

**THE UNITED REFORMED CHURCH (YORKSHIRE  
PROVINCE) TRUST LIMITED**

Charity registered no: 1068103

Company registered no: 1562723

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2017**

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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<b>INDEX</b>	<b>PAGE</b>
<b>Trustees' annual report</b>	<b>1 - 7</b>
<b>Report of the auditors</b>	<b>8 - 10</b>
<b>Statement of financial activities</b>	<b>11</b>
<b>Summary income and expenditure account</b>	<b>12</b>
<b>Balance sheet</b>	<b>13</b>
<b>Statement of Cash Flows</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15 – 25</b>

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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Page 1

This report fulfils the requirements of the Charities Act 2011 for a Trustees' Annual Report, and the requirements of the Companies Act 2006 for a Directors' Report.

**Reference and Administrative Details**

<b>Company registration number:</b>	1562723
<b>Charity registration number:</b>	1068103
<b>Registered Office:</b>	Somerset House, St Paul's Street Morley, Leeds, LS27 9EP Telephone 0113 289 8490 Fax 0113 289 8491 Email office@urcyorkshire.org.uk
<b>Web Site:</b>	www.urcyorkshire.org.uk
<b>Trustees &amp; Directors:</b>	Mr J Charlesworth (Treasurer to 31/12/2017) Mr W Duncan Mr S Gooder Prof T B C McGuffog Mrs E C Merlin Mrs A Oldknow (to 11/03/2017) Mr J C Reed Rev K Watson
<b>Secretary to Trustees &amp; Company Secretary:</b>	Mrs S F Duncan
<b>Bankers:</b>	National Westminster Bank plc Leeds City Branch, PO Box 154, 8 Park Row, Leeds, LS1 1QS
<b>Solicitors:</b>	Lupton Fawcett LLP Yorkshire House, East Parade, Leeds, LS1 5BD
<b>Auditors:</b>	Jolliffe Cork LLP Chartered Accountants and Statutory Auditor, 33 George Street, Wakefield, WF1 1LX
<b>Investment Managers:</b>	Brewin Dolphin Ltd 10 Wellington Place, Leeds, LS1 4AN
<b>Property Advisers:</b>	Walker Singleton Property House, Lister Lane, Halifax, HX1 5AS

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

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Page 2

**Structure, Governance and Management**

The United Reformed Church (Yorkshire Province) Trust Limited ('the Charity') is a company limited by guarantee under the provisions of the Companies Act 2006. The governing instrument is the Memorandum & Articles of Association which is dated 19 May 1981.

The membership consists of the members for the time being of the Synod Council of the Yorkshire Synod of the United Reformed Church. At 31 December 2017 the number of members totalled 17 (2016 – 17). In the event of the Charity being wound up, every person who is a member, or who has been a member within one year, is liable to contribute to the debts and liabilities of the Charity a sum not exceeding £1.

The business of the Charity is managed by the members of the Executive Council who are Trustees of the Charity and directors of the United Reformed Church (Yorkshire Province) Trust Limited for the purposes of company law. Members of the Executive Council are the members for the time being of the Financial Resources Committee of the Synod. The members of the Financial Resources Committee are recruited from the membership of the churches of the Yorkshire Synod, the appointments being approved by the Yorkshire Synod Council and ratified by Synod. Synod also appoints the Treasurer, Synod Moderator and the Synod Clerk who are ex-officio members of the Committee. The directors of the Charity are listed on page 1.

At the end of 2017, Justin Charlesworth sadly stood down as Treasurer due to work commitments, but remains a member of the Executive Council. Ann Oldknow came to the end of her term of office in March 2017. A search continues to identify additional trustees/directors.

The Charity is aware of the need to enable and equip Trustees and takes steps to make available Charity Commission publications and Newsletters.

The Financial Resources Committee of the Synod meets six times a year and is responsible for all financial decisions, except the decisions about Synod Mission Fund Grants which are made by the Synod Mission Fund Panel (see Grants Policy on page 4). Investments are monitored by a sub-committee on which one Trustee and the Treasurer (when in post) serve. This sub-committee meets four times a year and implements investment strategies established by the Trustees. Currently the Investments are managed by Brewin Dolphin Securities on a discretionary basis. Minutes of the Investment sub-committee meetings are circulated to the Trustees.

The Charity operates as an autonomous body but, along with twelve other Synods (or regions), is part of The United Reformed Church and this brings a share of national responsibilities. A resource sharing process is in place to enable Synods with more resources to help those less well equipped. Historically, Yorkshire has been a net contributor to this scheme but since 2010 has adopted a neutral position neither giving nor receiving from the process.

