

Company Number: 00101685
Charity Number: 248796

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

MHA MACINTYRE HUDSON
Chartered Accountants and Statutory Auditors
Rutland House
148 Edmund Street
Birmingham
B3 2FD

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

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THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2021

Reference and Administrative Information

Registered Office

The Eastern Synod Office
The United Reformed Church
36 Duxford Road
Whittlesford
Cambridge
CB22 4ND

Directors and Trustees

Mr A East (Chair)
Mr G Heathcote
Mr K Hounsome
Mr C Patten
Revd Prof D Thompson
Revd Dr J Tollington

Bankers

Barclays Bank Plc
5-7 Red Lion Street
Norwich NR1 3QH

Legal Advisors

Veale Wasbrough Vizards
Second Floor, 3 Brindley Place
Birmingham
B1 2JB

Auditors

MHA MacIntyre Hudson
Rutland House
148 Edmund Street
Birmingham
B3 2FD

Investment Manager

CCLA Investment Managers Limited
Epworth Investment Managers Limited

Synod Officers

Moderator – Revd L Nevard
Synod Clerk – Mr K Hounsome
Synod Treasurer – Mr G Heathcote
Finance Officer – Mr D Smith
Resources Officer – Mrs P Davies-Brown
Company Secretary – Mr D Smith (resigned 30 November 2021)

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Annual Report

Year Ended 31 December 2021

The Trustees present their Annual Report and the audited financial statements of the charity for the year ended 31 December 2021. The Trustees have adopted the provisions of Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the Annual Report and financial statements of the charity.

The Trustees

The Trustees of the charity are also company directors for the purposes of company law.

All Trustees give their time voluntarily and receive no benefits from the charity apart from those reimbursed expenses set out in note 6.

The Trustees serving during the year and to the date of this report were as follows:-

Mr A East
Mr G Heathcote
Mr K Hounscome
Mr C Patten
Revd Prof D Thompson
Revd Dr J Tollington

Aims and Objectives

The charitable company's purpose as set out in the objects contained in the company's Memorandum and Articles of Association is the advancement of the Christian religion especially by the means of, and in accordance with, the principles of the United Reformed Church as set out for the time being in 'The Manual'.

The aims of the charity are to support local churches in their outreach and mission and to share the vision of the URC's General Assembly with the local churches.

The United Reformed Church (Eastern Province) Trust has two distinct roles. The first is to act as the corporate Trustee of local churches, manses and other local church land. The second is to act as the holding Trustee of the collective financial assets of the Eastern Synod.

In relation to the first role, the Trust acts according to the United Reformed Church Acts 1972, 1981 and 2000: particularly the 1981 Act. Local URC churches operating in the Eastern Synod area are separate and independent charities. There is no common control or unity of administration with any of these bodies and they are not deemed to be connected charities within the understanding of the Charities SORP (FRS 102). None of the financial assets or liabilities of these bodies are incorporated in the Trust's financial statements as the Trust is not the beneficial owner and there is neither parent nor subsidiary relationships.

In relation to the second role, the Trust's responsibility is to exercise ultimate oversight over the finances of the Synod (including its budget and accounts), as set out below. The Trust is also responsible for employment of most remunerated Synod staff.

Achieving delivery of the Trust's aims and public benefit

The strategy for achieving the Trust's aims and objectives is to provide pastoral, educational and mission, technical and financial support. All these forms of support are designed to promote and share the Christian faith and, in particular, the principles of the URC in each area where a local congregation operates. The Trustees review the aims, objectives and proposed future activities on a regular basis. The Trustees follow the general guidance issued by the Charity Commission on public benefit when doing so and the following sections of this report describe how the Trustees have carried out the purposes of the Trust for the public benefit.

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It is important to note that the Trust's functions are generally exercised through the Eastern Synod of the United Reformed Church and its committees (see section headed "Structure, Governance and Management").

Pastoral Support

The Pastoral Committee works with and through the Synod Moderator and others to provide spiritual, pastoral and strategic leadership, care and challenge to local churches and their ministers. They have a particular role in encouraging conversations about pastorates' needs, ensuring effective but sympathetic deployment of ministerial resources as well as overseeing churches during ministerial vacancies. They also monitor the progress of those applying for, and undertaking, various types of ministerial training and work to develop ecumenical relations in the area covered by the Synod as well as encouraging local churches to "think ecumenically" when planning all their initiatives.

Educational and Mission Support

The Mission Committee works with and through the Moderator, Mission and Training Officer and Children and Youth Development Officer to provide or encourage training and development for ordained and lay people; organise and support activities for, and work with, children and young people; and encourage mission and outreach activities to be undertaken primarily by local churches in their own towns or villages. The Synod has established a Pioneer Fund (funded from property sales) for the purpose of supporting major new mission activities and in this connection is currently supporting an ecumenical Pioneer Ministry project on a new housing estate at St. Neot's. Through the Faith in Action group of the Mission Committee, the Synod and local churches are made aware of need and injustice locally, nationally and internationally and challenged to respond in ways which make a difference.

Technical Support

Synod officials are a resource available to help local churches understand and keep up to date with their obligations as charities, employers, providers of services to the public and occupiers of buildings. Where necessary, Trustees and Synod officials also help local churches through the process of considering the acquisition, modification or disposal of premises and issues of trust, property and charity law. The Listed Buildings Advisory Committee (as constituted by the Ecclesiastical Exemption (Listed Buildings and Conservation Areas) (England) Order 2010) offers independent advice to the Synod Property Committee, together with assisting local churches occupying "Listed" buildings through the complexities of the legal processes governing these types of buildings, including offering advice on their care and maintenance.

Financial Support

A range of grants (and, more rarely, loans – constituting much of Programme Related Investments) is made available to local churches and ministers to assist with children and young people engagement, mission and outreach, maintenance and improvement of properties to enhance interaction with their communities and ministerial and lay training and development. In most cases this support is provided through the Resources/Property Committee, which meets four times a year and oversees financial and property-related matters for the Synod. The delegated powers of the Resources Committee and its interaction with the Trust and Trustees are set out in the Synod Financial Policy which is revised periodically by Synod. The Finance Policy sets out the charity's investment policy and ethical constraints under which it operates. For further details see the section headed 'Investment Policy' (below).

Churches are encouraged to retain and invest capital whenever possible and to fund new building works, redevelopments, maintenance works and pastoral assistance from their investment income. Where there are insufficient funds, grants or loans may be made available to Churches and Synod Committees, in the case of loans for periods normally not exceeding five years.

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Achievements and Performance

Mission Committee

- The Committee continue to oversee activities arising from Walking the Way
- The Faith in Action Group continues to present matters of concern to Synod and gives links to websites that provide further information on issues such as social justice, racial justice, the environment and rural matters
- Through the Synod's Mission and Training Officer (Lindsey Brown) mission (including worship) resources have been provided to churches and a range of training and related on-line programmes have been provided for Elders and others
- Through the Synod's Children and Youth Development Officer (Nicola Grieves) training, advice and consultancy is provided to those working with children and young people, as well as advice and training related employment issues and safeguarding. Nicola also organises or helps at events for youngsters, both Synod-wide and in local churches
- Lindsey and Nicola continued to support churches through the consequences of Covid and in particular have produced regular updates for churches that contain news, material for worship and the younger members of our church family together with details of training and other events
- Through the Synod's Green Advocate (Jeremy Flack) and a Working Group that includes members of the Resources Committee, progress has been made in moving forward as an Eco Synod and in encouraging churches to seek Eco Church Awards
- Reports are received on the Synod's large-scale Mission Projects at North Avenue Christian Centre in Chelmsford and Loves Farm in Cambridgeshire
- The Committee has developed and increased its programme for providing financial support for missional activities within churches and in particular has moved away from simply providing grants based on a fixed percentage of the costs to instead adopting a flexible approach that takes account of the local church's ability to contribute
- The Committee has generally been very heartened by all the great missional work going on in our churches

Pastoral Committee

- This Committee's work is largely of an ongoing nature, in particular supporting the Moderator as she considers ministerial vacancies and the challenges of deployment and explores new ways of ministerial deployment
- The Committee is receiving reports of mission reviews carried out in local churches
- It also oversees the process for authorising lay persons to preside at the Sacraments
- The Committee also links with the work of the six Area Partnerships and one United Area
- The Committee oversees the process for authorising lay persons to preside at the Sacraments
- The Committee has noted with sadness the closure of Trinity URC in Harlow

Resources Committee

- The Synod Finance Policy has been updated in a small number of ways
- The Committee continues to provide a range of property-related grants as well as grants for children's and youth work and also to support the making of larger mission-related grants. It also recognises the need to support churches with their eco-related works
- The Committee continues to oversee the work of the Ministry and Mission Advocates in their work administering the Fair Share scheme through which local churches contribute to the provision of ministry throughout the denomination. In this respect, the Committee continues to be grateful to local churches for generally how well they have done in maintaining their commitment at what has continued to be a most difficult time for church communities but has been content to meet what would otherwise be a shortfall in the Synod's contribution to the national fund
- In recognition of the financial challenges facing churches, it has been agreed to end the contribution that local churches make through the scheme to the running of the Synod office.
- The Committee has supported the Trust's decision to transfer £3.8m to Church House in order to reduce the deficit in the Retired Ministers' Pension Fund

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Executive Committee

- The Committee's work is mainly concerned with organising Synod meetings, ensuring vacancies on Synod Committees are filled, co-ordinating the work of the committees and overseeing staff matters
- In addition, in 2021 the Committee oversaw the Synod's role in the recruitment of a new Moderator

Financial Review

Financial Statements

The financial statements, including the notes, have been prepared in compliance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102). The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust Company do not sell goods or services, nor are there any other trading activities.

