

Company Number: 01337047
Charity Number: 507027

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Annual Report

Year Ended 31 December 2021

Reference and Administrative Information

Registered Office

Digbeth-in-the-Field United Reformed Church
Moat Lane
Yardley
Birmingham B26 1TW

Directors and Trustees

Mr D.S. Black
Mr T. Dicker
Revd S.M. Faber
Revd E. Hutchinson
Mr G. Justham (resigned 10 March 2022)
Mrs M.F. Marshall
Mr A. Mottram (resigned 31 March 2021)
Mr G.W. Potter (resigned 10 March 2022)
Mr S.M. Powell (Treasurer)
Mr K. Thomas
Revd D.M. Walton (Chair of Trust)

Company Secretary

Mrs K. Harris (resigned 27 January 2022)

Bankers

Lloyds TSB Bank
(Kings Heath branch)
P O Box 1000 BX1 1LT

Legal Advisors

Slater Heelis
Lloyds Bank Buildings, 16 School Road
Sale, Cheshire M33 7XP

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

Auditor

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

Investment Manager

Smith & Williamson
9 Colmore Row
Birmingham B3 2BJ

Synod Officers

Moderator – Revd S.M. Faber
Synod Clerk – Mr R. Lockley until July 2021 then Mrs R Wakeman
Synod Treasurer – Mr S.M. Powell
Trust Officer – Mrs K. Harris (until February 2022)
Finance Officer – Mr M.N. Davies
Property Officer – Mr M. McDade
Training and Development Officer – Revd S.P. Scott
Evangelist – Revd N. Stanyon
Children's and Youth Development Officer – Mr R. Knott
Safeguarding Officer – Mrs D. Gordon

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Structure, Governance and Management

The United Reformed Church (West Midlands) Trust Limited ("The Trust") holds the assets and liabilities of the West Midlands Synod of the United Reformed Church ("Synod"). The Trust is a company limited by guarantee formed on 2 November 1977 and a registered charity. It is governed by its Memorandum and Articles of Association as revised in 2008 and 2021.

Trustees

The directors of the company, who are also trustees of the charity for the purposes of charity law, serve as members of the Board. All members of the Board give their time voluntarily and receive no benefits from the Trust other than the reimbursed expenses shown in note 5 to the financial statements.

Trustees serving on the Board during the year were as follows:

Mr D.S. Black, Mr T. Dicker, Revd S.M. Faber, Revd E. Hutchinson (from March 2021), Mr A. Mottram (until March 2021), Mr G.W. Potter, Mr S.M. Powell (Treasurer), Mrs M.F. Marshall, Mr K. Thomas, Mr G. Justham and Revd D.M. Walton (Chair of Trust).

Appointment of new trustees

The Synod, which has the sole power to appoint members of the Board, delegates its power to the Synod Executive (formerly known as Synod Mission Council, a sub-committee of the Synod) in between meetings. The Synod Executive considers individuals with relevant experience who are eligible for appointment.

Members of the Board must be a member of the United Reformed Church ("URC") or of a Local Ecumenical Partnership involving the URC. There is no formal programme for the induction and training of trustees although all are encouraged to attend relevant seminars arranged by the Trust's professional advisors.

Indemnity Insurance

Indemnity insurance of up to £5,000,000 is in place to cover the liability of the trustees in relation to negligence, default, breach of duty or breach of trust. This cover has been arranged through Ansvar Insurance Company Limited.

Organisational structure

Whilst the Trust holds the assets and liabilities of the Synod, it is the Synod which sets policy subject to Trust endorsement and further details of the constitution of the Synod are given below. Any decisions made by the Synod which have financial implications for the Trust must be referred to the Board for approval before being implemented and would normally only have been made by the Synod in the light of advice from the Trust.

The Synod Resources and Compliance Committee has oversight of Synod Finance and Synod Property. Its membership consists of Synod Officers, their line Managers and others with appropriate skills identified and appointed by Synod Executive. The terms of reference and membership are kept under review.

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A Reference Committee has authority to approve urgent transactions between meetings, provided that they meet normal qualifications and are reported to the next meeting. It does not normally take decisions which involve substantial sums of money. The Reference Committee for the Resources and Compliance Committee consists of the Moderator, Synod Clerk, Synod Treasurer and Chair. The Reference Committee for the Trust consists of the Moderator, Synod Treasurer, Chair and at least one other trustee.

KMP remuneration policy

Key management personnel are the trustees of the charity and do not receive remuneration other than the Moderator who is remunerated by the national United Reformed Church, which accordingly makes decisions on the stipend. Decisions on remuneration levels for paid staff are based on consideration of the market rates for staff with the relevant qualifications and experience to fulfil roles, regard is had to published pay scales for similar roles. All rates of pay are reviewed annually and amended in the light of changes in the cost of living and known pay rises elsewhere in the URC.

Constitution of the Synod

Synod is constituted in accordance with the Scheme of Union and the United Reformed Church Acts of 1972, 1981 and 2000 (www.urc.org.uk). It has oversight of the URC in the West Midlands (covering an area from the Welsh Border across to Rugby and from Leek in North Staffordshire down to Wotton-under-Edge in Gloucestershire) fulfilling consultative, legislative and executive functions. Synod meets twice a year and consists of ministers, representatives of each local church and ecumenical representatives together with Synod Officers.

The Trust has responsibility for all Synod finance related matters except for Ministry and Mission Fund matters (by which churches pay for ministry) for which the Resources and Compliance Committee has delegated responsibility. Ministers' stipends are paid centrally with Synods agreeing with their local churches the level of payments to the central Ministry and Mission Fund. The remit of the Resources and Compliance Committee includes delegated authority for agreeing grants, particularly for property, within criteria and budgets set by the Trust.

Other business between Synod meetings is dealt with by Synod Executive and its committees. Synod Executive comprises some Synod Officers, Convenors of Synod Committees and representatives from the Areas within Synod (see www.urcwestmidlands.org.uk). During the year there were seven Areas. The work of Synod Executive is organised through committees with responsibility for specific aspects within the life of the Church.

Relationships with the URC General Assembly

The Synod acts as a bridge between the work of the local church and the General Assembly. It carries an oversight function for the local churches within the context of the General Assembly's policies. The councils of the United Reformed Church (Church Meeting, Synod and General Assembly) have a covenantal relationship which means that they have an awareness of and responsiveness to the needs and mission of the whole Church. This is expressed in many ways but not least in the Plan for Partnership through which ministry is supported and in the resource sharing arrangements between Synods.

Related parties

Local United Reformed Churches operating in the West Midlands area are separate 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 2015.

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Property Holding Trustee

The Trust acts as trustee on behalf of most of the United Reformed Churches in the West Midlands holding properties on trust for them in accordance with the Statutory Trusts as set out in the United Reformed Church Acts. The insured value of these properties exceeds £200 million and there are guidelines in place to minimise the risk to the Trust of actions by local churches in respect of these assets.

Custodian Trustee

The Trust acts as custodian trustee for some churches and other URC related organisations, holding investments separately on their behalf. The investments have a value of approximately £1.603m and the local churches have objects similar to the Synod.

Risk management

Synod has undertaken a thorough Risk Assessment review and reviews it regularly. This process considers the risks to which the Synod and Trust are exposed and agrees policies and actions to minimise any potential exposure to those risks. The reserves policy and investment policy of the Trust are considered to play a key part in mitigating the major risk of having insufficient resources to provide the appropriate level of support to United Reformed Churches within the Synod area.

Objectives and activities

The objects of the Trust, as set out in the company's memorandum of association, are:-

The advancement of the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages of the United Reformed Church in particular (but without prejudice to the generality of the foregoing) by supporting the work of the West Midlands Synod of that Church.

The aim of the Trust, through the work of the Synod, is to provide financial, pastoral, educational and technical support to local URC congregations, their Ministers, Elders and lay people in their life and mission. It is also to share the vision of the United Reformed Church's General Assembly with the local churches. This it has done through the development of a Synod strategy which is heavily based on the Assembly's Vision 2020 initiative – a framework for developing the United Reformed Church's mission towards 2020 and beyond. The Board has overall responsibility for decisions relating to the assets held at Synod and local church level.

Ensuring delivery of the Trust's aims and public benefit

The trustees have referred to the general guidance issued by the Charity Commission on public benefit when considering the delivery of activities in furtherance of the aims and objectives. The Trust, through the work of the Synod, supports 101 churches in the region with 3,187 United Reformed Church members. Our support of these churches and their congregations aims to further their purposes in advancing the Christian religion.

Although from time to time churches to which trustees may belong are beneficiaries of financial support, there are agreed procedures to ensure that no trustee derives a private benefit and that no undue bias arises in considering the merits of the application. Potential conflicts of interest are declared and noted in relation to trustees, Synod Officers and others. Minutes and other appropriate records are kept including how discussion and decision making has subsequently been carried out when a conflict has been declared.

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Financial support and grant making policies

A range of loans, sometimes held as programme related investments, and grants are available to local churches to assist them with their mission and with improvement and maintenance of properties and to local ministers to support ministerial training, development and sabbaticals.