**Connected Charities**

The United Reformed Church (Yorkshire Province) Trust Limited is connected with the Yorkshire Congregational Union (Incorporated) (YCU). The YCU holds investments as custodian trustee for many of the local churches of the United Reformed Church in its Yorkshire Synod, and holds property as trustee for most of those churches. The YCU shares the United Reformed Church (Yorkshire Province) Trust Limited offices and administration, for which it pays a small charge based on its income. The Trustees of the United Reformed Church (Yorkshire Province) Trust Limited are also Trustees of the YCU, but the Chair of Trustees of the YCU is not a Trustee of the Charity.

**Risk Management**

The Executive Council has a risk management strategy in line with the guidance published by the Charity Commission organising risk into three headings – Governance and Control, Operational Risk and Financial Risk. Control procedures are then agreed to contain, mitigate or even totally remove the risks. The Risk Management is reviewed annually.

### **Objectives and Activities**

The Charity is established to advance the Christian religion and propagate the Gospel in accordance with the doctrines, principles and usages of the United Reformed Church with particular responsibility for the Yorkshire Synod of that Church.

The Charity exists to support the United Reformed Churches of the Yorkshire Synod in their search to obey the will of Christ in their witness to the world. The main objective of the Charity is to provide resources, funded by the Charity's assets, to enable the churches to do this.

Currently, the main strategy of the Charity is to maximise income through the Executive Council, in partnership with the Investment Sub Committee; and to apply the resources so generated in response to requests from the appropriate councils of the United Reformed Church in Yorkshire and in accordance with the United Reformed Church Acts 1972, 1981 and 2000.

### **Significant activities**

Encouraging churches to undertake mission activity relevant to their variety of contexts.

Provision of information, advice, support and encouragement to churches covering...

- Property maintenance and development
- Legal and compliance issues
- Terms of settlement for existing and new ministers
- Accounting requirements
- Management of the Mission and Ministry Scheme

Administering the investments and property of the churches.

Advising and assisting with establishing, grouping, amalgamating or dissolution of local churches within the United Reformed Church and with other denominations.

Developing a strategy for the deployment of ordained ministry within the Synod and assisting churches during times of vacancy.

Providing training and resources for the enabling of;

- Both lay and ordained ministers
- Adults and young people
- Safeguarding of children, young people and vulnerable adults

Grant making and other financial support for church buildings and mission projects.

Management and maintenance of investments and properties held for the use of the Charity.

### **Public Benefit**

The Charity has considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

The Charity proclaims the Gospel of Jesus Christ, with its long established moral framework, and strives to develop spirituality and spiritual well-being through relationship with the God of the Bible.

This benefit is available to all communities who are within reach of one or more of our 97 churches which are situated across Yorkshire. Further details are to be found throughout the remainder of this report.

## **Objectives and Activities (continued)**

### **Grants Policy**

The objects of the Charity dictate that grants can only be made to United Reformed Churches.

Normally, the only individuals who can receive a grant are retired ministers or their widow(er)s and these welfare grants are awarded in response to applications made to the Welfare Committee in April of each year. Applicants must be resident within the Yorkshire Synod.

United Reformed Churches in Yorkshire may apply for assistance from the following funds;

Church Extension Fund	interest free loans for church building projects
Closed Churches Fund	for 25% of the cost of church survey reports
Synod Mission Fund	for Mission projects assessed against the "Ten Statements of Mission" which have been adopted by the United Reformed Church

Synod Mission Fund grant applications are considered by the Mission Fund Panel which meets twice a year. The Panel consists of the Synod Clerk, Synod Treasurer, and Conveners of the Synod Pastoral, Ministries and Property Committees.

Applications for interest free loans will be considered by the Synod Financial Resources Committee.

All grants are accounted for once a decision has been reached, the church notified, and if applicable has accepted the terms of the grant. Grants will be held for a maximum of three years, any delay longer than this will require a fresh application.

## **Achievements and Performance**

The Charity has maximised its income and applied its resources in response to requests from the appropriate councils of the Church and has employed staff to carry out the activities shown on page 3.

The performance of the investment portfolios was assessed by the Investment Sub Committee on behalf of the Trustees and the income received was some 13.8% (2016: 4%) higher than the budget set by the Synod for 2017. Considering the continuing problems in the financial markets, it was felt that this was a very acceptable result. However, with the impact of Brexit and other financial forecasts the future still remains uncertain.

During 2017 the Synod continued with a number of well-established training events, as well as initiating or bringing to completion several new ventures.

