



# Trustees' Report and Financial Statements 2013

United  
Reformed  
Church  
Trust

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

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The United Reformed Church

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**UNITED REFORMED CHURCH TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2013**

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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 2013. The company is trustee for the General Assembly of the United Reformed Church, and is responsible for reporting its financial affairs.

#### REFERENCE AND ADMINISTRATIVE INFORMATION

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

#### Directors and Trustees

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

<u>Name</u>	<u>Ex officio</u>	<u>Appointed / Resigned</u>
Mr Andrew Atkinson		
Miss Joyce Bain		
Mrs Claudette Binns		
Mrs Margaret Carrick Smith	Clerk of the General Assembly	
Revd Michael Davies		
Mr John Ellis	Honorary Treasurer/ Moderator of the General Assembly	
Mr Alastair Forsyth		
Revd Richard Gray		
Revd David Grosch-Miller	Interim Asst General Secretary	Appointed 9 October 2013
Dr Ian Harrison		Appointed 9 October 2013
Revd Dr Michael Jagessar	Moderator of the General Assembly	
Mr Neil McKenzie		
Mrs Val Morrison	Moderator of the General Assembly	Resigned 31 May 2013
Revd Richard Mortimer	Deputy General Secretary	Resigned 31 May 2013
Dr David Robinson		
Revd Roberta Rominger	General Secretary	
Revd Prof David Thompson (Chairman )		
Dr Brian Woodhall		
Mr John Woodman		
<b>Secretary:</b> Ms Sandi Hallam-Jones		

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

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

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

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

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

Chair: Revd David Bedford

Secretary: Mr Andrew Bottomley

Committee of management (appointed for a renewable term of three years): Revd Anne Bedford, Mr John Ellis, Revd John Humphreys, Mr Malcolm Lindo, Revd Roberta Rominger, Mr Peter West

**Westminster College, Cambridge**

(Registered Charity number 311449)

Convener of Trustees: Revd Nigel Uden

Principal: Revd Neil Thorogood

Trustees: Revd Nigel Appleton, Canon Brian Long, Revd Craig Muir, Revd Kristin Ofstad, Revd Eileen Springett, Dr Jean Stevenson, Revd Fiona Thomas, Revd Prof David Thompson, Mrs Gillian A Thomson, Mr Christopher Wright.

**Others with charity governance responsibilities**

Moderator Elect - Revd David Grosch-Miller

Immediate Past Moderators – Mrs Val Morrison, Revd Dr Kirsty Thorpe

Convener of the Assembly Arrangements Committee – Dr David Robinson

**Mission Council**

The ex officio trustees, the Chair of trustees and the others listed above are members of Mission Council by virtue of the offices that they hold. Other members are the other conveners of the General Assembly Standing committees, FURY advisory board representatives, Synod moderators and three representatives from each Synod. These are listed below, as at December 2013.

Conveners: Revd John Durell, Revd John Humphreys, Revd Tracey Lewis, Revd Tim Meachin, Revd Elizabeth Nash, Revd John R Smith, Revd Elizabeth Welch, Revd Ruth Whitehead.

FURY representatives: Miss Rebecca Whiffen (Moderator), Mr Matthew Barkley, Mr Simon Peters.

Synod moderators and representatives:

- 1 Northern: Revd Lis Mullen, Mr Robert Jones, Mr Danny Pigeon, *vacant*
- 2 North Western: Revd Richard Church, Ms Kath Cross, Miss Judith Haughton, Revd Sarah Moore
- 3 Mersey: Revd Howard Sharp, Mrs Joan Colwell, Mrs Rita Griffiths, Revd Tim Meadows
- 4 Yorkshire: Revd Kevin Watson, Revd Alison Termie, Mrs Jenny Poulter, Mr Chris Reed
- 5 East Midlands: Revd Peter Meek, Revd Jenny Mills, Mr Duncan Smith, Mrs Jill Turner
- 6 West Midlands: Revd Roy Lowes, Revd Jacky Embrey, Mr Andrew Evans, Mrs Margaret Marshall
- 7 Eastern: Revd Paul Whittle, Revd Dr Catherine Ball, Ms Linda Harrison, Mr Clifford Patten
- 8 South Western: Revd Ruth Whitehead, Revd Douglas Burnett, Mr George Faris, Mrs Sarah Lane-Cawte
- 9 Wessex: Revd Clare Downing, Revd Michael Hopkins, Mr Peter Pay, Mr Colin MacBean
- 10 Thames North: Revd Dr Andrew Prasad, Mr Simon Fairnington, Ms Elizabeth Lawson, Revd Edward Sanniez
- 11 Southern: Revd Nicola Furley-Smith, Revd Derrick Dzandu-Hedidor, Revd John Gordon, Mr Alistair Wilson
- 12 Wales: Revd Simon Walkling, Mrs Ruth Henriksen, Revd Shelagh Pollard, Revd Gethin Rhys
- 13 Scotland: Revd John Humphreys, Revd Connie Bonner, Revd Stephen Brown, Ms Morag McLintock

**United Reformed Church Finance Committee**

Convener: Mr John Ellis

Chief Finance Officer: Mr Andrew Grimwade

Revd Kate Gartside, Mrs Elsie Gilliland, Mr Andrew Mackenzie, Mrs Mary Martin, Mr Richard Pryor, Revd Edward Sanniez, Mr Ian Simpson, Revd Richard Turnbull, Revd Prof David Thompson

**Legal Advisers**

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

Veale Wasbrough Vizards LLP  
3 Brindley Place  
Birmingham  
B1 2JB

**Actuaries**

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

**Independent Auditors**

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

**Bankers**

HSBC Bank plc  
Fleet Street Commercial Centre  
165 Fleet Street  
London EC4A 2DY

## TRUSTEES' REPORT CONTINUED

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Trustee

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

#### Church Governance

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

#### Charity Status

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

### OBJECTIVES AND ACTIVITIES

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

- **Public benefit**

Having regard to the guidance published by the Charity Commission, the Trustees continued to provide public benefit by seeking to advance the Christian religion in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. In addition, the Church at General Assembly level acts as an umbrella resource body for the 13 National and Provincial Synods and over 1500 local churches, which are all separate charities.

- **Worship and partnership**

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

The United Reformed Church is a partner in 'Fresh Expressions' with the Methodist Church, the Church of England, and other Free Church participants.

- **Making a difference**

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

- **Subsidiary charities**

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

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

## STRATEGIC REPORT

### Achievements and Performance

Most of the company's activities are carried out through the Councils and committees of the United Reformed Church, and a detailed review of the work and activities of Mission Council and the General Assembly Standing committees is incorporated in the Book of Reports, Resolutions and Papers to General Assembly. General Assembly meets biennially, and the General Assembly in July 2014 will receive reports covering the two year period from July 2012. We report below on that work and on the specific activities of the Trustees as steward of the Charity's assets.

"Living Conversations" was the theme of the United Reformed Church's General Assembly in 2012, and this theme has set the tone for much of the Church's work in 2013. While work on the ground has continued, offering public worship, nurturing faith and discipleship, and reaching out in service to 1500 local communities, those responsible for governance have been engaged in searching discussion of the Church's future and the host of issues challenging its common life. The faith and order committee has played a key role in posing questions about possible future scenarios, taking numerical and demographic trends seriously and asking which distinctive elements of the United Reformed Church's life and witness remain part of God's calling to us. Mission Council, which met twice in 2013, spent much of its time in discernment mode grappling with enormous questions and seeking the guidance of the Spirit.

A medium term strategy group led Mission Council in addressing issues raised in a host of reviews undertaken in the previous two years. Noting that each review group had begun with a focused task and that each had identified larger issues requiring attention, the group gave oversight to a process by which the big questions were allocated to the appropriate committees and task groups. In Mission Council they enabled discussion on the role and shape of the synods, synod administration, revisions to the practice of inter-synod resource sharing, and the role of the synod moderator.

Mission Council also approved a restructuring of the general secretariat to offer improved oversight and management at Church House. New job descriptions were agreed for the general secretary and three deputy general secretaries. The new deputy general secretaries will be heads of department for the areas of mission, discipleship, and administration and resources, encompassing the full range of Assembly work, and the new team should be in post by September 2014. The 'discipleship department' is a new entity comprising education and learning, ministries, church related community work, children's and youth work, and safeguarding. The name makes explicit the support of the Assembly for the spiritual nurture and support of all members of the Church, whatever their age or calling.

Mission Council welcomed the news that the Synod of Scotland and the four northern English synods (Mersey, North Western, Northern and Yorkshire) were engaged in conversations about how they might collaborate across their boundaries, sharing resources of people, programmes and support services. A new task group was appointed to consider the relationship of the national synods of Scotland and Wales to the wider United

## TRUSTEES' REPORT CONTINUED

Reformed Church, in particular clarifying what it means for the national synods to 'speak and act in the name of the United Reformed Church' within their nations.

Since the 2012 Assembly decision to permit local churches to conduct civil partnership ceremonies, seven churches have registered their buildings for this purpose. A human sexuality task group has been working to prepare for discussion of same-sex marriage at the 2014 Assembly.

### Committee work

#### Children's and Youth Work

The children's and youth work department was reorganised in 2013 and work began on a wide-ranging review of current needs and programmes. The Fellowship of United Reformed Youth (FURY) changed the name of its annual meeting to "Youth Assembly" and succeeded in engaging wider participation from young people across the Church. The Child Friendly Church Award scheme continues to flourish, with 13 new churches participating and 14 renewing their awards. Discussion on the employment status of the children's and youth development officers (CYDOs) led to a decision that they should be employed by the synods and that the Assembly programme of children's and youth development should continue through the participation of the CYDOs in a network supported by the committee and the staff at Church House. The CYDOs undertake research into a range of issues in contemporary children's and youth work to inform the Church's discussions and decisions. Their work, together with other resources, is available on a newly developed section of the URC website.

#### Communications and Editorial

Reform magazine welcomed a new editor in 2013, Dr Steve Tomkins, and underwent a major redesign. Together with the URC website, also significantly developed in 2013, it continues to provide challenge, inspiration and information to the Church.