As a result of the COVID 19 restrictions it was recognised that many of our churches would be severely adversely affected financially. The Trust immediately introduced a system of support, subject to certain criteria, which benefitted 87 of our churches and cost £384K during 2020. In response to changing circumstances the criteria for support during 2021 were redefined, with support of £52K being given to 18 churches.

A Synod Mission Fund of £1 million was established in 2010, an idea introduced as part of the Vision 2020 process. The Synod created the fund as part of its responsibility to encourage, enable and support local churches in their mission activities. The Fund is a resource to enable mission to develop and, in particular, as a financial support to Mission pledges.

The Trust has designated £500,000 for a new Ministry Support Fund with the aim of supporting local ministry and creating lay posts specifically focussed on church growth. In 2021 there were no applications to the fund, but several applications were being developed and expected within the early months of 2022.

Another important aspect of the support offered to churches is through the Synod Manse Policy. In addition to grants and short-term loans for improving existing manses, capital investment is often made when purchasing replacement manses to improve standards. The Trust has enabled the purchase of replacement houses before sale of the existing manse in certain instances. During 2020 the Trust introduced a Manse Repairs allowance for £500 to cover the cost of routine maintenance to ensure that there should be no financial reason why necessary repairs should not be carried out, so ensuring good quality housing to our ministers. Further, the Trust also now pays for the insurance of manses. The Trust also provides contributions from the sale of redundant church buildings to support The United Reformed Church Ministers' Pension Fund. The Trust is active in the Inter Synod Resource Sharing system which supports the United Reformed Church Synods with least resources.

The Trust has an approved grant making policy, which is kept under review. The current rate of Property Grants is 25% of cost subject to a maximum of £30,000 in any three year period. The grant making policy for ministerial training is based on national guidelines. In all cases grant awards are made after consideration of the mission statement and financial situation of the applicant.

Major Building Development Fund

In response to church closures a proposal has been agreed to establish a Major Buildings Development Fund to invest both in Church Buildings and Church Mission using the proceeds of closed churches. The level of support will far exceed the previous limits both in terms of the proportion of spending that will be funded and the absolute value. The initial funding will be from the entire proceeds of two particular churches and in future 80% of proceed of futures sales with the remaining 20% being allocate to Mission purposes. At the year end no funds had been received into the fund.

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Pastoral and Educational support

The role of the Moderator is to work with Synod Officers and Committees to provide spiritual, strategic and pastoral leadership to churches within the West Midlands Synod. This objective is met by the care, encouragement, support and challenging of ministers and churches through meetings, conferences, visits and training events and being responsive when difficulties arise.

The Synod is divided up into Areas to help communication and pastoral support to develop more readily across the region. A key body in this process is the Ministry Development Committee (MDC). It comprises a representative from each Area with the Moderator and key Synod Officers and it is chaired by a Minister of the Synod. In the context of the Areas the Moderator is instrumental in encouraging conversations about pastorates and calling of ministers. MDC is responsible for setting the policies on how ministry shall be deployed across the Synod.

The Synod Training and Development Officer and the Synod Evangelist are Ministers of Word and Sacraments, inducted to their Synod roles following a call issued and accepted recognising their appropriate skills and experience. The Children and Youth Development Officer is a salaried post, with recruitment also based on skills and experience.

The role of the Synod Training and Development Officer is to implement those parts of the Synod Mission Strategy concerned with establishing, developing and control of lay training, and to implement those parts of the Synod Mission Strategy concerned with EM1, EM2 and EM3 (Education for Ministry Phases 1-3) as a lifelong and ongoing process for Ministers and Church Related Community Work Ministers, and to provide advice, support and guidance as appropriate in relation to training in other aspects of mission and ministry in the Synod.

The Synod Evangelist works with local congregations encouraging and responding to invitations from local churches to be involved in specific outreach projects. He also offers training in evangelism and explores with elders, churches and individuals how they can be responding to opportunities to share their faith.

The Children and Youth Development Officer supports and enables the work in local churches with Youth and Children.

Technical support

The Synod Finance, Property, Trust and Safeguarding Officers and Synod Clerk are paid staff recruited on the basis of their professional experience and skills to enable day to day operations.

In addition to being in charge of the Accounts, the Synod Finance Officer is Secretary to the Synod Mission Fund Panel and assists local Churches with their grant applications and other areas of church finance. He plays a role in developing new policies for control of Synod finances and supporting churches financially. He also deals with the calculation and allocation of contributions to the Ministry and Mission Fund which funds ministers' stipends and the work of the wider church. Part of the role involves the efficient management of cash and working with the Investment Sub Committee and Investment Managers to generate income to run Synod. The Finance Officer is active in management of the funds for Inter Synod Resource Sharing.

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The Synod Property Officer provides technical support to local churches in the maintenance and enhancement of their church buildings. This includes working closely with local church leadership to resolve practical and technical issues regarding various projects.

Where churches are Listed buildings, Synod has a statutory role under Ecclesiastical Exemption, which the Property Officer carries out with the assistance of other officers of the wider United Reformed Church. In addition, Synod seeks to provide advice and guidance to assist churches to meet their obligations for Listed Buildings while developing their mission and vision. Support is also provided in other areas where changes in policy or legislation have to be implemented on a practical basis at local church level and training and/or advice is made available to these churches including the provision of an annual conference for church treasurers and those interested in finance and the provision of Health and Safety awareness to Church Elders.

The Synod Trust Officer is Secretary to the Board and the Synod Resources and Compliance Committee. They offer support to local Churches and other officers particularly in the areas of governance and charity law, working with solicitors and others as appropriate.

The Synod Safeguarding Officer works with local churches to ensure that children and adults at risk are protected to the best of our ability. She is responsible for co-ordinating safeguarding training around the Synod and ensuring that the revised policies and procedures for safeguarding in the fifth edition of the United Reformed Church's Good Practice Guide are implemented.

The Synod Clerk has oversight of Synod and its Committees, supporting the Moderator, representing the Synod nationally and locally, and providing guidance on governance and procedures.

In some cases, churches may need legal or other professional advice. The Trust continues to encourage appropriate use of external advice and assists with securing services which are effective and provide best value. Following a review of legal services in 2017 when the decision was made to work with more than one firm of Solicitors, the Trust has continued to work with Towns Needham, now part of Slater Heelis, as well as Veale Wasbrough, with the former providing support particularly in areas requiring specialist knowledge of the URC Acts.

COVID-19 Pandemic response and support

The continued pandemic, with further periods of lockdown and restriction on activities, has resulted in further detrimental effects on church attendance and activities, although most churches were able to resume something like more normal operation between lockdown periods. When the pandemic caused some churches to be closed for physical meetings, many churches were able to move to online worship, some of which were supported through grants from the Mission Fund to provide new equipment. That funding stream remains open to churches. Other congregations, recognising their local context, decided to distribute paper-based worship and devotional resources. Additionally, some churches were able to offer prayer and Bible study meetings online, as well as social activities.

Staff continued to operate a mixed mode of work in the office and working from home.

Trust and committee meetings have continued with the usual frequency using video conferencing, enabling decision making to continue. Attendance and engagement by committee members have been good.

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Achievements and performance

Financial support in the form of grants was made to local churches during the year to assist with the improvement and maintenance of church buildings and manses, details of which can be found in note 4 to the financial statements.

During 2021, the Property Officer continued to deliver a programme of investment into the manse stock required to meet future ministerial deployment across the Synod bringing consistency in the improvement, maintenance/repair and energy efficiency of the property portfolio. Following approval of the new Synod Manse Policy in 2018, the Synod Property Officer in consultation with the Synod Finance Officer continued to support improvement works to manses.

The Synod Mission Fund continues to support local churches in mission activity and the achievement of mission pledges. The Synod has amended the criteria to make it more accessible to smaller churches. During the year grants were awarded to support: -

- Uttoxeter URC-Schools Ministry
- Sutton Coldfield URC-Parish Nurse
- Quarry URC-Development Work
- Broadway URC-Youth Worker
- For digital development-
 - Ashcroft Church
 - St Andrews Sedgley
 - North Warwickshire Pastorate
 - Shrewsbury URC

The Synod Mission Fund balance is £456,274 which includes £13,100 from a legacy for use in the Coventry Area. Grants of £68,315 have been awarded in 2021.

Our global partnership with the Diocese of Durgapur was maintained, with continued involvement of the Trust in managing further release of the legacy which financed the Colin Choyce Hostel for children at risk or rescued from human trafficking and now contributes to running costs. During 2021 £13,000 was sent to this project.

The Synod Safeguarding Officer (SSO) continues to support the West Midlands churches with safeguarding advice, support, training and casework. Annual returns analysis showed that engagement and training are still a priority for the region, together with a small amount of loss of active members to fill roles of safeguarding coordinator and deputy. The SSO is working with churches to identify issues and offer interim and/or collaborative solutions. The interest and commitment to safeguarding in WM churches remains healthy given the difficult circumstances due to the pandemic. A majority of enquiries to the SSO from churches are to ask for advice and clarity on policy and good practice and requests for training. The number of cases remains relatively low for the WM.