In February a well-attended 'missional discipleship day' took place as part of introducing the United Reformed Church's new programme 'Walking the Way: Living the Life of Jesus Today'. An introduction to mediation training day took place in early March, this being a precursor to a week long course being held as part of implementing a 'Listening and Reconciliation' service to work across the five northerly Synods (including Scotland). Yorkshire Synod was well represented on this, the event being organised by the Synod's Development Officer and the new team drawing several of its members from within the Synod.

The work of elders' development continues and the annual elders' conference held in April gave rise to two further new events; a training day specifically for church secretaries in the summer, as well as the launching of a learning community in the autumn to encourage networking and sharing of good practice amongst our churches.

### **Achievements and Performance (continued)**

Another key area of work has been that of developing Appreciative Inquiry, primarily in relation to how we review the life of our churches. The Synod has been running a pilot on behalf of the wider URC and we will shortly be launching our new review process entitled '*Inviting Forward*'. Additionally, Appreciative Inquiry processes have been used in relation to the work of both the Synod office staff and the Synod council.

In the area of lay training a week long pilot course '*Trajectories for a Transforming Church*' was organised jointly with Northern Synod, and this took place at the Keld Resource Centre in November. Plans to repeat a similar event in 2018 and 2019 are now being considered.

Currently there are two students from the Synod in training for ministry of word and sacrament. One is nearing completion of a professional doctorate and expects to finish training in the summer, while the other is in the first of a four-year course.

The Synod Mission Fund continued throughout the year to help churches establish creative and innovative missionary projects. In 2017, the fund made 7 awards totalling £178,532. The projects which received awards ranged from the small such as a pilot scheme of ministerial education and church leadership training to the large and ambitious such as the employment of a youth pastor to reach out to 11 to 18 year olds and also working in partnership with the community.

The closed church at Brotherton was sold in February 2017 for £116,721.

The fund continues to benefit from the 'Synod Policy for Redundant Mansees and Manse Funds' which was adopted in October 2011. Where Manse Funds are declared redundant, 75% of the fund is released to the local church, with 25% being transferred to the Synod Mission Fund. In 2017, £5,223 was received from a manse fund being declared redundant.

It also benefits when a closed church is sold, whereby 40% of the net distributable proceeds are transferred to the Synod Mission Fund. In 2017 this amounted to £45,153.

### **Plans for Future Periods**

A large number of ministers will be attending a URC-wide '*Ministers' Gathering*' taking place at Yarnfield Park, Stone, in April 2018. Such an event has never happened before and, while not specific to Yorkshire, the degree of participation exhibits a growing commitment to networking across the whole church. The Synod Development Officer is a member of the planning group for the Gathering.

The annual elders' conference will again be held in April 2018, on the theme of 'Prayer, Community and Discipleship' and will take a slightly different format with various workshops being led by people from both within the Synod and beyond it, including non-URC speakers.

Appreciative Inquiry will continue to be emphasised as opportunities arise – indeed, an introductory 'Taste of AI' course was held in January 2018.

During 2017 a group was established to look at the parameters of the Synod Mission Fund and broaden the application criteria to allow greater flexibility in the use of funds to support mission. This group will report in 2018.

### **Plans for Future Periods (continued)**

During 2018 discussions will continue concerning the role the Synod might seek to play in future, and on any changes which will be required in its management, organisation and finances to enable it to focus on its core mission of helping and enabling local churches to identify and implement their own mission plans. The role of Synod in providing such support is likely to become increasingly important in view of the declining numbers of ministers available for deployment.

A minister has been appointed to work with young adults in the Synod, and after the year end the Albion Fund was liquidated to purchase a manse at a cost of £310,000.

### **Financial Review**

#### **Results for the year**

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS102) issued in January 2015. The excess of income over expenditure for the year amounted to £214,628 (in 2016 this was £391,354).

#### **Reserves policy and going concern**

Reserves are unrestricted funds which are not held as fixed assets. Reserves will normally be held to finance the work of the United Reformed Church in Yorkshire including the Yorkshire Congregational Union, together with its responsibilities to the work nationally, for a period of 12 months. The average resources expended from unrestricted funds, over the three years, to 31 December 2017, was £308,812 and the level of reserves at that date was £707,435. Within the reserves there are designated funds totalling £87,200 (see note 18). The Executive Council has no plans to alter the level of reserves at this time but this Reserves policy will be reviewed annually.

The assets are available and adequate to fulfil the obligations of the Charity. Each fund has sufficient resources in an appropriate form to meet its obligations. All the assets of the Charity are used for the direct charitable purposes of the Charity and were acquired in accordance with powers vested in the Executive Council. The financial position at the Balance Sheet date is satisfactory and will enable the Charity to meet future obligations.