With support from the URC legacy fund, six media training days were held. Three of these were offered to equip senior church leaders to be confident in their public relations and three took place in synods for the benefit of the local churches.

#### Education and Learning

The education and learning committee brought discussion topics to Mission Council including student fees, mandatory 'safer sacred space' training, and progress on the major review entitled *The Learning Church - The Next Chapter*.

The committee is also responsible for oversight of the four resource centres for learning:

- Northern College Manchester has continued to develop as a centre for learning in an ecumenical and multi-ethnic environment. Ecumenical collaboration suffered a setback in Manchester with the withdrawal of the Methodist Church from ministry training there and the URC's withdrawal from the Southern North-West training partnership. However, the Open College, a Luther King House partner, welcomes students from many denominations and cultures. A new partner, the Urban Theology Unit (Sheffield), has joined the Luther King House family. New relationships have also been forged with Black and minority ethnic congregations in Manchester. Northern College's academic qualifications are now validated through Manchester University rather than Chester University.
- The Scottish United Reformed and Congregational College noted that for the first time in its 200 year history a majority of its matriculated students came from south of the border. However, it continues to serve as the 'training officer' for the Synod of Scotland, aware of the importance of providing opportunities for reflection in a time of national as well as church-related change.
- The 2010 Assembly launched an appeal for £7 million for the refurbishment of Westminster College, Cambridge. By the end of 2013, £6.7 million had been received, an outstanding result. Building works commenced in the summer of 2013 and the College was able to resume operation in the partially refurbished premises in the autumn. In the meantime, a new partnership has been developing between the College and the Woolf Institute for the study of Jewish, Christian and Muslim relations. The College appointed a new Principal, the Revd Neil Thorogood.
- The Windermere Centre has sought to be imaginative and courageous in addressing financial challenges resulting in part from the cuts in the central URC budget. A new marketing strategy has resulted in 11.5 new course users per month and an increase in return visits from previous participants. Its programme offers a wide menu of learning opportunities through short courses, many of which relate to the vision2020 mission framework, retreats and recreation.



In 2013 there were 45 students in training for the ministry of Word and sacraments and church related community work and many hundreds involved in other learning activities.

Training for Learning and Serving (TLS) is the URC's course for equipping lay leaders. Although numbers have been down in its foundation course, some of the one-year supplementary courses have flourished, significantly the Developing Community Experiences course, which has run for the first time in five years and has an enthusiastic cohort of students and tutors. In 2013 11 TLS students graduated with Chester University foundation degrees in contextual theology.

A residential meeting took place in July 2013 bringing together synod training and development officers, mission enablers, children's and youth development workers, and tutors from the resource centres for learning, in an endeavour to create a cooperative network out of these various groups with their separate responsibilities. It was agreed that a further meeting should take place in 2015.

### **Equalities**

The committee called Mission Council's attention to the lack of women, young people and minority groups on various URC committees and groups, in particular the URC Trust and pension fund trust. Mission Council pledged itself to ensuring that this situation would be rectified as new trustees were appointed. The synods were urged to take similar action. The committee continues to produce resource materials for churches and synods and has undertaken a new piece of work to develop women's leadership skills and confidence. It has also initiated a discussion on 'inclusive and expansive language', encouraging members to consider images which speak positively to all people within the diverse community of the Church.

### **Ministries**

The committee is concerned with the specific recognised ministries which provide leadership for the church, including church related community work, eldership, lay preaching and the ministry of Word and sacraments, but also recognises that each of these has a duty to enable discipleship in others. Work in 2013 has focussed on encouraging and equipping elders and, with the faith and order committee, exploring the possibility of locally ordained ministry as a new order in the Church.

There were 14 church related community workers in accredited 'churches in community' across the Church in 2013. Significant energy was devoted to raising the profile of this ministry, with the result that three new candidates were accepted for training.

Special category ministry posts are authorised for areas of new work beyond the typical work of ministers in local churches. In 2013 posts were approved for Oldham town centre, Salford, Chorlton and Whalley Range, Saltaire, and Brighton. West Midlands Synod was successful in recruiting a synod evangelist.

### **Mission**

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

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

In July 2013 the committee delivered a conference on church growth which was attended by 60 people from across the synods. Through workshops and case studies the participants shared ideas and experiences. This interchange has since continued through a lively Facebook group and a follow-up event is planned.

The committee also undertook a consultation exercise around a proposal for an evangelism project which would be funded by the Council for World Mission's mission support programme. The proposal was withdrawn for further work.

The URC deepened its involvement in the Fresh Expressions movement, turning from the mapping of existing projects to advocacy through the offering of vision workshops and training opportunities. The integration of Fresh Expressions training into the work of the URC resource centres for learning is well underway.

The URC was in the headlines at Easter 2013, together with Methodist, Baptist and Church of Scotland partners, because of the timely publication of a report entitled, *The lies we tell ourselves: ending comfortable myths about poverty*. Scrupulously researched, this report challenged public rhetoric about the poor and provoked a strong response from the Government. It continues to be a resource for local study and action. This was one of five priorities set by the Joint Public Issues Team (Methodist, Baptist, URC) for its work in 2013. The others were:

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- helping people understand that politics is part of being a Christian disciple;
- rooting a concern for public issues more deeply in local churches;
- helping the Churches and local people speak into national debates;
- building wider coalitions, partnerships and capacity.

World church engagement took place through synod visits to Botswana, India, Malawi, Mozambique and Zimbabwe, with return visits from colleagues in Jamaica, Madagascar and Mozambique. The general secretaries of "united and uniting" churches in the USA, Canada, Australia and the UK met and shared strategies for Christian vitality and confidence in challenging secularised contexts.

Representatives from the United Reformed Church attended the General Assembly of the World Council of Churches in Busan, South Korea, in November. URC ministers contributed to some of the key documents produced by the Council in 2013 and work is underway to enable local churches to engage productively with these important papers.

The world church also thrives within the United Reformed Church itself. A multicultural celebration was held in September 2013 with the theme, *Gifted! A time of plenty*. Four hundred people met in Birmingham for a day of worship, music, dance, art, food and other intercultural exchange. This has become a biennial event drawing people from across the Church in one of the highlights of the year.

Commitment for Life continued to raise the profile of Christian Aid within the United Reformed Church, raising £428k for projects in Zimbabwe, Palestine and Bangladesh, as well as other world development work. A fourth project in Jamaica was discontinued and work began to develop a new link with a project in Central America. With Christian Aid, the URC was an active participant in the IF campaign with its focus on addressing the scandal of world hunger.

Terms of reference were agreed for faith and order conversations between the Methodist Church and the United Reformed Church with the aim of addressing the differences in culture, procedure and practice that inhibit life in the more than 300 local ecumenical partnerships with Methodist/URC participation. Oversight of these conversations will lie with the existing Methodist/URC liaison group. A strategic oversight group comprising senior officers of the URC Assembly and the Methodist Conference continues to monitor progress on joint working between the two Churches including a joint property strategy group established to encourage local churches in adapting their buildings for effective mission. The two Churches share a rural officer who in 2013 gave oversight to the successful piloting of a two-year course called *Creative leadership in rural churches*.

The United Reformed Church has been a participant in discussion of covenant proposals towards a Uniting Church in Wales. Conversations also continue with the Church of England, building on the 2012 service for the healing of memories, and the Roman Catholic Church.

### Safeguarding

Work continued on the production of new guidance materials on the safeguarding of children and adults in need of protection. A new safeguarding officer was appointed, employed jointly by the URC and the Baptist Union and supported by a reconstituted safeguarding reference group which includes staff from the ministries and children's and youth work departments. The two departments have also been working together to implement the new system of Disclosure and Barring Service checks, incorporating the work of the Criminal Records Bureau and the Independent Safeguarding Authority.

### Resourcing Our Work

All the above must be set in the context of our resources, which have been managed through a period of economic recession and partial recovery. Detail of the latest year is given in the financial review below, but we have also to consider broader trends. Recently these have been mixed:

- Giving to central funds from our local churches, which had remained largely stable until 2010, has developed a downward trend, which averages around 1% per annum;
- Investment values have recovered further, while income has grown slowly;
- Changes in the macro-economic environment affect the valuation of the Ministers' Pension Fund. Last year we reported a small reduction in the fund deficit at the 2012 actuarial valuation, allowing a modest reduction in contributions for the next three years, and a phasing out of extra Synod support. This improvement was partly the result of an increase to the age for drawing pension and other benefit changes; indications are of further positive progress in 2013. The Church's other pension scheme, mainly for lay staff, is now undergoing review.

- The 2012 review of expenditure in all areas other than stipends was implemented in the budget for 2013, and the savings agreed were fully achieved. Work has continued to identify and achieve further longer term savings.

## **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 with the agreement of the Trustees has further consolidated the Trust's investments during 2013 with a single fund manager, CCLA, whose performance and governance it considers to fit best with the Church's policy. It monitors the performance of the investments throughout the year and considers it to be satisfactory.

### **Properties**

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

The Trust received an invitation from the Baptist Union for the United Reformed Church to consider sharing their office premises in Didcot. After preliminary consideration this option was not pursued. However, this led to consideration of possibilities for the redevelopment of United Reformed Church House (86 Tavistock Place, London) to make it better fit for purpose and to create space for rent-paying tenants. The Trust has reviewed initial architects' proposals and commissioned a detailed feasibility study.

Other actions during the period include:

- Approval as freeholder of the development contract of Westminster College and oversight of the continuing works.
- Approval of an Agreement to Lease part of the Westminster College site to the Woolf Institute.
- Significant progress in discussions towards agreeing a lease of most of the Yardley Hastings centre.
- Ongoing negotiations with the regeneration agency One Church 100 Uses.

