



# Trustees' Report and Financial Statements **2019**

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



**United  
Reformed  
Church  
Trust**



**UNITED REFORMED CHURCH TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2019**

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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 2019. 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>
Mrs Jane Baird	Deputy General Secretary, Administration & Resources	
Revd John Bradbury	General Secretary	Appointed 1 August 2020
Mr Derek Estill	Moderator of the General Assembly	
Mr Alastair Forsyth		
Mr Ian Hardie	Honorary Treasurer	
Dr Ian Harrison		
Revd Michael Hopkins	Clerk of the General Assembly	
Mr David Lathbury		
Mr Neil McKenzie		
Revd Leslie Morrison		
Mrs Valerie Morrison (Chair)		
Mr Emmanuel Osae		Resigned 19 February 2019
Mr Clifford Patten		
Mr Peter Pay		
Revd John Proctor	General Secretary	Retired 31 July 2020
Mrs Margaret Thompson		
Revd Nigel Uden	Moderator of the General Assembly	
Mr Andrew Weston		
Mrs Catriona Wheeler		

**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 also having followed nomination. 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 conjunction with quarterly meetings in specific areas of governance as needs arise, to assist in the performance of their duties as trustees.

## TRUSTEES' REPORT CONTINUED

### Trustees of subsidiary charities at the date of this report:

#### **United Reformed Church Retired Ministers' Housing Society Limited**

(Exempt charity, registered under Co-operative and Community Benefit Societies Act 2014, number 15986R)

Chair: Revd Anne Bedford

Secretary: Ms. Chuka Agbasiere

The Board (appointed for a renewable term of three years): Revd John Bradbury, Revd Nicola Furley-Smith, Mr Ian Hardie, Mr Malcolm Lindo, Mr Clifford Patten, Revd Kenneth Summers, Revd Simon Walking, Mr Peter West, Revd Paul Whittle.

#### **Westminster College, Cambridge**

(Registered Charity number 311449)

Convenor of Trustees: Revd Nigel Uden

Principal and trustee: Revd Neil Thorogood till June 2019, Revd Samantha White from 24 September 2020

Trustees: Mr John Ellis, Mr Mark Hayes, Mr William McVey, Revd Dr Rickey Mearkle, Dr Jean Stevenson, Revd Prof David Thompson, Mrs Danette Whitby-Reid, Mr Christopher Wright

#### **Others with charity governance responsibilities**

Moderators Elect - Revd Clare Downing, Mr Peter Pay

Immediate Past Moderators – Revd Kevin Watson, Mr Alan Yates

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 of the trust, the Chair of trustees, the deputy treasurer, John Piper, and the others listed immediately 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 2019.

Convenors: Revd Ray Adams, Revd Bernard Collins, Revd David Grosch-Miller, Revd Anne Lewitt, Revd Jenny Mills, Revd Dr Alan Spence, Revd Dr Peter Stevenson; Revd Paul Whittle, Mr Alan Yates.  
URC Youth representatives: Ms Natalie Gibbs (Co-Moderator), Ms Katie Henderson (Co-Moderator), Mr Rueben Watt (Moderator elect), Ms Elinor Davis

Synod moderators and representatives:

- 1 Northern: Revd David Herbert, Mrs Melanie Campbell, Revd Joan Grindrod-Helmn, Rev Dr Anthony Haws
- 2 North Western: (Moderator post vacant) Revd Brian Jolly, Mrs Marilyn Piper, Revd Dr Marion Tugwood
- 3 Mersey: Revd Jacky Embrey, Mrs Rita Griffiths, Mr Paul Franklin, Revd Dr Nick Jones
- 4 Yorkshire: Revd Kevin Watson, Mrs Rosie Buxton, Mr Tim Crossley, Revd Fran Kissack
- 5 East Midlands: Revd Peter Meek, Mr David Greatorex, Ms Helen Lidgett, Revd Sally Martin
- 6 West Midlands: Revd Steve Faber, Mr Andrew Evans, Mrs Margaret Marshall, Revd Shirley Miller
- 7 Eastern: Revd Paul Whittle, Mrs Ruth Dixon, Mr Keir Hounsome, Revd Charles Mather
- 8 South Western: Revd Ruth Whitehead, Mrs Gwen Jennings, Mrs Maria Mills, Revd Lythan Nevard
- 9 Wessex: Revd Clare Downing, Mrs Susan Brown, Revd Graham Hoslett, Mrs Rosie Martin
- 10 Thames North: Revd Dr Andrew Prasad, Mr Simon Fairnington, Mr Tom Howells, Mrs Bridget Akinyombo

## TRUSTEES' REPORT CONTINUED

11 Southern: (Moderator post vacant), Revd Derrick Dzandu-Hedidor, Miss Pam Tolhurst, Revd George Watt

12 Wales: Revd Simon Walkling, Revd Adrian Bulley, Revd Dr Phil Wall, Miss Sandra Wallace

13 Scotland: Revd Dr David Pickering, Dr Jim Merrilees, Miss Myra Rose, Mr Bill Robson

### United Reformed Church Finance Committee

Convenor: Mr Ian Hardie

Chief Finance Officer: Mr John Samson

Mr Bob Christie, Mr David Greatorex, Mrs Jane Humphreys, Mr Frank Liddell, Ms Joana Marfoh, Mrs Valerie Morrison, Revd John Piper, Mr William Potter, Revd Wilbert Sayimani, Mr Gordon Wanless

### 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

Moore Kingston Smith LLP  
Chartered Accountants and Statutory Auditors  
Devonshire House, 60 Goswell Road  
London EC1M 7AD

### 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 exempted from charity registration by legislation. With the implementation of the Charities

## TRUSTEES' REPORT CONTINUED

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 some local churches in England and Wales are no longer excepted and are now registered charities. Under section 30(2)(c) of the Charities Act 2011 the exception continues to apply to other local churches with an annual gross income under £100,000. 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 continue 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 approximately 1,350 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. We have a number of 'pioneer ministers', developing pastoral and worshipping communities outside the usual frameworks of church tradition and habit.

- **Walking the Way**

During 2017 the United Reformed Church launched *Walking the Way, Living the Life of Jesus Today*, an emphasis on personal and corporate discipleship. It offers a framework within which much of the

## TRUSTEES' REPORT CONTINUED

denomination's future planning will take place and includes the development of Stepwise, a lay development programme, as well as the advocacy of resources such as Holy Habits which are all intended to assist growth in discipleship practices. Alongside this, preaching of the Gospel, pastoral care for, and building up of, communities by ministers, lay preachers and Church Related Community Workers (CRCWs) will continue to operate. The denomination's Vision2020 framework for mission, as well as the Local Mission and Ministry Review process, through which the Synods challenge and support their churches, are key vehicles for increasing the effectiveness of local witness and service. The Commitment for Life programme continues to encourage churches to pray and campaign for the eradication of global poverty.

- **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 or civil partners of ministers of the United Reformed Church who are in need for various reasons, 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. The principal of the College is the custodian trustee of the shares held in Westminster College Trading Limited. It is planned to move these shares to the URC Trust in 2020.

## STRATEGIC REPORT

### Achievements and Performance

Most of the company's activities are carried out through councils and committees of the United Reformed Church, and a detailed review of their work will be incorporated in the Book of Reports to the Church's biennial General Assembly, which met online on 11 July 2020. We report below on that work and on the specific activities of the Trustee as steward of the charity's assets.

An extensive audit of the Church's safeguarding records, reported previously, led on in 2019 to the adoption of a five-year Safeguarding Strategic Plan, and to careful work on a new URC safeguarding policy, Good Practice 5 (which has since been published, early in 2020).

The five-year strategy being pursued by our Children's and Youth Work staff focused in 2019 on supporting and resourcing local churches that appear to have no involvement with children. The emphasis in 2020 will be on the pre-school age-group.

Our General Assembly, which since 2008 has met biennially, agreed in 2018 to revert to an annual pattern, with a reduced membership. Our last year without an Assembly was 2019, and as Assembly becomes more frequent, we expect its executive body to cut its meetings from two per year to one.

After refurbishment in 2017 of the Church's central office in London, corrective work was required on damp ingress in the lower ground floor. This was eventually finished in April 2019. Staff are now able to use the new layout to its full potential, and our work benefits very much. We gain income from letting one floor of our building to another charity and our former caretaker's flat to private tenants.

Our Trustees appointed new auditors to work with us from 2019, and their involvement has been rightly rigorous yet also supportive. Our financial staff are mid-way through the introduction of a new software package, which was fully active from July 2020.

Our Trustees have entered into a formal arrangement with the Board of our Retired Ministers' Housing Society, to set the links between Church, Trust and Society on a firmer and more tightly structured basis than before.

We have reviewed our investment portfolio and decided to withdraw from fossil fuels. Our primary motivation is stewardship of the earth; a secondary gain may be our absence from an increasingly difficult and unrewarding sector of the market.

A group from our Church undertook a study tour to the Holy Land, learning under expert guiding and through local contacts from the experience of the peoples there. Another group spent time with our

## TRUSTEES' REPORT CONTINUED

partner Church in Germany on the 30<sup>th</sup> anniversary of the fall of the Berlin Wall, reflecting on the divisions of our times and on appropriate Christian responses.

### **Impact of COVID-19 control measures**

On 23 March 2020 the UK Government announced measure to put the country in 'lockdown' as a measure to prevent the spread of the COVID-19 virus (also known as the Corona virus). The effect of the lockdown meant that URC churches across England, Scotland and Wales had to close their doors. A good number of these churches rely on lettings of church buildings for a substantial portion of their income. This loss of income means that the local churches' ability to make regular payments into the Ministry and Mission ("M&M") fund is likely to have been severely curtailed and income levels for the URC Trust are expected to drop in 2020.

The extent of the drop in income is difficult to predict. Already some of the synods have, where their resources allow, offered some assistance to churches via loans, or by agreeing to make up the shortfall in M&M giving. Since the start of lockdown M&M has been about £140k per month lower, but seems to be holding steady at that level. The URC Trust does have sufficient cash resources and reserves to continue to cover ongoing expenditure for around 5 months should M&M drastically reduce. Committees and budget holders have been requested to keep expenditure to a minimum and accordingly some programmes may be curtailed, postponed or cancelled as a result of this. While the overall impact of the lockdown will only be fully known some time after the control measures are lifted, at this time, it is expected that, while there will be a loss of income which may be significant, the URC Trust will be able to continue to operate and largely carry out its charitable aims.

While churches have been closed and not able to offer weekly Sunday services, the denomination has arranged for virtual services to be broadcast. Furthermore, a number of local churches have been arranging their own virtual worship opportunities to help continue carrying out their charitable objectives.

The administrative staff of the charity are able to work from home with access to most of their work through logging onto to the main computer systems via a remote server system. The main financial functions (payroll and accounting) are continuing to be performed with minor disruptions and difficulties.

The meeting of Mission Council that had been scheduled for 17 to 19 March 2020 was cancelled and the business was dealt with electronically where possible or held over till General Assembly. A one day Mission Council Meeting was held via video conference in July 2020 to deal with urgent business and this was followed by a virtual General Assembly the following day.