A financial review document is made available to all members of Synod, and local churches if requested. This document highlights the main features of these financial statements. The review includes a comparison between the budget and the final operating income resources and expenditure.

During the year there has been a change of personnel within the finance function and as part of this process a detailed review of the balances and transactions was undertaken. As a result, there has been a number of prior year adjustments made, see note 24 for further details.

Statement of Financial Activities

The Statement of Financial Activities is shown on page 14, with a more detailed analysis of income and expenditure on pages 21 to 24.

The total operating income for the year was £805,538 (2020: £719,192), the majority of which is investment income.

This year the church property grants totalled £171,101 (2020: £(20,662)). There was very little activity in property grants this year due to the closure of churches because of the pandemic.

Receipts from church and other property sales totalled £2,186,580 (2020: £1,712,777) and it is important that these capital receipts continue to be invested wisely.

Balance Sheet

The above result led to an increase of £41k (2020: £1.736m) which has resulted in a combined fund balance of £22.845m (2020: £22.803m) at the year-end. An analysis of the movement of funds can be found in note 9.

Programme Related Investments total £755,765 (2020: £818,144) comprising 4 outstanding loans and 8 property investments (2020: 4 loans and 8 property investments). These investments represent funds invested by Synod to assist local churches and retired ministers to purchase or update their properties.

Fundraising Sources

The main sources of regular income are investment and rental income. In addition, in some years, substantial sums become available to the Trust as a result of church closures. No fundraising activities are carried out at Synod or Trust level. Also, until 2021, the Synod meeting authorised a 'levy' to be raised for Synod administration purposes from local churches together with their contributions to the denominational Ministry and Mission Fund. However, it has now been agreed that this 'levy' will be abandoned with effect from 2023 and that in respect of the contributions being made by churches in 2022 to cover it the overall amount to be sought from churches for 2023 will be reduced by £78,000, this being the total amount of the 2022 'levy'.

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Investment Policy

The policy seeks to achieve as high an income as possible, subject to protecting the capital value of the funds against inflation. The investments include sharing in some churches' property developments but are otherwise a mixture of fixed interest and equity marketable securities. The Synod seeks to ensure that none of its investments can be seen to support practices which are against the conscience of Christians following the Ethical Investment Guidelines approved by the URC General Assembly from time to time. These Common Investment Funds are governed by Charity Commission Schemes.

A number of local churches have asked the Synod to hold, and invest, certain funds on their behalf. Such funds are not Synod funds and are not included in the Trust financial statements.

Reserves Policy

The Trust holds funds under a number of different terms. Funds which are restricted may only be used as directed by the funder at the time they were granted to the Trust. Details of the specific restrictions of those individual funds are disclosed in note 18 to the financial statements.

Other funds are unrestricted and can be used at the discretion of the Trustees in furtherance of the Trust's objects. It is the policy of the Trustees to designate certain funds for particular purposes as agreed from time to time and details of the purpose and use of those designated funds can be found in note 18 to the financial statements.

The Synod seeks to recognise the needs of both the present generation and future generations within the Church by retaining those one-off capital receipts to which it from time to time becomes entitled under the provision of the URC Acts. It is the present policy that, normally, only the income on these reserves is expended upon charitable purposes but an exception is made in relation to money going into the Pioneer Fund or a small mission support budget.

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The Synod Finance Policy specifies that, typically, sufficient cash should be held on short or medium term deposits to cover at least one full year's anticipated revenue expenditure and also allow for the capital purchase of a manse or similar building – though the exercise of discretion is permitted in deciding how much cash it would be advisable to hold at any particular time.

At the year-end general unrestricted funds amounted to £965,379 (2020: £1,365,320), excluding designated amounts. The Trustees are satisfied this is sufficient to meet day to day objectives.

Risk Management

The Trustees are responsible for the management of the risks faced by the charity. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risks was undertaken in 2021, and reported to the Trust Directors. The main change is the risk that there may be a very large shortfall on pensions.

The most serious risk facing the charity would be the Synod failing to achieve its strategic and charitable objectives, either through resources being put into programmes which do not meet those objectives or through failure of Trustees and other Committees to consider the charity's objectives when making decisions. To manage and mitigate this risk, the Trustees consider the 'Aims and Objectives' section of their annual report each year to ensure this remains appropriate and, in so doing, are reminded of the objectives which they must constantly keep in mind. Also, having Convenors of Committees give an account of their Committee's decisions to the Synod Executive, on which three Trust Directors sit, ensures effective oversight of their day-to-day activity and decision making.

Another principal risk is business interruption: either through absent personnel or a disaster causing restricted or no access to the Synod office. A Business Continuity Plan was approved by Synod Trust Directors in the spring of 2013 and reviewed and updated in November 2015.

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Among the key risk controls used by the charity are:

- a written financial policy subject to periodic review (an updated version was adopted by the March 2021 Synod meeting);
- clear financial authorisation and approval levels (reviewed and tightened in 2011);
- detailed summary accounts produced for scrutiny by Trust Directors and Resources Committee at every meeting during the year;
- financial statements presented at each Synod meeting; and
- Synod officers and others having been vetted through the DBS service, where appropriate and Synod operating a 'Safeguarding' policy.

Through the risk management process established for the charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Future Plans

In 2022, the Synod will continue to strengthen missional discipleship through the "Walking the Way" initiative and will provide a range of resources for local churches to grow more committed in their faith and more able to reach out to help others discover their need for God.

The Mission Committee will continue to have a prominent role to play in enthusing congregations and facilitating the provision of resources. Efforts to reach out to children and young people within the Synod will be pursued and we hope to make progress in building greater awareness of, and commitment to, the World Church as well as promoting justice, peace and the integrity of creation. The Committee will also oversee the work associated with Pilots now being integrated into the denomination's children's and youth work. Together with the Resources Committee, it will take forward the work required to be an Eco Synod and for local congregations to develop as Eco Churches.

The Pastoral Committee will continue to support the pastoral work of the Moderator as appropriate and reviewing the Synod's deployment strategy. It will also continue to oversee the process of declaring and filling vacancies, identifying and training candidates for ministry (both ordained and lay) and for promoting health and healing.

The Resources Committee will continue to act in conjunction with and on behalf of the Synod Trustees in administering its various grant awarding processes and safeguarding the Synod's finances and investments. It will also participate in the review of the denomination's pension schemes, recognising that all Synods have a part to play in ensuring the schemes meet the requirements of the Pensions Regulator, and it will oversee a review of the level of contributions sought from churches to the national Ministry and Mission Fund.

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Structure, Governance and Management

The United Reformed Church (Eastern Province) Trust ("the Trust") is a company limited by guarantee formed on 20 March 2007 and is a registered charity, number 248796. It is governed by its Memorandum and Articles of Association as revised in 2008. All of the financial assets and liabilities of the Eastern Synod of the United Reformed Church ("Synod") are shown in the Trust's Financial Statements.

However, while the Trust holds the assets and liabilities of Synod, it is the Synod which is the decision making body, except in relation to matters relating exclusively to the business of the Trust for which the Trust Directors are responsible. The Trust is corporate Trustee for most land and buildings utilised by local URC Churches.

The Finance & Trust Officer and the Resources Officer attend Trustee meetings but are not themselves Trustees.

Appointment of New Trustees

The Trustees nominate members to serve as Trustees of the Trust and Synod meeting ratifies the appointments.

There is an informal programme for the induction of Trustees.

Training is also organised for the Trustees (normally annually) to ensure they are aware of current practice and issues of charity law etc.