### **Risk Management**

The trustees undertake an ongoing and annual review of risks with the full co-operation of all areas of the Church affected. Those areas with the highest risk have received most attention and steps have been taken to minimise our exposure and to have effective systems in place where needed. It is satisfied that proper controls are in place for monitoring and mitigating these risks. The main risks the Church and the charitable company face can be categorised as:

- Governance risks
- External risks
- Financial risks
- Operational risks
- Compliance with laws and regulations.

The trustees have focussed attention on those risks identified in their review as being both serious and likely to arise. They have therefore ensured that the downward trend in income has been matched by cost savings, while seeking to maintain sufficient ministry for the needs of the Church as a whole. Other work on future directions in resourcing, accountability and governance is referred to below.

### **Future Developments**

We have outlined above the Vision2020 framework, and the associated programmes now under way, which seek to set a course for our church life and aims for growth.

The Faith and Order Committee is leading challenging discussions about the future of the Church in the context of faith in a living God. The 2014 General Assembly will consider how the Church best adapts to current

## TRUSTEES' REPORT CONTINUED

challenges not least in using traditional sources of strength like the Church Meeting in relevant contemporary ways. Looking outwards, the United Reformed Church will be appraising afresh its relationships with other Churches.

Beyond the explicitly Christian community, the Assembly will also be considering how the United Reformed Church draws on its distinctive history to contribute to the national centenary commemorations of the First World War. In line with its commitment to social justice, the Church will continue its discussions with Government about the impact of its welfare policies, noting the growth of, for example, food banks in many parts of the country, usually with the Churches crucial to the local organisation.

Complementing this is work on the way the Church uses its resources over the medium to long-term. A feasibility study will be undertaken on the possible refurbishment and reconfiguration of Church House in London. The Medium Term Strategy Group is guiding a project to consider the best forms in which to provide oversight and accountability of the Church's work, not least in considering how often the General Assembly and Assembly Committees should meet and how they are best resourced.

As part of the planned development programme at Westminster College, it is hoped that during 2014 one end of the buildings will be ready to be occupied under a long lease by the Henry Martyn Centre. The Centre focuses on world mission studies and so complements the work of the College.

### 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. They also include the operations of the United Reformed Church Retired Ministers' Housing Society Limited (RMHS), which is an exempt charity providing housing and any associated amenities for persons who are retired ministers or widow/ers of ministers of the United Reformed Church. The Balance Sheet also reports separately the assets and liabilities of the Trust, excluding the College and RMHS, and details are given of the funds, incoming and outgoing resources and assets of the College and RMHS as subsidiary charities.

The Finance Committee of the Church is responsible for the general financial oversight of funds administered for the benefit of the United Reformed Church, its long-term financial planning, and the preparation and control of its budget under the authority of Mission Council and the trustees. The Committee ensures that proper procedures are in place for the maintenance of accounting records, controlling and monitoring the budgetary process, and the preparation of financial statements in compliance with applicable United Kingdom law and accounting standards. To this end the Committee expects to meet 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 17 shows the disposition of the various charity funds totalling £50,308k as at 31 December 2013 (2012: £42,892k). The term "reserves" describes that part of a charity's income funds that is freely available.

The unrestricted fund net assets readily available are £11,322k. This represents a little over six months of unrestricted fund expenditure, a small increase from 2012.

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

### Grant making

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

## 2013 Financial Results

The results for 2013 are set out in more detail in the Consolidated Statement of Financial Activities on page 16. This shows that there was, overall, an increase in funds in the year of £7,416k. The following table shows the breakdown of this increase compared with the decrease for the previous year:

	<b>2013</b>	2012
	<b>£000</b>	£000
Voluntary income:		
Ministry and Mission Fund contributions	<b>19,839</b>	20,231
Donations, grants and legacies	<b>3,251</b>	3,751
Investment income	<b>1,375</b>	1,376
Income from charitable activities	<b>1,405</b>	1,559
Other incoming resources	<b>1,416</b>	3,037
Total incoming resources	<b>27,286</b>	29,954
Resources expended:		
Charitable activities	<b>24,334</b>	25,456
Governance costs	<b>304</b>	682
Other	<b>20</b>	-
Net incoming resources	<b>2,628</b>	3,816
Gains(losses) on investment assets	<b>3,638</b>	2,235
Actuarial gain(loss) on pension scheme	<b>1,150</b>	(7,552)
	<b>7,416</b>	(1,501)

### Ministry and Mission Fund contributions

The pie chart on page 11 gives a visual picture, showing that 88% of our unrestricted income comes from Ministry and Mission Fund contributions, which totalled a little under £20million and in which most Synods matched the amount pledged. We are very grateful for the faithful and regular giving that this represents, enabling us to support ministry and mission across our three nations, and the major way in which we fund, in partnership, all our work for the kingdom of God. A change of accounting practice resulted in an additional one-off sum of about £280k being reported in 2012. The pie chart on page 12 shows visually that 92% of our unrestricted expenditure, totalling £20,010k, is used to provide the financial resources to train, equip and provide ministry.

### Donations, grants and legacies

We are very grateful for regular grants from a number of trusts, detailed in note 2(b) to the financial statements, as well as for many other donations; in particular, the contributions totalling £659k from Synods towards the costs of funding the Ministers' Pension Fund. Donations to the Westminster College Development Appeal received in the year totalled £1,326k. Our retired ministers' housing funds received donations from Synods, trusts, churches and individuals totalling £153k. Commitment for Life donations from churches and individuals rose slightly compared with 2012. Legacies bequeathed for general purposes have, since 2007, been held in a separate designated Legacy Fund, available for projects not covered by regular budgets. The balance in this fund is now £1,005k and allocations and grants totalled £171k in 2013.

### Investment income

Total investment income was little changed from 2012. Trust funds invested in equity-based pooled funds saw some modest dividend growth, while interest on cash deposits was reduced even further.

### Income from charitable activities

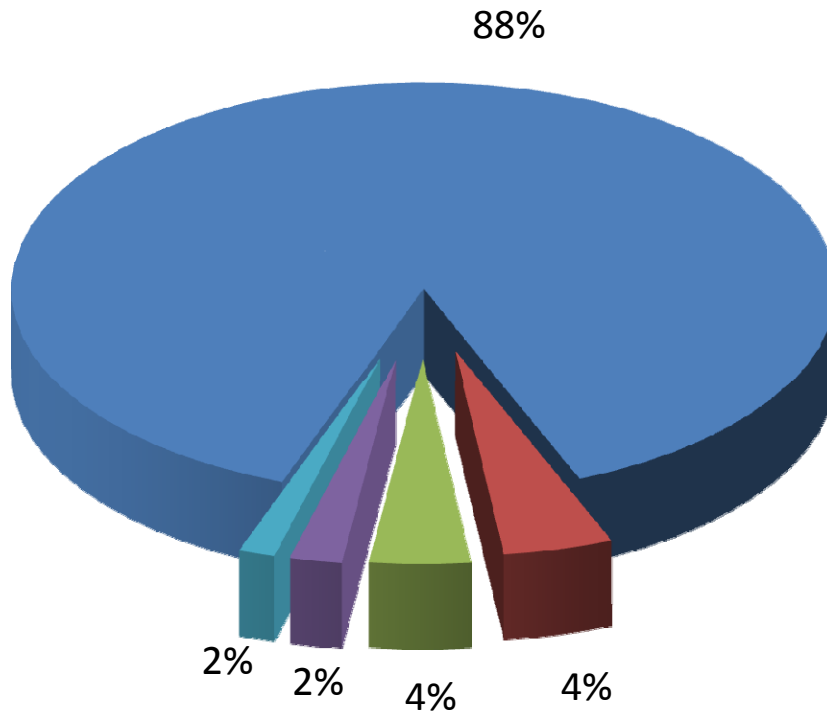
This income includes rental income from retired ministers' housing properties, the accommodation, catering and fee income of Westminster College and the Windermere Centre, as well as sales of publications and subscriptions to Reform magazine. The decline compared with 2012 relates to the period when Westminster College was closed for redevelopment works.

### Other incoming resources

This represents mainly net gains from selling retired ministers' housing properties when they fall vacant, the proceeds of which are used to acquire properties for retiring ministers or sometimes for rehousing them in later years. In 2013 14 properties were bought and 15 were sold, with cash inflows and outflows both close to £2million.

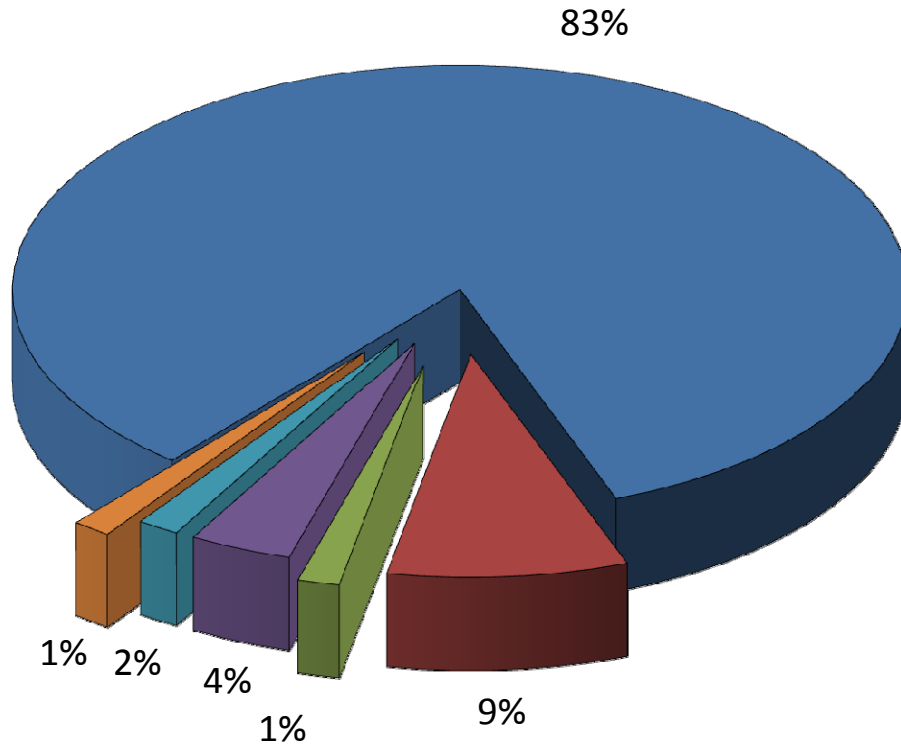
TRUSTEES' REPORT CONTINUED

**Unrestricted Income - £22.5m  
Year ended 31 December 2013**



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

### Unrestricted Expenditure - £21.8m Year ended 31 December 2013



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

## TRUSTEES' REPORT CONTINUED

### Resources expended – Charitable activities

These costs are analysed in note 5 on page 22, and include a share of support costs.