The URC Trust has obligations to two defined benefit pension schemes (see notes 22 to 24). The assets of both funds have been affected by the drop in financial markets due to the impact of the COVID-19 virus. After its initial drop, the markets have recovered and the portfolio of the Ministers' Pension Fund was up on its 31 December 2019 value by approximately £13m at the end of August 2020. The United Reformed Church Final Salary Scheme was last valued as at 30 September 2019 (before the drop in markets). However, The United Reformed Church Ministers' Pension Fund is due its next valuation as at 1 January 2021. The impact of the COVID-19 virus control measures on this valuation are impossible to predict at this time.

### **Committee work**

#### **Children's and Youth Work**

Our theme for 2019 was One Body and worship resources for all ages were sent to all URC churches. At Youth Assembly in January over one hundred 14-25 year olds explored subthemes of 'One World', 'One Community' and 'One Church' through keynotes, workshops and worship. A Taster Day for younger members and a creche enabled broader engagement by URC Youth. Natalie Gibbs and Katie Henderson



## TRUSTEES' REPORT CONTINUED

were inducted as co-Youth Moderators, the Youth Executive were elected and spent 2019 following up resolutions on giving children and young people a voice in local churches; researching good provision to tackle young people's loneliness and mental health issues; encouraging churches to offer wi-fi; and planning for the next Youth Assembly. URC Youth representatives participated in trips to Starpoint Festival in Hungary, to Israel/Palestine and to Germany for the 30<sup>th</sup> anniversary of the Fall of the Wall. 'The Big Speak Out', a weekend for 11-18 age group focussing on making their mark, ran for the second time alongside a Leaders' Gathering to support and train volunteer workers. Eight Greenbelt Youth Ambassadors were recruited to support the URC's presence at the festival. Pilots has developed a new programme for the 5-11 age group called Friends On Faith Adventures (FOFA) which has been trialled by some churches. The Bridge newsletter became electronic and increased in frequency, and resources on Taiwan were produced for Pilot Companies, along with a revised Pilots Prayer. Monthly web resources focussed on the fruit of the Spirit and key festivals. In response to the focus on 'churches with no children or young people' two booklets were produced: *Where Are The Children?* and *The Gift* (for Godparents and grandparents). 2019 will see a focus on churches with 0-5 year olds alongside embedding a more intergenerational culture and rolling out Good Practice 5, within a theme of Common Ground.

### Communications

The work of the communications team continues to be busy and wide-ranging. The team currently provides: comments, press releases and statements for media enquiries; *Reform* magazine; content for the URC website; News Update and other emails; content for multiple social media channels; design and production for hundreds of leaflets, books and resources; the online bookshop, delivering more than 9,000 items; graphical, editorial and technical support at major URC events; the iChurch website service for local churches; editing and copywriting; helping to maintain the URC archive and offers brand advice and creative solutions to those who need them. In addition to this business as usual work, the team has also been heavily involved with the development and maintenance of the church's Walking the Way and Stepwise programmes; redesigning the annual Prayer Handbook and URC Yearbook; refreshing the brand of its Commitment for Life programme along with its range of merchandise; designing the Lundie medal resources for the Children's and Youth Work team; developing, marketing and selling a new range of URC merchandise; designing new resources for distributors of Reform magazine, along with increasing the engagement with them; launching a new range of Easter, Harvest and Christmas resources; working with the team delivering the General Assembly and helping with its transition back to an annual event; helping the Church to deliver its presence at the Greenbelt festival and at the Christian Resources Exhibition; sharing the messages and campaigns from the inter-church Joint Public Issues Team, and working with the church's Publications Board as it curates and develops the church's publishing plans.

### Education and Learning

2019 has seen the transition to a new Convenor for the committee, and the early work towards a review of the committee's strategy for the next four years. Responsibility for disbursement of the Discipleship Development Fund agreed in 2018 has been delegated to the Resource Sharing Task Group and Synods. The final year of Gateways into Worship started in September 2019, with 8 students. Stepwise continues to gain momentum as a discipleship development programme, with the Faith-Fuelled Leadership stream ready for road testing, and training for local group facilitators. Work on appreciative inquiry has continued through the Appreciating Church Development Group, which took a scientific poster on its work to the World Appreciative Inquiry Conference in Nice in March 2019. A successful "Developing Your AI Practice" event was held in September 2019, which included three participants from New Zealand.

### 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

## TRUSTEES' REPORT CONTINUED

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 is able to remind committees of their responsibilities with regard to equality and diversity and seeks to identify new methods and technologies that will enable participation by all.

### **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. Recognising the challenges of our demography, we continue to work with our synods developing strategies that use our ministers most effectively in providing leadership in local churches. In May 2019, Mission Council agreed to a new model of non-stipendiary ministry which is locally trained and under the appointment of the 13 Synods. 19 of our ministers serve in special category ministry posts beyond the typical work of ministers, as chaplains, evangelists or pioneer ministers and we have five 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. There were 15 church related community workers in accredited 'churches in community' across the Church. Pastoral supervision is being discussed as a way of supporting ministers as they seek to serve in an ever-changing landscape.

### **Mission**

The work of the Mission Committee continues to be shaped by Vision2020, the ten-year framework of mission priorities agreed by General Assembly in 2010.

The URC's long-term focus on whole-of-life discipleship, Walking the Way: Living the life of Jesus today, continues to develop its work according to discipleship needs as they are identified across the denomination, including accompaniment for local churches, developing the concept of online church, resourcing worship and spirituality, and producing/promoting relevant materials.

The United Reformed Church was again an associate partner in Greenbelt, a festival of faith, social justice and the arts.

The United Reformed Church is part of the ecumenical Joint Public Issues Team (JPIT). In 2019 the team's work focused on poverty and Universal credit, climate change, asylum policy, and encouraging informed reflection and engagement around the Brexit process and the General Election.

The National Rural Officer continues to support rural churches. In these turbulent times both Rural Officer and rural churches, will need to continue to enable the rural voice to be heard. 2019 saw the production of a resource to enable churches to lead their own worship in the absence of an authorised person.

The Global and Intercultural Ministries work included visits to partner churches around the world, welcoming representatives from partner churches, sending and receiving mission partners, and facilitating learning opportunities in global contexts and for various intercultural networks across the URC. Mission staff supported the work of synod mission enablers and pioneer ministers and promoted the development of fresh expressions in the wider church.

The Commitment for Life programme continues to raise awareness of and funds for global justice in Bangladesh, Central America, Israel and the occupied Palestinian territory and Zimbabwe through Christian Aid.

The URC's ecumenical and interfaith work included an educational visit to Israel and Palestine with a group of 22 people. In November a group of people from the URC joined with churches in the Palatinate (Germany) in a consultation and celebration of 30 years since the fall of the Berlin Wall. In October, there was a gathering of local URC ecumenical officers at Swanwick.

## TRUSTEES' REPORT CONTINUED

### Safeguarding

In the last year, the United Reformed Church has sought a uniformly high standard approach to make its safeguarding policy and practice more standardised and thorough. Responding to the instruction given by Mission Council in May 2019, the Safeguarding Advisory Group reviewed all the PCR Learning Report's recommendations and consulted with synods, finally producing a comprehensive strategic safeguarding plan for the whole Church which was endorsed by Mission Council in November 2019. The strategy will take effect from 2020 to 2025 with six clear objectives aiming to effect cultural change and improvements in the safeguarding policies, practices and procedures across the denomination over the next five years. Many tasks of the plan (such as direct work with survivors of abuse, the review of the current ministerial disciplinary process for ministers and standardisation of the safeguarding training framework) have been instigated and further developed throughout the year. And further consultation with synods has enabled us to consider the differing resource implications available to implement the plan in each synod and local church. The Safeguarding Advisory Group will oversee the development, implementation, review and monitoring of the plan.

Another major development has been the consultation and update of URC's safeguarding policy - Good Practice 5: Safeguarding for Children and Adults at Risk to reflect new laws and regulatory requirements. All relevant people and groups have been consulted to ensure that all wisdom and expertise in different parts of the Church contributed to this development. Thanks to a dedicated Safeguarding Policy Review Group, the whole Church will access for the first time a common safeguarding policy in January 2020 that will be compact, user-friendly and easily accessible to local churches, synods, institutions and bodies of the Church.

The URC was also granted core participant status for IICSA's investigation into child protection in religious organisations and settings in England and Wales. The determination of the URC as a core participant is made on the basis that the URC has played a direct and significant role in relation to the matters to which the Inquiry relates through our recent Past Case Review. As a result, the Church will play a formal role within the investigation set up by the Government and assist the Inquiry by providing information and offering insight into matters relating to child sexual abuse and protection both within this denomination and in religious organisations and settings more widely. We have already submitted a witness statement to account for the policies and procedures the Church follows to protect children from sexual abuse. The Church has also been active in the APPG (All Party Parliamentary Group) on Safeguarding in Faith Settings Inquiry into 'Positions of Trust', in which we submitted and presented evidence at the Houses of Parliament to support changes in the legislation regarding protection of young people from sexual abuse.

### Resourcing Our Work

All the above must be set in the context of our financial 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 has, since 2010, been on a downward trend, averaging a reduction of around 1% per annum in cash terms. While this trend slowed somewhat in 2017 and 2018, it was higher in 2019 with the reduction from 2019 being 1.5%. This is at a slower rate than the downward trend in membership, meaning that the average giving per member continues to rise each year. The downward trend is expected to continue in the medium term.
- Our investments continued to produce a steady income stream and the accounts show investment income of £1,884k (which includes income from mixed motive investment property). 2019 was a good year for capital growth and our investments grew by £8,392k during the year.

## TRUSTEES' REPORT CONTINUED

Despite a drop in the value of these investments in the first quarter of 2020 when the COVID-19 crisis hit stock markets and prices fell back to around the same level they were at the start of 2019, the markets have since recovered and are around 4% up on the 31 December 2019 value.

- A significant decrease in the discount rate used in calculating the liabilities for the Ministers' Pension Fund resulted in an increase in the liabilities of £16,910k. This was offset to some degree by a reduction of the liabilities of £3,719k due to changes in demographic assumptions. The assets of the fund performed well and reflected an overall gain of £13,361k (which includes a £1.5m injection of capital from the United Reformed Church Trust). This combined with a few other small adjustments saw the overall liability for FRS 102 purposes fall by £2,245k and resulted in an overall liability on this fund of £9,381k. The United Reformed Church Final Salary scheme for lay staff saw the gain in assets exceed the increase in liabilities resulting in the fund moving from a small excess of assets over liabilities of £489k at the start of the year to an excess of £2,851k at the end of the year. These valuations are based on calculations done by our actuaries for FRS 102 disclosure purposes. The results of the formal triennial valuation of the Ministers' Pension Fund as at 1 January 2018 reflected a deficit of £3.95m on a technical provisions basis and the for the United Reformed Church Final Salary scheme for lay staff reflected a deficit of £5,445k at its last formal triennial valuation at 30 September 2016.
- We continued to see significant savings against budget on ministry costs as minister retirements were again higher than expected.