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The SSO has so far delivered 95% of the training schedule for October 2021 – February 2022 with restrictions causing minimal disruption. Two face to face sessions were able to go ahead, proving to be a refreshing change to zoom. The Safeguarding Coordinators Forum held its first meeting in the Autumn. This forum has been created to offer additional support to church safeguarding coordinators and their deputies. The forum was received well by over 20 attendees and ideas and suggestions for future forums were forthcoming. The SSO regularly meets with the safeguarding peer support group established with a small group of URC Safeguarding Officers to support and ensure good practice. The SSO continues to establish links with statutory and voluntary sector agencies, taking up opportunities to attend training.

The Training and Development Officer led the planning and delivery of the residential Ministers Conference in September 2021. He has led worship in a number of local churches otherwise activity has continued to be predominantly online and remote. The Officer continued to share in hosting the occasional Ministers Forum, the Lay Preachers Meet and Share, and the Church Secretaries Consultation. He also continued to offer advice and guidance for Ministers eligible for sabbatical leave and for applications for EM3 funding. He shared in the College reviews of ordinands in the EM1 phase of training and supported those in the EM2 phase. The Officer shared with his colleague in the East Midlands Synod in the planning and delivery of a day for lay preachers on preparing worship for Advent, with sessions led by staff from Westminster College, Cambridge, where the Officer continues to convene the Board of Studies and be a Governor. Online opportunities for elders training have been offered and he has shared in an online book group. He is supporting the Evangelist in taking the “Leading your Church into Growth” initiative forward in the Synod.

The Synod Evangelist continued to help with online worship and ‘life in lockdown’ videos, helped run an online Lent course and ran a second online alpha course. Once churches went back into their buildings, their focus was largely on enabling safe worship and fewer churches called on the Evangelist’s time and skills. Looking forward, the Evangelist has attended training with “Leading your Church into Growth” and plans to encourage churches using this.

Work in the local churches with Youth and Children continues to be supported the Children and Youth Development Officer (CYDO). He is in regular contact with local churches offering encouragement and support to those who minister alongside children and young people in all parts of the Synod. During the Covid-19 restrictions on physical gatherings Richard utilised digital technology and when the possibility of physical meetings lifted, a day trip was organised for young people who had previously only gathered in an online space. Regular information on events and resources are circulated via email, social media channels and newsletters. The CYDO continues to be available to churches in the Synod to offer support, encouragement and resources.

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A comprehensive ministerial deployment plan for the next ten years was completed in 2017 and accepted by Synod Ministry Development Committee, identifying how we intend to use decreasing ministerial resource over this period. Implementation of the plan had begun. However, a change in protocols agreed at General Assembly level means that implementation of that plan has to be accelerated. The United Reformed Church as a whole is below the planned level of Stipendiary Ministers, and the West Midlands Synod must now operate within strict limits of its “share” of the limited pool. Further consultation was undertaken and a revised deployment plan was accepted at the October 2021 Synod meeting. Work is now underway to appoint new Stipendiary Ministers according to a strategic priority agreed by the Synod. Local churches will need to identify other local patterns of leadership to work with Stipendiary Ministers and the Synod is committed to supporting our churches as they seek to discern and develop new leadership patterns.

Financial review

Financial Statements

The financial statements, including the notes, have been prepared in compliance with the new Statement of Recommended Practice “SORP2015 (FRS102)”. The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust 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.

Statement of Financial Activities

The Statement of Financial Activities is shown on page 19, with a more detailed analysis of income and expenditure on pages 27 to 30.

Following a reduction in 2020, during 2021 operating income increased by 15.4%, this was attributable to investment income recovering and donations from Churches supported during 2020 and able to claim business interruption insurance. There was a 14.7 % increase in investment income following reductions in dividends received during 2020. In addition, a surplus of £353,997 was realised from sale of a Manse, this contributed to allowing us to invest an additional £451,500.

Following additional Covid support spending in 2020 spending during 2021 returned to a more sustainable level of £841,110. It was pleasing that the Synod Mission Fund was able to award grants of £63,815. Once again, we released £13,000 from a Restricted Legacy to the Church of North India for the running costs of a Children's Hostel. We continue to invest in our buildings, Church property grants increased from £54,304 to £59,599. However, having completed the majority of the manse improvement programme, spending on manses reduced to £22,501 with a further £22,514 on manse repairs and insurance.

The restrictions in place during 2021 limited the ability for training to take place resulting in Training grants and training costs for Ministers, Lay Preachers and Members remaining lower than in the past. The Trust is fully committed to supporting the training costs of those at all levels within the Synod.

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Other incoming resources consisted of surplus on disposal of a manse at Stratford, these proceeds are held in the Synod Manse Fund and allow the Synod to advance capital for the upgrade and replacement of manses so that they are of a suitable standard.

During the year a consultation on the deficit on the URC Ministers' Pension Fund resulted in the Synod agreeing support of £4m over 9 years commencing in 2022, this sum was transferred from the Synod Manse Fund to a Ministers' Pension Support Fund. In 2021 £1,454k of this sum was recognised as a creditor with an equivalent charge to expenditure.

A rise in the stock market resulted in unrealised gains of £2,817k.

The total increase in funds was £1,455,485.

Balance Sheet

Reference has been made above to the increase in the funds balance. An analysis of the funds movements is shown on page 35.

Programme Related Investments stood at £2,379,325 relating to 15 manses. These are funds invested by Synod to assist local churches to purchase or update the properties and to assist certain individuals.

Reserves policy

The Trust holds funds under a number of different terms. Funds which are restricted or endowed 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 8 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 8 to the financial statements.

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The policy of the trustees is to aim to hold sufficient investments and deposits that the income generated will cover one full year's total expenditure, net of grants received. Due to the current economic climate the funds do not currently meet this objective and are dependent on the additional income arising on disposals of properties.

Investment policy

The agreed investment objectives are:-

- To maintain adequate liquidity;
- To maintain the security of any investments;
- To minimise capital loss;
- To maintain a mixed portfolio of fixed and equity investments whilst providing a balance between income and growth;
- To adhere to any restrictions as defined from time to time by Synod, including an ethical policy; and
- To obtain the optimum yield, subject to complying with the above criteria.

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The current restrictions defined by Synod are that investments should avoid those companies that have significant involvement in armaments, pornography, supply of alcoholic drinks, gambling and tobacco manufacture.

Trust has completed its commitment to divest from companies that derived more than 10% of their turnover from the extract, processing or sale of other fossil fuel in accordance with the URC Mission Council resolution in 2019 to Divest from Fossil fuels by the time of General Assembly in July 2020. The Trust had previously sold any holdings in companies with income derived from Tar Sands and Coal. The Trust also asked its investment managers in association with MSCI to assess the Environmental, Social and Governance (ESG) ratings of its portfolio. The direct holding in our portfolio has been assessed as being AA, including holdings through funds. This puts us above the median of all shares. Our portfolio was also judged to have a lower carbon risk than the benchmark and low reputational risk. The Trust and Investment subcommittee will continue to monitor the ESG ratings and carbon risk of its holdings.

An investment portfolio is managed by Smith & Williamson and investment advice is sought from them as required. Individual purchases and sales are made by the investment manager in accordance with a working practice that included two meetings during the year with the Trust Investment Committee, a sub group of the Executive Committee which includes the treasurer, finance officer and five other members with the relevant knowledge and experience.

In addition to this portfolio, funds were also invested with the Charities Official Investment Fund (COIF) managed by CCLA.

Fundraising statement

No fundraising activities were carried out at Synod or Trust level or by any third party on behalf of the Trust and there it is not considered necessary to adopt a voluntary standard of fundraising or monitor complaints or practices.

Asset Allocation

The current allocation of investments is as follows: -

- 76.41% of the Unrestricted General Funds are invested by Smith and Williamson, 23.59% in the COIF Charities Ethical Investment Fund, managed by CCLA Investment Management Limited (CCLA). The Company keeps under review the extent to which the ethical and corporate governance criteria of the funds are in line with the policy set out under 'Ethical Considerations'.
- Designated, Restricted and Endowment Funds are mainly invested with the same Investment Manager as the Unrestricted General Funds.
- Equities 96.20%, Fixed Interest 3.52% and cash 0.28%

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Investment Performance

The trustees in consultation with the Company's Investment Managers are content that the Company's medium to long term strategy remains sound. The investment performance of the Trust's portfolio is summarised in the table below.

	Total Return after Charges over 2021 %	Income yield at 31 December 2021 %
Smith and Williamson – Investment Managers	15.1	1.8
CCLA (COIF Charities Ethical Investment Fund)	16.52	3.05

Comparative Measures -

Bench Mark – MSCI PIMFA (Growth)	15.9
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Cash

For many years it has been the Company's policy to hold sufficient cash within the Unrestricted General Funds to fund its operational needs, grant commitments and capital expenditure commitments. In response to the sustained low yields available on such cash and the reduced need for capital expenditure the Investment Sub Committee agreed to maximise its managed investment income by limiting the amount of cash held at all times, with any excess over short term cash flow requirements being invested in managed investments until required. The cash and deposits held at the end of the year was £576,032, and reflects a known requirement for capital spending during 2022.

Future plans

The Synod's support for local churches continues to be determined by the Synod Mission Strategy in which we are committed to the United Reformed Church's Statements of Mission Purpose to 2020 and beyond. These have been adapted to reflect the needs the Synod's churches have identified as priority requirements for them. The Synod Strategy reminds us that we are called to be disciples of Jesus and to live the life of Jesus and is encouraging local churches in being disciples, making disciples and transforming disciples. Conversations are under way with Area Ministers and other key officers as to how the current strategy should be updated for the current context.