Ministry: £19,208k. The maintenance of ministry is the most important charge on the Church's resources. This sum pays for the stipends, social security and pension costs of over 500 stipendiary ministers and CRCWs, and includes all costs of the Synod Moderators. In 2013 the cost of ministry fell, mainly as a result of the number of retirements of stipendiary ministers and of reduced pension deficit contributions. The total also includes costs relating to retired ministers, of supplementing pensions and maintaining housing, which vary little each year.

Education and Learning: £3,021k. The considerable commitment of resources to training ministers has continued. This sum includes our support for our Resource Centres for Learning, which reflects their wider role in providing learning opportunities for the whole Church, as well as direct support of those training for ministry. Other costs relate to ongoing ministerial training and TLS and other lay training. It includes the total operating costs of the Windermere Centre and Westminster College; for the latter this is boosted by certain preparatory or incidental costs of its development programme.

Youth and Children's Work: £329k. The new staffing structure is now in place, and the results of the programme review will be implemented in 2014. Core activities have continued during the review.

Mission Programmes: £1,446k. The Mission Committee and team continue to progress longer-term strategies, including the Vision2020 grants programme for projects at home and abroad. Commitment for Life grants were down 17% owing to the completion of funding from a large legacy.

Publishing: £330k. The costs of publishing Reform magazine have continued to be tightly controlled while maintaining its quality. In-house publishing has been limited and the website has been further improved.

### Resources expended – Governance

Governance costs are analysed in note 7 on page 23. They include the costs of the General Assembly and Mission Council, their advisory and task groups and of the Trustee body and certain committees, together with the charges of our professional advisers and trustee indemnity insurance. A biennial General Assembly means that these costs are much lower in non-Assembly years such as 2013.

### Gains (losses) on investment assets

The change in investment values from the beginning to end of the year, broken down by fund is shown in the Summary of Fund Movements in note 19. Equity markets rose further during 2013, with signs of economic recovery and the easing of the European debt crisis. Investment gains and losses over time are shown in the five year summary on page 35.

### Actuarial gains (losses) on pension obligations

We are required to take full account of actuarial gains and losses arising each year in the United Reformed Church Ministers' Pension Fund. In 2013 rises in investment values were largely offset by an increase in the actuarial cost of securing pensions under the prescribed formula; this resulted in a modest decrease in the reserves required, and a net actuarial gain for the year of £1.1m. More details are given in note 21 to the financial statements on page 31. The Church was able to respond to the slightly reduced deficit shown in the latest triennial valuation of the Fund with some reduction in contributions. The wider Church in turn, in the form of the Synods, continues funding at a reduced level until 2015.



## **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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements: and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

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

## **CONCLUSION**

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

Signed on behalf of the trustees

**Revd Prof David Thompson**

**Chair**

14 May 2014

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

We have audited the financial statements of United Reformed Church Trust for the year ended 31 December 2013 which comprise the consolidated statement of financial activities, the consolidated and trust balance sheets, the consolidated cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the trust's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we may state to the trust's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the trust's members as a body for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

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

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the group's and of the trust's affairs as at 31 December 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Alistair Fraser (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Times House, Throwley Way, Sutton, Surrey, SM1 4JQ  
Date: 14 May 2014

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

Incoming resources	Note	--- Income funds ---		--- Capital funds ---		2013	2012
		Unrestricted £'000	Restricted £'000	Unrestricted £'000	Restricted £'000	Total funds £'000	Total funds £'000
<b>Incoming resources from generated funds</b>							
<b>Voluntary Income</b>							
Ministry and Mission Fund contributions	2(a)	19,839	-	-	-	19,839	20,231
Grants receivable	2(b)	60	50	-	-	110	132
Legacies		237	297	-	-	534	438
Commitment for Life donations		-	428	-	-	428	412
Other donations	2(c)	672	1,501	-	6	2,179	2,769
		969	2,276	-	6	3,251	3,751
<b>Investment income</b>	3	887	488	-	-	1,375	1,376
<b>Incoming resources from charitable activities</b>							
Ministry	4	1	579	-	-	580	560
Education and Learning		225	364	-	-	589	743
Children's and Youth work		10	-	-	-	10	11
Mission programmes		1	-	-	-	1	16
Publishing		225	-	-	-	225	229
		462	943	-	-	1,405	1,559
<b>Other incoming resources</b>							
Gains on sale of properties		201	1,082	-	-	1,283	1,664
Gains on sale of assets		-	7	-	-	7	1,201
Other income		121	5	-	-	126	172
		322	1,094	-	-	1,416	3,037
<i>Total incoming resources</i>		<b>22,479</b>	<b>4,801</b>	-	<b>6</b>	<b>27,286</b>	<b>29,954</b>
<b>Resources expended</b>							
<b>Charitable activities</b>							
Ministry	5	18,120	1,088	-	-	19,208	19,944
Education and Learning		1,890	1,131	-	-	3,021	3,210
Children's and Youth work		329	-	-	-	329	389
Mission programmes		807	639	-	-	1,446	1,558
Publishing		330	-	-	-	330	355
		21,476	2,858	-	-	24,334	25,456
<b>Governance costs</b>	7	302	2	-	-	304	682
Other resources expended		-	-	-	20	20	-
<i>Total resources expended</i>		<b>21,778</b>	<b>2,860</b>	-	<b>20</b>	<b>24,658</b>	<b>26,138</b>
<i>Net incoming resources before transfers</i>		<b>701</b>	<b>1,941</b>	<b>0</b>	<b>(14)</b>	<b>2,628</b>	<b>3,816</b>
<b>Transfers</b>		(392)	1,392	(1,000)	-	-	0
<i>Net incoming(outgoing) resources before other recognised gains and losses</i>		<b>309</b>	<b>3,333</b>	<b>(1,000)</b>	<b>(14)</b>	<b>2,628</b>	<b>3,816</b>
<b>Gains(losses) on investment assets</b>		586	946	1,613	493	3,638	2,235
<b>Actuarial (losses)gains on defined benefit pension scheme</b>	21	1,150	-	-	-	1,150	(7,552)
<i>Net movement in funds</i>		<b>2,045</b>	<b>4,279</b>	<b>613</b>	<b>479</b>	<b>7,416</b>	<b>(1,501)</b>
<b>Reconciliation of Funds</b>							
Total funds brought forward at 1 January		(15,760)	38,268	15,489	4,895	42,892	44,393
<b>Total funds carried forward at 31 December</b>		<b>(13,715)</b>	<b>42,547</b>	<b>16,102</b>	<b>5,374</b>	<b>50,308</b>	<b>42,892</b>

All amounts relate to continuing operations.

There is no material difference between the net incoming(outgoing) resources stated above and their historical costs 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 26.

The notes on pages 19 to 34 form an integral part of these financial statements.

**CONSOLIDATED AND TRUST BALANCE SHEETS AS AT 31 DECEMBER 2013**

	<i>Consolidated</i>	<i>Consolidated</i>	<i>Trust</i>	<i>Trust</i>
Note	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
<b>Fixed assets</b>				
Tangible assets				
11				
Houses for retired ministers	37,655	36,574	950	1,079
Houses for serving ministers	4,971	5,655	4,971	5,655
Other properties	6,310	2,674	1,991	1,991
Total properties	48,936	44,903	7,912	8,725
Cars and equipment	286	186	98	109
	49,222	45,089	8,010	8,834
Investments and loans				
Investments	33,527	29,896	32,647	29,113
Programme-related investments	221	214	221	214
Loans	64	68	8,507	8,222
	83,034	75,267	49,385	46,383
<b>Current assets</b>				
Stocks and work in progress	1	20	1	20
Debtors	1,324	2,186	3,735	4,487
Cash at bank and in hand	7,758	8,087	6,026	5,476
	9,083	10,293	9,762	9,983
<b>Creditors: amounts falling due within one year</b>	(1,516)	(1,360)	(1,154)	(1,257)
Net current assets	7,567	8,933	8,608	8,726
Total assets less current liabilities	90,601	84,200	57,993	55,109
Defined benefit pension scheme liability	(36,233)	(37,248)	(36,233)	(37,248)
Other pension obligations	(4,060)	(4,060)	(4,060)	(4,060)
<b>Net assets including pension liability</b>	50,308	42,892	17,700	13,801
<b>Unrestricted income funds</b>				
General reserves	20,875	20,740	20,875	20,740
Revaluation reserve	1,643	748	1,643	748
Total unrestricted income funds before pension reserve	22,518	21,488	22,518	21,488
Pension reserve	(36,233)	(37,248)	(36,233)	(37,248)
<b>Restricted income funds</b>	42,547	38,268	10,817	9,994
<b>Capital funds</b>	21,476	20,384	20,598	19,567
<b>TOTAL CHARITY FUNDS</b>	17&18 50,308	42,892	17,700	13,801

Approved by the Trustees on 14 May 2014 and signed on their behalf by:

Revd Prof David Thompson  
Chair

Mr John Ellis  
Treasurer

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

The notes on pages 19 to 34 form an integral part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of net incoming resources shown in the Statement of Financial Activities to the actual cash inflow/(outflow) from general activities</b>		
Net incoming resources before other recognised gains and losses (see page 16)	2,628	3,816
Decrease/ (increase) in stocks	19	(5)
Decrease/(increase) in debtors	862	(426)
Increase in creditors	105	99
Increase/(decrease) in sums held for Synods and congregations	51	(389)
Profit on sale of tangible fixed assets	(1,291)	(1,665)
Depreciation and impairment	54	64
Other investment income	(1,375)	(1,376)
Donations of properties received	(11)	-
Cash endowment received	(6)	(18)
Difference between pension contributions and actuarial cost	135	201
<b>Net cash inflow/(outflow) from general activities</b>	<b>1,170</b>	<b>301</b>

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**CASH FLOW STATEMENT**

<b>Net cash inflow/(outflow) from general activities (above)</b>	1,170	301
<b>Returns on investments and servicing of finance</b>		
Dividends and other investment income received	1,374	1,374
Other interest	1	2
	1,375	1,376
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(6,106)	(3,128)
Receipts from sales of tangible fixed assets	3,221	3,087
Payments to acquire fixed asset investments	(11,756)	(174)
Receipts from sales of fixed asset investments	11,755	175
Loans and advances made to congregations and ministers	(33)	(19)
Loans repaid by congregations and ministers	38	41
	(2,880)	(18)
<b>Financing</b>		
Addition to capital endowment	6	18
	6	18
<b>Increase (decrease) in Cash (note 24)</b>	<b>(329)</b>	<b>1,677</b>

The notes on pages 19 to 34 form an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 1 ACCOUNTING POLICIES**

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the inclusion of listed investments at market value, and in accordance with the Companies Act 2006, the Charities: Statement of Recommended Practice (revised 2005) and applicable accounting standards in the United Kingdom. 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 particular 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”) 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 Industrial and Provident Societies Act 1965. 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 17 to 20.

**(iii) Donations and legacies**

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

**(iv) Grants**

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

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

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

**(vi) Gains and losses on investments**

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

**(vii) Resources expended**

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Any irrecoverable VAT is included with the costs to which it relates. Directly attributable costs are allocated to the main charitable activities or to its governance; details are shown in notes 5 to 7. Governance costs include the costs of the central councils of the Church and costs of audit, legal advice and the meetings of Trustees. The support costs included in note 8 relate to the whole of the charity’s activities and a proportion of these costs is allocated to expenditure headings on a basis that is consistent with the use of the resources.

**NOTE 1 (continued)****(viii) Taxation**

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

**(ix) Pensions**

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

Under FRS 17 – 'Retirement benefits', the amounts charged to expenditure are the current service costs, which are included under Ministry costs. The interest cost and the expected return on assets are shown as a net charge or credit within Ministry costs. Actuarial gains and losses are recognised immediately and disclosed in the Statement of Financial Activities.

Pension scheme assets 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.

The United Reformed Church Final Salary Scheme, a multi-employer defined benefit scheme where the Trust is unable to identify its share of the underlying assets and liabilities, is treated as a defined contribution scheme; the amount charged in respect of pension costs is the contributions payable in the year, which is included within the appropriate expenditure heading in the Statement of Financial Activities.

**(x) Tangible fixed assets**

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

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

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

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

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

Other tangible assets in regular use, principally book collections acquired by or donated to Westminster College over the period since its foundation, are not included in the Balance Sheet, since to obtain a reliable valuation is not practicable. Further details are given in note 11.

**(xi) Heritage assets**

Westminster College owns certain manuscripts and artefacts that are not in regular use, but are held for their historical or artistic qualities. They were largely acquired by the founders and donated to the College at or soon after its foundation. No formal valuations have been obtained for these assets as the cost of obtaining such valuations would outweigh the benefit. As a result these assets are not included on the Balance Sheet, nor are the assets of the United Reformed Church History Society (see note 11(c)) for the same reasons.

**(xii) Operating leases**

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

**(xiii) Investments**

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED****(xiv) Stocks**

Stocks, which consist mainly of publications, are stated at the lower of cost and net realisable value after making allowance for obsolete or slow moving items.

**NOTE 2 VOLUNTARY INCOME****(a) Ministry and Mission Fund Contributions**

<b>Synods</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Northern	1,000	996
North Western	2,027	2,091
Mersey	1,158	1,191
Yorkshire	1,153	1,226
East Midlands	1,150	1,192
West Midlands	1,691	1,652
Eastern	1,851	1,803
South Western	1,458	1,481
Wessex	1,972	1,984
Thames North	2,267	2,191
Southern	2,771	2,993
Wales	594	683
Scotland	747	748
	<u>19,839</u>	<u>20,231</u>

**(b) Grants Receivable**

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

**Congregational Memorial Hall Trust** - £60k (2012: £60k). 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.

**The Cheshunt Foundation** - £50k (2012: £51k). The foundation, which is an independent Trust not reporting to the United Reformed Church, supports Westminster College by paying the stipend and expenses of one of the lecturers, by contributing to the college budget, by student bursaries and by providing financial support for ministers taking sabbatical leave.

**(c) Donations**

Other donations include £1,326k (2012: £1,476k) received by Westminster College towards its Development Appeal, and £659k (2012: £1,051k) received from Synods towards pension fund deficit contributions.

**NOTE 3 INVESTMENT INCOME**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Unitised funds	1,307	1,297
Unlisted securities	1	2
Interest on short-term investment and bank deposits	67	77
	<u>1,375</u>	<u>1,376</u>

**NOTE 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

These comprise:

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Retired Ministers' Housing rents	555	558
Westminster College - accommodation, conferences, catering and fees	364	511
Windermere Centre - accommodation, catering and courses	218	232
Publication and resource sales	67	94
Reform magazine - subscriptions and advertising	147	135
Other programmes - fees, grants and sales	54	29
	<u>1,405</u>	<u>1,559</u>



**NOTE 5 ANALYSIS OF EXPENDITURE**

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

	<b>Direct programme expenditure £'000</b>	<b>Grant funding (note 6) £'000</b>	<b>Support costs (note 8) £'000</b>	<b>2013 Total £'000</b>	<b>2012 Total £'000</b>
<b>Ministry</b>	17,021	818	1,369	19,208	19,944
<b>Education and Learning</b>	2,220	575	226	3,021	3,210
<b>Children's and Youth work</b>	261	28	40	329	389
<b>Mission programmes</b>	608	708	130	1,446	1,558
<b>Publishing</b>	291	-	39	330	355
	<b>20,401</b>	<b>2,129</b>	<b>1,804</b>	<b>24,334</b>	<b>25,456</b>

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

	<b>Direct programme expenditure £'000</b>	<b>Grant funding £'000</b>	<b>2013 Total £'000</b>	<b>2012 Total £'000</b>
<b>Ministry</b>				
Local and special ministries and CRCWs	15,572	368	15,940	16,716
Synod moderators - stipends and expenses	694	-	694	591
Pension grants	-	444	444	458
Retired ministers' housing	493	-	493	549
Ministries committee	262	6	268	312
	<b>17,021</b>	<b>818</b>	<b>17,839</b>	<b>18,626</b>
<b>Education and Learning</b>				
Initial training for ministry	742	573	1,315	1,261
Ongoing training for ministry	132	2	134	157
Lay training	163	-	163	161
Resource Centres support	455	-	455	538
Westminster College development	210	-	210	359
Windermere Centre programme	359	-	359	354
Education and Learning committee	159	-	159	157
	<b>2,220</b>	<b>575</b>	<b>2,795</b>	<b>2,987</b>
<b>Children's and Youth work</b>				
Staff costs	207	-	207	243
Resources and programme – youth & children	43	28	71	88
Resources and programme – Pilots development	11	-	11	15
	<b>261</b>	<b>28</b>	<b>289</b>	<b>346</b>
<b>Mission programmes</b>				
Grants to local churches	-	131	131	75
Ecumenical and international programmes	103	166	269	312
Commitment for Life programme	71	376	447	524
Other programmes	63	35	98	126
Mission committee	371	-	371	393
	<b>608</b>	<b>708</b>	<b>1,316</b>	<b>1,430</b>
<b>Publishing</b>				
Reform magazine	233	-	233	216
Publications and resources	58	-	58	101
	<b>291</b>	<b>-</b>	<b>291</b>	<b>317</b>
<b>Total</b>	<b>20,191</b>	<b>2,129</b>	<b>22,320</b>	<b>23,706</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## NOTE 6 ANALYSIS OF GRANTS

	Grants to individuals £'000	Grants to institutions £'000	2013 Total £'000	2012 Total £'000
Pension grants	444	-	444	458
Welfare and other ministry grants	326	4	330	314
Student maintenance and training	575	-	575	518
Local churches - mission and facilities	-	131	131	75
Chaplaincies	-	44	44	47
Ecumenical church bodies	-	97	97	152
Commitment for Life programme	-	376	376	451
Other programmes	6	126	132	117
	<u>1,351</u>	<u>778</u>	<u>2,129</u>	<u>2,132</u>

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

<u>Organisation</u>	<u>Type</u>	<u>2013</u> <u>£'000</u>	<u>2012</u> <u>£'000</u>
Christian Aid	Commitment for Life	321	388
World Development Movement	Commitment for Life	43	52
Council for World Mission	Ecumenical	25	50

## NOTE 7 GOVERNANCE COSTS

Governance costs consisted of the following direct and indirect costs:

	<u>2013</u> <u>£'000</u>	<u>2012</u> <u>£'000</u>
General Assembly	15	282
Mission Council and its advisory and task groups	48	62
Auditors' remuneration	40	48
Legal and professional fees	103	181
Other governance costs	71	61
Support costs	27	48
	<u>304</u>	<u>682</u>

General Assembly takes place on a biennial basis, and its costs are accounted for in the relevant year.