### 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 continued to monitor the investments throughout 2019.

#### Properties

United Reformed Church Trust is responsible for the management of the properties included in its balance sheet. The management of about 300 houses for retired ministers is delegated to the United Reformed Church Retired Ministers' Housing Society Limited, which has six dedicated staff members and a Board. 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 former Yardley Hastings centre and United Reformed Church House, London.

#### Risk Management

The trustees continue to monitor the risks with which the central administration of the Church is faced. During 2019 the new risk register process was rolled out across all the main committees of the church. This process concentrated on identifying risks as opposed to issues and also helped committees focus on what mitigation procedures were in place. The results of this procedure are busy being collated to present to the Trustees during 2020.

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

## TRUSTEES' REPORT CONTINUED

- risks associated with societal changes, pandemics, the general economic situation 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. *Good Practice 5*, the denomination's safeguarding policy was issued during 2019. This updated the policy for recent changes in legislation and safeguarding practice. Local churches are required to report annually on safeguarding matters to their synod's safeguarding officer. A Safeguarding Advisor at Church House, together with the synods' own safeguarding officers, is 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.

Further details about safeguarding are to be found in the 'Safeguarding' section on page 9.

The Covid 19 pandemic poses a significant risk to the Trust's resources. The long term impact of Covid 19 is currently difficult to assess but it is acknowledged that the longer this lasts the greater the impact will be. The Church is closely monitoring developments and has curtailed expenditure wherever possible.

### Future Developments

Careful work has been undertaken to identify new senior leadership for our central staff team, as the present General Secretary and one of his Deputies retired in summer 2020. The new General Secretary is already chosen and he has started to think with colleagues about the shape of the central team. During 2019 we appointed new Synod Moderators to start work in 2020 in the North-West of England, Yorkshire and the East Midlands, and we are now addressing present or upcoming vacancies in the Southern and Thames North synods.

As a mark of our environmental concern, we are auditing with greater care our practice as a Church in regard to use of energy and of the earth's finite resources. To reduce our travel footprint, we are turning with growing confidence and commitment to remote technology for meetings.

An international network of Churches to which we belong – the Council for World Mission, successor body to the long-standing London Missionary Society – has studied in recent years churches' involvement in the transatlantic slave trade, and has urged its member churches to reflect deeply on the legacies this has left in the lives of churches, peoples and nations. Our own reflection has begun, and this will be brought forward to considered action over the next year or two.

We are midway through two purposeful pieces of work around the responsibilities of our synod trust companies. One piece of work is primarily legal, seeking to ensure that the companies manage with appropriate care and independence their relations with their respective synods. The second aims to clarify the way in which the URC as a family can express its covenant commitment to its pension schemes, in an era of increasingly rigorous regulation.

We have redrafted entirely our ministerial disciplinary process, which needed to be streamlined while remaining properly attentive to fairness and care. The new text will be put before the Church in 2020, after which training will be needed, in order that any new procedures may be surely and soundly introduced.

### 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,

## TRUSTEES' REPORT CONTINUED

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 needy persons who are retired ministers or widow/ers or civil partners 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 authorised the introduction of new accounting software and 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 22 shows the disposition of the various charity funds totalling £107,293k as at 31 December 2019 (2018: £94,816k). The term "reserves" describes that part of a charity's income funds that is freely available. Much of the funds are invested in property or restricted in use.

The unrestricted fund net assets readily available are £22,573k (2018: £18,073k).

The Finance Committee reviews the policy annually and have taken a risk-based approach to setting a reserves target. The main financial risks that the Committee felt needed to be covered were the call up of the guarantee to the pension funds (see notes 22 to 23), possible future lump sum contributions required to be made to either of the pension fund, a possible drop in excess of the usual rate in giving to Ministry and Mission Fund and possible legal action against the church requiring lump sum pay outs. Based on these risks, the Committee felt that the Trust should aim to maintain its reserves at a level between £17.5m and £19.5m.

The current level of reserves held is in excess of the target level, however with the uncertainty around the income of the Church due to the impact of the COVID-19 situation on the ability of the local churches to maintain their level of giving to the Ministry and Mission Fund, the Committee were satisfied that this was appropriate. The Committee will review the policy annually.

### **Grant making**

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

### **2019 Financial Results**

The results for 2019 are set out in more detail in the Consolidated Statement of Financial Activities on page 21. This shows that there was, overall, an increase in funds in the year of £12,477k. The following

## TRUSTEES' REPORT CONTINUED

table shows the breakdown of the results for 2019 compared with those for the previous year.

	<b>2019</b>	2018
<b>Voluntary income:</b>	<b>£000</b>	£000
Ministry and Mission Fund contributions	18,817	19,016
Donations, grants and legacies	2,159	1,589
Income from charitable activities	1,421	1,547
Trading income	788	744
Investment income	1,884	1,839
Other income	1,939	862
<b>Total income</b>	<b>27,008</b>	<b>25,597</b>
Expenditure:		
Cost of raising funds	651	599
Charitable activities	22,604	23,260
<b>Total expended</b>	<b>23,255</b>	<b>23,859</b>
Net income from operating activities	3,753	1,738
Gains/(loss) on investment assets	8,392	(1,142)
Net (expense)/income	12,145	596
Actuarial gain on pension schemes	332	17,292
	<b>12,477</b>	<b>17,888</b>

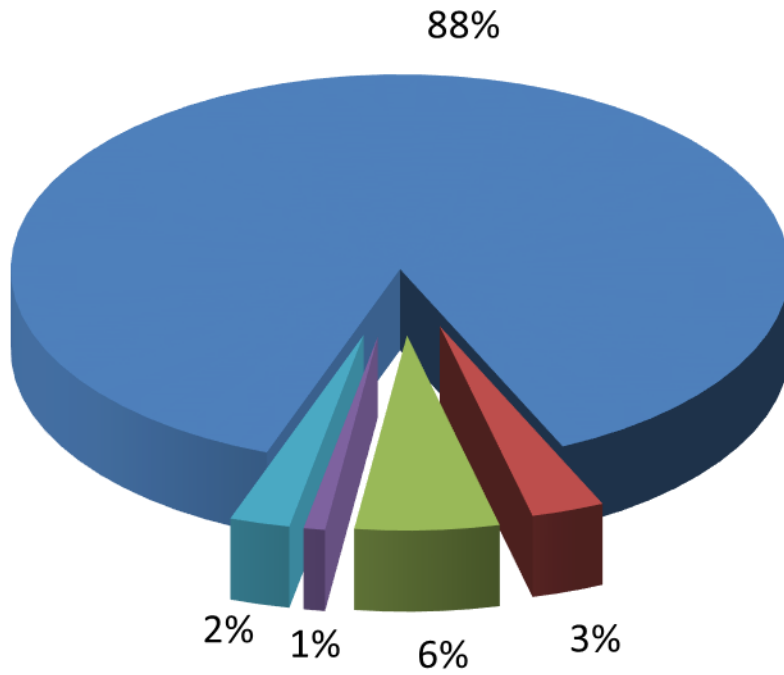
### **Ministry and Mission Fund contributions**

The pie chart on page 14 gives a visual picture of total unrestricted income, showing that 88% of our unrestricted income comes from Ministry and Mission Fund contributions, which totalled just under £19 million with most Synods matching or exceeding the amount pledged. We are very grateful for the faithful and regular giving that this represents, enabling the Church to support ministry and mission across our three nations, and sustain the major way in which all members of the Church fund, in partnership, all our work for the kingdom of God. The pie chart of total unrestricted expenditure on page 15 shows that 83% of our unrestricted expenditure, totalling £16,129k, is used to provide ministry and a further 9% (£1,666k) is used to provide financial resources to train and equip people for ministry.

### **Donations, grants and legacies**

We are very grateful for regular grants from a number of trusts, detailed in note 2(b) to the financial statements, as well as for many other donations. Donations received increased during 2019 with various synods, following the encouragement by Mission Council, donating a portion of the sales proceeds of church buildings towards helping pay the deficit contribution to the Ministers' Pension Fund. Commitment for Life donations from churches and individuals were slightly up on the 2018 level, increasing from £303k to £330k. 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 £717k (2018: £726k). Grants paid from this fund totalled £54k in 2019 (2018: £122k) with a further £153k included in creditors having been committed for future payment.

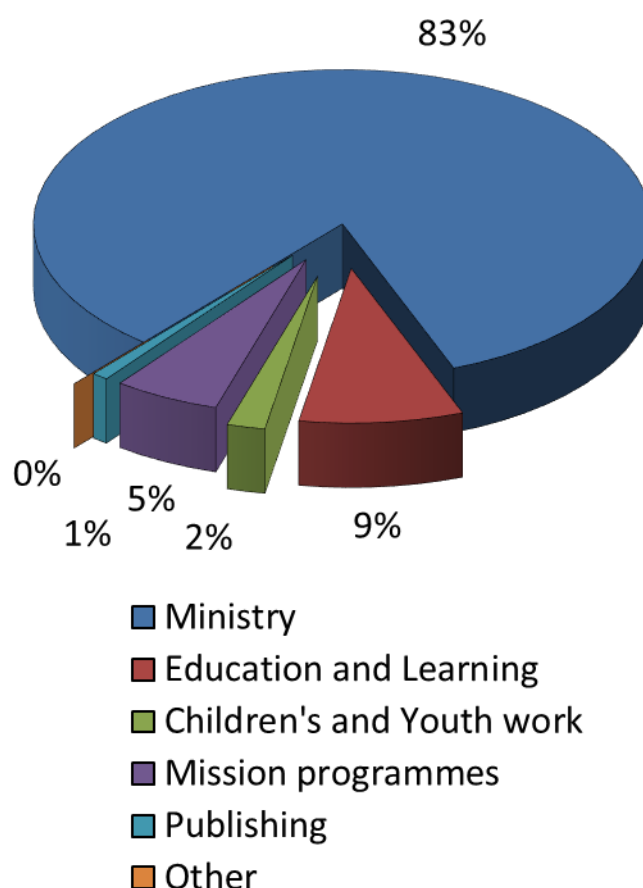
**Unrestricted Income - £21.5m  
Year ended 31 December 2019**



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



## Unrestricted Expenditure - £19.4m Year ended 31 December 2019



### Investment income

Total investment income includes rental income on the mixed motive property. The 2019 figure shows a slight increase in the overall figure of £45k from £1,839k to £1,884k. Interest rates on cash deposits remained at historically low levels.

### Trading income/cost of raising funds

The bed and breakfast accommodation and conferences and events business through Westminster College Trading Limited saw a slight increase from the 2018 figures. Income from these sources totalled £788k in 2019 (2018: £744k), and direct and attributable costs totalled £651k (2018: £599k).

### Income from charitable activities

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

### Other income

Most of this income (£1,387k) represents 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 2019, 5 properties were bought and 14 were sold.

### Expenditure – Charitable activities

These costs are analysed in note 5 on page 28 and include a share of support costs.