Constitution of the Synod

Eastern Synod is one of thirteen Synods of the United Reformed Church ("URC") within the United Kingdom. It is constituted in accordance with the Scheme of Union and the United Reformed Church Acts of 1972, 1981 and 2000 (see www.urc.org.uk). It has oversight of the URC in the East of England, covering Norfolk, Suffolk, most of Essex, most of Cambridgeshire and part of Hertfordshire.

In accordance with "the Structure of the United Reformed Church" it is responsible for:-

- Overseeing six area partnerships;
- Promoting church extension;
- Promoting ecumenical relations;
- Opening, closing and extending church buildings;
- Overseeing matters affecting the ordained ministry, including discipline;
- Dealing with matters referred from the general assembly and mission council; and
- Undertaking such other things which promote the welfare of the United Reformed Church.

The Eastern Synod, which is made up of ministers and lay representatives of each local church together with Synod officers, meets to transact business routinely twice a year but has delegated various powers to a number of committees as well as the Trust. The following committees are responsible for specific elements in the life of the Synod:-

- Executive Committee;
- Pastoral Committee;
- Mission Committee;
- Resources/Property Committee; and
- Listed Buildings Advisory Committee.

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Organisational Structure

Day-to-day financial and property activities are dealt with by the Finance and Resources Officers. In accordance with the URC Acts, many decisions need a Church Meeting resolution, a Synod approval (at present Synod has delegated its power of approval to Resources Committee) and a decision by the Trust Directors before actions can be taken by, or on behalf of, the Trust as Trustee.

Related parties

During 2010 a subsidiary company - United Reformed Church (Eastern Province) Design & Build Limited - was established. This company has remained dormant throughout the year.

There have been no significant related party transactions between the Trust and any of its Trustees or Synod officials during the year.

Use of Volunteers

Most ministers of word and sacrament are paid directly from the Finance Office of the United Reformed Church in London. The URC Trust (acting at denominational level) is a separate charity, again not under common control. The Synod office staff, Finance and Trust Officer, Resources Officer and Youth and Children's Development Officer are paid by the Synod. Other than that, all members of Synod Committees and other supporting and enabling Synod activities are volunteers, almost all being members of their local URC or Local Ecumenical Partnership.

Key Management Personnel

The key management group within the Synod structure is made up of the Synod Moderator, the Synod Clerk and the Synod Treasurer. The first of these is remunerated by the denomination centrally at the same rate as all stipendiary ministers of word and sacrament serving the denomination. Although the Clerk and Treasurer are entitled to claim a small honorarium both the current (2021) incumbents have declined this and offer their services in a purely voluntary capacity.

Directors' Responsibilities

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual 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 year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. 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 judgements 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 charity will continue in operation.

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The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity 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.

Signed on behalf of the Trustees

Andrew East
Trustee

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Opinion

We have audited the financial statements of The United Reformed Church (Eastern Province) Trust (the 'charitable company') for the year ended 31 December 2021 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the Annual Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters in relation to which 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 disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies exemptions in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of report

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

Helen Blundell LLB, FCA, FCIE, DChA (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom
Date:

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

**Statement of Financial Activities
(including the Income and Expenditure Account)**

Year Ended 31 December 2021

2020 (As restated) Total Funds £		Notes	2021 Total Funds £	Unrestricted £	Designated £	Restricted £
	Income					
	<i>Donations and legacies</i>					
134,000	Grants received	2	112,582	104,000	8,582	-
	<i>Charitable activities:</i>					
77,767	Rent and loan interest	2	233,848	-	168,805	65,043
26,004	Other income	2	66,254	156	66,098	-
<u>481,421</u>	<i>Investment</i>	2	<u>392,854</u>	<u>44,144</u>	<u>285,361</u>	<u>63,349</u>
719,192	Total Operating Income	2	805,538	148,300	528,846	128,392
<u>1,712,777</u>	Transfer from local church funds	4	<u>2,186,580</u>	<u>-</u>	<u>2,183,620</u>	<u>2,960</u>
<u>2,431,969</u>	Total Income		<u>2,992,118</u>	<u>148,300</u>	<u>2,712,466</u>	<u>131,352</u>
	Expenditure on:					
104,143	Raising funds	2	184,350	53,610	27,487	103,253
<u>658,697</u>	Charitable expenditure	2	<u>4,765,704</u>	<u>125,023</u>	<u>4,640,681</u>	<u>-</u>
<u>762,840</u>	Total Expenditure	2	<u>4,950,054</u>	<u>178,633</u>	<u>4,668,168</u>	<u>103,253</u>
(43,648)	Net Income/(Expenditure) on Operating account	2	(4,144,516)	(30,333)	(4,139,322)	25,139
1,669,129	Net income/(expenditure) for the year before transfers		(1,957,936)	(30,333)	(1,955,702)	28,099
<u>-</u>	Transfers between funds		<u>-</u>	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
1,669,129	Net income/(expenditure) for the year after transfers		(1,957,936)	(10,333)	(1,975,702)	28,099
(494,874)	Realised (loss)/gain on investments	8	455,035	30,771	394,791	29,473
<u>562,245</u>	Unrealised (loss)/gain on investments	8	<u>1,544,488</u>	<u>(420,379)</u>	<u>1,644,400</u>	<u>320,467</u>
1,736,500	Net Movements in Funds for the year		41,587	(399,941)	63,489	378,039
20,411,197	Fund Balances b/forward	9	21,938,052	1,365,320	12,401,420	8,171,312
656,000	Prior year adjustment	24	865,645	-	656,000	209,645
<u>21,067,197</u>	Fund Balances b/forward as restated		<u>22,803,697</u>	<u>1,365,320</u>	<u>13,057,420</u>	<u>8,380,957</u>
<u>22,803,697</u>	Fund Balances c/forward		<u>22,845,284</u>	<u>965,379</u>	<u>13,120,909</u>	<u>8,758,996</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST
COMPANY NUMBER 00101685
Balance Sheet

As at 31 December 2021

2020 (As restated) £		Notes	2021 £
	Fixed Assets		
7,366,589	Tangible assets	10	7,019,850
11,765,585	Investments	11	13,644,556
<u>818,144</u>	Programme related investments	12	<u>755,765</u>
<u>19,950,318</u>			<u>21,420,171</u>
	Current Assets		
670,905	Debtors	13	89,317
<u>5,885,972</u>	Cash and short term deposits	14	<u>3,454,759</u>
6,556,877			3,544,076
<u>(3,478,252)</u>	Creditors: Amounts falling due within one year	15	<u>(1,978,534)</u>
<u>3,078,625</u>	Net Current Assets		<u>1,565,542</u>
23,028,943	Total Assets less Current Liabilities		22,985,713
<u>(225,246)</u>	Creditors: Amounts falling due after more than one year	16	<u>(140,429)</u>
<u>22,803,697</u>	Total Assets	18	<u>22,845,284</u>
	Funds:		
	Unrestricted funds:		
1,365,320	General		965,379
<u>13,057,420</u>	Designated		<u>13,120,909</u>
14,422,740	Total unrestricted funds		14,086,288
<u>8,380,957</u>	Restricted funds		<u>8,758,996</u>
<u>22,803,697</u>	Total Funds	18	<u>22,845,284</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Synod Trust Directors on

and signed on their behalf by

- Trustee – Gil Heathcote

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Statement of Cash Flows

Year ended 31 December 2021

	Notes	2021 £	2020 £
Cash flow from operating activities:			
Net cash provided/used in operating activities	A	(4,585,634)	(1,651,530)
Cash flows from investing activities:			
Proceeds from sale of fixed assets		65,142	486,973
Dividends, interest and rents from investments		625,201	555,031
Purchase of fixed assets		(26,365)	(1,435)
Purchase of investments		(149,000)	(3,575,467)
Proceeds from sale of investments		1,575,563	3,514,722
Repayment of programme related loans		<u>63,880</u>	<u>130,469</u>
Net cash provided by/used in investing activities		<u>2,154,421</u>	<u>1,110,293</u>
Change in cash and cash equivalents in the reporting period		(2,431,213)	(541,237)
Cash and cash equivalents at the beginning of the reporting period	B	<u>5,885,972</u>	<u>6,427,209</u>
Cash and cash equivalents at the end of the reporting period	B	<u>3,454,759</u>	<u>5,885,972</u>

Notes to the statement of cash flows

A) Reconciliation of net income/expenditure to net cash flow from operating activities

Net income for the reporting period (as per the statement of financial activities)	41,587	1,736,500
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Adjustments for:

Depreciation charges	6,538	5,783
(Gains)/losses on investments	(455,035)	494,874
Unrealised gains on investments	(1,544,488)	(562,245)
Dividends, interest and rents from investments	(625,201)	(555,031)
Loan interest	(1,501)	(4,157)
Donated assets	(1,003,000)	-
(Profit) on the sale of fixed assets	(1,584)	(246,973)
(Increase)/Decrease in debtors	581,588	(557,843)
(Decrease) in creditors	(1,584,538)	(1,962,438)
Net cash provided by operating activities	<u>(4,585,634)</u>	<u>(1,651,530)</u>

B) Analysis of cash and cash equivalents

Cash at bank and in hand	<u>3,454,759</u>	<u>5,885,972</u>
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THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

1. Accounting Policies

Basis of Accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. There are no material uncertainties about going concern. The financial statements are prepared in British Pound Sterling (£) which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Consolidation

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare consolidated financial statements. It has also taken advantage of the exemption under the SORP not to prepare consolidated financial statements on the grounds of materiality. These financial statements present information about the individual company only and not the group.