## NOTE 8 SUPPORT COSTS

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

	Premises costs £'000	Computer costs £'000	Staff and office costs £'000	2013 Total £'000	2012 Total £'000
Basis of apportionment	Area	Staff	Actual costs		
<b>Charitable activities</b>					
Ministry	43	47	1,279	1,369	1,318
Education and Learning	15	10	201	226	223
Children's and Youth work	11	8	21	40	43
Mission	17	18	95	130	128
Publishing	11	7	21	39	38
<b>Governance</b>	6	2	19	27	48
	<u>103</u>	<u>92</u>	<u>1,636</u>	<u>1,831</u>	<u>1,798</u>

**NOTE 9 NOTIFIED LEGACIES**

Notification of five legacies for the general purposes of the Trust and four legacies for the restricted funds of Retired Ministers' Housing and World Church & Mission have been received that have not been included in the financial statements because the conditions for recognition have not yet been met. It is estimated that the amounts receivable from these legacies will be around £327k (2012: eight legacies, £297k).

**NOTE 10 STIPEND AND SALARY COSTS**

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

		<b>2013</b>	<b>2012</b>
		<b>£'000</b>	<b>£'000</b>
Ministers and CRCWs : 509 (2012: 529)	Gross stipends	12,295	12,526
	Social security costs	1,167	1,201
	Other pension costs	2,633	3,082
		<u>16,095</u>	<u>16,809</u>
Lay staff : 86 (2012 :88)	Gross salaries	2,078	2,043
	Social security costs	194	194
	Other pension costs	421	424
		<u>2,693</u>	<u>2,661</u>

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

There were no ministers, Church Related Community Workers or employees whose emoluments, excluding employer pension contributions, exceeded £60k during 2013 or 2012.

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 20 individuals during the year ended 31 December 2013 totalling £4,026 (2012: 24 individuals totalling £4,230).

**NOTE 11 TANGIBLE FIXED ASSETS**

<b>(a) Consolidated:</b>	<b>Houses for retired ministers £'000</b>	<b>Houses for serving ministers £'000</b>	<b>Other properties £'000</b>	<b>Assets under construction £'000</b>	<b>Cars and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>						
At 1 January 2013	37,235	5,712	2,826	-	806	46,579
Additions	2,173	-	-	3,791	153	6,117
Disposals	(1,120)	(684)	(163)	-	(32)	(1,999)
At 31 December 2013	38,288	5,028	2,663	3,791	927	50,697
<b>Accumulated depreciation and impairment</b>						
At 1 January 2013	661	57	152	-	620	1,490
Charge for year	-	-	1	-	53	54
Disposals	(28)	-	(9)	-	(32)	(69)
At 31 December 2013	633	57	144	-	641	1,475
<b>Net book value</b>						
At 31 December 2013	<u>37,655</u>	<u>4,971</u>	<u>2,519</u>	<u>3,791</u>	<u>286</u>	<u>49,222</u>
At 31 December 2012	<u>36,574</u>	<u>5,655</u>	<u>2,674</u>	<u>-</u>	<u>186</u>	<u>45,089</u>

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED****NOTE 11 (continued)**

Of the land and buildings included above, £5,294k (2012: £5,293k) are leasehold. At 31 December 2013 352 (2012: 353) houses were owned for housing retired ministers and 18 (2012: 20) houses for serving ministers. Although the total market value of all properties is not practicable to quantify, it is considerably in excess of the carrying value shown above.

Other properties include premises improvements at United Reformed Church House, the Yardley Hastings and Windermere Centres, and building costs capitalised at Westminster College since 1983. The Yardley Hastings property, which has a carrying value of £628k, was leased for five years to East Midlands Synod Trust to house the Crossways centre; following the end of that lease, the local church continues to use part of the premises and negotiations are in progress for a long term lease of the remainder. Some impairment of the carrying value may be required, the amount of which cannot yet be quantified.

With the exception of certain improvements and additions since 1983, 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. Payments on account of the development contract will be allocated to properties improvements as appropriate once the refurbishment work is completed in 2014.

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

<b>(b) Trust:</b>	<b>Houses for retired ministers £'000</b>	<b>Houses for serving ministers £'000</b>	<b>Other properties £'000</b>	<b>Cars and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 January 2013	1,136	5,712	2,102	575	9,525
Additions	-	-	-	28	28
Disposals	(134)	(684)	-	(55)	(873)
At 31 December 2013	1,002	5,028	2,102	548	8,680
<b>Accumulated depreciation and impairment</b>					
At 1 January 2013	57	57	111	466	691
Charge for year	-	-	-	39	39
Disposals	(5)	-	-	(55)	(60)
At 31 December 2013	52	57	111	450	670
<b>Net book value</b>					
At 31 December 2013	950	4,971	1,991	98	8,010
At 31 December 2012	1,079	5,655	1,991	109	8,834

**(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, have been 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 INVESTMENTS**

	Consolidated		Trust	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
<b>Fixed asset investments</b>				
Carrying value at beginning of year	29,896	27,657	29,113	26,940
Additions to investments at cost	11,756	174	11,756	174
Disposals at carrying value	(11,750)	(170)	(11,750)	(170)
Net gains/(losses) on revaluation	3,625	2,235	3,528	2,169
Carrying value at end of year	<u>33,527</u>	<u>29,896</u>	<u>32,647</u>	<u>29,113</u>

	Consolidated		Trust	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Investments comprise units in UK based Common Investment Funds at market value, as follows:				
COIF Charities Ethical Investment Fund	32,591	18,693	31,711	17,910
The SRI Fund for Charities	-	6,927	-	6,927
COIF Global Equity Income Fund	-	3,337	-	3,337
COIF Charities Property Fund	936	939	936	939
	<u>33,527</u>	<u>29,896</u>	<u>32,647</u>	<u>29,113</u>
Investments at book cost	<u>30,429</u>	<u>28,776</u>	<u>29,679</u>	<u>28,025</u>

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

**NOTE 13 PROGRAMME-RELATED INVESTMENTS**

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

**NOTE 14 LOANS**

	Consolidated		Trust	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
External loans comprise:				
To churches	12	29	12	29
To ministers	52	39	52	39
Inter-fund loans	-	-	8,443	8,154
	<u>64</u>	<u>68</u>	<u>8,507</u>	<u>8,222</u>

Loans to ministers are generally interest free. Loans to churches bear interest at 1½%, except for certain loans, which are interest free for an initial period of two years.

Inter-fund 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.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED****NOTE 15 DEBTORS**

	Consolidated		Trust	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Debtors comprise:				
Amounts owed by group undertakings	-	-	2,657	3,054
Tax recoverable	118	16	118	16
Other debtors	524	1,350	450	703
Prepayments and accrued income	682	820	510	714
	<b>1,324</b>	<b>2,186</b>	<b>3,735</b>	<b>4,487</b>

**NOTE 16 CREDITORS: amounts falling due within one year**

	Consolidated		Trust	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Current liabilities comprise:				
Amounts owed to group undertakings	-	-	64	-
Sums held for Synods and congregations	105	54	24	17
Other creditors including taxation and social security	641	546	434	542
Accruals and deferred income	770	760	632	698
	<b>1,516</b>	<b>1,360</b>	<b>1,154</b>	<b>1,257</b>

**NOTE 17 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 £1,005k (2012: £953k) designated as a Legacies fund, from which sums are allocated by the Finance Committee to projects not covered by regular budgets. The first allocations were in 2010, and £171k was allocated in 2013.

These funds include £16.1million held as capital, most having been gifted by other trusts. These funds are invested and the income is used as intended; in the case of £13.3million the capital is expendable by decision of the Trustees.

The Pension reserve has been deducted from the unrestricted income fund balance, resulting in a negative figure, although other expendable unrestricted funds and certain restricted funds would be likely to be available to meet pension scheme liabilities.

**NOTE 18 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; in 2013 the transfer of £1million from Unrestricted Capital represents a grant from Church funds to College redevelopment.

**(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 used for these purposes; notes 6 and 14 give some details.

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

The whole of these funds is utilised by the Retired Ministers' Housing Committee in providing accommodation for ministers and ministers' widow/ers in their retirement. Income in 2013 included £153k from donations and £223k 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 14 to 16 as inter-fund loans and balances; note 23 gives information on its future commitments.

**(d) Welfare Fund**

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

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

These funds are used to supplement the pensions paid to ministers and ministers' widow/ers, principally by upgrading the pensions of former ministers of the Congregational Church and the Churches of Christ and the widow/ers of such ministers to a level of 95% of the pension that would have been paid if the minister's service had been to the former Presbyterian Church, and also to pay certain ill-health early retirement pensions. The balances shown for these funds are after deducting the actuarially assessed cost of the Church's constructive obligation to continue making these payments, totalling £4,060k.