#### **Investment policy and investment powers**

On 21 November 2017 the Executive Council reviewed the Investment Policy Statement and confirmed the Policy Document of that date. This document outlines the responsibilities of the various committees within the Synod and contains details of the Discretionary Management of the Investments by Brewin Dolphin Securities Ltd. The policy document also outlines the Requirements, Restrictions, Recording and Reporting under which the Managers will operate.

#### **Property**

All property under the control of the Charity is shown at market value as indicated in notes 9 and 11 of the Financial Statements. The valuations used were those provided by Walker Singleton, as at 31 December 2015.

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

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Page 7

**Statement of Responsibilities of the Executive Council**

Company law requires the Executive Council to prepare financial statements for each financial year which give a true and fair view of the state of the Charity's financial activities during the year and of its financial position at the year end. In preparing those financial statements, the Executive Council should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Executive Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Charity and which enable it to ascertain its financial position and to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and regulations thereunder. It is also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each member of the Executive Council at the date of this report is aware,

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Executive Council have taken all steps which 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.

These financial statements comply with current statutory requirements and with the requirements of the Charity's governing document.

**Auditors**

Jolliffe Cork LLP offer themselves for reappointment as auditors in accordance with section 485 of the Companies Act 2006.

**SIGNED ON BEHALF OF THE EXECUTIVE COUNCIL**

Mr W Duncan (Executive Council Member)

Mr J C Reed (Executive Council Member)

27<sup>th</sup> March 2018

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**

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**Opinion**

We have audited the financial statements of The United Reformed Church (Yorkshire Province) Trust Limited (the 'charitable company') for the year ended 31 December 2017 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements. 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 2017, 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 for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The 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.

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED (continued)**

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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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' 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' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6 and 7, 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.

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED (continued)**

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**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

**Dated this 27<sup>th</sup> March 2018**

**Claire Lawton FCA DChA (Senior Statutory Auditor)  
For and on behalf of Jolliffe Cork LLP  
33 George Street  
Wakefield  
West Yorkshire  
WF1 1LX**

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	2017 Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	2016 Total Funds
		£	£	£	£	£	£	£	£
<b>Income and endowments from:</b>									
Donations and legacies	2	63,701	193	-	63,894	64,055	430	-	64,485
Charitable activities	3	77	118,868	-	118,945	6,051	45,428	-	51,479
Investments	4	262,391	17,237	-	279,628	259,110	19,403	-	278,513
Other		-	-	-	-	-	-	-	-
<i>Profit on sale of tangible asset</i>		-	-	-	-	-	-	-	-
<b>Total</b>	16	326,169	136,298	-	462,467	329,216	65,261	-	394,477
<b>Expenditure on:</b>									
Raising funds	5	14,911	23,126	5,240	43,277	15,000	22,071	5,005	42,076
Charitable activities	6	355,005	200,261	-	555,266	266,964	125,960	-	392,924
<b>Total</b>		369,916	223,387	5,240	598,543	281,964	148,031	5,005	435,000
Gains/(losses) on investment assets	11								
<i>Realised</i>		5,877	1,878	434	8,189	3,949	(5,071)	588	(534)
<i>Unrealised</i>		25,798	220,312	47,285	293,395	28,014	329,085	75,312	432,411
<b>Total</b>		31,675	222,190	47,719	301,584	31,963	324,014	75,900	431,877
<b>Net income/(expenditure)</b>		(12,072)	135,101	42,479	165,508	79,215	241,244	70,895	391,354
<b>Transfers between funds</b>	16	3,484	(3,484)	-	-	3,978	(3,978)	-	-
<b>Net movement in funds</b>		(8,588)	131,617	42,479	165,508	83,193	237,266	70,895	391,354
<b>Reconciliation of funds:</b>									
Total funds brought forward At 1 January 2017		641,903	7,931,101	1,098,860	9,671,864	558,710	7,693,835	1,027,965	9,280,510
<b>Total funds carried forward</b> At 31 December 2017	16 & 17	633,315	8,062,718	1,141,339	9,837,372	641,903	7,931,101	1,098,860	9,671,864

## SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Income as reported on the SOFA	462,467	394,477
Gains/(losses) on investments	253,865	355,977
Gain on revaluation of fixed assets	-	-
Gross income in the reporting period	716,332	750,454
Expenditure as reported on the SOFA	593,303	429,995
Net income for the year	123,029	320,459

The Summary Income and Expenditure account excludes movements on the endowment funds. It is derived from the Statement of Financial Activities which together with the notes 1 to 19 provides full information on the movements during the year on all the charity's funds.