Because of denominational policy the Synod faces a year-on-year decline of the number of Stipendiary Ministers available to local churches, and Synod Officers continue to actively manage plans for that reduction and continue to look at ways in which to increase the range of lay leadership and ministries to compensate for the reduction in ordained Ministers. The Ministry Support Fund described above is one way in which we intend to realise that support.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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Year Ended 31 December 2021

In addition in 2022 the following are planned within our strategy:-

- Continued development of vision and strategy for the Synod Evangelist, Children and Youth Development Officer and Training and Development Officer.
- Advocacy and delivery of the United Reformed Church's "Stepwise" resources for lay training, particularly the introductory course "Faith-filled Life" and the leadership course "Faith-fuelled leadership".
- More encouragement and training for local churches in faith sharing and outreach.
- The continuation of regular newsletters from the Officers to bring relevant information and training opportunities to the attention of ministers and churches.
- A continued focus on outreach through support for chaplaincy, locally employed outreach workers and fresh expressions across the Synod.
- Focus on 'Leading Your Church Into Growth', and making it the major theme of the residential Synod in October 2022.
- Encouragement of Prayer for Mission and Evangelism in our churches.
- Discernment and response to the training needs of ministers and others in leadership, particularly through one-to-one conversation, sabbatical leave, CME and ministers days.
- As a continuing priority, discern and respond to worship needs in the Synod's churches, with particular attention to the advocacy and recruitment of lay preachers/worship leaders and to include attention to the provision of resources for these people.
- Continue to develop elders training and the training of Elders in Local Leadership.
- The use of the new lay preaching course prepared by the denomination.
- Continue to engage with and respond to the "Walking the Way – living the life of Jesus today" initiative, encouraging and enabling the use of the "Holy Habits" materials.
- Provide further opportunity for the training and support for Church Secretaries.
- The Safeguarding Training review group, on which the SSO still sits, will focus this year on developing the online foundation training offer to all churches via the URC learning Hub. A newly appointed Safeguarding Training & Development Coordinator will hopefully take the reins and move all things training forward to expediate plans laid down in 2021.
- A new Safeguarding training schedule is due for release in March 2022 which will include the existing foundation, intermediate and advanced sessions delivered on zoom and face to face as well as some additional bespoke training for ministers.
- Continued quarterly meetings of the Safeguarding Coordinators Forum.
- Continued support of the new Children and Youth Friendly Church Scheme to enable churches to evaluate their ministry with children and young people.
- Continued liaison with our international partner church, the Church of North India.
- Resuming, as appropriate following Covid, work with the manse inspection team to conduct regular manse inspections to support churches as they provide manses for ministers and their families in accordance with the Plan for Partnership. With the support of the Resources and Compliance Committee, reinstating inspection of manses on a three yearly cycle to ensure routine maintenance and repairs are progressed.
- Continue to explore the issues and potential of "Hybrid Church"
- Offer Safer Sacred Space training as needed.
- Provide refresher training for lay presidency at the Sacraments

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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- Further online gatherings with a mission theme, monthly from January 2022, called 'The Green Room'.
- Explore and respond to the potential for online training for elders in particular.
- To continue the Quinquennial Survey programme for properties. Consolidation of a 5-yearly inspection programme is in progress.
- Continue the work of monitoring the environmental impact of buildings and encouraging green credentials in line with the Synod Strategy.
- Continue to support those churches considering or actively pursuing major repair and development projects.
- To continue to signpost advice and training suitable for local churches on subjects such as GDPR.

Trustees' Responsibilities

Company law requires the trustees as directors 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 the policies adopted are in accordance with applicable accounting standards, 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.

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.

On behalf of the Board

Revd. D.M. Walton – Chair of Trust

Date: 15 June 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Opinion

We have audited the financial statements of The United Reformed Church (West Midlands) Trust Limited (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 directors' 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 directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

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 trustees' report.

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

- 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 and from the requirement to prepare a strategic 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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 systems for bias.

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 regulations. 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.

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 (Statutory Auditor)
Birmingham, United Kingdom
Date: 1 July 2022

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Statement of Financial Activities (Incorporating Income and Expenditure Account) Year Ended 31 December 2021

2020 Total Funds £	Income from:	Notes	2021 Total Funds £	Unrestricted General £	Designated £	Restricted £
	<i>Charitable activities:</i>					
14,114	Grants received	2a	44,356	43,946	-	410
47,000	Other income	2a	34,131	2,000	32,131	-
	<i>Investments</i>					
422,805	Investment income	2a	485,130	242,788	242,342	-
<u>15,495</u>	Rents	2a	<u>15,633</u>	-	<u>15,633</u>	-
	<i>Incoming resources from charitable activities:</i>					
499,414	Total Operating Income	2a	579,250	288,734	290,106	410
<u>1,415,220</u>	Income on sale of properties	2a	<u>353,997</u>	-	<u>353,997</u>	-
<u>1,914,634</u>	Total Income		<u>933,247</u>	<u>288,734</u>	<u>644,103</u>	<u>410</u>
	Expenditure on:					
77,321	Generating funds	2b	94,920	65,114	29,806	-
<u>1,445,003</u>	Charitable expenditure	2b	<u>746,190</u>	<u>507,551</u>	<u>220,639</u>	<u>18,000</u>
1,522,324	Total Operating Expenditure	2b	841,110	572,665	250,445	18,000
(1,073,713)	Net (gains)/losses on investments	7	(2,817,348)	(1,725,203)	(1,087,712)	(4,433)
-	Payment to Ministers Pension Fund	4	1,454,000	-	1,454,000	-
<u>(330,651)</u>	Transfer from local church funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>117,960</u>	Total Expenditure		<u>(522,238)</u>	<u>(1,152,538)</u>	<u>616,733</u>	<u>13,567</u>
(1,022,910)	Net Expenditure on Operating account	2b	(261,860)	(283,931)	39,661	(17,590)
<u>1,796,674</u>	Net Income for the Year		<u>1,455,485</u>	<u>1,441,272</u>	<u>27,370</u>	<u>(13,157)</u>
	Other recognised Gains & Losses					
-	Transfer between reserves	8a	-	8,556	(8,556)	-
1,796,674	Net Movement in Funds for the year		1,455,485	1,449,828	18,814	(13,157)
<u>22,170,357</u>	Funds Balances brought forward		<u>23,967,031</u>	<u>9,415,204</u>	<u>14,517,338</u>	<u>34,489</u>
<u>23,967,031</u>	Fund Balances carried forward	8a	<u>25,422,516</u>	<u>10,865,032</u>	<u>14,536,152</u>	<u>21,332</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 (WEST MIDLANDS) TRUST LIMITED
COMPANY NUMBER 01337047
Balance Sheet

As at 31 December 2021

2020 £		Notes	2021 £
	Fixed Assets		
246,040	Tangible assets	9	234,903
20,702,534	Investments	10	24,048,557
<u>2,424,250</u>	Programme related investments	11	<u>2,385,349</u>
<u>23,372,824</u>			<u>26,668,809</u>
	Current Assets		
103,808	Debtors	12	85,615
<u>795,829</u>	Cash and short-term deposits	13	<u>576,032</u>
899,637			661,647
<u>(272,006)</u>	Creditors: Amounts falling due within one year	14a	<u>(868,040)</u>
627,631	Net Current (Liabilities)/Assets		(206,393)
<u>24,000,455</u>	Total Assets less Current Liabilities		<u>26,462,416</u>
	Creditors: Amounts falling due after more than one year	14b	(1,021,135)
<u>(11,925)</u>	Provision for charges	14c	<u>(18,765)</u>
<u>23,967,031</u>	Net Assets		<u>25,422,516</u>
	Funds:		
	<i>Restricted Funds</i>		
19,560	Other	11,857	
<u>14,929</u>	Revaluation reserve	<u>9,475</u>	
34,489			21,332
	<i>Unrestricted funds</i>		
	General		
5,285,596	- Other	5,010,221	
<u>4,129,608</u>	- Revaluation reserve	<u>5,854,811</u>	
9,415,204			10,865,032
	Designated		
13,063,282	- Other	12,305,710	
<u>1,454,056</u>	- Revaluation reserve	<u>2,230,442</u>	
<u>14,517,338</u>			<u>14,536,152</u>
<u>23,967,031</u>	Total Funds	15	<u>25,422,516</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 Trust Board on 15 June 2022 and signed on its behalf by