**(f) World Church and Mission Funds**

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

**(g) Windermere Centre Fund and Yardley Hastings Fund**

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

**(h) Commitment for Life Fund**

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

**(i) Other funds**

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

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## NOTE 19

SUMMARY OF FUND MOVEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

Fund	Classification (see note 1(ii))	Funds at 1 Jan 2013	Incoming Resources	Resources Expended	Transfers between funds	Gains(losses) on investment assets	Actuarial gains(losses)	Funds at 31 Dec 2013
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ministry and Mission Fund	Capital Unrestricted	5,263 (15,760)	- 22,068	- (21,810)	- 51	574 586	- 1,150	5,837 (13,715)
Maintenance of the Ministry Fund	Capital Unrestricted	651 -	- 61	- -	- (61)	81 -	- -	732 -
Ministerial Training Fund	Capital Unrestricted	9,574 -	- 382	- -	(1,000) (382)	959 -	- -	9,533 -
<b>Westminster College Funds</b>	<b>Capital</b> <b>* Restricted</b>	<b>817</b> <b>3,724</b>	<b>-</b> <b>2,160</b>	<b>-</b> <b>(1,126)</b>	<b>-</b> <b>1,392</b>	<b>61</b> <b>36</b>	<b>-</b> <b>-</b>	<b>878</b> <b>6,186</b>
Church Buildings Fund	Capital Restricted	184 2,755	- 93	- (107)	- -	- 277	- -	184 3,018
Retired Ministers' Housing Funds	Capital Restricted	391 4,754	- 116	- (36)	- -	- -	- -	391 4,834
<b>Retired Ministers' Housing Society</b>	<b>Capital</b> <b>** Restricted</b>	<b>-</b> <b>24,550</b>	<b>-</b> <b>1,565</b>	<b>-</b> <b>(571)</b>	<b>-</b> <b>-</b>	<b>-</b> <b>-</b>	<b>-</b> <b>-</b>	<b>-</b> <b>25,544</b>
Welfare Fund	Capital Restricted	570 8	- 39	- (51)	- 10	- 70	- -	640 6
Retired Ministers' Aid Fund	Capital Restricted	199 (416)	- 87	- (68)	- -	25 62	- -	224 (335)
Retired Ministers' Fund	Capital Restricted	208 (293)	- 118	- (322)	- -	26 349	- -	234 (148)
World Church and Mission Funds	Capital Restricted	234 540	- 35	(20) (47)	- -	26 55	- -	240 583
Windermere Centre Fund	Capital Restricted	- 411	- -	- -	- -	- -	- -	- 411
Yardley Hastings Fund	Capital Restricted	- 590	- -	- -	- -	- -	- -	- 590
Commitment for Life Fund	Capital Restricted	- 37	- 428	- (446)	- -	- -	- -	- 19
Other Funds	Capital Restricted	2,293 1,608	6 158	- (84)	- (10)	284 167	- -	2,583 1,839
<b>Consolidated Totals (see page 16)</b>		<b>42,892</b>	<b>27,316</b>	<b>(24,688)</b>	<b>-</b>	<b>3,638</b>	<b>1,150</b>	<b>50,308</b>
<b>Comprising:</b>	<b>Capital</b>	<b>20,384</b>	<b>6</b>	<b>(20)</b>	<b>(1,000)</b>	<b>2,106</b>	<b>-</b>	<b>21,476</b>
	<b>Restricted</b>	<b>38,268</b>	<b>4,799</b>	<b>(2,858)</b>	<b>1,392</b>	<b>946</b>	<b>-</b>	<b>42,547</b>
	<b>Unrestricted</b>	<b>(15,760)</b>	<b>22,511</b>	<b>(21,810)</b>	<b>(392)</b>	<b>586</b>	<b>1,150</b>	<b>(13,715)</b>
<b>Trust Totals</b>		<b>13,801</b>	<b>23,591</b>	<b>(22,991)</b>	<b>(1,392)</b>	<b>3,541</b>	<b>1,150</b>	<b>17,700</b>
<b>Comprising:</b>	<b>Capital</b>	<b>19,567</b>	<b>6</b>	<b>(20)</b>	<b>(1,000)</b>	<b>2,045</b>	<b>0</b>	<b>20,598</b>
	<b>Restricted</b>	<b>9,994</b>	<b>1,074</b>	<b>(1,161)</b>	<b>0</b>	<b>910</b>	<b>0</b>	<b>10,817</b>
	<b>Unrestricted</b>	<b>(15,760)</b>	<b>22,511</b>	<b>(21,810)</b>	<b>(392)</b>	<b>586</b>	<b>1,150</b>	<b>(13,715)</b>

\* Funds of Westminster College Cambridge

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

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

The net incoming resources before other recognised gains and losses, totalling £2,628k, have been dealt with in the financial statements of the Trust and its subsidiary charities as follows:

	£'000
URC Trust	(792)
Westminster College	2,426
Retired Ministers' Housing Society	994
	<u>2,628</u>



## NOTE 20

**ANALYSIS OF NET ASSETS BETWEEN FUNDS  
AS AT 31 DECEMBER 2013**

Fund	Net Assets 31 Dec 2013	Property	Cars and equipment	Investments	External Loans	Inter fund Loans	Net current assets	Pension Reserve	Inter- fund balances
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ministry and Mission Fund	5,837 (13,715)	400 5,165	- 71	5,437 5,386	- 52	- 4,155	- 6,105	- (36,233)	- 1,584
Maintenance of the Ministry Fund	732 -	- -	- -	732 -	- -	- -	- -	- -	- -
Ministerial Training Fund	9,533 -	- -	- -	9,189 -	- -	- -	- -	- -	344 -
<b>Westminster College Funds</b>	<b>878 6,186</b>	<b>323 3,996</b>	<b>- 188</b>	<b>555 325</b>	<b>- -</b>	<b>- -</b>	<b>- 1,614</b>	<b>- -</b>	<b>- 63</b>
Church Buildings Fund	184 3,018	183 -	- -	- 2,596	- 12	- -	- -	- -	1 410
Retired Ministers' Housing Funds	391 4,834	391 559	- -	- -	- -	- 4,243	- -	- -	- 32
<b>Retired Ministers' Housing Society</b>	<b>- 25,544</b>	<b>- 36,705</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>- (8,443)</b>	<b>- (61)</b>	<b>- -</b>	<b>- (2,657)</b>
Welfare Fund	640 6	- -	- -	640 -	- -	- -	- -	- -	- 6
Retired Ministers' Aid Fund	224 (335)	- -	- -	224 558	- -	- -	- -	- (924)	- 31
Retired Ministers' Fund	234 (148)	- -	- -	234 2,974	- -	- -	- -	- (3,136)	- 14
World Church and Mission Funds	240 583	- -	- -	240 519	- -	- -	- -	- -	- 64
Windermere Centre Fund	- 411	- 731	- 27	- -	- -	- -	- -	- -	- (347)
Yardley Hastings Fund	- 590	- 483	- -	- -	- -	- -	- -	- -	- 107
Commitment for Life Fund	- 19	- -	- -	- -	- -	- -	- (91)	- -	- 110
Other Funds	2,583 1,839	- -	- -	2,583 1,556	- -	- 45	- -	- -	- 238
<b>Consolidated Totals</b>	<b>50,308</b>	<b>48,936</b>	<b>286</b>	<b>33,748</b>	<b>64</b>	<b>0</b>	<b>7,567</b>	<b>(40,293)</b>	<b>0</b>
<b>Capital Restricted Unrestricted</b>	<b>21,476 42,547 (13,715)</b>	<b>1,297 42,474 5,165</b>	<b>- 215 71</b>	<b>19,834 8,528 5,386</b>	<b>- 12 52</b>	<b>- (4,513) 4,513</b>	<b>- 1,462 6,105</b>	<b>- (4,060) (36,233)</b>	<b>345 (1,571) 1,226</b>
<b>Trust Totals</b>	<b>17,700</b>	<b>7,912</b>	<b>98</b>	<b>32,868</b>	<b>64</b>	<b>8,443</b>	<b>6,014</b>	<b>(40,293)</b>	<b>2,594</b>
<b>Capital Restricted Unrestricted</b>	<b>20,598 10,817 (13,715)</b>	<b>974 1,773 5,165</b>	<b>0 27 71</b>	<b>19,279 8,203 5,386</b>	<b>0 12 52</b>	<b>0 3,930 4,513</b>	<b>0 (91) 6,105</b>	<b>0 (4,060) (36,233)</b>	<b>345 1,023 1,226</b>

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

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED****NOTE 21 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 2012 was formally agreed on 12 December 2012. For the purpose of these financial statements, the actuary has updated that valuation at 31 December 2013 using assumptions that are consistent with the requirements of FRS 17. Compared with a year ago, this update has increased the present value of scheme liabilities by 5% while asset values increased by 8%. This has resulted in a decrease of £1.0million 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. Following the latest valuation, contributions from 1 January 2013 total 20.15% of pensionable pay, together with a fixed annual amount of deficit funding, in 2013 £1,091k (2012: £1,557k), increasing in line with stipends. Members' contributions are 7.5% of pensionable pay. Church contributions totalled £2,579k in 2013 (2012: £3,043k).

The major assumptions used by the actuary in assessing scheme liabilities on a FRS 17 basis were:

	<b>2013</b>	<b>2012</b>
Discount rate at year end	4.30%	4.10%
Expected return on plan assets at year end	5.50%	5.11%
Future stipend increases	2.60%	2.30%
Future pension increases (RPI up to 5%)	3.40%	2.90%
Future deferred pension revaluation (CPI)	2.60%	2.30%
Life expectancy of current male pensioners (age 65)	23.5	23.5
Life expectancy at 65 of future male pensioners (age 55)	23.9	23.9

A long-term expected rate of return is derived for each asset class in which the Fund invests. These returns are then weighted by the value of the assets held in each asset class at the year end to derive an overall long-term expected rate of return. At 31 December 2013 the long-term expected return from equities is estimated to be 7.7% pa and the long-term expected return from bonds is estimated to be 4.1% pa, giving a weighted return of 5.50%. These represent the two major asset classes in which the Fund invests.

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

	<b>2013</b>	<b>2012</b>
	<b>Value at 31 Dec</b>	<b>Value at 31 Dec</b>
	<b>£'000</b>	<b>£'000</b>
Present value of obligations	134,933	128,870
Fair value of plan assets	98,700	91,622
Net asset (liability)	<u>(36,233)</u>	<u>(37,248)</u>

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

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating charge</b>		
Current service cost	2,107	2,092
Interest on obligation	5,223	5,551
Expected return on plan assets	(4,616)	(4,399)
Total operating charge	<u>2,714</u>	<u>3,244</u>

**Analysis of amount recognised in Funds**

Actual return less expected return on plan assets	4,958	(675)
Experience gains (losses) arising on scheme liabilities	489	(100)
Changes in assumptions underlying the present value of scheme liabilities	<u>(4,297)</u>	<u>(6,777)</u>
Actuarial gain (loss) recognised in Funds	<u>1,150</u>	<u>(7,552)</u>

**NOTE 21 (continued)****d) Change in defined benefit obligation:**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	128,870	119,436
Service cost (inc. employee contributions)	2,954	2,951
Interest cost	5,223	5,551
Actuarial losses (gains)	3,808	6,877
Benefits paid	<u>(5,922)</u>	<u>(5,945)</u>
Closing defined benefit obligation	<u>134,933</u>	<u>128,870</u>

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

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	91,622	89,941
Expected return	4,616	4,399
Actuarial gains (losses)	4,958	(675)
Contributions by employer	2,579	3,043
Contributions by employees	847	859
Benefits paid	<u>(5,922)</u>	<u>(5,945)</u>
Closing fair value of plan assets	<u>98,700</u>	<u>91,622</u>

**f) Future employer contributions:**

The Church expects to contribute about £2,444,000 to the plan during the next accounting year.