## BALANCE SHEET AT 31 DECEMBER 2017

	Note	2017 £	2016 £
<b>Fixed assets:</b>			
Tangible assets	9	904,730	914,231
Investments	11	7,036,513	6,778,973
<i>Total fixed assets</i>		<u>7,941,243</u>	<u>7,693,204</u>
<b>Current assets:</b>			
Debtors	12	27,733	17,879
Investments - Short term deposits		2,259,114	2,211,114
Cash at bank and in hand		20,620	10,128
<i>Total current assets</i>		<u>2,307,467</u>	<u>2,239,121</u>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	14	(316,963)	(207,963)
<i>Net current assets</i>		<u>1,990,504</u>	<u>2,031,158</u>
<i>Total assets less current liabilities</i>		<u>9,931,747</u>	<u>9,724,362</u>
Creditors: amounts falling due after more than one year	15	(94,375)	(52,498)
<i>Total net assets</i>		<u><u>9,837,372</u></u>	<u><u>9,671,864</u></u>
 <b>The funds of the charity:</b>	16 - 18		
Endowment funds		1,141,339	1,098,860
Revaluation reserve/(deficit)		63,952	63,952
Other restricted funds		<u>7,998,766</u>	<u>7,867,149</u>
Unrestricted designated funds	18	87,200	87,200
Other unrestricted funds		<u>546,115</u>	<u>554,703</u>
<i>Total charity funds</i>		<u><u>9,837,372</u></u>	<u><u>9,671,864</u></u>

The financial statements were approved by the Executive Council on 27th March 2018.

Mr W Duncan

Executive Council Member

Mr J C Reed

Executive Council Member

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 Total Funds £	2016 Total Funds £
<b>Cash flows from operating activities:</b>		
<i>Net cash provided by (used in) operating activities</i>	<b>(255,211)</b>	<b>(306,210)</b>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	<b>279,628</b>	278,513
Purchase of tangible fixed assets	<b>(9,969)</b>	(1,165)
Proceeds from the sale of investments	<b>1,123,348</b>	954,076
Purchase of investments	<b>(1,079,304)</b>	(944,884)
<i>Net cash provided by (used in) investing activities</i>	<b>313,703</b>	286,540
<i>Change in cash and cash equivalents in the reporting period</i>	<b>58,492</b>	(19,670)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>2,221,242</b>	2,240,912
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,279,734</b>	2,221,242

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

	2017 Total Funds £	2016 Total Funds £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	<b>165,508</b>	391,354
<b>Adjustments for:</b>		
Depreciation charges	<b>19,470</b>	18,634
(Gains)/losses on investments	<b>(301,584)</b>	(431,877)
Dividends, interest and rents from investments	<b>(279,628)</b>	(278,513)
(Increase)/Decrease in debtors	<b>(9,854)</b>	(1,098)
Increase/(decrease) in creditors	<b>150,877</b>	(4,710)
<i>Net cash provided by (used in) operating activities</i>	<b>(255,211)</b>	<b>(306,210)</b>

## Analysis of cash and cash equivalents

	2017 Total Funds £	2016 Total Funds £
Cash at bank and in hand	<b>20,620</b>	10,128
Notice deposits (less than 3 months)	<b>2,259,114</b>	2,211,114
<b>Total cash and cash equivalents</b>	<b>2,279,734</b>	2,221,242

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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**1 Principal accounting policies****Basis of preparation**

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

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

**Incoming resources**

Donations are included when they are received. Legacies are included when it is probable that they will be received. Investment income is included when it is receivable, and includes any recoverable income tax. Property rents and interest on loans are included when they fall due. Investments and other assets from churches which have closed are accounted for when the amount receivable can reasonably be ascertained.

**Recognition and valuation of donated services**

The services of the Synod's Development Officer, who is a Minister of Word and Sacrament in the URC, are provided by the URC under its Plan for Partnership in Ministerial Remuneration at no charge to the charity. This donation has been valued at the usual employment cost of a URC minister. The cost is included in expenditure on charitable activities.

The charity's activities are dependent on volunteer members of committees. Travel expenses are reimbursed but there is no recognition in these accounts of the time donated by volunteers.

**Basis of allocation of costs**

Grants payable are voluntary payments to individuals, local URC churches or URC organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved by the Synod Council or Financial Resources Committee, the recipient has been told of that approval, and if applicable has accepted the terms related to the grant. Grants to URC churches are usually multi-year grants. A creditor is included for the full amount of the grant offered. Payment of the second or later year's instalment is dependent on receipt of a report on the previous year, showing the progress made on the project. Occasionally Synod Council will require repayment of grants which have not been spent.