Revd D.M. Walton - Chair of Trust
Mr S.M. Powell - Director and Treasurer

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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	(545,882)	(1,311,564)
Cash flows from investing activities:			
Investment income		500,763	438,300
Proceeds from programme related investments		353,997	1,415,220
Proceeds from sale of investments		1,055,018	2,827,938
Purchase of investments		<u>(1,715,366)</u>	<u>(3,143,111)</u>
Net (decrease)/increase cash provided by investing activities		<u>194,412</u>	<u>1,538,347</u>
Net increase in cash and cash equivalents in the reporting period		(351,470)	226,783
Cash and cash equivalents at the beginning of the reporting period		<u>995,079</u>	<u>768,296</u>
Cash and cash equivalents at the end of the reporting period	B	<u>643,609</u>	<u>995,079</u>
Notes to the statement of cash flows			
Reconciliation of net income/expenditure to net cash flow from operating activities			
A)			
Net income for the reporting period (as per the statement of financial activities)		1,455,485	1,796,674
Adjustments for:			
(Gains) and losses on investments		(2,805,946)	(1,444,511)
Depreciation		11,137	12,043
Surplus on sale of programme related investments		(353,997)	(1,415,220)
Investment income and rents		(500,763)	(438,300)
Decrease/increase in debtors		45,692	41,564
Increase/(decrease) in creditors		<u>1,602,510</u>	<u>136,186</u>
Net cash used in operating activities		<u>(545,882)</u>	<u>(1,311,564)</u>
B)			
Analysis of cash and cash equivalents			
Cash at bank and in hand		49,693	29,433
Deposit accounts		526,339	766,396
Cash held by investment manager		<u>67,577</u>	<u>199,250</u>
		<u>643,609</u>	<u>995,079</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

1. Accounting Policies

General Information

The United Reformed Church (West Midlands) Trust Limited is a charitable company limited by guarantee and registered in England and Wales. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member. The registered office is shown on page 1. The nature of the charity's operations and principal activities are the advancement of the Christian religion by supporting the work of West Midlands URC Synod.

The company's functional and presentational currency is British Pound Sterling (£).

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 (UK GAAP).

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies adopted, are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Programme related investments – a judgement made as to whether impairment is required. These judgements are based on the current property market.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Contingent assets and liabilities – estimations are made based on information available at the point of approval of the financial statements as to the probability and value of the transactions.

Valuation of listed investments – valuations are subject to variations arising from external factors which can impact actual future results.

Discount rate – an estimation is made as to the applicable rate at which to reflect the time value of future payments.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

1. Accounting Policies *(continued)*

Going concern basis

The financial statements have been prepared on a going concern basis. The directors have considered budgets, cash flows and the impact of subsequent events, including that of COVID19. Whilst the economic shutdown in response to COVID19 has a significant impact on the charity's operations, the directors are satisfied that the charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty and the going concern basis of preparing the financial statements continues to be appropriate.

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 West Midlands Synod :-

General Purposes Fund
Church Buildings Fund
Manse Fund
Retired Ministers Housing Fund
Mission Fund
Choyce Legacy
Stretton Fund
Ministry Support Fund

Funds administered on behalf of local churches are not included.

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 West Midlands. The main fund in this category is the General Purposes Fund. Certain funds have been allocated for Church Buildings or Manses, although the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

Contribution to Pension Funds

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

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

1. Accounting Policies *(continued)*

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.

Resources Expended

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 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.

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.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

1. Accounting Policies *(continued)*

Individual Church Property, including Manse

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.

In certain circumstances a local URC may be permitted to apply for a grant from these funds and where this arises, a time-limited designated fund is created.

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

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:-

Property	- over fifty years
Integral features of property	- over fifteen years
Office equipment	- over four years

No amounts under £2,500 are capitalised.

Investments

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.

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.

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.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

1. Accounting Policies *(continued)*

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.

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.

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.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt. Where the effect of the time value of money is material, the liability is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

2. Income and Expenditure

a) Analysis of Total Incoming Resources

2020 Total Funds £		2021 Total Funds £	Unrestricted £	Designated £	Restricted £
	Income from Investments				
417,562	Listed Investments	485,032	242,690	242,342	-
<u>5,243</u>	Interest	<u>98</u>	<u>98</u>	<u>-</u>	<u>-</u>
422,805		485,130	242,788	242,342	-
<u>15,495</u>	Rents	<u>15,633</u>	<u>-</u>	<u>15,633</u>	<u>-</u>
<u>438,300</u>		<u>500,763</u>	<u>242,788</u>	<u>257,975</u>	<u>-</u>
	Income from Charitable Activities:				
7,225	Grants – Ministry & Mission	7,225	7,225	-	-
2,680	- Training	3,741	3,741	-	-
<u>4,209</u>	- Donations	<u>33,390</u>	<u>32,980</u>	<u>-</u>	<u>410</u>
<u>14,114</u>		<u>44,356</u>	<u>43,946</u>	<u>-</u>	<u>410</u>
	Other income				
2,000	Investment charge – The Redditch Trust	2,000	2,000	-	-
<u>45,000</u>	Transfer of funds from Local Church Trusts	<u>32,131</u>	<u>-</u>	<u>32,131</u>	<u>-</u>
<u>47,000</u>		<u>34,131</u>	<u>2,000</u>	<u>32,131</u>	<u>-</u>
<u>499,414</u>	Total Operating Income	<u>579,250</u>	<u>288,734</u>	<u>290,106</u>	<u>410</u>
	Income from sale of properties				
972,106	Of closed Churches	-	-	-	-
<u>443,114</u>	On disposal of manse	<u>353,997</u>	<u>-</u>	<u>353,997</u>	<u>-</u>
<u>1,914,634</u>	Total Incoming Resources	<u>933,247</u>	<u>288,734</u>	<u>644,103</u>	<u>410</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED
Notes to the Financial Statements
Year Ended 31 December 2021

2. Income and Expenditure (Continued)

b) Analysis of Total Operating Resources Expended

2020		2021			
Total		Total	Unrestricted	Designated	Restricted
Funds		Funds			
£		£	£	£	£
Costs of Generated Funds					
57,174	Investment Management Fees	67,218	39,107	28,111	-
8,744	Other property costs	1,695	-	1,695	-
<u>11,403</u>	Shared Indirect costs (Note 3)	<u>26,007</u>	<u>26,007</u>	<u>-</u>	<u>-</u>
<u>77,321</u>	Total Cost of Generating Funds	<u>94,920</u>	<u>65,114</u>	<u>29,806</u>	<u>-</u>
Charitable Activities					
Ministry & Mission:-					
122,800	Grants (Note 4)	151,302	42,115	91,187	18,000
39,910	Support Costs	37,437	26,989	10,448	-
20,000	Resource sharing (Note 4)	20,000	20,000	-	-
383,719	COVID support to Churches (Note 4)	52,022	52,022	-	-
<u>97,958</u>	Shared Indirect Costs (Note 3)	<u>98,407</u>	<u>98,407</u>	<u>-</u>	<u>-</u>
<u>664,387</u>		<u>359,168</u>	<u>239,533</u>	<u>101,635</u>	<u>18,000</u>
Training:-					
5,416	Ministers (Note 4)	8,053	8,053	-	-
880	Students (Note 4)	660	660	-	-
1,013	Members (Note 4)	965	965	-	-
79	Church Treasurers and staff	469	469	-	-
58,007	Training – staff costs	58,572	54,922	3,650	-
-	Support Costs	64	64	-	-
<u>11,313</u>	Shared Indirect Costs (Note 3)	<u>25,958</u>	<u>25,958</u>	<u>-</u>	<u>-</u>
<u>76,708</u>		<u>94,741</u>	<u>91,091</u>	<u>3,650</u>	<u>-</u>
Property:-					
54,304	Church Repairs (Note 4)	59,599	59,599	-	-
129,601	Manse Repairs (Note 4)	22,501	-	22,501	-
-	Manse allowance and insurance	22,514	-	22,514	-
375,076	Release of Church Sale Proceeds	30,666	-	30,666	-
8,732	Manse Expenses	24,978	-	24,978	-
4,100	Church surveys (Note 4)	21,846	21,846	-	-
27,517	Staff costs	29,390	14,695	14,695	-
783	Legal and Support Costs	-	-	-	-
<u>103,795</u>	Shared Indirect Costs (Note 3)	<u>80,787</u>	<u>80,787</u>	<u>-</u>	<u>-</u>
<u>703,908</u>		<u>292,281</u>	<u>176,927</u>	<u>115,354</u>	<u>-</u>
<u>1,445,003</u>	Total Charitable Expenditure	<u>746,190</u>	<u>507,551</u>	<u>220,639</u>	<u>18,000</u>
<u>1,522,324</u>	Total Operating Resources Expended	<u>841,110</u>	<u>572,665</u>	<u>250,445</u>	<u>18,000</u>
<u>(1,022,910)</u>	Net (Expenditure)/income on operating account	<u>(261,860)</u>	<u>(283,931)</u>	<u>39,661</u>	<u>(17,590)</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

2020 Comparative figures

a) Analysis of Total Incoming Resources

	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
Income from Investments				
Listed Investments	417,562	210,450	207,112	-
Interest	<u>5,243</u>	<u>3,436</u>	<u>1,807</u>	-
	422,805	213,886	208,919	-
Rents	<u>15,495</u>	-	<u>15,495</u>	-
	<u>438,300</u>	<u>213,886</u>	<u>224,414</u>	-
Income from Charitable Activities:				
Grants – Ministry & Mission	7,225	7,225	-	-
- Training	2,680	2,680	-	-
- Donations	<u>4,209</u>	<u>14</u>	-	<u>4,195</u>
	<u>14,114</u>	<u>9,919</u>	-	<u>4,195</u>
Other income				
Investment charge – The Redditch Trust	2,000	2,000	-	-
Transfer of funds from Local Church Trust	<u>45,000</u>	-	<u>45,000</u>	-
	<u>47,000</u>	<u>2,000</u>	<u>45,000</u>	-
Total Operating Income	499,414	225,805	269,414	4,195
Income from sale of properties				
Of closed Churches	972,106	145,727	826,379	-
Transfer from churches to Trust Funds				
On disposal of manses	<u>443,114</u>	-	<u>443,114</u>	-
Total Incoming Resources	<u>1,914,634</u>	<u>371,532</u>	<u>1,538,907</u>	<u>4,195</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