Going Concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget and forecast future cash flows in making their assessment. The covid-19 pandemic and current economic environment has not had a significant impact on the charity's operations although adaptations have been made to reflect changes in working practices. The Trustees are monitoring the impact of the pandemic on future revenue streams and the impact on our beneficiaries and any support they may require. Based on these assessments and having regard to resources available to the charity, the Trustees have concluded that there is no material uncertainty and the financial statements can continue to be prepared on a going concern basis.

Funds Incorporated

The financial statements show the combined income, expenditure, assets and liabilities of the following funds which are administered for the benefit of the United Reformed Church within the Eastern Synod:-

Synod Administration Fund
Church Life and Mission Fund
Retired Ministers Housing Fund
Retired Ministers Holiday Fund
Manse Fund
Pioneer Fund
Heritage Fund

Funds administered on behalf of local churches are not included.

UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

1. Accounting Policies *(continued)*

Description and Use of Funds

Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received.

Unrestricted income funds may be spent generally for furthering the Christian and charitable work of the United Reformed Church in the Eastern Province. The main fund in this category is the Church Life & Mission Fund. Certain funds have been allocated by the Resources Committee but the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

The charity receives grants which are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Individual church property

The Trust is sole Trustee of the land and buildings of most local URCs but they are not the property of the Synod and are not shown in the financial statements. Sale proceeds from redundant properties or from part thereof which come into Synod funds are treated as unrestricted income from general funds. The income is recognised when the amount can be measured reliably and it is probable that the income will be received.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of costs of managing investments and programme related investments;
- Expenditure on charitable activities includes costs of ministry, mission, training and property grants; and
- Other expenditure represents those items not falling into the categories above.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

1. Accounting Policies *(continued)*

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose. Grants payable to local churches, organisations and individuals are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include premises costs, office costs, governance costs, and salary costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Depreciation

Properties recognised in tangible fixed assets are recognised at cost. The residual values of the properties are such that the depreciation charge is negligible. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, on a straight line basis over their estimated useful economic lives as follows:-

Office Equipment (including computers)	- over five years
Fixtures and Fittings	- over ten years
Motor Vehicle	- over five years
Audio Visual	- over five years

No amounts under £500 (increased from £50 in 2021 as agreed with auditors) are capitalised. The Trustees conduct an annual impairment review.

Freehold properties includes some burial grounds. Due to the nature of this land, they are included at £Nil value.

Investments

Listed investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Investments in subsidiary or participating interests are stated at cost less provision for impairment.

Programme related investments are those held to further our charitable purposes. Programme related investments include investment in a percentage share of properties and bridging or other loans.

Related investments in properties are stated at cost subject to any adjustment arising from impairment which is considered on an annual basis. Gains on disposal of these investments are shown as other income in the SoFA. Investments by way of loans are stated at cost. Interest is charged on the loans at the COIF rate of interest, being the rate of interest the Trust would otherwise have earned.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

1. Accounting Policies *(continued)*

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Contribution to Pension Funds

The charity participates in a defined benefit scheme, The Pensions Trust Defined Benefit Scheme, which is a multi employer scheme where the underlying assets and liabilities are not separately identifiable. In accordance with the SORP, it is accounted for as a defined contribution scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

The charity also operates a defined contribution scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Financial instruments

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

Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgements relevant to the financial statements are:

Investments – estimate of fair value

Fixed assets – estimate of useful life and estimate of impairment

Indirect costs – allocation to activities

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

2. Analysis of Total Operating Income and Expenditure

2020 Total Funds £		2021 Total Funds £	Unrestricted £	Designated £	Restricted £
	Income from				
	Donations and legacies:				
130,000	Local church contributions	104,000	104,000	-	-
-	Grants	5,500	-	5,500	-
<u>4,000</u>	Donations	3,082	-	<u>3,082</u>	-
<u>134,000</u>		<u>112,582</u>	<u>104,000</u>	<u>8,582</u>	-
	Income from charitable activities:				
	<i>Rent and loan interest</i>				
73,610	Rental income	232,347	-	167,304	65,043
<u>4,157</u>	Loan interest	1,501	-	<u>1,501</u>	-
<u>77,767</u>		<u>233,848</u>	-	<u>168,805</u>	<u>65,043</u>
	<i>Other income</i>				
<u>26,004</u>	Miscellaneous	<u>66,254</u>	<u>156</u>	<u>66,098</u>	-
	Income from investments				
306,687	Investment income – excl. interest	352,736	41,043	249,708	61,985
24,871	Interest	24,577	3,101	20,112	1,364
<u>149,863</u>	Rental income	15,542	-	<u>15,542</u>	-
<u>481,421</u>		<u>392,854</u>	<u>44,144</u>	<u>285,361</u>	<u>63,349</u>
<u>719,192</u>	Total Operating Income	<u>805,538</u>	<u>148,300</u>	<u>528,846</u>	<u>128,392</u>
	Expenditure on raising funds				
1,164	Legal and professional	5,208	-	5,208	-
32,240	Synod manse scheme	102,593	-	-	102,593
10,788	Leasing of premises	18,276	-	17,928	348
1,501	Investment manager charges	1,465	28	1,125	312
<u>58,450</u>	Shared indirect costs (note 3)	<u>56,808</u>	<u>53,582</u>	<u>3,226</u>	-
<u>104,143</u>	Total Cost of Generating Funds	<u>184,350</u>	<u>53,610</u>	<u>27,487</u>	<u>103,253</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

2. Analysis of Total Operating Income and Expenditure (Continued)

2020 Total Funds £		2021 Total Funds £	Unrestricted £	Designated £	Restricted £
Expenditure on Charitable Activities					
Ministry & Mission:-					
330,213	Grants (note 5)	575,025	-	575,025	-
54,968	Pioneer development officer	42,019	-	42,019	-
-	Local leader salary	10,709	-	10,709	-
-	Pension contributions	3,676,967	-	3,676,967	-
3,435	Retired ministers housing society	-	-	-	-
39,156	Shared indirect costs (note 3)	36,295	17,860	18,435	-
427,772		4,341,015	17,860	4,323,155	-
Training:-					
(2,000)	Ministers (note 5)	12,894	-	12,894	-
750	Students (note 5)	-	-	-	-
(60)	Lay training (note 5)	483	-	483	-
4,995	Synod organised events	-	-	-	-
52,262	Mission and development officer	50,494	-	50,494	-
	Children and youth development officer	58,128	-	58,128	-
39,156	Shared indirect costs (note 3)	36,295	17,860	18,435	-
153,476		158,294	17,860	140,434	-
Property:-					
(41,953)	Church building grants (note 5)	151,757	-	151,757	-
18,150	Property facelift (note 5)	18,618	-	18,618	-
	Quinquennial survey grants (note 5)	726	-	726	-
98,111	Shared indirect costs (note 3)	95,294	89,303	5,991	-
77,449		266,395	89,303	177,092	-
658,697	Total Charitable Expenditure	4,765,704	125,023	4,640,681	-
762,840	Total Operating Expenditure	4,950,054	178,633	4,668,168	103,253
(43,648)	Net Income/(Expenditure) on Operating Account	(4,144,516)	(30,333)	(4,139,322)	25,139