**g) Breakdown of plan assets:**

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

	<b>2013</b>	<b>2012</b>
	<b>Asset allocation</b>	<b>Asset allocation</b>
	<b>%</b>	<b>%</b>
Equities	41.8	38.0
Bonds	55.3	60.9
Cash/other	2.9	1.1

**h) Five year comparison**

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Defined benefit obligation	134,933	128,870	119,436	118,044	108,100
Plan assets	98,700	91,622	89,941	84,440	78,305
Surplus/(deficit)	<u>(36,233)</u>	<u>(37,248)</u>	<u>(29,495)</u>	<u>(33,604)</u>	<u>(29,795)</u>

**Other pension obligations**

SORP 2005 requires that constructive obligations, although not legally binding, be recognised on a charity's balance sheet. United Reformed Church Trust considers that it has a long-term constructive obligation in respect of:

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

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

An independent actuarial assessment of the net present value of these future payments was obtained at the time of the formal actuarial review at 1 January 2012, using the same assumptions as for FRS 17 calculations; this value (£4,060k) has been deducted from the assets of the Retired Ministers' Fund or the Retired Ministers' Aid Fund included in the Balance Sheet.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### NOTE 22 THE UNITED REFORMED CHURCH FINAL SALARY SCHEME

a) The United Reformed Church contributes to a staff pension scheme known as the "Final Salary" scheme, which is administered by The Pensions Trust, its Trustee. This is operated as a defined benefit scheme but the United Reformed Church is not the only participating employer in the scheme and is unable to identify its share of the underlying assets and liabilities – each employer in that scheme pays a common contribution rate.

During 2013 the United Reformed Church contributed 26% (2012: 26%) of basic salary in respect of members of the Final Salary scheme, amounting to £473k (2012: £424k), a sum not material to the Church's overall pension cost. At 31 December 2013 £46k (2012: £34k) of these contributions was outstanding. Members contributed at the rate of 6% (2012: 6%) of pensionable salary throughout the accounting period.

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

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

As a result of the actuary's recommendations, contributions by participating employers continued unchanged at 26% of basic salary from 1 January 2012. The next triennial actuarial valuation as at 30 September 2013 is now underway which is required to be completed no later than 31 December 2014.

b) Certain members of the Final Salary scheme have also made additional voluntary contributions to the 'Growth Plan', a multi-employer funded pension plan operated by The Pensions Trust. Certain past contributions to this plan entitle the members to either a defined pension or a guaranteed capital sum to be converted into an annuity at retirement. The Church does not normally make contributions to the Growth Plan, but from 1 April 2013 was 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 2011, revealed a deficit of £147m, equivalent to a funding level of 84%. Its recovery plan includes a requirement for contributions from the Church over a period of 10 years from 1 April 2013, including £18k in 2013. It is not possible to identify the share of the assets and liabilities of the Growth Plan attributable to the Church's participation in it.

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 October 2001. The Pensions Trust estimated the Church's contingent obligation at £301k as at 30 September 2012, but there is not currently any expectation that this situation will arise.

### NOTE 23 COMMITMENTS

At 31 December 2013 there were, in respect of the purchase of properties, commitments of £1,382k (2012: £1,286k), and contractual liabilities of £nil (2012: £nil). There were no commitments to make grants.

The Trust and Westminster College have a contractual liability in respect of a building contract for the refurbishment of the College premises into which they entered jointly. The total contracted sum is £4.50m, of which £3.28m had been incurred by 31 December 2013.

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

These variables include the number of ministers requiring assistance from the Society and the level of contributions able to be made by individual ministers towards the cost of their homes. During 2013 £2.2 million was spent on acquiring housing for retired ministers, £460k on repairing and maintaining existing properties and profits of £0.9 million were earned from the sale of homes no longer required. An exercise was undertaken by the Society's management committee in 2007 to collect information to enable more accurate long-term planning; this confirmed the likely high level of need in the short to medium term. Future cash flow is kept under continuous review, and a recent updating of the 2007 exercise, while noting an encouraging outcome in recent years, confirmed expectation of a high cash requirement in some future years.

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

**NOTE 24 CASH FLOW INFORMATION****Reconciliation of net cash flow to movement in net cash funds**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
(Decrease) increase in cash in the period	(329)	1,677
Net cash funds at 1 January	8,087	6,410
Net cash funds at 31 December	<u>7,758</u>	<u>8,087</u>

Net cash funds are represented by bank balances and money on call, as shown on the Consolidated Balance Sheet. Of the total, £6,026k is shown on the Trust Balance Sheet.

**NOTE 25 RELATED PARTY TRANSACTIONS**

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

**NOTE 26 CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Gross income from continuing operations	25,990	27,071
Net gains on disposal of fixed assets	1,290	2,865
Transfer from endowment funds	1,000	-
Total income	<u>28,280</u>	<u>29,936</u>
Total expenditure	(24,638)	(26,138)
Net income for year	<u>3,642</u>	<u>3,798</u>

**FIVE YEAR SUMMARY (unaudited)**

	2009 £'000	2010 £'000	2011 £'000	2012 £'000	2013 £'000
<b>INCOME AND EXPENDITURE ACCOUNTS</b>					
<b>Income</b>					
Ministry and Mission Fund contributions	20,576	20,537	20,125	20,231	19,839
Investment income	1,252	1,365	1,360	1,376	1,375
Grants receivable	445	575	196	132	110
Legacies	445	816	640	438	534
Donations	2,263	7,021	1,991	3,181	2,607
Other income	1,610	1,965	1,348	3,037	1,416
	26,591	32,279	25,660	28,395	25,881
<b>Expenditure</b>					
Ministry	17,685	17,676	18,302	18,066	17,259
Education & Learning	1,955	1,935	2,273	2,244	2,206
Youth & Children's work	491	540	418	335	279
Mission programmes	1,620	2,065	1,662	1,415	1,315
Governance	281	581	320	634	277
Support activities (incl. publishing)	1,783	2,001	1,946	1,885	1,897
	23,815	24,798	24,921	24,579	23,233
Capital funds distributed	-	(1,401)	(3)	-	(20)
<b>Net incoming/(outgoing) resources</b>	2,776	6,080	736	3,816	2,628
<b>Investment gains/(losses)</b>	2,441	1,395	(1,887)	2,235	3,638
Actuarial gains/(losses)	(13,662)	(3,745)	4,306	(7,552)	1,150
<b>Net increase/(decrease) in funds</b>	(8,445)	3,730	3,155	(1,501)	7,416

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

**CASH FLOW STATEMENTS**

<b>Cash required for investment in</b>					
Houses for retired ministers	(54)	(230)	55	(65)	128
Other properties	514	(146)	(136)	77	2,611
Cars and equipment	59	103	33	29	146
Loans to churches and ministers	(104)	(49)	(88)	(22)	(5)
	415	(322)	(136)	19	2,880
<b>Source of cash</b>					
Net incoming/(outgoing) resources for the year (see above)	2,776	6,080	736	3,816	2,628
Adjustment for items not resulting in a cash movement, for returns on investments, and for capital receipts	(332)	(5,175)	(1,984)	(2,139)	(82)
	2,444	905	(1,248)	1,677	2,546
Net increase in capital	36	4,033	66	18	6
Net decrease/(increase) in investments	(2,836)	(2,747)	(575)	1	(1)
Decrease/(increase) in bank balances	771	(2,513)	1,621	(1,677)	329
	415	(322)	(136)	19	2,880

**FIVE YEAR SUMMARY continued**

	2009 £'000	2010 £'000	2011 £'000	2012 £'000	2013 £'000
<b>BALANCE SHEETS (Consolidated)</b>					
<b>Fixed assets</b>					
Tangible assets					
Houses for retired ministers	33,050	34,028	35,271	36,574	37,655
Houses for serving ministers	5,602	5,447	5,281	5,655	4,971
Other properties	2,337	2,664	2,675	2,674	6,310
Cars and equipment	192	251	219	186	286
	41,181	42,390	43,446	45,089	49,222
Long term investments (incl.programme-related)	24,825	29,188	27,876	30,110	33,748
Loans to churches and ministers	223	177	90	68	64
	66,229	71,755	71,412	75,267	83,034
<b>Net current assets/(liabilities)</b>					
Current assets					
Debtors and stock	1,092	1,047	1,775	2,206	1,325
Short term investments	235	-	-	-	-
Bank balances and money on call	5,518	8,031	6,410	8,087	7,758
	6,845	9,078	8,185	10,293	9,083
less : current liabilities	1,807	2,027	1,649	1,360	1,516
	5,038	7,051	6,536	8,933	7,567
<b>Net assets excluding pension liability</b>	71,267	78,806	77,948	84,200	90,601
Defined benefit pension scheme liability	(29,795)	(33,604)	(29,495)	(37,248)	(36,233)
Other pension obligations	(3,964)	(3,964)	(4,060)	(4,060)	(4,060)
<b>Net assets including pension liability</b>	37,508	41,238	44,393	42,892	50,308
Unrestricted income funds	(9,714)	(12,467)	(8,513)	(15,760)	(13,715)
Restricted income funds	30,414	33,573	33,845	38,268	42,547
Capital funds	16,808	20,132	19,061	20,384	21,476
<b>Total funds</b>	37,508	41,238	44,393	42,892	50,308

**NON-FINANCIAL STATISTICS**

(from URC Year Book or website)

Members	68,600	66,700	63,680	61,627	59,077
Stipendiary ministers	555	559	544	524	494
Non-stipendiary ministers	102	102	97	91	82
Churches	1,563	1,545	1,529	1,512	1,487
Retired ministers	909	906	901	900	915
Ministry and Mission contribution per member	£300	£308	£316	£328	£336