2. *Income and Expenditure* (Continued)

b) *Analysis of Total Operating Resources Expended*

	2020 Total Funds £	Unrestricted £	Designated £	Restricted £
Costs of Generated Funds				
Investment Management Fees	57,174	34,950	22,224	-
Other property costs	8,744	-	8,744	-
Shared Indirect costs (Note 3)	<u>11,403</u>	<u>11,403</u>	-	-
Total Cost of Generating Funds	<u>77,321</u>	<u>46,353</u>	<u>30,968</u>	-
Charitable Activities				
Ministry & Mission:-				
Grants (Note 4)	122,800	47,474	63,426	11,900
Residential synod	-	-	-	-
Support Costs	39,910	26,900	13,010	-
Resource sharing (Note 4)	20,000	20,000	-	-
COVID support to Churches	383,719	383,719	-	-
Shared Indirect Costs (Note 3)	<u>97,958</u>	<u>97,958</u>	-	-
	<u>664,387</u>	<u>576,051</u>	<u>76,436</u>	<u>11,900</u>
Training:-				
Ministers (Note 4)	5,416	5,416	-	-
Students (Note 4)	880	880	-	-
Members (Note 4)	1,013	1,013	-	-
Local Ministry and Mission review	-	-	-	-
Church Treasurers and staff	79	79	-	-
Training – staff costs	58,007	55,121	2,886	-
Support Costs	-	-	-	-
Shared Indirect Costs (Note 3)	<u>11,313</u>	<u>11,313</u>	-	-
	<u>76,708</u>	<u>73,822</u>	<u>2,886</u>	-
Property:-				
Church Repairs (Note 4)	54,304	200	54,104	-
Write back grants from prior years	-	-	-	-
Manse Repairs (Note 4)	129,601	-	129,601	-
Release of Church Sale Proceeds	375,076	-	375,076	-
Manse Expenses	8,732	-	8,732	-
Church surveys (Note 4)	4,100	-	4,100	-
Staff costs	27,517	13,759	13,758	-
Legal and Support Costs	783	783	-	-
Shared Indirect Costs (Note 3)	<u>103,795</u>	<u>103,795</u>	-	-
	<u>703,908</u>	<u>118,537</u>	<u>585,371</u>	-
Total Charitable Expenditure	<u>1,445,003</u>	<u>768,410</u>	<u>664,693</u>	<u>11,900</u>
Total Operating Resources Expended	<u>1,522,324</u>	<u>814,763</u>	<u>695,661</u>	<u>11,900</u>
Net (Expenditure) on operating account	<u>(1,022,910)</u>	<u>(588,958)</u>	<u>(426,247)</u>	<u>(7,705)</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

3. Indirect Costs

2020 Total Funds £		2021 Total Funds £	Unrestricted £	Designated £	Restricted £
	Governance Costs				
2,235	Synod Expenses	1,394	1,394	-	-
3,082	Synod Council	-	-	-	-
	Staff Costs:-				
152,782	Trust Employment Costs	161,946	161,946	-	-
1,380	Honoraria	-	-	-	-
2,113	Officers Expenses	1,595	1,595	-	-
9,814	Audit	10,260	10,260	-	-
621	Legal and Professional	2,760	2,760	-	-
124	Bank Charges	192	192	-	-
689	Committee Support Costs	-	-	-	-
<u>172,840</u>	Total Governance Costs	<u>178,147</u>	<u>178,147</u>	<u>-</u>	<u>-</u>
	Premises Costs:-				
1,600	Rent	1,600	1,600	-	-
2,859	Insurance	3,385	3,385	-	-
2,472	Electricity	1,965	1,965	-	-
11,137	Depreciation of Synod Office	11,137	11,137	-	-
4,529	Repairs and Cleaning	12,697	12,697	-	-
<u>22,597</u>		<u>30,784</u>	<u>30,784</u>	<u>-</u>	<u>-</u>
	Office Costs:-				
2,636	Telephone	2,480	2,480	-	-
4,876	Printing, Stationery and Postage	6,897	6,897	-	-
18,681	Computers	7,223	7,223	-	-
425	Advertising	570	570	-	-
907	Equipment Depreciation	-	-	-	-
464	Furniture and equipment	910	910	-	-
1,043	Sundry costs	4,148	4,148	-	-
<u>29,032</u>		<u>22,228</u>	<u>22,228</u>	<u>-</u>	<u>-</u>
<u>224,469</u>	Total Indirect Costs	<u>231,159</u>	<u>231,159</u>	<u>-</u>	<u>-</u>

Charitable Activities						
2020 Total £		2021 Total £	Raising Funds £	Ministry and Mission £	Training £	Property £
172,840	Governance costs	178,147	20,043	75,839	20,005	62,260
22,597	Premises costs	30,784	3,463	13,105	3,457	10,759
<u>29,032</u>	Office costs	<u>22,228</u>	<u>2,501</u>	<u>9,463</u>	<u>2,496</u>	<u>7,768</u>
<u>224,469</u>	Total Indirect Costs	<u>231,159</u>	<u>26,007</u>	<u>98,407</u>	<u>25,958</u>	<u>80,787</u>
100%	% of Direct costs	100%	11.3%	42.6%	11.2%	34.9%

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

2020 Comparative figures

3. Indirect Costs				
	2020			
	Total	Unrestricted	Designated	Restricted
	Funds			
Governance Costs	£	£	£	£
Synod Expenses	2,235	2,235	-	-
Synod Council	3,082	3,082	-	-
Staff Costs:-				
Trust Employment Costs	152,782	152,782	-	-
Honoraria	1,380	1,380	-	-
Officers Expenses	2,113	2,113	-	-
Audit	9,814	9,814	-	-
Legal and Professional	621	621	-	-
Bank Charges	124	124	-	-
Committee Support Costs	<u>689</u>	<u>689</u>	-	-
Total Governance Costs	<u>172,840</u>	<u>172,840</u>	-	-
Premises Costs:-				
Rent	1,600	1,600	-	-
Insurance	2,859	2,859	-	-
Electricity	2,472	2,472	-	-
Depreciation of Synod Office	11,137	11,137	-	-
Repairs and Cleaning	<u>4,529</u>	<u>4,529</u>	-	-
	<u>22,597</u>	<u>22,597</u>	-	-
Office Costs:-				
Telephone	2,636	2,636	-	-
Printing, Stationery and Postage	4,876	4,876	-	-
Computers	18,681	18,681	-	-
Advertising	425	425	-	-
Equipment Depreciation	907	907	-	-
Furniture and equipment	464	464	-	-
Sundry costs	<u>1,043</u>	<u>1,043</u>	-	-
	<u>29,032</u>	<u>29,032</u>	-	-
Total Indirect Costs	<u>224,469</u>	<u>224,469</u>	-	-

		Charitable Activities			
	2020	Raising	Ministry and		
	Total	Funds	Mission	Training	Property
	£	£	£	£	£
Governance costs	172,840	8,780	75,427	8,711	79,922
Premises costs	22,597	1,148	9,861	1,139	10,449
Office costs	<u>29,032</u>	<u>1,475</u>	<u>12,670</u>	<u>1,463</u>	<u>13,424</u>
Total Indirect Costs	<u>224,469</u>	<u>11,403</u>	<u>97,958</u>	<u>11,313</u>	<u>103,795</u>
% of Direct costs	100%	5.1%	43.7%	5.0%	46.2%

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

4. Grants

The following grants have been charged in furtherance of the charitable objects during the year:-

	2021		2020	
	Number	Amount £	Number	Amount £
Institutional Grants				
Ministry and Mission:				
Support to churches	18	52,022	87	383,719
URC Minister's Pension Fund	1	1,454,000	-	-
Inter-Synod Resource Sharing	1	20,000	1	20,000
Educational Chaplaincy	4	27,950	4	30,450
Ecumenical Situations	8	13,774	11	16,024
Release of legacy - Overseas Mission	1	13,000	1	11,900
Release of Legacy – Local Missions	1	5,000	-	-
Local Church Missions	10	63,815	14	63,426
Youth and Childrens Work	<u>2</u>	<u>454</u>	<u>1</u>	<u>500</u>
	<u>45</u>	<u>1,650,015</u>	<u>119</u>	<u>526,019</u>
Property:				
Church repairs	10	90,265	12	429,379
Manse repairs	5	22,501	15	129,601
Manse allowance and insurance	34	22,514	-	-
Church surveys	<u>21</u>	<u>21,846</u>	<u>4</u>	<u>4,100</u>
	<u>70</u>	<u>157,126</u>	<u>31</u>	<u>563,080</u>
Total Institutional Grants	<u>115</u>	<u>1,807,141</u>	<u>150</u>	<u>1,089,099</u>
Individual Grants				
Youth	-	-	1	500
Training:				
Ministers	44	8,053	14	5,416
Members	6	965	9	1,013
Students	<u>3</u>	<u>660</u>	<u>3</u>	<u>880</u>
Total Individual Grants	<u>53</u>	<u>9,678</u>	<u>27</u>	<u>7,809</u>
Total Grants Charged	<u>168</u>	<u>1,816,819</u>	<u>177</u>	<u>1,096,908</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

5. Trustees' Expenses

These include Honoraria of £Nil (2020: £690) paid to Mrs M. Marshall (Synod Clerk) and £Nil (2020: £690) to the Synod Treasurer Mr G W Potter (Synod Treasurer).