## TRUSTEES' REPORT CONTINUED

Ministry: £17,378k. 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 our stipendiary ministers and CRCWs (who averaged 389 in number over the year) and includes all costs of the Synod Moderators. In 2019 the cost of ministry fell, as the number of retirements of stipendiary ministers exceeded the number of ordinations. The total also includes costs relating to retired ministers of supplementing pensions and maintaining housing.

Education and Learning: £3,142k. 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 lay development, including the winding up of Training for Learning and Serving ('TLS') and the new Stepwise programme. It also includes the relevant costs of Westminster College.

Children's and Youth Work: £385k. During 2019 the Friends on Faith Adventures programme was developed and resources bought for this. The annual Youth Assembly Big Speak out events continued to be held.

Mission Programmes: £1,537k. The Mission Committee and team continue to progress longer-term strategies, including the Walking the Way missional discipleship emphasis and Vision 2020 and Commitment for Life programme. Commitment for Life grants were slightly up on last year in line with the slight increase in donations received. There was continued support for the Joint Public Issues Team and various interdenominational and interfaith organisations.

Publishing: £162k. The costs of publishing Reform magazine have continued to be tightly controlled while maintaining its quality, with a levelling off in subscriptions and advertising income. There was a drive to increase the merchandise available from the on-line bookshop which made a small gross surplus while the denomination continued to subsidise the iChurch website support as we looked to grow this area.

### **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. Financial markets performed well during 2019 and the year ended with the investment up £7,883k on the value at the start of the year. A revaluation of investment property added £509k to the gain. Despite the gains in the year, the effect of the COVID-19 situation has meant that markets dropped drastically in the first quarter of 2020 and investment values have fallen back to around the start of 2019 level, but were up by around 4% by August 2020. Investment gains and losses over time are shown in the five year summary on page 47.

### **Actuarial gains on pension obligations**

The Trust is required to take full account of actuarial gains and losses arising each year in the United Reformed Church Ministers' Pension Fund (MPF). In 2019 the lower discount rate resulted in an increase in the pension liabilities, however, this was offset by good gains on the fund's diversified investment. The overall net actuarial gain for the year was £820k. The Church continued to make the required deficit contributions to fund the deficit mainly from contributions from local churches to the Ministry and Mission Fund.

The United Reformed Church Final Salary Scheme (FSS), which is mainly for may staff, reported an actuarial gain of £2.4m mainly due to an increase in the scheme assets. This has resulted in a net asset position in this scheme but because the Trust does not have an unconditional right to the surplus, this has not been recognised.

More details are given in notes 22 to 24 to the financial statements on pages 39 to 43.

## TRUSTEES' REPORT CONTINUED

### 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

**Valerie Morrison**  
29 October 2020

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

### **Opinion**

We have audited the financial statements of the United Reformed Church for the year ended 31 December 2018 which comprise of the Consolidated Statement of Financial Activities, the Consolidated and Trust Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2018 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 17, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Stickland (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 30 October 2020

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	--- Income funds ---			--- Capital funds ---		2019	2018
		Unrestricted	Designated	Restricted	Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000	£'000	funds	funds
<b>Donations and legacies</b>								
Ministry and Mission Fund contributions	2(a)	18,817	-	-	-	-	18,817	19,016
Grants receivable	2(b)	98	-	206	-	-	304	155
Legacies		5	-	806	-	-	811	1,036
Commitment for Life donations		-	-	330	-	-	330	303
Other donations	2(c)	548	-	162	-	4	714	95
		<b>651</b>	<b>-</b>	<b>1,504</b>	<b>-</b>	<b>4</b>	<b>2,159</b>	<b>1,589</b>
<b>Charitable activities</b>	3							
Ministry		-	-	718	-	-	718	699
Education and Learning		-	-	509	-	-	509	485
Children's and Youth work		14	-	-	-	-	14	5
Mission programmes		-	-	-	-	-	-	152
Publishing		180	-	-	-	-	180	206
		<b>194</b>	<b>-</b>	<b>1,227</b>	<b>-</b>	<b>-</b>	<b>1,421</b>	<b>1,547</b>
<b>Other trading activities</b>		-	-	788	-	-	788	744
<b>Investment income</b>	4	1,286	13	585	-	-	1,884	1,839
<b>Other income</b>								
Gains on sale of properties		512	-	1,387	-	-	1,899	817
Other income		23	-	17	-	-	40	45
		<b>535</b>	<b>-</b>	<b>1,404</b>	<b>-</b>	<b>-</b>	<b>1,939</b>	<b>862</b>
<i>Total income and endowments</i>		<b>21,483</b>	<b>13</b>	<b>5,508</b>	<b>-</b>	<b>4</b>	<b>27,008</b>	<b>25,597</b>
<b>Expenditure on:</b>								
<b>Raising funds:</b>								
Trading expenditure		-	-	651	-	-	651	599
<b>Charitable activities</b>	5							
Ministry		16,054	9	1,315	-	-	17,378	17,775
Education and Learning		1,653	44	1,445	-	-	3,142	2,967
Children's and Youth work		385	-	-	-	-	385	428
Mission programmes		1,075	5	457	-	-	1,537	1,893
Publishing		162	-	-	-	-	162	147
Other expenditure		-	-	-	-	-	-	50
		<b>19,329</b>	<b>58</b>	<b>3,217</b>	<b>-</b>	<b>-</b>	<b>22,604</b>	<b>23,260</b>
<i>Total expended</i>		<b>19,329</b>	<b>58</b>	<b>3,868</b>	<b>-</b>	<b>-</b>	<b>23,255</b>	<b>23,859</b>
<b>Surplus from charitable and trading activities</b>		<b>2,154</b>	<b>-</b>	<b>45</b>	<b>1,640</b>	<b>-</b>	<b>4</b>	<b>3,753</b>
<b>Net gains/ (Loss) on investment assets</b>		2,282	9	1,937	3,221	943	8,392	-
<i>Net income</i>		<b>4,436</b>	<b>-</b>	<b>36</b>	<b>3,577</b>	<b>3,221</b>	<b>947</b>	<b>12,145</b>
<b>Transfers between funds</b>	-	176	21	155	-	-	-	-
<b>Actuarial gains/(losses) on pension schemes</b>	22	332	-	-	-	-	332	17,292
<i>Net movement in funds</i>		<b>4,992</b>	<b>-</b>	<b>15</b>	<b>3,732</b>	<b>3,221</b>	<b>947</b>	<b>12,477</b>
<b>Reconciliation of Funds</b>								
Total funds brought forward		15,519	1,579	52,298	19,355	6,065	94,816	76,928
<b>Total funds carried forward</b>		<b>20,111</b>	<b>1,564</b>	<b>56,030</b>	<b>22,576</b>	<b>7,012</b>	<b>107,293</b>	<b>94,816</b>

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 32.

The notes on pages 24 to 46 form an integral part of these financial statements.

## CONSOLIDATED AND TRUST BALANCE SHEETS AS AT 31 DECEMBER 2019

	<i>Consolidated</i>	<i>Consolidated</i>	<i>Trust</i>	<i>Trust</i>	
Note	2019	2018	2019	2018	
	£'000	£'000	£'000	£'000	
<b>Fixed assets</b>					
Intangible assets	11	65	30	50	27
Tangible assets	11				
Houses for retired ministers		38,654	39,115	396	555
Houses for serving ministers		5,021	5,364	5,021	5,364
Other properties		8,415	8,581	2,697	2,786
Total properties		52,090	53,060	8,114	8,705
Cars and equipment		398	503	97	131
		52,553	53,593	8,261	8,863
<b>Investments and loans</b>					
Mixed motive investment property	12	2,000	1,905	2,000	1,905
Mixed use investment property	12a	695	-	695	-
Investments	13	53,075	44,381	51,484	43,037
Programme-related investments	14	242	242	242	242
Loans, excluding inter-fund loans	15	142	160	7,912	7,774
		56,154	46,688	62,333	52,958
<b>Current assets</b>					
Stock		27	6	27	6
Debtors	16	3,243	2,091	2,939	1,244
Bank balances and money on call		9,482	8,340	9,022	7,900
		12,752	10,437	11,988	9,150
<b>Current liabilities</b>	17	(1,550)	(1,464)	(4,525)	(2,253)
Net current assets		11,202	8,973	7,463	6,897
Total assets less current liabilities		119,909	109,254	78,057	68,718
Defined benefit pension scheme liability	22-24	(9,466)	(11,288)	(9,466)	(11,288)
Other pension obligations	23	(3,150)	(3,150)	(3,150)	(3,150)
<b>Net assets including pension liability</b>		107,293	94,816	65,441	54,280
<b>Unrestricted income funds</b>					
General reserves		23,895	23,407	23,895	23,407
Revaluation reserve - investments		3,865	2,092	3,865	2,092
Revaluation reserve - property		1,817	1,308	1,817	1,308
Designated funds		1,564	1,579	1,564	1,579
Total unrestricted income funds before pension reserve		31,141	28,386	31,141	28,386
Pension reserve		(9,466)	(11,288)	(9,466)	(11,288)
<b>Restricted income funds</b>		56,030	52,298	15,292	12,754
<b>Capital funds</b>		29,588	25,420	28,474	24,428
<b>TOTAL FUNDS</b>	19-20	107,293	94,816	65,441	54,280

Approved by the Trustees on 29 October 2020 and signed on their behalf by:

Valerie Morrison  
Chair

Ian Hardie  
Treasurer

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

The notes on pages 24 to 46 form an integral part of these financial statements.



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>		
Net income before other recognised gains and losses (see page 21)	12,145	596
<b>Adjustments for:</b>		
Increase in stocks	(21)	-
(Increase)/Decrease in debtors	(1,152)	(530)
Increase/(Decrease) in creditors	(100)	71
Increase/ (Decrease) in sums held for Synods and congregations	186	(42)
(Loss)/Gain on investment assets	(8,392)	1,142
Profit on sale of tangible fixed assets	(1,898)	(814)
Depreciation and impairment	281	305
Other investment income	(1,884)	(1,839)
Cash endowment received	(4)	(5)
Cash endowment paid	-	-
Difference between pension contributions and actuarial cost	(1,490)	(336)
<b>Cash flows generated from operations</b>	<b>(2,329)</b>	<b>(1,452)</b>
 <b>Cash flows from investing activities</b>		
Payments to acquire tangible fixed assets	(1,332)	(2,582)
Payments to acquire intangible fixed assets	(41)	(27)
Receipts from sales of tangible fixed assets	3,820	2,542
Payments to acquire fixed asset investments	(1,017)	(55)
Receipts from sales of fixed asset investments	125	140
Loans and advances made to ministers	(7)	(45)
Loans repaid by ministers	25	25
Loans and advances to churches	-	-
Investment income	1,884	1,839
	3,467	1,837
 <b>Cash flows from financing</b>		
Addition to capital endowment	4	5
Payments capital endowments	-	-
	4	5
 <b>Net increase (decrease) in Cash (note 26)</b>	<b>1,142</b>	<b>390</b>

The notes on pages 24 to 46 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 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. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. 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 presentation currency is pounds sterling and unless otherwise stated, figures are rounded to the nearest thousand (£000).