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

2020 Comparative figures

a) Analysis of Total Operating Income and Expenditure

	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
Income from				
Donations and legacies:				
Local church contributions	130,000	130,000	-	-
Donations	<u>4,000</u>	<u>1,201</u>	<u>2,799</u>	<u>-</u>
	134,000	131,201	2,799	-
Income from charitable activities:				
Rent and loan interest				
Rental income	73,610	-	19,052	54,558
Loan interest	<u>4,157</u>	<u>-</u>	<u>4,157</u>	<u>-</u>
	77,767	-	23,209	54,558
Other income				
Miscellaneous	<u>26,004</u>	<u>-</u>	<u>26,004</u>	<u>-</u>
Income from investments				
Investment income – excl. interest	306,687	26,788	230,978	48,921
Interest	24,871	3,625	19,940	1,306
Rental income	<u>149,863</u>	<u>-</u>	<u>149,863</u>	<u>-</u>
	481,421	30,413	400,781	50,227
Total Operating Income	719,192	161,614	452,793	104,785
Expenditure on raising funds				
Legal and professional	1,164	450	714	-
Synod manse scheme	32,240	-	-	32,240
Leasing of premises	10,788	-	10,453	335
Investment manager charges	1,501	20	1,263	218
Shared indirect costs (note 3)	<u>58,450</u>	<u>54,793</u>	<u>3,657</u>	<u>-</u>
Total Cost of Generating Funds	104,143	55,263	16,087	32,793

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

2020 Comparative figures

2. Analysis of Total Operating Income and Expenditure (Continued)

	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
Expenditure on Charitable Activities				
Ministry & Mission:-				
Grants (note 5)	330,213	-	330,213	
Pioneer development officer	54,968	-	54,968	-
Retired ministers housing society (note 5)	3,435	-	-	3,435
Shared indirect costs (note 3)	<u>39,156</u>	<u>18,264</u>	<u>20,892</u>	<u>-</u>
	<u>427,772</u>	<u>18,264</u>	<u>406,073</u>	<u>3,435</u>
Training:-				
Ministers (note 5)	(2,000)	-	(2,000)	-
Students (note 5)	750	-	750	-
Lay training (note 5)	(60)	-	(60)	-
Synod organised events	4,995	-	4,995	-
Mission and development officer	52,262	-	52,262	-
Children and youth development officer	58,373	-	58,373	-
Shared indirect costs (note 3)	<u>39,156</u>	<u>18,264</u>	<u>20,892</u>	<u>-</u>
	<u>153,476</u>	<u>18,264</u>	<u>135,212</u>	<u>-</u>
Property:-				
Church building grants (note 5)	(41,953)	-	(41,953)	-
Property facelift (note 5)	18,150	-	18,150	-
Quinquennial survey grants (note 5)	3,141	-	3,141	-
Shared indirect costs (note 3)	<u>98,111</u>	<u>91,321</u>	<u>6,790</u>	<u>-</u>
	<u>77,449</u>	<u>91,321</u>	<u>(13,872)</u>	<u>-</u>
Total Charitable Expenditure	<u>658,697</u>	<u>127,849</u>	<u>527,413</u>	<u>3,435</u>
Total Operating Expenditure	<u>762,840</u>	<u>183,112</u>	<u>543,500</u>	<u>36,228</u>
Net Income/(Expenditure) on Operating Account	<u>(43,648)</u>	<u>(21,498)</u>	<u>(90,707)</u>	<u>68,557</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

3. Indirect Costs

2020 Total Funds £		2021 Total Funds £	Unrestricted £	Designated £	Restricted £
Premises Costs:-					
12,240	Rent	11,220	11,220	-	-
-	Insurance	2,837	2,837	-	-
2,309	Gas and electricity	1,028	1,028	-	-
2,129	Cleaning	2,469	2,469	-	-
626	Property repairs	586	586	-	-
179	Water charges	164	164	-	-
<u>17,483</u>		<u>18,304</u>	<u>18,304</u>	<u>-</u>	<u>-</u>
Office Costs					
2,301	Telephone, internet and website	2,850	2,850	-	-
3,843	Postage and stationery	2,487	2,487	-	-
2,984	Depreciation	3,436	3,067	369	-
5,733	Computer costs	7,133	7,133	-	-
371	Refreshments and office consumables	282	282	-	-
1,527	Equipment repairs	-	-	-	-
689	Insurance	1,468	1,468	-	-
1,732	Staff travel, subsistence and training	1,365	1,365	-	-
224	Staff events	451	451	-	-
(4)	Year book and communications	883	883	-	-
3,414	Photocopier lease and copy costs	3,235	3,235	-	-
1,684	Moderator expenses	1,974	-	1,974	-
464	Sundries	2,629	315	2,314	-
<u>24,962</u>		<u>28,193</u>	<u>23,536</u>	<u>4,657</u>	<u>-</u>
157,511	Employment costs	153,622	115,971	37,651	-
Synod Related Costs:-					
15	Synod Council and general assembly	3,357	-	3,357	-
1,172	Synod treasurer and clerk costs	1,258	1,258	-	-
1,500	Honoraria	1,500	1,500	-	-
8,850	Audit and accountancy	3,506	3,506	-	-
3,903	Committee and office holder costs	2,958	2,930	28	-
19,477	Legal and professional	11,994	11,600	394	-
<u>34,917</u>		<u>24,573</u>	<u>20,794</u>	<u>3,779</u>	<u>-</u>
<u>234,873</u>	Total Indirect Costs	<u>224,692</u>	<u>178,605</u>	<u>46,087</u>	<u>-</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

3. Indirect Costs (continued)

			Total £	Unrestricted £	Designated £	Restricted £
Premises costs			18,304	18,304	-	-
Office costs			28,193	23,536	4,657	-
Synod related costs			24,573	20,794	3,779	-
Employment costs			153,622	115,971	37,651	-
Total Indirect Costs			224,692	178,605	46,087	-
	% Unrestr.	% Desig.	Total £	Unrestricted £	Designated £	Restricted £
Funds generated	30%	7%	56,808	53,582	3,226	-
Ministry & Mission	10%	40%	36,295	17,860	18,435	-
Training	10%	40%	36,295	17,860	18,435	-
Property	50%	13%	95,294	89,303	5,991	-
Total	100%	100%	224,692	178,605	46,087	-

2020 Comparative figures

3. Indirect Costs

	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
Premises Costs:-				
Rent	12,240	12,240	-	-
Insurance	-	-	-	-
Gas and electricity	2,309	2,309	-	-
Cleaning	2,129	2,129	-	-
Property repairs	626	626	-	-
Water charges	179	179	-	-
	17,483	17,483	-	-
Office Costs				
Telephone, internet and website	2,301	2,301	-	-
Postage and stationery	3,843	3,843	-	-
Depreciation	2,984	2,752	232	-
Computer costs	5,733	5,733	-	-
Refreshments and office consumables	371	371	-	-
Equipment repairs	1,527	1,527	-	-
Insurance	689	689	-	-
Staff travel, subsistence and training	1,732	1,732	-	-
Staff events	224	224	-	-
Year book and communications	(4)	-	(4)	-
Photocopier lease and copy costs	3,414	3,582	(168)	-
Moderator expenses	1,684	-	1,684	-
Sundries	464	464	-	-
	24,962	23,218	1,744	-
Employment costs	157,511	120,895	36,616	-

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

2020 Comparative figures

Synod Related Costs:-				
Synod Council and general assembly	15	15	-	-
Synod treasurer and clerk costs	1,172	1,172	-	-
Honoraria	1,500	1,500	-	-
Audit and accountancy	8,850	8,850	-	-
Committee and office holder costs	3,903	1,656	2,247	-
Legal and professional	19,477	7,853	11,624	-
	<u>34,917</u>	<u>21,046</u>	<u>13,871</u>	<u>-</u>
Total Indirect Costs	234,873	182,642	52,231	-

	Total £	Unrestricted £	Designated £	Restricted £
Premises costs	17,483	17,483	-	-
Office costs	24,962	23,218	1,744	-
Synod related costs	34,917	21,046	13,871	-
Employment costs	157,511	120,895	36,616	-
Total Indirect Costs	234,873	182,642	52,231	-

	% Unrestr.	% Desig.	Total £	Unrestricted £	Designated £	Restricted £
Funds generated	30	07	58,450	54,793	3,657	-
Ministry & Mission	10	40	39,156	18,264	20,892	-
Training	10	40	39,156	18,264	20,892	-
Property	50	13	98,111	91,321	6,790	-
Total	100	100	234,873	182,642	52,231	-

4. Proceeds on Sale of Property

2020 (As restated) Total Funds £	2021 Total Funds £	Unrestricted £	Designated £	Restricted £
Proceeds arising from church closures/disposals	2,186,580	-	2,183,620	2,960

2020 Comparative figures

4. Proceeds on Sale of Property	2020 (As restated) Total Funds £	Unrestricted £	Designated £	Restricted £
Proceeds arising from church closures/disposals	1,712,777	-	1,400,153	312,624

