

**UNAFFILIATED CONGREGATIONAL
CHURCHES CHARITIES**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
31 DECEMBER 2018**

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

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UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

REFERENCE AND ADMINISTRATIVE DETAILS YEAR ENDED 31 DECEMBER 2018

| | |
|--------------------------------|---|
| Registered charity name | Unaffiliated Congregational Churches Charities |
| Charity number | 273854 |
| Principal office | 678 Ripponden Road Moorside Oldham OL4 2LP |
| Trustees | Mr R J Alp Mrs L Perry Pastor M J Valentine Mr P Butler Revd C Damp Mr D M Tucker Revd G M Evans Revd W Harrow Dr D L James |
| Executive Officer | Revd F Wroe |
| Bankers | National Westminster Bank plc 16 South Parade Nottingham NG1 2JX |
| Solicitors | Anthony Collins Solicitors 134 Edmond Street Birmingham B3 3ES |
| Auditors | Horsfield & Smith Chartered Accountants & Statutory Auditor Tower House 269 Walmersley Road Bury Lancashire BL9 6NX |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2018

The Trustees present their report and the financial statements of the Company for the year ended 31st December 2018.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the Board and professional advisers on page 1 of the financial statements.

THE TRUSTEES

The Trustees who served the Company during the period were as follows:

Elected by the Unaffiliated Congregational Churches (UCC)

Mr G Holmes (Honorary Chairman of Trustees) Died 21 March 2018

Mr R J Alp (Honorary Chairman of Trustees) Appointed 20 June 2018

Pastor M J Valentine

Mrs L Perry (Appointed 1 November 2018)

Nominative Trustee from the Congregational Federation (CF)

Mr P Butler

Revd C Damp

Mr M Tucker

Nominative Trustee from the Evangelical Fellowship of Congregational Churches (EFCC)

Mr R Taylor (Retired 21 June 2018)

Revd W Harrow (Appointed 21 June 2018)

Revd G M Evans (Appointed 1 November 2018)

Dr D L James (Honorary Secretary)

ACHIEVEMENTS AND PERFORMANCE

The Trustees met on three occasions during 2018, March, June and November in order to consider grant applications from listed churches and individuals, details of the awards made and the activity of the Charities are outlined in this report. In addition, the Trustees dealt with the overall running of the Charities as detailed in this report.

On the 21st March a week after the March Trustee Meeting the Trustees were shocked and deeply saddened to learn of the sudden death of the Chairman, Mr Graham Holmes. Graham was first elected in 2005 as a Co-optative Trustee by the Unaffiliated Congregational Churches. He became Chairman of Trustees at the March 2009 Trustee Meeting when the then Chairman, Reverend Gwynne Evans stood down from the position and from the Trustee Board. As well as a sound understanding and experience of Congregationalism, Graham brought a great deal of practical accountancy and auditing experience in his time as both a Trustee and later Chairman, which was of great benefit to both the Trustee Board as well as to individual listed churches asking for guidance with financial matters. As Chairman, Graham attempted to bring a more structured, long term approach to grant support for churches attempting to either establish or to maintain ministry. He also had experience as the long serving Church Treasurer of New Inn Congregational Church, South Wales, which was of great value because he had a clear understanding and experience of the day to day financial pressures for a church supporting full-time

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ministry, meeting the everyday needs of maintaining the buildings as well as looking forward to the future financial needs of the fellowship. Graham was able to bring all this to discussions and decisions when the Trustees considered grant applications as well as with both general and specific discussions about the future direction of the UCCC in maintaining both its financial and physical structures. His experience, care and concern and vision for the UCCC will be greatly missed.

With all the Trustee changes occurring during 2018, a total of 11 Trustees have served on the board during the year, their attendance at meetings is as follows:

Seven Trustees attended all three meetings

Two Trustees attended two meetings

Two Trustees attended one meeting

The Executive Officer attended all three meetings.

At the June Trustee Meeting, Mr Roy Alp was unanimously elected as UCCC Chairman.

During 2018 the Trustees welcomed three new Trustees to the UCCC Board:

In June, Reverend William Harrow a Nominative Trustee from the EFCC.

In November, Mrs Linda Perry, Treasurer of Griffithstown Congregational Church, as one of the three Co-optative Trustees of the UCCC churches. Linda is taking the place of Graham Holmes.

In November, Reverend Gwynne Evans a Nominative Trustee from the EFCC. This is Gwynne's second term as an EFCC Nominative Trustee.

Following a review of investments at the end of 2017, the Trustees agreed to appoint Castlefield Investment Partnership, an external fund manager, to look after the UCCC investment portfolio. In June 2018, after two presentations at the March and June Trustee Meetings by two of the Castlefield staff, the Trustees made the decision to halt the process with Castlefield. A further decision was made to ask CCLA, an existing fund manager, to look again at the UCCC investments. After two further meetings with CCLA fund managers in September and December, the Trustees decided to continue with CCLA and to move some of the existing UCCC investments into the CCLA Ethical Fund for a projected greater return. This transaction was completed early January 2019.