#### Going concern

The Trustees have considered possible events and conditions that might cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees have made their assessment for a period of at least one year from the date of approval of these financial statements. In particular the Trustees have considered the Trust's forecasts and projections and have considered the potential impact of the Covid 19 pandemic on the viability of the Trust. Whilst there has been an impact on Ministry and Mission Fund contributions, steps have been taken to curtail expenditure and this combined with the significant reserves available has led the Trustees to conclude that there is a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

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 (company registration number 8855396) 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 Co-operative and Community Benefit Societies Act 2014. 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) Income

All incoming resources including voluntary income, income from activities for generating funds, investment income, is recognised in the SOFA when there is legal entitlement to the income, any performance conditions

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

attached to the income have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

### **a. 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 measured reliably. 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.

### **b. Grants receivable**

Incoming grants are accounted for on a receivable basis. Incoming resources from grants, where there are service or performance deliverables required as conditions of the terms of the grant, are accounted for as the charity earns the right to payment through its performance, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably and it is not deferred.

### **c. 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.

### **d. 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.

## **(iv) 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; details are shown in notes 5 to 8. The support costs, including governance costs, included in note 7 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. Outgoing grants are accounted for on a payable basis. Grants payable are included in the Statement of Financial Activities when approved and this has been communicated to the applicant. The value of such grants unpaid at the end of the year is accrued.

## **(v) 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.

## **(vi) 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 TPT Retirement Solutions 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 paragraph 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 except where the scheme is in surplus and there is no unconditional right to that surplus. In this situation the scheme surplus is recognised at nil value in accordance with FRS102.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### **(vii) Tangible fixed assets**

Tangible fixed assets having an initial cost of £1,000 or less are written off on acquisition. Assets having an initial cost greater than £1,000 are stated at cost when purchased and at valuation when received in specie. Property repairs are normally written off when incurred.

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 11.

### **(viii) 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.

### **(ix) 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.

### **(x) Mixed motive investment properties**

Mixed motive investment property comprises the portion of United Reformed Church House that is let on a commercial basis to other charities. It is recognised at fair value and is not depreciated.

### **(xi) Mixed use investment properties**

Mixed use investment property comprises the portion of United Reformed Church House that is let on a commercial basis for residential purposes. It is recognised at fair value and is not depreciated.

### **(xii) 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.

### **(xiii) Programme-related investments**

Programme-related investments comprise investments in entities whose aims are aligned to the charitable objectives of the trust and are shown at cost.

### **(xiv) Concessionary loans**

Loans to advance the Church's charitable purposes are held within fixed assets 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) Critical accounting judgements and estimation**

Significant areas of judgement in applying accounting policies are as follows:

- Provision is made for retirement obligations where advice is taken from independent actuaries
- Valuation of mixed motive and mixed use investments where use has been made of relevant market indices to update the formal valuations obtained in previous years
- Recoverability of concessionary loans based on management's assessment of recovery
- Impairment of houses held for serving and retired ministers

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 2 VOLUNTARY INCOME

#### (a) Ministry and Mission Fund Contributions

Synods	2019 £'000	2018 £'000
Northern	769	773
North Western	1,919	1,899
Mersey	986	1,054
Yorkshire	958	1,010
East Midlands	1,143	1,196
West Midlands	1,706	1,679
Eastern	1,902	1,898
South Western	1,354	1,328
Wessex	2,056	2,038
Thames North	2,170	2,222
Southern	2,624	2,651
Wales	499	525
Scotland	731	743
	18,817	19,016

#### (b) Grants Receivable

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

**Congregational Memorial Hall Trust** - £98k (2018: £98k). 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** - £40k (2018: £51k). The Council has approved grants totalling £238k to be paid over 3 years which is to be used for the Walking the Way programme. By the end of 2019, £167k of the total had been received and £141k of that had been expensed. Further grants of £51k and £11k were received for Fresh Expressions and a Church and Society project respectively.

**The Cheshunt Foundation** - £60k (2018: £55k). 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 £23k (2018: £36k) received by Westminster College, and £538k (2018: £16k) received from Synods by the Retired Ministers' Housing Society.

### NOTE 3 INCOME FROM CHARITABLE ACTIVITIES

These comprise:	2019 £'000	2018 £'000
Retired Ministers' Housing rents	718	699
Westminster College - accommodation, conferences, catering and fees	509	481
Publication and resource sales	55	72
Reform magazine - subscriptions and advertising	122	134
Other programmes - fees, grants and sales	17	161
	1,421	1,547

### NOTE 4 INVESTMENT INCOME

	2019 £'000	2018 £'000
Unitised funds	1,726	1,690
Interest on short-term investment and bank deposits	32	29
Rental income	126	120
	1,884	1,839

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 5 ANALYSIS OF EXPENDITURE

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 7) £'000	2019 Total £'000	2018 Total £'000
Ministry	14,842	605	1,931	17,378	17,775
Education and Learning	2,329	446	367	3,142	2,967
Children's and Youth work	237	80	68	385	428
Mission programmes	752	572	213	1,537	1,893
Publishing	123	-	39	162	147
Other expenditure	-	-	-	-	50
	18,283	1,703	2,618	22,604	23,260

### NOTE 6 ANALYSIS OF GRANTS

	Grants to individuals £'000	Grants to institutions £'000	2019 Total £'000	2018 Total £'000
Pension grants	-	305	305	323
Welfare and other ministry grants	7	254	261	305
Student maintenance and training	-	446	446	502
Local churches - mission and facilities	127	-	127	216
Chaplaincies	40	-	40	47
Ecumenical church bodies	85	-	85	72
Commitment for Life programme	298	-	298	246
Other programmes	141	-	141	117
	698	1,005	1,703	1,828

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

<u>Organisation</u>	<u>Type</u>	<u>2019</u> £'000	<u>2018</u> £'000
Christian Aid	Commitment for Life	247	231
Council for World Mission	Ecumenical	55	60
Global Justice Now	Commitment for Life	17	15

### NOTE 7 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, and governance costs. 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	2019 Total £'000	2018 Total £'000
Basis of apportionment	Area	Staff	Actual costs		
Ministry	16	16	1,899	1,931	1,614
Education and Learning	14	12	341	367	285
Children's and Youth work	17	12	39	68	60
Mission	20	31	162	213	208
Publishing	14	10	15	39	30
	81	81	2,456	2,618	2,197

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 8 GOVERNANCE COSTS

Governance costs are included in support costs and total £242k (2018: £424k). This figure includes the remuneration of the auditors, amounting to £38k (2018: £44k) of which £22.5k relates to the audit of the Trust and the balance of £15.6k relates to the audits of subsidiary charities. The main difference from the previous year was that the General Assembly had its biennial meeting in 2018.

### NOTE 9 NOTIFIED LEGACIES

Notifications of one legacy that had been received but not included in the financial statements because the conditions for recognition have not yet been met. The value of this legacy was £20k. (2018: none).

### NOTE 10 STIPEND AND SALARY COSTS

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

		2019 £'000	2018 £'000
Ministers and CRCWs : 389 (2018: 401)	Gross stipends	10,085	10,340
	Social security costs	950	963
	Other pension costs	2,710	3,356
		13,745	14,659

All stipend costs above are included within the costs of Ministry

Lay staff : 109 (2018: 99)	Gross salaries	2,712	2,454
	Social security costs	254	227
	Other pension costs	877	230
	Redundancy costs	12	26
		3,855	2,937

Salary costs have been apportioned as follows:

Ministry	1,156	582
Education and Learning	1,515	1,265
Children's and Youth work	270	172
Mission programmes	513	464
Publishing	401	454
	3,855	2,937

The minister and staff numbers shown represent the average for the year. They include staff working at Church House in London and Westminster College in Cambridge.

One employee received emoluments, excluding employer pension contributions, of between £60k and £70k during 2019. There were no ministers, Church Related Community Workers or employees whose emoluments, excluding employer pension contributions, exceeded £60k during 2018.

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 2019 was £244k (2018: £236k).

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 14 individuals during the year ended 31 December 2019 totalling £3,627 (2018: 16 individuals totalling £3,325).

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 11 TANGIBLE & INTAGIBLE FIXED ASSETS

(a) Consolidated:	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible Fixed assets £'000	Computer Software £'000
<b>Cost</b>						
At 1 January 2019	39,564	5,420	9,261	1,401	55,646	50
Additions	1,113	-	174	32	1,319	40
Disposals	(1,600)	(343)	-	-	(1,943)	-
Write-offs	-	-	-	(88)	(88)	-
Re-classification	-	-	(203)	-	(203)	-
At 31 December 2019	39,077	5,077	9,232	1,345	54,731	90
<b>Accumulated depreciation and impairment</b>						
At 1 January 2019	448	56	681	898	2,083	20
Charge for year	-	-	139	137	276	5
Disposals	(25)	-	-	-	(25)	-
Write-offs	-	-	-	(88)	(88)	-
Re-classification	-	-	(3)	-	(3)	-
At 31 December 2019	423	56	817	947	2,243	25
<b>Net book value</b>						
At 31 December 2019	38,654	5,021	8,415	398	52,488	65
At 31 December 2018	39,116	5,364	8,580	503	53,563	30

Of the land and buildings included above, £4,667k (2018: £4,720k) are leasehold. At 31 December 2019 312 (2018: 323) houses were owned for housing retired ministers and 17 (2018: 16) 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 and the Yardley Hastings Centre, 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 the remainder is leased to a local charity under a long-term lease.

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.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(b) Trust:	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible fixed assets £'000	Computer software £'000
<b>Cost</b>						
At 1 January 2019	586	5,420	2,901	554	9,461	27
Additions	-	-	137	23	160	23
Disposals	(165)	(343)	-	-	(508)	-
Write-offs	-	-	-	(88)	(88)	-
Re-classifications*	-	-	(203)	-	(203)	-
At 31 December 2019	421	5,077	2,835	489	8,822	50
<b>Accumulated depreciation and impairment</b>						
At 1 January 2019	31	56	115	423	625	-
Charge for year	-	-	26	57	83	-
Disposals	(6)	-	-	-	(6)	-
Write-offs	-	-	-	(88)	(88)	-
Re-classifications	-	-	(3)	-	(3)	-
At 31 December 2019	25	56	138	392	611	-
<b>Net book value</b>						
At 31 December 2019	396	5,021	2,697	97	8,211	50
At 31 December 2018	555	5,364	2,786	131	8,836	27

\* Reclassification of mixed use portion URC Church House (see note 12a).

### (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.

### NOTE 12 MIXED MOTIVE INVESTMENT PROPERTY

	Consolidated		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	1,905	1,755	1,905	1,755
Additions	43	-	43	-
Transfer from fixed assets at NBV	-	-	-	-
Net gains/(losses) on revaluation	52	150	52	150
Carrying value at end of year	2,000	1,905	2,000	1,905

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Mixed motive investment property consists of the second floor of URC Church House which is rented out on a commercial let to another charity. The property was formally valued by Allsop LLP on 6 November 2017. The value of the mixed motive investment property at 31 December 2019 was calculated using rental yields.