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

5. Grants

The following grants have been charged during the year:-

	Institutions		Individuals	
	Number	Amount £	Number	Amount £
Mission:				
Youth and Children's work		8,408		
Youth work grants	5	74,375		
Churches Together in Suffolk		-		
Churches Together in Norfolk and Waveney	1	406		
University of East Anglia	1	10,225		
CTEEL	1	1,402		
Resource Sharing	1	75,000		
Sundry mission grants	11	108,977		
Sundry grants	14	161,308		
Ministry and mission fund	1	129,340		
Berechurch Road House for Mission	1	3,360		
Cambridge Ecumenical Council	1	2,224		
		<u>575,025</u>		<u>0</u>
Ministry:				
Moderator's benevolent fund			1	(1,400)
Retired Ministers' Housing Society		-		
Sundry minister grants	2	<u>6,642</u>		<u>-</u>
		<u>6,642</u>		<u>(1,400)</u>
Training:				
Continual Minister Education			16	2,446
Minister spring school	1	5,206		
Lay training		-	19	483
		<u>5,206</u>		<u>2,929</u>
Property:				
Local churches	9	151,757		
Project facelift	1	18,618		
Quinquennial survey grants	1	<u>726</u>		
		<u>171,101</u>		
Total Grants Charged		<u>757,974</u>		<u>1,529</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

2020 Comparative figures

5. Grants

The following grants have been charged during the year:-

	Institutions		Individuals	
	Number	Amount £	Number	Amount £
Mission:				
Youth and Children's work			6	9,257
Youth work grants				
Churches Together in Suffolk	1	681		
Churches Together in Norfolk and Waveney	1	406		
Shared Churches in Ely				
Cambridgeshire work relations group				
University of East Anglia	1	2,000		
CTEEL	1	1,402		
Resource Sharing	1	60,000		
Sundry mission grants	4	85,617		
Sundry grants	8	156,260		
Berechurch Road House for Mission	1	12,000		
Sundry minister grants	1	1,140		
Ministry:				
Moderator's benevolent fund	1	1,450		
Retired Ministers' Housing Society	1	3,435		
		<u>324,391</u>		<u>9,257</u>
Training:				
Continual Minister Education			9	(2,043)
Minister spring school			2	42
Student book grants			3	750
Lay training			2	(60)
				<u>(1,311)</u>
Property:				
Local churches	5	(41,953)		
Project facelift	3	18,150		
Quinquennial survey grants	7	3,141		
		<u>(20,662)</u>		<u>-</u>
Total Grants Charged		<u>303,729</u>		<u>7,946</u>

6. Payments to Trustees and related party transactions

Reimbursed expenses were paid to three Trustees of the Synod in aggregate of £2,077 (2020: £2,766). Synod recognises an honoraria of £1,500 (2020: £1,500) for the Treasurer in respect of their role within the Synod. During the year the charity acquired services of £8,012 from Lewis Patten Chartered Architects, a company in which Mr C Patten is a director and owner. No other remuneration or expenses were paid to the Trustees or members of the Resources Committee, other than the reimbursement of travel expenses.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

7. Employment Emoluments	2021 £	2020 £
Wages and salaries	200,333	214,775
Employers national insurance	19,563	19,597
Pension costs	<u>41,191</u>	<u>33,774</u>
	<u>261,087</u>	<u>268,146</u>
The average number of employees was	<u>8</u>	<u>6</u>

No employee received more than £60,000 (2020 4: None) per annum or more. All staff are employed by the Synod other than the Moderator whose contracts of employment is held by Church House.

The charity operates both a defined benefit and a direct contribution pension scheme and contributions are charged as expenditure as they become payable (note 19).

8. Gains/(Losses) on Investments	2021 £	2020 £
Realised gains/(losses) on investments sold	455,035	(494,874)
Unrealised gain on fair value movement of investments for the year	<u>1,544,488</u>	<u>562,245</u>
Net Gain/(Loss) on Investments for the Year	<u>1,999,523</u>	<u>67,371</u>

9. Movement in Funds

	1.1.2021 (As restated) £	Incoming £	Outgoing £	Transfers £	Change in investment value £	31.12.2021 £
Unrestricted						
Synod administration	<u>1,365,320</u>	<u>148,300</u>	<u>(178,633)</u>	<u>20,000</u>	<u>(389,608)</u>	<u>965,379</u>
Unrestricted Designated						
Church Life & Mission	10,136,614	1,589,773	(4,371,202)	(20,000)	1,909,874	9,245,059
Heritage Fund	742,777	1,113,455	(254,806)	-	89,924	1,691,350
Manse Fund	744,395	-	-	-	-	744,395
Pioneer Fund	<u>1,433,634</u>	<u>9,238</u>	<u>(42,160)</u>	<u>-</u>	<u>39,393</u>	<u>1,440,105</u>
Total Designated Funds	<u>13,057,420</u>	<u>2,712,466</u>	<u>(4,668,168)</u>	<u>(20,000)</u>	<u>2,039,191</u>	<u>13,120,909</u>
Total Unrestricted Funds	<u>14,422,740</u>	<u>2,860,766</u>	<u>(4,846,801)</u>	<u>-</u>	<u>1,649,583</u>	<u>14,086,288</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2020

9. Movement on Funds (continued)

	1.1.2021 £	Incoming £	Outgoing £	Transfers £	Change in investment value £	31.12.2021 £
Restricted						
Church Life & Mission	1,131,613	30,555	-	-	209,782	1,371,950
Retired Ministers Housing	953,445	18,849	(11)	-	80,729	1,053,012
Retired Ministers Holiday	11,216	262	(3)	-	1,098	12,573
Manse fund	<u>6,284,683</u>	<u>81,686</u>	<u>(103,239)</u>	<u>-</u>	<u>58,331</u>	<u>6,321,461</u>
Total Restricted Funds	<u>8,380,957</u>	<u>131,352</u>	<u>(103,253)</u>	<u>-</u>	<u>349,940</u>	<u>8,758,996</u>
Total Funds	<u>22,803,697</u>	<u>2,992,118</u>	<u>(4,950,054)</u>	<u>-</u>	<u>1,999,523</u>	<u>22,845,284</u>

Prior Year (as restated)

	1.1.2020 (As restated) £	Incoming £	Outgoing £	Transfers £	Change in investment value £	31.12.2020 (As restated) £
Unrestricted						
Synod administration	<u>1,461,258</u>	<u>161,614</u>	<u>(183,112)</u>	<u>20,000</u>	<u>(94,440)</u>	<u>1,365,320</u>
Unrestricted Designated						
Church Life & Mission	9,530,432	988,414	(538,459)	(20,000)	176,227	10,136,614
Heritage Fund	692,782	20,812	(51)	-	29,234	742,777
Manse Fund	744,395	-	-	-	-	744,395
Pioneer Fund	<u>582,097</u>	<u>843,720</u>	<u>(4,990)</u>	<u>-</u>	<u>12,807</u>	<u>1,433,634</u>
Total Designated Funds	<u>11,549,706</u>	<u>1,852,946</u>	<u>(543,500)</u>	<u>(20,000)</u>	<u>218,268</u>	<u>13,057,420</u>
Total Unrestricted Funds	<u>13,010,964</u>	<u>2,014,560</u>	<u>(726,612)</u>	<u>-</u>	<u>123,828</u>	<u>14,422,740</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

9. Movement on Funds (continued)

Prior Year

	1.1.2020 £	Incoming £	Outgoing £	Transfers £	Change in investment value £	31.12.2020 £
Restricted						
Church Life & Mission	1,178,316	20,507	-	-	(67,210)	1,131,613
Retired Ministers Housing	948,841	15,608	(3,442)	-	(7,562)	953,445
Retired Ministers Holiday	11,665	178	(2)	-	(625)	11,216
Manse fund	5,917,411	381,116	(32,784)	-	18,940	6,284,683
Total Restricted Funds	<u>8,056,233</u>	<u>417,409</u>	<u>(36,228)</u>	<u>-</u>	<u>(56,457)</u>	<u>8,380,957</u>
Total Funds	<u>21,067,197</u>	<u>2,431,969</u>	<u>(762,840)</u>	<u>-</u>	<u>67,371</u>	<u>22,803,697</u>

10. Tangible Fixed Assets

	Audio Visual £	Fixtures & Fittings £	Office Equip- ment £	Computer Equip- ment £	Motor Vehicle £	Property £	Total £
Cost							
As at 1 January 2021 (As restated)	4,093	27,433	5,561	17,704	23,842	7,351,305	7,429,938
Additions	2,869	-	-	3,451	20,045	-	26,365
Disposals	(1,402)	(9,675)	(1,019)	(4,784)	(23,842)	(63,188)	(103,917)
Transfer to investments	-	-	-	-	-	(302,447)	(302,447)
At 31 December 2021	<u>5,560</u>	<u>17,758</u>	<u>4,542</u>	<u>16,374</u>	<u>20,045</u>	<u>6,985,670</u>	<u>7,049,949</u>
Depreciation							
At 1 January 2021	4,093	18,440	4,723	15,283	20,810	-	63,349
Elimination	(1,402)	(9,676)	(1,019)	(4,784)	(22,909)	-	(39,788)
Charged during the year	214	1,152	279	1,791	3,102	-	6,538
At 31 December 2021	<u>2,905</u>	<u>9,916</u>	<u>3,983</u>	<u>12,292</u>	<u>1,003</u>	<u>-</u>	<u>30,099</u>
Net Book Value							
At 31 December 2021	<u>2,655</u>	<u>7,842</u>	<u>559</u>	<u>4,082</u>	<u>19,042</u>	<u>6,985,670</u>	<u>7,019,850</u>
At 31 December 2020 (As restated)	-	8,993	838	2,421	3,032	7,351,305	7,366,589

There are no capital commitments at the year end.