Reimbursed expenses were paid to 5 (2020: 5) trustees of the Board in aggregate of £75 (2020: £879). This figure includes expenses reimbursed to the Treasurer and Clerk for duties including, but not restricted to, Board meetings.

No other remuneration or expenses were paid to the trustees.

6. Employment Emoluments	2021 £	2020 £
Wages and salaries	194,119	186,282
Employers national insurance	10,488	9,507
Pension costs	20,347	16,800
	<u>224,954</u>	<u>212,589</u>

The average number of employees was	<u>10</u>	<u>10</u>
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No employee received £60,000 per annum or more in the current or prior year. All staff are employed by the company.

The company operates a defined contribution pension scheme and contributions are charged as expenditure as they become payable.

Key management personnel are the trustees as directors. Revd S M Faber (Moderator) receives a stipend from the United Reformed Church for his role with the charity. Some Trustees receive honoraria as detailed in note 5 in respect of their duties of URC West Midlands Synod.

7. Gains on Investments	2021 £	2020 £
Realised (loss)/gain on investments sold	309,779	(149,748)
Gains previously recognised in Trust accounts	<u>(298,377)</u>	<u>520,546</u>
Net gain in the year on investments sold	11,402	(370,798)
Unrealised gains on investments for the year	<u>2,805,946</u>	<u>1,444,511</u>
Net Gains on Investments for the Year	<u>2,817,348</u>	<u>1,073,713</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

8. Movement on Funds

a) Fund	Balance 1 January 2021 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2021 £
Unrestricted Designated Funds					
Church Buildings	-	8,556	-	(8,556)	-
Manse - General	10,217,787	574,567	(128,592)	(2,978,430)	7,685,332
- Churches	590,851	6,461	(27,372)	-	569,940
Church Property	2,688,611	54,519	(30,666)	66,142	2,778,606
Mission Fund	520,089	-	(63,815)	-	456,274
Ministry Support Fund	500,000	-	-	-	500,000
Ministers Pension Support Fund	-	-	(1,454,000)	4,000,000	2,546,000
	14,517,338	644,103	(1,704,445)	1,079,156	14,536,152
Unrestricted General Funds					
General Purposes	9,415,204	288,734	(572,665)	1,733,759	10,865,032
Restricted Funds					
Choyce legacy	34,489	410	(18,000)	4,433	21,332
Total Funds	23,967,031	933,247	(2,295,110)	2,817,348	25,422,516

2020 Comparative figures

a) Fund	Balance 1 January 2020 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2020 £
Unrestricted Designated Funds					
Church Buildings	3,692	8,343	(58,204)	46,169	-
Manse - General	9,394,721	650,370	(198,955)	371,651	10,217,787
- Churches	584,895	5,956	-	-	590,851
Church Property	1,834,651	874,238	(375,076)	354,798	2,688,611
Stretton	440,700	-	-	(440,700)	-
Mission Fund	583,515	-	(63,426)	-	520,089
Ministry Support Fund	-	-	-	500,000	500,000
	12,842,174	1,538,907	(695,661)	831,918	14,517,338
Unrestricted General Funds					
General Purposes	9,289,688	371,532	(814,763)	568,747	9,415,204
Restricted Funds					
Choyce legacy	38,495	4,195	(11,900)	3,699	34,489
Total Funds	22,170,357	1,914,634	(1,522,324)	1,404,364	23,967,031

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

8. Movement on Funds *(continued)*

Transfers between reserves

Included within Other Movements above are transfers between funds as follows:-

		General purposes Unrestricted £	Ministers pension support Designated £	Church Building Fund Designated £	Synod Manse Fund Designated £
Transfer to Ministers Pension reserve		-	4,000,000	-	(4,000,000)
Transfer deficit on Church Buildings Fund		<u>8,556</u>	<u>-</u>	<u>(8,556)</u>	<u>-</u>
		<u>8,556</u>	<u>4,000,000</u>	<u>(8,556)</u>	<u>(4,000,000)</u>
Summary	Balance 1 January 2021 £	Income £	Expenditure £	Other Movement £	Balance 31 December 2021 £
Restricted	34,489	410	(18,000)	4,433	21,332
Designated	14,517,338	644,103	(1,704,445)	1,079,156	14,536,152
Unrestricted	<u>9,415,204</u>	<u>288,734</u>	<u>(572,665)</u>	<u>1,733,759</u>	<u>10,865,032</u>
Total funds	<u>23,967,031</u>	<u>933,247</u>	<u>(2,295,110)</u>	<u>2,817,348</u>	<u>25,422,516</u>

b) Purpose of Funds

General Purposes Fund - Unrestricted

Unrestricted funds are needed to cover the support costs and grants for the above objects and the administration costs without which the Synod could not function.

Church Buildings Fund - Designated

To provide funds which could supplement those already available within local churches for the improvement and maintenance of their properties. Support may be in the form of grants or loans.

Retired Ministers Housing Fund - Designated

To provide the capital for long term loans to supplement the purchase of accommodation for retired ministers or their partners, together with Synod's share of the maintenance costs for those properties.

Manse General - Designated

Mainly accumulated from the proceeds of manse sales when a replacement manse is not required, this fund provides long term loans to local churches in order for them to purchase a manse at a time when they do not have sufficient funds, and to supplement funds already available within local churches for the improvement and maintenance of their properties.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

8. Movement on Funds *(continued)*

Manse Churches - Designated

To hold the proceeds of manse sales when the church concerned is expecting to purchase a replacement. A separate fund for each church consists of the proceeds of sale together with interest thereon, which provides growth to the capital value. The total is available towards the cost of purchasing a new manse.

Mission Fund - Designated

Funds to support local churches in their mission activity.

Choyce Legacy - Restricted

To be shared between the Church of North India Children's Development Unit, the Mission Fund of the Synod and Hatherton Church in accordance with the Will of Colin Choyce.

Church property – Designated and Stretton - Designated

Funds from the disposal of the properties or land at Stretton Cottages, Stoke Chapel, Hall Green URC, Hollymount URC, Olton URC, Hobs Moat URC, Foleshill URC, Worcester URC and St John's Stone URC pending a decision on future their use. During 2020 the funds relating to Stretton Cottages were transferred to general funds.

Ministry Support Fund

Funded by a transfer of £500,000 from general funds to meet the costs of staff to supplement deployed ministry.

Ministers Pension Support Fund – Designated

During the year a formal resolution was passed making a commitment to support the United Reformed Church Ministers Pension Fund financially if required. A total fund of £4m has been designated for this purpose within £1.45m having already been confirmed as payable.

9. Tangible Fixed Assets

	Property £	Office Equipment £	Total £
Cost			
At 1 January 2021 and 31 December 2021	<u>379,684</u>	<u>10,968</u>	<u>390,652</u>
Depreciation			
At 1 January 2021	133,644	10,968	144,612
Charge for the year	<u>11,137</u>	<u>-</u>	<u>11,137</u>
At 31 December 2021	<u>144,781</u>	<u>10,968</u>	<u>155,749</u>
Net Book Value			
At 31 December 2021	<u>234,903</u>	<u>-</u>	<u>234,903</u>
At 31 December 2020	<u>246,040</u>	<u>-</u>	<u>246,040</u>

All assets are used for charitable purposes.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2021

10. Fixed Asset Investments	Listed Investments			Total
	Fixed Interest	Equities	Cash	
	£	£	£	£
Market value at 1 January 2021	1,178,116	19,325,168	199,250	20,702,534
Additions	43	1,715,323	(131,673)	1,583,693
Sales and redemption	(316,360)	(727,256)	-	(1,043,616)
Net investment gains	<u>(14,740)</u>	<u>2,820,686</u>	<u>-</u>	<u>2,805,946</u>
Market Value at 31 December 2021	<u>847,059</u>	<u>23,133,921</u>	<u>67,577</u>	<u>24,048,557</u>
Cost at 31 December 2021	<u>744,014</u>	<u>15,142,239</u>	<u>67,577</u>	<u>15,953,830</u>

11. Programme Related Investments	2021	2020
	£	£
Cost at 1 January 2021	2,424,250	2,424,250
Repayments on investments/Manse purchased	<u>(38,901)</u>	<u>-</u>
Cost at 31 December 2021	<u>2,385,349</u>	<u>2,424,250</u>
These investments relate to:-		
- Manses	2,379,325	2,418,226
- Retired Ministers Housing	<u>6,024</u>	<u>6,024</u>
	<u>2,385,349</u>	<u>2,424,250</u>

No interest is charged on the initial value of the investment, but benefits should arise when the properties are sold and the company recovers a proportion of the proceeds relating to the investment proportion of the total original cost. Retired Ministers Housing shows return of a legal charge when a property was sold.