Support costs incurred in maintaining the office and employing the office staff have been allocated to raising income, charitable activities and governance in proportion to the time spent by office staff on each activity.

**Tangible fixed assets and depreciation**

Freehold and leasehold properties held for continuing use by the Charity are revalued by professional valuers every 5 years and are depreciated over 50 years. Long leasehold properties are defined as those properties with an unexpired lease term of more than 50 years. Properties acquired between valuations are included at cost and depreciated over 50 years. Properties sometimes pass to the Charity from United Reformed Churches in Yorkshire which have closed. If they are to be retained they are valued on acquisition. If the property is to be sold it is not revalued.

Office equipment is capitalised where a purchase or project costs over £500, and is included at cost less a provision for depreciation. This is calculated to write down the cost of tangible fixed assets by equal annual instalments over their expected useful lives, which are between 3 and 10 years.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

**1 Principal accounting policies (continued)****Investment assets**

Investments listed or traded on a recognised stock exchange are included at market value at the balance sheet date. Investment properties are valued professionally every five years. In between the valuations the Trustees' best estimate of market value is used. In accordance with standard accounting practice, no depreciation is charged on investment properties. Concessionary loans to URC churches are valued at the amount paid less repayments received.

**Current asset measurement**

Debtors are included at their recoverable amount.

Current asset investments comprise working capital held on short-term deposit.

Cash at bank and in hand comprises the balance in the bank current account and the petty cash float.

Creditors: amounts falling due within one year are valued at settlement amount.

**2 Income from donations and legacies****Donations**

Synod Levy

Notional Grant for Synod Development Officer

Gifts

2017	2016
£	£
30,910	32,680
31,791	31,375
1,193	430
<b>63,894</b>	<b>64,485</b>

The Synod Levy as passed at Synod in 2011, is calculated at £10 per member per year. The Charity is very grateful for the generous giving of all its churches.

**3 Income from charitable activities**

Net proceeds of redundant manse funds and sale of redundant churches  
Mission and Ministry fund income  
Interest on loans to churches & ministers  
Management charge (see note 13)

2017	2016
£	£
118,109	43,909
-	6,000
836	1,570
-	-
<b>118,945</b>	<b>51,479</b>

When United Reformed Churches in Yorkshire close, the net assets and building pass to the Charity. The building is not included in fixed assets if it is sold within a year of closure. There can be significant variances in this income from one year to another.

From March 2010, the net proceeds from the sale of Closed Church property are to be divided 10% to the United Reformed Church Retired Ministers' Housing Fund; 10% to the United Reformed Church Ministers' Pension Fund; 40% to the Synod Mission Fund and 40% to the Closed Churches Fund.

Also from March 2010 amalgamated churches, and those in local ecumenical partnerships, are required to transfer to the Charity 50% of the net proceeds of any United Reformed Church property sale, for use by the Synod Mission Fund.

From October 2011 any manse fund declared redundant is divided 75% to the local church and 25% to the Synod Mission Fund.

**4 Income from Investments**

Income from quoted investments  
Investment property rents  
Interest on bank balances

2017	2016
£	£
251,612	246,397
22,755	22,857
5,261	9,259
<b>279,628</b>	<b>278,513</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

**5 Expenditure on raising funds**

	<b>Direct costs £</b>	<b>Grant funding £</b>	<b>Support costs £</b>	<b>2017 £</b>	<b>2016 £</b>
<i>Managing investments</i>					
Investment management fees	29,810	-	-	<b>29,810</b>	28,359
Support costs	-	-	13,467	<b>13,467</b>	13,717
	<b>29,810</b>	<b>-</b>	<b>13,467</b>	<b>43,277</b>	<b>42,076</b>