At the year end, the Synod Manse Scheme had beneficial ownership of 22 properties valued at approximately £7.8 million registered in the name of the URC (Eastern Province) Trust. Of this, 17 properties totalling £6.5 million are included within note 10 and 11.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

11. Investments

	Properties £	Bonds and Stock £	Investment Funds Equities £	Total £
At 1 January 2021 (as restated)	355,000	630,121	10,780,464	11,765,585
Additions	1,003,000	103,000	46,000	1,152,000
Disposals		(110,349)	(904,535)	(1,014,884)
Transfer from fixed assets	302,447	-	-	302,447
Realised gains	-	(4,651)	(556,028)	(560,679)
Unrealised gains/(losses) on revaluation	<u>358,553</u>	<u>(36,081)</u>	<u>1,677,615</u>	<u>2,000,087</u>
At 31 December 2021	<u>2,019,000</u>	<u>582,040</u>	<u>11,043,516</u>	<u>13,644,556</u>
Historical cost at year end	<u>1,660,447</u>	<u>561,960</u>	<u>7,013,281</u>	<u>9,235,688</u>

The investments are invested within a number of Charity Investment Funds, managed by CCLA and Epworth.

Subsidiary undertakings and participating interests

The following were subsidiary undertakings or participating interests of the charity which holds ordinary shares in each entity:

Name	Company number	Registered office	Holding %	Principal activity
The United Reformed Church (Eastern Province) Design & Build Limited	07301264	Eastern Synod Office 36 Duxford Road Whittlesford CB22 4ND	100%	Dormant
Lewis Gibson Limited	04091574	Downing Place United Reformed Church, Downing Street, Cambridge, CB2 3EL	33.3%	Letting of property

The financial results of the subsidiaries or participating interests for the year were:

Name	Income £	Expenditure £	Profit/ (Loss) £	Capital and Reserves £
The United Reformed Church (Eastern Province) Design & Build Limited	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Lewis Gibson Limited	<u>191,178</u>	<u>(191,094)</u>	<u>84</u>	<u>(180,640)</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

12. Programme Related Investments	Loans £	Property £	Total £
At 1 January 2021	520,589	297,555	818,144
Repayments received	(63,880)	-	(63,880)
Interest charged	<u>1,501</u>	<u>-</u>	<u>1,501</u>
At 31 December 2021	<u>458,210</u>	<u>297,555</u>	<u>755,765</u>

By decision of the Resources Committee, the Synod is committed to loans, not yet made, totalling £80,000 (2020: £80,000). All loans are subject to the COIF rate of interest that would otherwise have been received.

The Synod has no contingent liability arising from any undertaking to guarantee the repayment of loans made by the General Assembly of the URC to congregations in the Synod.

In relation to the Residential property, no interest is charged on the initial value of the investment. A proportion of the costs of repair are met by the Trust during the period of investment but the benefit should arise on disposal of the properties when the Trust receives a proportion of the proceeds relating to the investment proportion of the total original cost.

13. Debtors	2021 £	2020 (As restated) £
Prepayments	1,347	-
Other debtors	87,970	669,570
CME and lay training payments recoverable	<u>-</u>	<u>1,335</u>
	<u>89,317</u>	<u>670,905</u>

14. Cash on Deposit, at Bank and in Hand	2021 £	2020 (As restated) £
Bank deposits held for local churches	1,011,366	2,795,001
CCLA Charities Deposit Fund	285,032	274,637
Barclays Bank current account	1,036,795	235,296
Epworth Affirmative Deposit Fund	402,244	1,627,140
CAF 60 Day Deposit Account	400,000	400,000
Cambs and Counties 180 Day Deposit	314,425	553,744
Moderator's Benevolent Fund	4,732	-
Petty cash	<u>165</u>	<u>154</u>
	<u>3,454,759</u>	<u>5,885,972</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

15. Creditors: Amounts falling due within one year	2021	2020 (As restated)
	£	£
Grants approved awaiting payment	330,964	219,235
Receipts in advanced	-	1,146
Accrued expenses	68,384	15,750
Other creditors	1,444,170	3,078,214
Ministry and mission fund	127,775	155,350
Pension, PAYE and NIC	7,241	8,557
	<u>1,978,534</u>	<u>3,478,252</u>

Included within other creditors is an amount of £1,230,100 (2020: £3,013,734) held in bank accounts on behalf of certain churches.

16. Creditors: Amounts falling after more than one year	2021	2020
	£	£
Grants approved awaiting payment	49,991	13,961
Other creditors	<u>90,438</u>	<u>211,285</u>
	<u>140,429</u>	<u>225,246</u>

17. Operating Lease Commitments

The office used by the company is situated on land that is registered in the name of The United Reformed Church (Eastern Province) Trust and held on statutory trust in favour of Whittlesford United Reformed Church. The agreement term has lapsed however, the Trust continues to pay a sum of £1,020 per month to the Church for use of the building.

Other operating lease commitments within one year £2,517 and between 2 to 5 years £629.

18. Disposition of Funds as at 31 December 2021

The Church Life & Mission Fund has been created from the asset apportionments of former Trustee bodies and the sale of proceeds of redundant churches. Income only is used for grants and training support but the capital can be loaned to churches in accordance with the Synod Finance Policy. Included within these funds is Project Facelift which is used for the benefit of smaller churches.

In October 2005 the Synod Manse Policy was endorsed. A number of property sales were recognised and set aside as initial funding. The fund is designed to allow churches to release their interest in a property to the Synod's control thereby allowing Synod to position manses where they are required and to ensure that the houses within the manse scheme are kept in a good state of repair.

The Retired Ministers' Housing Fund is available to help in housing ministers in retirement.

The Retired Ministers' Holiday Fund was established from the sale proceeds of the Synod caravan and is used to benefit ministers.

The Heritage Fund has been set up specifically to support those churches who have the responsibility of maintaining buildings which are listed on the National Register. Grants of up to 50% of the cost will be awarded up to a maximum of £25,000 providing churches can demonstrate that they have regularly maintained their properties up to a reasonable standard. The money to support such grants comes from part of the proceeds of sales of redundant Listed buildings.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

18. Disposition of Funds as at 31 December 2021 (continued)

The Pioneer Fund was approved by Synod in October 2008 with the sole purpose to support churches envisioned with a pioneer project costing in excess of £250,000. In March 2013, Synod meeting amended the normal minimum project cost to £100,000. The money in this fund comes from part of the proceeds of sales of redundant buildings which are not Listed.

The Pioneer St Neots Fund is a sub-fund of the work of the Pioneer Fund set aside to support a five year project in the St Neots area.