### NOTE 12a MIXED USE INVESTMENT PROPERTY

	Consolidated		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	-	-	-	-
Additions	38	-	38	-
Transfer from fixed assets at NBV*	200	-	200	-
Net gains/(losses) on revaluation	457	-	457	-
Carrying value at end of year	695	-	695	-

\* Reclassification of mixed use portion of URC Church House.

Mixed use investment property consists of the third floor of URC Church House which is rented out on a commercial let for residential purposes. The property was formally valued by Allsop LLP on 6 November 2017. The value of the mixed use investment property at 31 December 2019 was calculated using rental yields.

### NOTE 13 INVESTMENTS

	Consolidated		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	44,381	45,759	43,037	44,373
Additions to investments at cost	935	55	935	55
Sales proceeds	(125)	(140)	(125)	(140)
Net gains/(losses) on revaluation	7,884	(1,293)	7,637	(1,251)
Carrying value at end of year	53,075	44,381	51,484	43,037

	Consolidated		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Investments comprise units in UK based Common Investment Funds at market value, as follows:				
COIF Charities Ethical Investment Fund	51,931	43,206	50,340	41,862
COIF Charities Property Fund	1,144	1,175	1,144	1,175
	53,075	44,381	51,484	43,037
Investments at book cost	34,880	34,026	33,859	33,055

The trustees believe that the carrying value of the investments is supported by their underlying net assets. Included within investments held in the COIF Charities Ethical Investment Fund is £4,677k held to meet the 'other pension obligation' as set out in note 23. Financial assets measured at fair value are £53,075k.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 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 Churches' Mutual Credit Union and Traidcraft plc. These smaller investments held as social investments and are held at cost and not revalued.

### NOTE 15 CONCESSIONARY LOANS

	Consolidated		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
External loans comprise:				
To ministers	58	76	58	76
To Churches	84	84	84	84
Inter-fund concessionary loans	-	-	7,770	7,614
	142	160	7,912	7,774

Loans to ministers are generally interest free and repayable over 3 to 5 years.

Loans to churches comprises a long term loan to the Synod of Wales in respect of the Glamorgan Chaplaincy. The loan is interest free and is repayable if the chaplaincy is wound up.

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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Debtors comprise:				
Amounts owed by group undertakings		-	215	66
Tax recoverable	1	-	1	-
Other debtors	2,056	499	2,029	385
Prepayments and accrued income	1,186	1,592	694	793
	3,243	2,091	2,939	1,244

Financial assets measured at amortised cost are £2,072k (2018: £1,121k)

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 17 CREDITORS: amounts falling due within one year

	Consolidated		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Current liabilities comprise:				
Amounts owed to group undertakings	-	-	3,441	1,052
Sums held for Synods and congregations	213	27	3	9
Other creditors including taxation and social security	601	1,004	614	946
Accruals	498	318	371	246
Deferred income	238	115	96	-
	<b>1,550</b>	<b>1,464</b>	<b>4,525</b>	<b>2,253</b>

Financial liabilities measure at amortised cost are £1,097k (2018: £2,307k). Included within Other creditors are amounts totalling £45k which are held in trust on behalf of other organisations.

#### Movements in deferred income

	Consolidated		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Balance at 1 January	115	54	-	-
Received in the year	427	270	97	-
Transferred to income	(304)	(209)	-	-
Balance at 31 December	<b>238</b>	<b>115</b>	<b>97</b>	<b>-</b>

### 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 £717k (2018: £934k) 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 £54k was allocated in 2019.

These funds include £22.6million 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 £16.0million the capital is expendable by decision of the Trustees.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 19 SUMMARY OF FUND MOVEMENTS

#### 2019 Fund Movements

	Funds at 1 Jan 2019 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial gains £'000s	Funds at 31 Dec 19 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Fund	15,519	20,984	(19,329)	323	2,282	332	20,111
Maintenance of the Ministry Fund	-	41	-	(41)	-	-	-
Ministerial Training Fund	-	458	-	(458)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>15,519</b>	<b>21,483</b>	<b>(19,329)</b>	<b>(176)</b>	<b>2,282</b>	<b>332</b>	<b>20,111</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	729	-	(57)	21	-	-	693
Discipleship Development Fund	850	13	(1)	-	9	-	871
<b>Consolidated &amp; Trust</b>	<b>1,579</b>	<b>13</b>	<b>(58)</b>	<b>21</b>	<b>9</b>	<b>-</b>	<b>1,564</b>
<b>RESTRICTED FUNDS</b>							
Church Buildings Fund	3,572	139	(83)	-	647	-	4,275
Retired Ministers' Housing Fund	4,894	647	(28)	(120)	-	-	5,393
Welfare Fund	6	48	(59)	12	-	-	7
Retired Ministers' Funds	376	256	(251)	-	638	-	1,019
Commitment For Life Fund	34	330	(317)	-	-	-	47
Other Funds	3,872	377	(90)	(135)	527	-	4,551
<b>Total Trust Funds</b>	<b>12,754</b>	<b>1,797</b>	<b>(828)</b>	<b>(243)</b>	<b>1,812</b>	<b>-</b>	<b>15,292</b>
Westminster College Funds	6,836	1,429	(2,089)	398	124	-	6,698
Retired Ministers' Housing Society	32,708	2,283	(951)	-	-	-	34,040
<b>Total Consolidated Funds</b>	<b>52,298</b>	<b>5,509</b>	<b>(3,868)</b>	<b>155</b>	<b>1,936</b>	<b>-</b>	<b>56,030</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Fund	6,965	-	-	-	1,139	-	8,104
Maintenance of the Ministry Fund	883	-	-	-	162	-	1,045
Ministerial Training Fund	11,507	-	-	-	1,920	-	13,427
Church Buildings Funds	184	-	-	-	-	-	184
Retired Ministers' Housing Funds	391	-	-	-	-	-	391
Welfare Funds	771	-	-	-	141	-	912
Retired Ministers' Funds	552	-	-	-	102	-	654
Other Funds	3,175	4	-	-	578	-	3,757
<b>Total Trust Funds</b>	<b>24,428</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4,042</b>	<b>-</b>	<b>28,474</b>
Westminster College Funds	992	-	-	-	122	-	1,114
<b>Total Consolidated Funds</b>	<b>25,420</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4,164</b>	<b>-</b>	<b>29,588</b>

Transfers between funds generally represents use of restricted funds to cover items of expenditure in the general funds that fall within the objects of the specific restricted fund.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 2018 Fund Movements

	Funds at 1 Jan 2018 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial gains £'000s	Funds at 31 Dec 18 £'000s
<b>UNRESTRICTED FUNDS</b>							
Ministry and Mission Fund	(1,176)	20,480	(19,818)	(1,113)	(146)	17,292	15,519
Maintenance of the Ministry Fund	-	35	-	(35)	-	-	-
Ministerial Training Fund	-	450	-	(450)	-	-	-
<b>Consolidated &amp; Trust</b>	<b>(1,176)</b>	<b>20,965</b>	<b>(19,818)</b>	<b>(1,598)</b>	<b>(146)</b>	<b>17,292</b>	<b>15,519</b>
<b>DESIGNATED FUNDS</b>							
Legacy Fund	-	157	(372)	944	-	-	729
Discipleship Development Fund	-	196	(50)	704	-	-	850
<b>Consolidated &amp; Trust</b>	<b>-</b>	<b>363</b>	<b>(422)</b>	<b>1,648</b>	<b>-</b>	<b>-</b>	<b>1,579</b>
<b>RESTRICTED FUNDS</b>							
Church Buildings Fund	3,698	135	(153)	-	(108)	-	3,572
Retired Ministers' Housing Fund	4,810	106	(22)	-	-	-	4,894
Welfare Fund	7	40	(53)	12	-	-	6
Retired Ministers' Funds	599	159	(274)	-	(108)	-	376
Commitment For Life Fund	29	308	(303)	-	-	-	34
Other Funds	4,288	220	(115)	(433)	(88)	-	3,872
<b>Total Trust Funds</b>	<b>13,431</b>	<b>968</b>	<b>(920)</b>	<b>(421)</b>	<b>(304)</b>	<b>-</b>	<b>12,754</b>
Westminster College Funds	7,078	1,373	(1,964)	370	(21)	-	6,836
Retired Ministers' Housing Society	31,510	1,933	(735)	-	-	-	32,708
<b>Total Consolidated Funds</b>	<b>52,019</b>	<b>4,274</b>	<b>(3,619)</b>	<b>(51)</b>	<b>(325)</b>	<b>-</b>	<b>52,298</b>
<b>CAPITAL FUNDS</b>							
Ministry and Mission Fund	7,149	-	-	-	(184)	-	6,965
Maintenance of the Ministry Fund	910	-	-	-	(27)	-	883
Ministerial Training Fund	11,808	-	-	-	(301)	-	11,507
Church Buildings Funds	184	-	-	-	-	-	184
Retired Ministers' Housing Funds	391	-	-	-	-	-	391
Welfare Funds	795	-	-	-	(24)	-	771
Retired Ministers' Funds	569	-	-	-	(17)	-	552
Other Funds	3,267	5	-	-	(97)	-	3,175
<b>Total Trust Funds</b>	<b>25,073</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>(650)</b>	<b>-</b>	<b>24,428</b>
Westminster College Funds	1,012	-	-	-	(20)	-	992
<b>Total Consolidated Funds</b>	<b>26,085</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>(670)</b>	<b>-</b>	<b>25,420</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 20 ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUNDS

#### 2019 Analysis

##### ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2019
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	50	-	15	-	65
Property	6,652	-	44,141	1,297	52,090
Cars and equipment	97	-	301	-	398
Investments	11,703	809	12,534	28,271	53,317
Investment properties	2,695	-	-	-	2,695
External loans	58	-	84	-	142
Inter fund loans	2,340	-	(2,340)	-	-
Net current assets	10,813	(124)	513	-	11,202
Pension reserve	(9,466)	-	(3,150)	-	(12,616)
Inter fund balances	(4,831)	879	3,933	19	-
<b>Net assets</b>	<b>20,111</b>	<b>1,564</b>	<b>56,031</b>	<b>29,587</b>	<b>107,293</b>

##### ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2019
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	50	-	-	-	50
Property	6,652	-	488	974	8,114
Cars and equipment	97	-	-	-	97
Investments	11,704	809	11,732	27,480	51,725
Investment properties	2,695	-	-	-	2,695
External loans	58	-	84	-	142
Inter fund loans	2,340	-	5,432	-	7,772
Net current assets	10,811	(125)	-	-	10,686
Pension reserve	(9,466)	-	(3,150)	-	(12,616)
Inter fund balances	(4,830)	880	706	20	(3,224)
<b>Net assets</b>	<b>20,111</b>	<b>1,564</b>	<b>15,292</b>	<b>28,474</b>	<b>65,441</b>

#### 2018 Analysis

##### ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2018
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	27	-	3	-	30
Property	7,084	-	44,679	1,297	53,060
Cars and equipment	131	-	372	-	503
Investments	9,931	-	10,585	24,107	44,623
Investment properties	1,905	-	-	-	1,905
External loans	76	-	84	-	160
Inter fund loans	2,840	-	(2,840)	-	-
Net current assets	8,135	(191)	1,029	-	8,973
Pension reserve	(11,288)	-	(3,150)	-	(14,438)
Inter fund balances	(3,322)	1,770	1,536	16	-
<b>Net assets</b>	<b>15,519</b>	<b>1,579</b>	<b>52,298</b>	<b>25,420</b>	<b>94,816</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2018
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	27	-	-	-	27
Property	7,084	-	647	974	8,705
Cars and equipment	131	-	-	-	131
Investments	9,931	-	9,909	23,439	43,279
Investment properties	1,905	-	-	-	1,905
External loans	76	-	84	-	160
Inter fund loans	2,840	-	4,775	-	7,615
Net current assets	7,363	(191)	(61)	-	7,111
Pension reserve	(11,288)	-	(3,150)	-	(14,438)
Inter fund balances	(3,322)	1,770	550	15	(987)
<b>Net assets</b>	<b>14,747</b>	<b>1,579</b>	<b>12,754</b>	<b>24,428</b>	<b>53,508</b>

### 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 6 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 or civil partners in their retirement. Income in 2019 included £16k from donations and £806k 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 25 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 £3,150k.

