633</u>	<u>26,696</u>
Total expenditure	(25,681)	(24,474)
Net income for year	<u>2,952</u>	<u>2,222</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 28

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2014 (Restated)**

Income	---- Income funds ----		---- Capital funds ----		2014 Total funds £'000
	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Restricted £'000	
Donations and legacies					
Ministry and Mission Fund contributions	19,643	-	-	-	19,643
Grants receivable	70	62	-	-	132
Legacies	120	504	-	-	624
Commitment for Life donations	-	375	-	-	375
Other donations	314	746	-	5	1,065
	504	1,687	-	5	2,196
Incoming resources from charitable activities					
Ministry	1	618	-	-	619
Education and Learning	215	264	-	-	479
Children's and Youth work	29	-	-	-	29
Mission programmes	1	-	-	-	1
Publishing	219	-	-	-	219
	465	882	-	-	1,347
Other trading activities	-	431	-	-	431
Investment income	985	502	-	-	1,487
Other income					
Gains on sale of properties	259	1,136	-	-	1,395
Lease premiums	-	75	-	-	75
Other income	117	10	-	-	127
	376	1,221	-	-	1,597
<i>Total income and endowments</i>	21,973	4,723	-	5	26,701
Expenditure on:					
Raising funds:					
Trading expenditure	-	397	-	-	397
Charitable activities					
Ministry	17,274	1,231	-	-	18,505
Education and Learning	1,891	790	-	-	2,681
Children's and Youth work	342	-	-	-	342
Mission programmes	845	531	-	-	1,376
Publishing	346	-	-	-	346
	20,698	2,552	-	-	23,250
Other expenditure	-	532	-	-	532
<i>Total expenditure</i>	20,698	3,481	-	-	24,179
Gains on investment assets	224	317	653	167	1,361
<i>Net income(expenditure)</i>	1,499	1,559	653	172	3,883
Transfers	(184)	184	-	-	-
Actuarial gains on defined benefit pension scheme	4,866	25	-	-	4,891
<i>Net movement in funds</i>	6,181	1,768	653	172	8,774
Reconciliation of Funds					
Total funds brought forward at 1 January	(15,759)	42,547	16,102	5,374	48,264
Total funds carried forward at 31 December	(9,578)	44,315	16,755	5,546	57,038

FIVE YEAR SUMMARY (unaudited)

	2011 £'000	2012 £'000	2013 £'000	2014 £'000	2015 £'000
INCOME AND EXPENDITURE ACCOUNTS					
Income					
Ministry and Mission Fund contributions	20,125	20,231	19,839	19,643	19,483
Investment income	1,360	1,376	1,375	1,487	1,590
Grants receivable	196	132	110	132	129
Legacies	640	438	534	624	704
Donations	1,991	3,181	2,607	1,440	1,537
Other income	1,348	3,037	1,416	2,028	3,689
	25,660	28,395	25,881	25,354	27,132
Expenditure					
Ministry	18,302	18,066	17,259	16,363	16,986
Education & Learning	2,273	2,244	2,206	2,364	2,787
Youth & Children's work	418	335	279	268	299
Mission programmes	1,662	1,415	1,315	1,233	1,263
Support activities (incl. publishing)	2,266	2,519	2,174	2,367	2,237
	24,921	24,579	23,233	22,595	23,572
Development costs	-	-	-	532	603
Capital funds distributed	(3)	-	(20)	-	(80)
Net income	736	3,816	2,628	2,227	2,877
Investment gains/(losses)	(1,887)	2,235	3,638	1,361	360
Actuarial gains/(losses)	4,306	(7,552)	1,150	6,235	8,912
Net increase/(decrease) in funds	3,155	(1,501)	7,416	9,823	12,149

Note: The classification of expenditure has changed significantly during the period covered by this Summary, owing to internal reorganisation and legal requirements. Earlier expenditure figures have been restated as far as is practicable to give a meaningful comparison with the latest year. Expenditure on charitable activities is shown net of related income.

CASH FLOW STATEMENTS**Cash required for investment in**

Houses for retired ministers	55	(65)	128	(982)	(1,147)
Other properties	(136)	77	2,611	602	831
Cars and equipment	33	29	146	610	52
Loans to churches and ministers	(88)	(22)	(5)	(5)	17
	(136)	19	2,880	225	(247)

Source of cash

Net incoming/(outgoing) resources for the year (see above)	736	3,816	2,628	2,227	2,877
Adjustment for items not resulting in a cash movement, for returns on investments, and for capital receipts	(1,984)	(2,139)	(82)	(1,323)	(891)
	(1,248)	1,677	2,546	904	1,986
Net increase in capital	66	18	6	5	5
Net decrease/(increase) in investments	(575)	1	(1)	(3,062)	28
Decrease/(increase) in bank balances	1,621	(1,677)	329	2,37	(2,266)
	(136)	19	2,880	225	(247)

FIVE YEAR SUMMARY continued

	2011	2012	2013	2014	2015
	£'000	£'000	£'000	£'000	£'000

BALANCE SHEETS (Consolidated)
Fixed assets

Tangible assets

Houses for retired ministers	35,271	36,574	37,655	38,005	37,934
Houses for serving ministers	5,281	5,655	4,971	4,796	4,904
Other properties	2,675	2,674	6,310	7,034	7,329
Cars, equipment and intangibles	219	186	286	771	687
	43,446	45,089	49,222	50,606	50,854
Long term investments (incl.programme-related)	27,876	30,110	33,748	38,173	38,505
Loans to churches and ministers	90	68	64	49	67
	71,412	75,267	83,034	88,828	89,426

Net current assets/(liabilities)

Current assets

Debtors and stock	1,775	2,206	1,325	1,436	2,131
Bank balances and money on call	6,410	8,087	7,758	5,380	7,646
	8,185	10,293	9,083	6,816	9,777
less : current liabilities	1,649	1,360	1,516	1,478	1,283
	6,536	8,933	7,567	5,338	8,494

Net assets excluding pension liability

Defined benefit pension scheme liability

	77,948	84,200	90,601	94,166	97,920
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Other pension obligations

Net assets including pension liability

	(29,495)	(37,248)	(36,233)	(30,000)	(24,698)
	(4,060)	(4,060)	(4,060)	(4,035)	(4,035)
	44,393	42,892	50,308	60,131	69,187
Unrestricted income funds	(8,513)	(15,760)	(13,715)	(6,485)	(820)
Restricted income funds	33,845	38,268	42,547	44,315	47,549
Capital funds	19,061	20,384	21,476	22,301	22,458
	44,393	42,892	50,308	60,131	69,187

Total funds
NON-FINANCIAL STATISTICS

(from URC Year Book or website)

Members	63,680	61,627	59,077	58,276	56,086
Stipendiary ministers	544	524	494	480	469
Non-stipendiary ministers	97	91	82	74	68
Churches	1,529	1,512	1,487	1,472	1,447
Retired ministers	901	900	915	914	892
Ministry and Mission contribution per member	£316	£328	£336	£337	£347