	Fixed Assets £	Investments £	Programme Related Investments £	Debtors £	Bank and Cash £	Liabilities £	Total 2021 £
Unrestricted							
Synod Administration	<u>12,845</u>	<u>1,270,343</u>	<u>-</u>	<u>1,347</u>	<u>(213,192)</u>	<u>(105,964)</u>	<u>965,379</u>
Unrestricted Designated							
Church Life & Mission							
Income	197,604	9,370,295	539,197	65,700	(393,409)	(534,328)	9,245,059
Manse fund	301,000	-	-	-	443,395	-	744,395
Heritage	-	746,879	-	22,070	1,166,944	(244,543)	1,691,350
Pioneer Fund	<u>380,000</u>	<u>172,188</u>	<u>-</u>	<u>-</u>	<u>889,150</u>	<u>(1,233)</u>	<u>1,440,105</u>
Total Unrestricted Designated Funds	<u>878,604</u>	<u>10,289,362</u>	<u>539,197</u>	<u>87,770</u>	<u>2,106,080</u>	<u>(780,104)</u>	<u>13,120,909</u>
Total Unrestricted Funds	<u>891,449</u>	<u>11,559,705</u>	<u>539,197</u>	<u>89,117</u>	<u>1,892,888</u>	<u>(886,068)</u>	<u>14,086,288</u>
Restricted							
Funds held for Churches	-	-	-	-	1,230,099	(1,230,099)	-
Church Life & Mission							
Capital	-	959,665	-	-	412,285	-	1,371,950
Ret'd Ministers	-	633,792	216,568	-	202,651	1	1,053,012
Housing	-	8,056	-	-	4,517	-	12,573
Ret'd Ministers Holiday	-	483,338	-	200	(287,681)	(2,797)	6,321,461
Manse fund	<u>6,128,401</u>	<u>483,338</u>	<u>-</u>	<u>200</u>	<u>(287,681)</u>	<u>(2,797)</u>	<u>6,321,461</u>
Total Restricted Funds	<u>6,128,401</u>	<u>2,084,851</u>	<u>216,568</u>	<u>200</u>	<u>1,561,871</u>	<u>(1,232,895)</u>	<u>8,758,996</u>
TOTAL FUNDS	<u>7,019,850</u>	<u>13,644,556</u>	<u>755,765</u>	<u>89,317</u>	<u>3,454,759</u>	<u>(2,118,963)</u>	<u>22,845,284</u>

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Notes to the Financial Statements

Year Ended 31 December 2021

18. Disposition of Funds as at 31 December 2021 (*continued*)

PRIOR YEAR (as restated)	Fixed Assets £	Investments £	Programme Related Investments £	Debtors £	Bank and Cash £	Liabilities £	Total 2020 £
Unrestricted							
Synod							
Administration	<u>12,997</u>	<u>1,295,091</u>	<u>90,051</u>	<u>1,430</u>	<u>(23,198)</u>	<u>(11,051)</u>	<u>1,365,320</u>
Unrestricted Designated							
Church Life & Mission	1,092,165	7,676,833	389,753	622,273	1,092,087	(736,497)	10,136,614
Income							
Manse fund	301,000	401,000	-	-	42,395	-	744,395
Heritage	-	656,956	-	35,768	200,713	(150,660)	742,777
Pioneer Fund	-	132,795	60,034	4,978	1,237,028	(1,201)	1,433,634
Total Unrestricted Designated Funds	<u>1,393,165</u>	<u>8,867,584</u>	<u>449,787</u>	<u>663,019</u>	<u>2,572,223</u>	<u>(888,358)</u>	<u>13,057,420</u>
Total Unrestricted Funds	<u>1,406,162</u>	<u>10,162,675</u>	<u>539,838</u>	<u>664,449</u>	<u>2,549,025</u>	<u>(899,409)</u>	<u>14,422,740</u>
Restricted							
Funds held for Churches	-	-	-	-	2,804,089	(2,804,089)	-
Church Life & Mission Capital	-	973,267	-	-	158,346	-	1,131,613
Ret'd Ministers Housing	-	597,385	256,590	-	99,470	-	953,445
Ret'd Ministers Holiday	-	8,245	-	-	2,971	-	11,216
Manse fund	<u>5,960,427</u>	<u>24,013</u>	<u>21,716</u>	<u>6,456</u>	<u>272,071</u>	<u>-</u>	<u>6,284,683</u>
Total Restricted Funds	<u>5,960,427</u>	<u>1,602,910</u>	<u>278,306</u>	<u>6,456</u>	<u>3,336,947</u>	<u>(2,804,089)</u>	<u>8,380,957</u>
TOTAL FUNDS	<u>7,366,589</u>	<u>11,765,585</u>	<u>818,144</u>	<u>670,905</u>	<u>5,885,972</u>	<u>(3,703,498)</u>	<u>22,803,697</u>

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Notes to the Financial Statements

Year Ended 31 December 2021

19. Pension Scheme

The Trust contributed £13,208 (2020: £6,420) to The United Reformed Church Final Salary Scheme, a pension scheme principally for lay staff which is administered by TPT Retirement Solutions Trust (formerly The Pensions Trust). The scheme is a defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities – each member in the scheme pays a common contribution rate – and accordingly it has accounted for its contributions as if it were a defined contribution scheme.

The most recent formal actuarial review of the scheme was at 30 September 2019, when the scheme had a surplus of £2,689,000. The assumptions underlying that valuation include:

- Discount rate of 1.4% pa
- Pensionable earnings growth of 2.5% for three years, 2.75% thereafter
- Price inflation and pension increases of 2.55%
- Retirement age (active members) of 65, with maximum commutation

The employer contribution rate is 26%.

A defined contribution scheme has also been opened for more recently appointed staff. Contributions for the year to this scheme were £27,983 (2020: £21,834).

20. Contingent Assets

At the year end, the property of five churches are held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the Company following church closures. The proceeds of sale will revert to the Trust on sale in accordance with the Statutory Trusts on which the properties are held.

21. Contingent Liabilities

The Trust has a mortgage charge over freehold land which is held in trust under the URC Acts and therefore does not appear in the balance sheet of the Trust. The loan was advanced to Lewis Gibson Limited, a company in which the Trust holds one third of the share capital, in connection with construction on the land. Loan repayments are made by Lewis Gibson Limited and there is a charge in place between the lender and Lewis Gibson Limited. In the event that Lewis Gibson Limited were to default on the loan and its security was insufficient then the Trust security could be called upon. The balance outstanding on the loan in the financial statements of Lewis Gibson Limited at 31 December 2021 was £373,626 (2020: £426,440).

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2021

22. Financial Instruments

Financial instruments measured at fair value in the financial statements are fixed asset investments totalling £13,644,556 (2020: £11,765,585).

23. Comparative Analysis by Fund

The key components from the prior year figures are analysed below by fund:-

	2020 (As restated)			
	Total £	Unrestricted £	Designated £	Restricted £
Income				
Grants received, church levy and donations	134,000	131,201	2,799	-
Rent and loan interest	77,767	-	23,209	54,558
Other incoming resources	26,004	-	26,004	-
Investments	<u>481,421</u>	<u>30,413</u>	<u>400,781</u>	<u>50,227</u>
Total operating income	719,192	161,614	452,793	104,785
Transfer from local church funds	<u>1,712,777</u>	<u>-</u>	<u>1,400,153</u>	<u>312,624</u>
Total Income	<u>2,431,969</u>	<u>161,614</u>	<u>1,852,946</u>	<u>417,409</u>
Expenditure				
Raising funds	104,143	55,263	16,087	32,793
Charitable activities	<u>658,697</u>	<u>127,849</u>	<u>527,413</u>	<u>3,435</u>
Total expenditure	<u>762,840</u>	<u>183,112</u>	<u>543,500</u>	<u>36,228</u>
Net Income for the year	1,669,129	(21,498)	1,309,446	381,181
Net income before transfers	1,669,129	(21,498)	1,309,446	381,181
Transfers between funds	-	20,000	(20,000)	-
Realised gains/(losses) on investments	(494,874)	(144,498)	(211,972)	(138,404)
Unrealised gains/(losses) on investments	562,245	50,058	430,240	81,947
Net Movement in funds for the year	1,736,500	(95,938)	1,507,714	324,724
Fund balances brought forward (as restated)	<u>21,067,197</u>	<u>1,461,258</u>	<u>11,549,706</u>	<u>8,056,233</u>
Fund balances carried forward	<u>22,803,697</u>	<u>1,365,320</u>	<u>13,057,420</u>	<u>8,380,957</u>

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24. Prior Year Adjustment

The basis of inclusion of assets in the financial statements which are in use by the local churches is underpinned by the legislation of the URC Acts. During the year there has been a change in personnel and triggers which have led to a complete review of the properties and balances with local churches and the Trust.

As a result a number of adjustments have been identified where assets should have been recognised in the financial statements of the Trust:

Increase in fixed assets functional properties of £301,000 and brought forward reserves having been purchased by the Trust as a replacement Manse for a church under the Synod Manse Scheme

Increase in fixed assets investments and brought forward reserves of £335,000 for a property where the church has previously closed and the asset, which is being let, becomes the property of the Trust under the URC Acts.

Increase in transfers from local church funds and reduction of creditors of £209,645 in respect of funds received in the prior year which had been incorrectly treated as still belonging to the local church.

Increase in bank and creditors of £218,733 in respect of cash balances held on behalf of local churches where they have not been held separately from the Trust's own funds.

The SOFA income has increased by £209,645 and the net movement in funds for 2020 has increased by £209,645 which were previously stated at £2,222,324 and £1,526,855 respectively.

On the charity Balance Sheet Tangible assets have increased by £301,000, Investments have increased by £355,000, Debtors have increased by £9,707 and Cash at bank has increased by £218,733. These were previously stated at £7,065,589, £11,410,585, £680,612 and £5,667,239 respectively.