#### (f) 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.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (g) 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 PENSION OBLIGATIONS

The United Reformed Church has obligations for two pension funds: United Reformed Church Ministers' Pension Fund (MPF), and the United Reformed Church Final Salary Scheme (FSS). The actuarial gains and/or losses and the liabilities for each scheme were:

	MPF		FSS		Total	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Actuarial gains/(losses)	820	16,267	(488)	1,025	332	17,292
Net scheme assets/(liabilities)	(9,381)	(11,626)	(85)	338	(6,615)	(11,288)

Net scheme assets are not recognised in the balance sheet. The details of each scheme are set out in notes 23 and 24 below.

### NOTE 23 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 2018 was formally agreed on 11 December 2018. For the purpose of these financial statements, the actuary has updated that valuation at 31 December 2019 using assumptions that are consistent with the requirements of FRS102. Compared with a year ago, this update has increased the present value of scheme liabilities by 8.6% while asset values have increased by 10.9%. This has resulted in a decrease of £2.2million 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 2019 totalled 21.95% of pensionable pay, together with a fixed annual amount of deficit funding, in 2019 £565k (2018: £1,004k), increasing in line with stipends. A further additional lump sum of £1.5m was paid into the pension fund during 2019. Members' contributions are 7.5% of pensionable pay. Church contributions totalled £4,252k in 2019 (2018: £2,881k). Following the latest valuation, contributions from January 2019 total 21.95% of pensionable pay, together with annual deficit funding of £580k, increasing in line with stipends.

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

	2019	2018
Discount rate at year end	2.00%	2.90%
Expected return on plan assets at year end	n/a	n/a
Future stipend increases	2.15%	2.20%
Future pension increases (RPI up to 5%)	2.95%	3.20%
Future deferred pension revaluation (CPI)	2.15%	2.20%
Life expectancy of male pensioners (age 65)	22.5	22.9
Life expectancy at female pensioners (age 65)	23.5	23.9

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

	<b>2019</b>	<b>2018</b>
	<b>Value at 31 Dec</b>	<b>Value at 31 Dec</b>
	<b>£'000</b>	<b>£'000</b>
Present value of obligations	(165,807)	(152,689)
Fair value of plan assets	156,426	141,063
Net (liability)	(9,381)	(11,626)

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

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>		
Current service cost	2,182	2,670
Administrative expenses	340	338
Financing cost:		
Interest on net defined liability	305	674
Total operating charge	2,827	3,682
<b>Actuarial gains/(losses) on pension schemes)</b>		
Asset gains arising during the year	(13,361)	(455)
Liability losses/(gains) arising during the year	12,541	(15,812)
	(820)	(16,267)
<b>Total loss/(gain) recognised in the Statements of Financial Activities</b>	<b>2,007</b>	<b>(12,585)</b>

**d) Change in defined benefit obligation:**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	152,689	167,115
Service cost (incl. employee contributions)	3,131	3,675
Interest expense on DBO	4,371	4,143
Actuarial (gains)/losses on liabilities	12,541	(15,812)
Benefits paid	(6,925)	(6,432)
Closing defined benefit obligation	165,807	152,689

**e) Change in fair value of plan assets:**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	141,063	140,023
Interest income on assets	4,066	3,469
Actuarial gains (losses)	13,361	455
Contributions by employer	4,252	2,881
Contributions by employees	949	1,005
Administrative expenses	(340)	(338)
Benefits paid	(6,925)	(6,432)
Closing fair value of plan assets	156,426	141,063

**f) Future employer contributions:**

The Church expects to contribute about £2,700,000 to the plan during the next accounting year.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**g) Breakdown of plan assets:**

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

	2019 Asset allocation %	2018 Asset allocation %
Equities	37	34
Property	9	10
Bonds	53	55
Cash/other	1	1

**h) Five year comparison**

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

	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Defined benefit obligation	165,807	152,689	167,115	161,763	134,771
Plan assets	156,426	141,063	140,023	133,477	111,877
Surplus/(deficit)	(9,381)	(11,626)	(27,092)	(28,286)	(22,894)

**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. 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 2017, using comparable assumptions as for FRS 17 calculations; this value (£3,150k) has been deducted from the total of restricted Fund included in the Balance Sheet. Included within restricted fund investments is £4,677k held to meet this obligation, and;

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

**NOTE 24 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 TPT Retirement Solutions (formerly The Pensions Trust). 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 2016, when the scheme had a deficit of £5,445k. For the purpose of these financial statements, the actuary has updated that valuation at 31 December 2019 using assumptions that are consistent with the requirements of FRS102.

**i) Contributions:**

During 2017 the United Reformed Church contributed 28.2% (2018: 28.2%) of basic salary in respect of members of the scheme, which includes 3.0% as deficit funding and 3.2% to meet expenses and levies. Members contributed at the rate of 7.5% (2018: 7.5%) of pensionable salary throughout the accounting period.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Discount rate at year end	2.00%	2.75%	2.45%
Inflation (RPI)	3.05%	3.25%	3.25%
Inflation (CPI)	2.05%	2.25%	2.25%
Future salary increases	2.50% for 3 years and 2.75% thereafter	2.50% for 3 years and 2.75% thereafter	2.50% for 3 years and 2.75% thereafter
Future deferred pension revaluation (CPI)	2.50%	2.50%	2.50%
Life expectancy in years of males retiring in 2018 (age 65)	21.3	21.5	23.0
Life expectancy in years of females retiring in 2018 (age 65)	23.0	23.2	24.6
Life expectancy in years of males retiring in 2038 (age 65)	22.7	22.9	24.4
Life expectancy in years of females retiring in 2038 (age 65)	24.3	24.5	25.8

**ii) The amounts recognised at 31 December in the Balance Sheet are as follows:**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of obligations	(31,450)	(27,808)	(29,597)
Fair value of plan assets	34,301	28,297	27,942
Adjustment to reflect asset limit	(2,851)	-	-
Pension asset/(liability)	-	489	(1,655)

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

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>		
Current service cost	1,266	1,373
Administrative expenses	129	110
Net interest (credit)/cost:	(30)	26
Total operating charge	<u>1,365</u>	<u>1,509</u>
<b>Actuarial gains/(losses) on pension schemes</b>		
Asset gains/(losses) arising during the year	5,061	(1,676)
Liability gains/(losses) arising during the year	(2,698)	2,701
Effect of asset limit	2,851	-
	<u>5,214</u>	<u>1,025</u>

**iv) Change in defined benefit obligation:**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	27,808	29,597
Current service cost (inc. contributions by plan participants)	1,295	1,400
Interest expense on DBO	750	727
Administrative expenses	-	110
Actuarial losses/(gains) on liabilities	2,698	(2,701)
Benefits paid and death in service premiums	(1,101)	(1,325)
Closing defined benefit obligation	<u>31,450</u>	<u>27,808</u>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**v) Change in fair value of plan assets:**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	28,297	27,942
Interest income on assets	780	701
Expenses	(129)	-
Actuarial gains (losses)	5,061	(1,676)
Contributions by employers	1,364	2,628
Contributions by plan participants	29	27
Benefits paid	<u>(1,101)</u>	<u>(1,325)</u>
Closing fair value of plan assets	<u>34,301</u>	<u>28,297</u>

**vi) Future employer contributions:**

Employers expect to contribute about £1,259,000 to the plan during the next accounting year.

**vii) Breakdown of plan assets:**

The major categories of plan assets are as follows:

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Equity-Type assets	13,916	14,383	16,126
Fixed Interest Bonds	2,635	3,460	571
Index-Linked bonds	7,701	8,680	7,175
Fixed Interest Gilts	3,831	8	387
Property	1,485	1,543	1,454
Other	4,733	223	2,229
Total assets	<u>34,301</u>	<u>28,297</u>	<u>27,942</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 TPT Retirement Solutions. 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 £20k in 2017. The Church now recognises a liability for the net present value of these future contributions, amounting to £85k at the balance sheet date (2018: £149k). The present value is calculated using a discount rate of 1.13% (2018: 1.75%), and the charge to the Statement of Financial Activities of £48k (2018: £1k) 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. TPT Retirement Solutions 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 25 COMMITMENTS**

At 31 December 2019 there were no commitments in respect of the purchase of properties (2018: £nil), and contractual liabilities of £nil (2018: £nil). £153k (2018: £131k) was committed as grants payable from the Legacy Fund.

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.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 2019 £933k was spent on acquiring housing for retired ministers, £530k on repairing and maintaining existing properties and profits of £754k 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 need for assistance in the short to medium term. Future cash flow is kept under continuous review, and recent years have seen the Society become cash flow positive. This trend is expected to continue for the medium to long term.

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 26 CASH FLOW INFORMATION

#### Reconciliation of net cash flow to movement in net cash funds

	2019 £'000	2018 £'000
Increase/(Decrease) in cash in the period	1,142	390
Net cash funds at 1 January	8,340	7,950
Net cash funds at 31 December	9,482	8,340

Net cash funds are represented by bank balances and money on call, as shown on the Consolidated Balance Sheet. Of the total, £9,022k is shown on the Trust Balance Sheet.

### NOTE 27 RELATED PARTY TRANSACTIONS

During the year the United Reformed Church Trust recharged salary and staff costs amounting to £320k (2018: 175k) to the United Reformed Church Retired Ministers' Housing Society Limited and paid £398k (2018: £357k) to Westminster College as a contribution to the teaching costs and other support costs of the College.