**6 Expenditure on charitable activities**

	<b>Direct costs £</b>	<b>Grant funding £</b>	<b>Support costs £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
<i>Grant making</i>					
Grants to individuals					
Retired ministers and widows (9 grants)		5,500		<b>5,500</b>	6,510
Grants to URC institutions					
To churches for mission activities (10 grants)		158,272		<b>158,272</b>	106,570
To churches for property surveys (12 grants)		1,294		<b>1,294</b>	3,212
To churches special grants (0 grant)		-		<b>-</b>	-
Retired ministers' housing (0 grants)		22,577		<b>22,577</b>	-
URC Lay Staff Pension scheme (0 grants)		74,120		<b>74,120</b>	-
Support costs			3,366	<b>3,366</b>	3,429
	<b>-</b>	<b>261,763</b>	<b>3,366</b>	<b>265,129</b>	<b>119,721</b>
<i>Other charitable activities</i>					
Training ministers and lay members	82,911		1,683	<b>84,594</b>	55,691
Administering churches' property and investments	528		42,084	<b>42,612</b>	43,355
Supporting committees and Synod	13,033		23,567	<b>36,600</b>	42,338
Pastoral work	1,482		13,467	<b>14,949</b>	15,092
Supporting and encouraging URC churches, districts and centrally	2,940		45,451	<b>48,391</b>	52,650
Chaplaincies, industrial mission and ecumenical relations	2,953		3,367	<b>6,320</b>	10,569
Management & maintenance of Synod properties	26,208		8,417	<b>34,625</b>	29,144
Sundry and contingencies	949		-	<b>949</b>	180
	<b>131,004</b>	<b>-</b>	<b>138,036</b>	<b>269,040</b>	<b>249,019</b>
<i>Governance costs</i>					
External audit fee	5,040		-	<b>5,040</b>	5,280
Internal audit and accountancy	1,750		-	<b>1,750</b>	1,584
Legal and professional fees	840		-	<b>840</b>	3,604
Revaluation fees	-		-	<b>-</b>	-
Support costs	-		13,467	<b>13,467</b>	13,716
	<b>7,630</b>	<b>-</b>	<b>13,467</b>	<b>21,097</b>	<b>24,184</b>
<b>Total expenditure on charitable activities</b>	<b>138,634</b>	<b>261,763</b>	<b>154,869</b>	<b>555,266</b>	<b>392,924</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

**7 Analysis of support costs**

	Raising funds £	Grant- making £	Other charitable activities £	Governance £	Total £
Office staff costs	10,509	2,627	107,719	10,509	131,364
Office rates and maintenance	1,701	425	17,431	1,701	21,258
Office expenses and equipment	1,200	300	12,300	1,200	15,000
Depreciation	57	14	586	57	714
	<b>13,467</b>	<b>3,366</b>	<b>138,036</b>	<b>13,467</b>	<b>168,336</b>

Support costs are allocated in proportion to the time spent by office staff on the activities shown.

It has been accepted that the Synod Development Officer is a Minister of Word and Sacraments under the terms of the United Reformed Church Plan for Partnership in Ministerial Remuneration and should not be classified as an employee.

**8 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel**

	2017 £	2016 £
Salaries and wages	114,603	103,442
Employer's National Insurance	9,396	8,464
Pension contributions to defined benefit schemes	26,821	27,910
	<b>150,820</b>	<b>139,816</b>

No employee received remuneration of more than £60,000 per annum, and there were no other employee benefits other than those disclosed above.

The average number of employees during the year was 6 (2016 - 5).

The key management personnel of the Charity are the Trustees, who include the Synod Treasurer and the Synod Clerk, and key employees of the charity, who are the Trust and Property Secretary, the Finance Manager and up to 2016, the Office Manager. The employee benefits of the key personnel total £76,713 (2016 £83,425).

**Trustees' expenses**

Members of the Executive Council are entitled to claim travel expenses for attending its meetings. The Synod Clerk and Treasurer may claim other expenses (travel, telephone, stationery etc.) incurred in their capacity as trustees. No trustee nor anyone connected with the trustees received any remuneration in 2017 or 2016 except as noted below.

	2017	2016
The total of expenses claimed, by 3 (2016 3) trustees, for the year was:	<b>£3,073</b>	<b>£2,377</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

**9 Tangible assets**

	Freehold Property £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2017	931,700	69,887	1,001,587
Additions	2,884	7,085	9,969
Disposals	-	(7,866)	(7,866)
At 31 December 2017	934,584	69,106	1,003,690
<b>Depreciation</b>			
At 1 January 2017	18,634	68,722	87,356
Charge for the period	18,634	836	19,470
Disposals	-	(7,866)	(7,866)
At 31 December 2017	37,268	61,692	98,960
<b>Net book value</b>			
At 1 January 2017	913,066	1,165	914,231
At 31 December 2017	<b>897,316</b>	<b>7,414</b>	<b>904,730</b>
Net carrying value of revalued assets on historical cost basis	649,713	-	649,713

**Property****Net book amount**

The property is used for the direct charitable purposes of the Charity and comprises:	£
Housing for ministers of local churches or in Synod posts (a part share in 3 properties)	666,724
Graveyards (2 sites)	192
Synod office building	230,400
	<b>897,316</b>

The housing and graveyards were revalued as at 31 December 2015 by Walker Singleton, external Chartered Surveyors, at market value with vacant possession, in accordance with the Royal Institute of Chartered Surveyors Valuation Standards. The Synod office building was similarly revalued as at 31 December 2015 at existing use value.