12. Debtors	2021	2020
	£	£
Loans due from United Reformed Church churches and ministers	-	45,230
Other debtors	74,310	52,083
Prepayments	<u>11,305</u>	<u>6,495</u>
	<u>85,615</u>	<u>103,808</u>

Loans granted to local churches and ministers are normally repayable between five and ten years and interest is charged at 5% on the outstanding balance. Included in the above loans is an amount of £Nil (2020: £34,719) due after twelve months.

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Notes to the Financial Statements

Year Ended 31 December 2021

13. Cash and Short Term Deposits

	Bank Current Account £	Charities Official Investment Fund £	Epworth Deposit Fund £	Total £
General purposes	49,412	1,322	450,057	500,791
Designated accounts	-	74,960	-	74,960
Restricted funds	<u>281</u>	<u>-</u>	<u>-</u>	<u>281</u>
Balances as at 31 December 2021	<u>49,693</u>	<u>76,282</u>	<u>450,057</u>	<u>576,032</u>

14. Creditors

a)	Amounts falling due within one year	2021 £	2020 £
	Amounts due to United Reformed Church and related Bodies	97,037	177,891
	Other creditors – support for Ministers’ Pension Fund	461,075	-
	Accruals -	53,710	22,951
	Mission grants approved	182,190	38,150
	Building grants approved	<u>74,028</u>	<u>33,014</u>
		<u>868,040</u>	<u>272,006</u>
b)	Amounts falling due after more than one year	2021 £	2020 £
	Amounts due to United Reformed Churches	28,210	21,499
	Support for Ministers’ Pension Fund	<u>992,925</u>	<u>-</u>
		<u>1,021,135</u>	<u>21,499</u>
c)	Provisions		
	Provision relates to Manse repair allowance of £500 per manse which can be carried forward for up to two years. The commitment is non contractual. The balance is the total provision less sum of claims made.		
		2021 £	2020 £
	Provision for charges	<u>18,765</u>	<u>11,925</u>

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Year Ended 31 December 2021

15. Disposition of Funds as at 31 December 2021

Fund	Fixed Assets £	Investments £	Programme Related Investments £	Debtors/ Creditors £	Cash and Deposits £	Total £
Designated Funds						
Retired Ministers Housing	-	-	6,024	(6,024)	-	-
Manse- General	-	5,231,050	2,379,325	-	74,960	7,685,335
- Churches	-	569,939	-	-	-	569,939
Ministers Pension Fund	-	4,000,000	-	(1,454,000)	-	2,546,000
Church Property	-	2,778,606	-	-	-	2,778,606
Mission Fund	-	-	-	456,274	-	456,274
Ministry Support Fund	-	-	-	500,000	-	500,000
Unrestricted Funds						
General Purposes	234,903	11,447,910	-	(1,318,575)	500,791	10,865,029
Restricted Funds						
Choyce Legacy	-	21,052	-	-	281	21,333
Total Funds	<u>234,903</u>	<u>24,048,557</u>	<u>2,385,349</u>	<u>(1,822,325)</u>	<u>576,032</u>	<u>25,422,516</u>

2020 Comparative figures

Fund	Fixed Assets £	Investments £	Programme Related Investments £	Debtors/ Creditors £	Cash and Deposits £	Total £
Designated Funds						
Retired Ministers Housing	-	-	6,024	(6,024)	-	-
Manse- General	-	7,798,594	2,418,226	-	968	10,217,788
- Churches	-	590,850	-	-	-	590,850
Church Property	-	2,563,611	-	-	125,000	2,688,611
Mission Fund	-	-	-	190,089	330,000	520,089
Ministry Support Fund	-	-	-	170,000	330,000	500,000
Total Designated Funds	-	10,953,055	2,424,250	354,065	785,968	14,517,338
Unrestricted Funds						
General Purposes	246,040	9,707,911	-	(546,687)	7,940	9,415,204
Restricted Funds						
Choyce Legacy	-	41,568	-	(9,000)	1,921	34,489
Total Funds	<u>246,040</u>	<u>20,702,534</u>	<u>2,424,250</u>	<u>(201,622)</u>	<u>795,829</u>	<u>23,967,031</u>

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Notes to the Financial Statements

Year Ended 31 December 2021

16. Commitments

Property

The office is situated on land that is registered in the name of the United Reformed Church (West Midlands) Trust Limited and held on statutory trusts in favour of Digbeth-in-the-Field United Reformed Church. Under an informal agreement, the Trust company pays a nominal sum to the local church for the use of the land.

Guarantees

The United Reformed Church (West Midlands) Trust Limited has acted as guarantor on behalf of a number of churches who have sought external grant funding. The various terms and conditions of these grants may require repayment in the event of church closure within a specified period. At the year end the trustees had no reason to believe that the likelihood of repayment was anything other than remote and therefore no additional disclosure or provision has been made.

Contingent Liability

The Trust has given a commitment to the national URC that, in the event that the actuarial valuation in 2024 of the URC Ministers Pension Fund demonstrates that it is necessary to provide additional financial support, they will contribute additional sums to the URC Trust totalling £1,400,500 or less over the period from 2025 to 2027.

A similar commitment has been given in the event that the actuarial valuation in 2027 shows that additional funding is required. In this case the commitment is a contribution of £997,500 or less over the period from 2028 to 2030.

17. Contingent Assets

At the year end, the properties of two churches and one manse, held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the company, were held. The proceeds will revert to Synod on sale in accordance with the Statutory Trusts on which the properties are held.

18. Funds Held as Trustee

Local Churches

The United Reformed Church (West Midlands) Trust Limited ("the Trust") acts as Trustee of local church assets. A local church has no legal identity of its own and, therefore, cannot hold property in its own name. The title to its assets must be held on trust by a group of trustees and this can be achieved either by private trustees (individuals) or by a Trust Company. All of the local churches' properties in the West Midlands Synod (save 2) are held by the Trust.

The deeds to church property are vested in the name of the Trust. A Declaration of Trust records which local churches hold properties and, if jointly owned, the shares held by each. The Trust has a share in a few properties and that share is recorded in the Declaration of Trust because the deeds are in the name of the Trust, any legal documents are signed by the Trust, but they are entering into those documents on behalf of the local church.

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Notes to the Financial Statements

Year Ended 31 December 2021

18. Funds Held as Trustee *(continued)*

Local Churches *(continued)*

Similarly, most of the investments and cash deposits owned by local churches in the Synod are held by the Trust as trustee.

In relation to local church buildings, the Trust is the charity trustee. In relation to local church cash, investments and other assets, the Trust is the custodian trustee and the local Elders are the managing trustees. The role of the Trust is to carry out the wishes of the local church expressed in Church Meeting resolutions. Providing the trustees of the Trust have no objections to what they are being asked to do and the appropriate approvals have been obtained, they will act according to the instructions which come from the Elders/local Church.

Inter-Synod Resources Sharing

In addition to the funds held for churches the Trust also holds funds on behalf of the URC Inter Synod Resource Sharing process which redistribute funds from wealthier Synods to those Synods in need of support. The funds totalling £420,797 at 31 December 2021 are held in separately identified deposit funds and investments. The funds are controlled by Resource Sharing Task Group drawn from amongst the Synod Treasurers. As a body the Trustees of the Trust play no part in directing the management of these funds.

19. Related Party Transaction

The Trust is the corporate trustee of The James and Freeman Charity. During the year a charge of £2,000 (2020: £2,000) was made to The James and Freeman Charity for the administrative services provided by the Trust to the charity.

Owing to the nature of the charity's operations and the composition of the Board of trustees being drawn from the local United Reformed Churches, grant awards may take place with churches from within the Trust's oversight. All discussions about grant awards or other transactions are undertaken without the presence of the conflicted trustee. Following a change in the Manse Policy, all major repairs to manses are paid for by the Trust, for transparency all such repairs are recorded as grants to churches and noted below where they relate to a church where a trustee or officer would have otherwise been considered to have a conflict.

The following transactions arose in the year:-

Beneficiary	Purpose	Committee	Value £	Related Party	Relationship
Holyhead Road URC	Church repair	Resources & compliance committee	1,113	Mr S Powell	Trustee
Sutton Coldfield URC	Mission	Mission Fund	26,000	Rev D Walton	Trustee
Shrewsbury URC	Equipment Grant	Mission Fund	1,305	Mr M Davies	Finance Officer
CIGB	Ecumenical Grant	Missional Discipleship	5,000	Rev S Faber	Trustee
Elmwood URC	Church Repair	Finance	3,495	Mrs C Binns	Committee member
Shrewsbury URC	Church Repair	Finance	2,494	Mr M Davies	Finance officer
Cheltenham URC	Manse Repair	Finance	858	Mr D Black	Trustee

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Year Ended 31 December 2021

20. Financial Instruments

Financial assets measured at fair value through net income comprise fixed asset investments with a value of £23,980,980 (2020: £20,503,284).