### NOTE 28 LEASE COMMITMENTS

At 31 December 2019 the trust had future minimum Lease payments under non-cancellable operating leases as follows:

	2019 £'000	2018 £'000
Due within 1 year	6	6
Due in more than 1 year but less than 5 years	10	14
Due in more than 5 years	-	2
<b>Total</b>	<b>16</b>	<b>22</b>

### NOTE 29 LEASES RECEIVABLE

At 31 December 2019 the principle future minimum lease payments receivable under non-cancellable leases are as follows:

	2019 £'000	2018 £'000
Due within 1 year	100	100
Due in more than 1 year but less than 5 years	175	275
Due in more than 5 years	-	-
<b>Total</b>	<b>275</b>	<b>375</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 30 SUBSIDIARY UNDERTAKINGS

**The United Reformed Church Retired Ministers' Housing Society Limited** ('RMHS') is an exempt charity registered under the Co-operative and Community Benefit Societies Act 2014, number 15986R. Under the rules of the Society, which were revised by agreement of the RMHS Board in 2019, the United Reformed Church Trust has the power to appoint a majority of the directors. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

**Westminster College Cambridge** is governed by the General Assembly under clause 2.6 (A) (vi) of the Structure of the United Reformed Church through a body of Governors appointed by it, in accordance with the terms of the Trust Deed of 1899 as modified by the United Reformed Church Act 1972. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

Their financial results were as follows:

	<b>United Reformed Church Retired Ministers' Housing Society Limited</b>		<b>Westminster College Cambridge</b>	
	<b>2019 £'000</b>	<b>2018 £'000</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Income	2,295	1,933	1,828	1,743
Expenditure	963	736	2,090	1,964
Net income/(expenditure)	1,332	1,197	(262)	(221)
Total net assets	34,069	32,707	7,812	7,828

### NOTE 31 CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

	<b>2019 £'000</b>	<b>2018 £'000</b>
Gross income from continuing operations	25,109	24,780
Net gains on disposal of fixed assets	1,899	817
Total income	27,008	25,597
Total expenditure	(23,255)	(23,859)
Net income for year	3,753	1,738

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 32

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

		---- Income funds ----			---- Capital funds ----		2018 Total funds
Note	Unrestricted £'000	Designated £'000	Restricted £'000	Unrestricted £'000	Restricted £'000	£'000	
<b>Donations and legacies</b>							
Ministry and Mission Fund contributions	2(a)	19,016	-	-	-	-	19,016
Grants receivable	2(b)	98	-	57	-	-	155
Legacies		0	157	879	-	-	1,036
Commitment for Life donations		-	-	303	-	-	303
Other donations	2(c)	19	-	71	-	5	95
		<b>117</b>	<b>157</b>	<b>1,310</b>	-	<b>5</b>	<b>1,589</b>
<b>Charitable activities</b>							
Ministry	3	-	-	699	-	-	699
Education and Learning		4	-	481	-	-	485
Children's and Youth work		5	-	-	-	-	5
Mission programmes		152	-	-	-	-	152
Publishing		206	-	-	-	-	206
		<b>367</b>	-	<b>1,180</b>	-	-	<b>1,547</b>
<b>Other trading activities</b>		-	-	744	-	-	744
<b>Investment income</b>	4	1,265	-	574	-	-	1,839
<b>Other income</b>							
Gains on sale of properties		165	196	456	-	-	817
Other income		35	-	10	-	-	45
		<b>200</b>	<b>196</b>	<b>466</b>	-	-	<b>862</b>
<i>Total income and endowments</i>		<b>20,965</b>	<b>353</b>	<b>4,274</b>	-	<b>5</b>	<b>25,597</b>
<b>Expenditure on:</b>							
<b>Raising funds:</b>							
Trading expenditure		-	-	599	-	-	599
<b>Charitable activities</b>							
Ministry	5	16,659	-	1,116	-	-	17,775
Education and Learning		1,590	-	1,377	-	-	2,967
Children's and Youth work		428	-	-	-	-	428
Mission programmes		994	373	526	-	-	1,893
Publishing		147	-	-	-	-	147
Other expenditure		-	50	-	-	-	50
		<b>19,818</b>	<b>423</b>	<b>3,019</b>	-	-	<b>23,260</b>
<i>Total expended</i>		<b>19,818</b>	<b>423</b>	<b>3,618</b>	-	-	<b>23,859</b>
<b>Surplus from charitable and trading activities</b>		<b>1,147</b>	<b>(70)</b>	<b>656</b>	-	<b>5</b>	<b>1,738</b>
<b>(Loss)/Net gains on investment assets</b>		<b>(146)</b>	<b>-</b>	<b>(326)</b>	<b>(512)</b>	<b>(158)</b>	<b>(1,142)</b>
<i>Net income</i>		<b>1,001</b>	<b>(70)</b>	<b>330</b>	<b>(512)</b>	<b>(153)</b>	<b>596</b>
<b>Transfers between funds</b>		<b>(1,598)</b>	<b>1,649</b>	<b>(51)</b>	-	-	-
<b>Actuarial gains/(losses) on pension schemes</b>	22	17,292	-	-	-	-	17,292
<i>Net movement in funds</i>		<b>16,695</b>	<b>1,579</b>	<b>279</b>	<b>(512)</b>	<b>(153)</b>	<b>17,888</b>
<b>Reconciliation of Funds</b>							
Total funds brought forward		(1,176)	-	52,019	19,867	6,218	76,928
<b>Total funds carried forward</b>		<b>15,519</b>	<b>1,579</b>	<b>52,298</b>	<b>19,355</b>	<b>6,065</b>	<b>94,816</b>



## FIVE YEAR SUMMARY

### FIVE YEAR SUMMARY (unaudited)

	2015	2016	2017	2018	2019
	£'000	£'000	£'000	£'000	£'000
<b>INCOME AND EXPENDITURE ACCOUNTS</b>					
<b>Income</b>					
Ministry and Mission Fund contributions	19,483	19,260	19,104	19,016	18,817
Investment income	1,590	1,626	1,694	1,839	1,884
Income from charitable activities	1,506	1,448	1,346	1,547	1,421
Grants receivable	129	134	139	155	304
Legacies	704	206	322	1,036	811
Donations	1,537	621	476	398	1,044
Other income	3,689	3,399	3,403	1,606	2,727
	28,638	26,694	26,484	25,597	27,008
<b>Expenditure</b>					
Ministry	19,266	18,609	18,986	17,775	17,378
Education & Learning	3,128	3,202	3,246	2,967	3,142
Children's and Youth work	385	371	387	428	385
Mission programmes	1,430	1,541	1,493	1,893	1,537
Support activities (incl. publishing)	319	288	151	147	162
Trading activities	550	565	548	599	651
Other costs	683	361	223	50	-
	25,761	24,937	25,034	23,859	23,255
<b>Net income</b>	<b>2,877</b>	<b>1,757</b>	<b>1,450</b>	<b>1,738</b>	<b>3,753</b>
<b>Investment gains</b>	360	3,723	4,484	(1,142)	8,392
Actuarial gains/(losses)	8,912	(6,933)	3,261	17,292	332
<b>Net increase/(decrease) in funds</b>	<b>12,149</b>	<b>(1,453)</b>	<b>9,195</b>	<b>17,888</b>	<b>12,477</b>
<b>CASH FLOW STATEMENTS</b>					
<b>Cash required for investment in</b>					
Houses for retired ministers	(1,147)	(2,193)	(1,686)	679	(1,417)
Other properties	831	556	1,337	(714)	(1,473)
Cars and equipment	52	131	116	102	73
Loans to churches and ministers	17	67	5	20	(18)
	(247)	(1,439)	(228)	87	(2,835)
<b>Source of cash</b>					
Net incoming/(outgoing) resources for the year (see above)	2,877	1,756	1,450	1,738	3,656
Adjustment for items not resulting in a cash movement, for returns on investments, and for capital receipts	(891)	(1,932)	(2,198)	(1,351)	(4,461)
	1,986	(176)	(748)	387	(805)
Net increase in capital	5	5	4	5	4
Net decrease/(increase) in investments	28	(448)	-	85	(892)
Decrease/(increase) in bank balances	(2,266)	(820)	516	(390)	(1,142)
	(247)	(1,439)	(228)	87	(2,835)

## FIVE YEAR SUMMARY Continued

### FIVE YEAR SUMMARY continued

	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000
<b>BALANCE SHEETS (Consolidated)</b>					
<b>Fixed assets</b>					
Tangible assets					
Houses for retired ministers	37,934	38,311	38,070	39,115	38,654
Houses for serving ministers	4,904	5,534	5,364	5,364	5,021
Other properties	7,329	7,143	8,258	8,581	8,415
Cars, equipment and intangibles	687	680	621	533	463
	<b>50,854</b>	<b>51,668</b>	<b>52,313</b>	<b>53,593</b>	<b>52,553</b>
Investment Properties	-	-	1,755	1,905	2,000
Long term investments (incl.programme-related)	38,505	42,675	46,001	44,623	53,317
Loans to churches and ministers	67	134	139	160	142
	<b>89,426</b>	<b>94,477</b>	<b>100,208</b>	<b>100,281</b>	<b>108,012</b>
<b>Net current assets/(liabilities)</b>					
Current assets					
Debtors and stock	-	-	731	-	-
Debtors and stock	2,131	2,298	1,540	2,097	3,270
Bank balances and money on call	7,646	8,466	7,950	8,340	9,482
	<b>9,777</b>	<b>10,764</b>	<b>10,221</b>	<b>10,437</b>	<b>12,752</b>
less : current liabilities	1,283	1,544	1,435	1,464	1,550
	<b>8,494</b>	<b>9,220</b>	<b>8,786</b>	<b>8,973</b>	<b>11,202</b>
<b>Net assets excluding pension liability</b>	<b>97,920</b>	<b>103,697</b>	<b>108,994</b>	<b>109,254</b>	<b>119,214</b>
Defined benefit pension scheme liability	(24,698)	(31,929)	(28,916)	(11,288)	(9,466)
Other pension obligations	(4,035)	(4,035)	(3,150)	(3,150)	(3,150)
<b>Net assets including pension liability</b>	<b>69,187</b>	<b>67,733</b>	<b>76,928</b>	<b>94,816</b>	<b>106,598</b>
Unrestricted income funds	(820)	(5,387)	(1,176)	15,519	20,111
Designated funds	-	-	-	1,579	1,564
Restricted income funds	47,549	48,821	52,019	52,298	56,030
Capital funds	22,458	24,299	26,085	25,420	29,588
<b>Total funds</b>	<b>69,187</b>	<b>67,733</b>	<b>76,928</b>	<b>94,816</b>	<b>107,293</b>

### NON-FINANCIAL STATISTICS

(from URC Year Book)

	2015	2016	2017	2018	2019
Members	56,086	52,060	49,517	46,881	44,788
Stipendiary ministers	469	438	401	398	377
Non-stipendiary ministers	68	65	57	58	58
Churches	1,447	1,426	1,406	1,383	1,354
Retired ministers	892	891	885	885	874
Ministry and Mission contribution per member	£343	£367	£384	£401	£420