**10 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

<b>11 Fixed asset investments</b>	<b>Investment properties</b>	<b>Listed investments</b>	<b>Balances at stockbroker</b>	<b>Concessionary loans</b>	<b>Total</b>
<b>Market value</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2017	502,764	6,191,000	9,300	75,909	6,778,973
Less:					
Disposals at opening book value	-	(1,100,925)	-		(1,100,925)
Deposits realised/(reinvested)	-	-	44,059		44,059
Investment management fees	-	-	(29,810)		(29,810)
Loan repayments	-	-	-	(14,234)	(14,234)
Add:					
Acquisitions at cost	-	1,065,055	-	-	1,065,055
Revaluation	-	293,395	-		293,395
<b>At 31 December 2017</b>	<b>502,764</b>	<b>6,448,525</b>	<b>23,549</b>	<b>61,675</b>	<b>7,036,513</b>
<b>Historical cost</b>					
At 31 December 2017	-	5,296,179	23,549	61,675	5,319,728
Disposals:					
Proceeds	-	1,109,114	-	-	1,109,114
Book value at 1 Jan 2017		(1,100,925)	-	-	(1,100,925)
Gain / (loss)	-	8,189	-	-	8,189

The investment property is 83.794% of the freehold at Aberdeen Walk, Scarborough, and was revalued as at 31 December 2015 by Walker Singleton, external Chartered Surveyors, at market value, in accordance with the Royal Institute of Chartered Surveyors Valuation Standards.

All fixed asset investments are in held in the UK, in Nominee Accounts at the brokers. Details of the portfolio of listed investments are as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Equity investments	2,613,487	2,419,712
Gilt-edged and fixed interest stocks	527,471	802,190
Investment and unit trusts	3,307,567	2,969,098
	<b>6,448,525</b>	<b>6,191,000</b>

Material investments (over 5% by value) at the beginning or end of the year were:

JP Morgan Asset Management UK US Equity Income "A" shares	261,036	313,067
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All concessionary loans are to churches within the URC Yorkshire province. The maximum repayment period is 11 years and simple interest is charged at 5%, 3% or 0%. Repayments of capital and accrued interest are made quarterly. No security is provided on any loan. The maximum capital outstanding on any loan at 31 December 2017 was £29,250 (31 December 2016: £30,750). This loan will be repaid from the sale proceeds of a redundant manse in 2018.

	<b>£</b>	<b>£</b>
Concessionary loans falling due within one year	39,925	16,633
Concessionary loans falling due after more than one year	21,750	59,275
	<b>61,675</b>	<b>75,908</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

<b>12 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts owed by group and associated undertakings:		
Yorkshire Congregational Union (Incorporated)	-	-
Prepayments and accrued income	<b>27,733</b>	17,879
	<b>27,733</b>	<b>17,879</b>

**13 Related Parties**

The Yorkshire Congregational Union (Incorporated) is a charity administered by the same trustees as the United Reformed Church (Yorkshire Province) Trust Limited, from the same office. It acts as trustee for many of the United Reformed Churches in the Yorkshire Synod. The Yorkshire Congregational Union (Incorporated) has no employees; its administrative work is performed by employees of the United Reformed Church (Yorkshire Province) Trust Ltd, for which a management charge is made. The charge for 2017 of £nil (2016 - £nil) is a debtor in these accounts.

Trustees or people connected with the trustees may also be trustees of a church in receipt of a grant or concessionary loan from the Trust. Grants are awarded by a separate group from the Trustees, and members of that group will not take part in the decision if they have a conflict of interest. In 2015 a trustee was appointed who is married to a member of staff. The trustee is not involved in any decision which might confer a financial benefit on his wife.

<b>14 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Accruals for grants payable	<b>234,657</b>	154,081
Accruals and deferred income	<b>8,695</b>	11,187
Other creditors	<b>73,611</b>	42,695
	<b>316,963</b>	<b>207,963</b>

Other creditors includes an amount of £38,451 (2016: £38,451) from the winding up of South Yorkshire Workplace Chaplaincy. This is held until a decision is made about a related activity elsewhere in Yorkshire. If no decision is made by August 2018 the money will be added to the Synod Mission Fund.

Other creditors includes an amount of £23,138 donated to the URC Retired Ministers Housing Society many years ago, but returned to the Trust in 2017. This is held until a decision about its use, which will be made in 2018.

<b>15 Creditors: amounts falling due after more than one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Accruals for grants payable	<b>94,375</b>	52,498