During the year the Trustees were conscious of an accumulation of funds in the Ministerial Training Fund and discussed the possibilities of the Charity Commission agreeing to amalgamate two of the seven trust funds; Ministerial Training and Maintenance of the Ministry into one Ministry Fund in order to be able to use these Funds for greater benefit of ministry in the future. On the 31st December the Charity Commission had not made a decision on the request from the Trustees to merge these two funds.

In November, the Trustees agreed to advertise the availability of the Dewi Rowlands Bursary from January 2019.

The Trustees are conscious of the requirements of Enhanced Due Diligence Requirements in respect of the August 2018 Money Laundering, Safeguarding and Equal Opportunities Regulations. In December a letter was sent to all UCCC contacts outlining the position taken by the UCCC Trustees.

The task of the Trustees is to consider grant applications from both listed UCCC churches and individuals connected to those churches. Each applicant is asked to supply standard background information including confirmation that the church applying is maintaining Congregational Principals and Practices and is aware of the implications of the church personnel not holding the appropriate DBS certificates. As well as being able to assist church fellowships in maintaining their buildings, the

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Trustees once again spent time at each Trustee Meeting discussing how the Charities might be able to continue to assist with funding for maintaining or helping to establish ministry at the listed churches. It is hoped that a favourable decision from the Charity Commission to amalgamate the two funds as outlined above will greatly assist them in this area. The Trustees also have a continuing concern for the small number of retired ministers and retired minister's widows they support from the former Sydney Berry Trust and Welfare Fund.

During the year a small number of churches have been removed from the UCCC list as they have either moved away from the Congregational Order in their church governance or have affiliated to other bodies or church groupings.

Structure, governance and management

Nature of governing document

The Unaffiliated Congregational Churches Charities came into being to enable churches that remained independent and did not join either the Congregational Federation or the Evangelical Fellowship of Congregational Churches to receive a fair allocation of the assets of the former Congregational Church in England and Wales, 32 County Union Incorporated Bodies and other apportionable funds. The restrictions to the various funds are laid down in the governing instruments.

The original Charities were founded by the creation of trust funds under a Charity Commission scheme dated 4th January 1977 and in the Charity Commission scheme the expression 'Unaffiliated Congregational Churches' means:

- a) Congregational Churches which were in membership with the former Congregational Church in England and Wales or were members of the Congregational Union of England and Wales in the year 1966 and which on the 31st December 1975 were not member churches of the Congregational Federation or of an Evangelical Fellowship of Congregational Churches and
- b) Congregational Churches in England and Wales formed after 5th October 1972 which are not members of the Congregational Federation or of an Evangelical Fellowship of Congregational Churches.

Further charities were created by a succession of Charity Commission schemes from 1980 onwards. In August 2008 the Charity Commission approved a new scheme, which amalgamated all the County Union funds into the seven main funds of the Unaffiliated Congregational Churches Charities.

Recruitment and appointment of new trustees

The Charities have nine Trustees three of which are co-opted by ballot for a period of five years by all the listed Unaffiliated Churches. When a vacancy arises all such churches are contacted and given a specified date by which to submit names of suitable candidates to the Revd Frank Wroe, the Executive Officer. A profile of each candidate is then obtained and circulated to each listed Unaffiliated Church to enable each church to elect a new Trustee by way of ballot.

The remaining six Trustees are called Nominative Trustees; three by the Committee of The Evangelical Fellowship of Congregational Churches (EFCC) and three by the Council of the Congregational Federation (CF). These Trustees are nominated for a period of four years on the basis of providing a

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TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2018

wide range of skills and experience that will add to and enhance the Charities' existing skill base.

At the end of their term the three co-opted Trustees representing the Unaffiliated Churches are required to confirm whether they wish to continue to act or not. If they express a wish to continue this is ratified by the other serving Trustees at the next scheduled Trustees' Meeting. If they do not wish to continue the process of recruiting a new Trustee begins again.

Induction and training of new Trustees

Most Trustees will already be familiar with the practical work of the Charities and they are encouraged to read a copy of the Charities' current Yearbook as well as being provided with copies of minutes of Trustee Meetings for the past year.

All new Trustees are encouraged to read publication "CC3—The Essential Trustee: What you need to know" obtained from the Charity Commission website. This document provides guidance to all Trustees, and those who are about to become Trustees, on what is involved in being a charity trustee.

Prospective new Trustees are also encouraged to attend Trustee Meetings as an observer prior to them being recognised as a Trustee. This is designed to give a practical insight into the issues that arise during such meetings and to introduce them to other trustees.

Organisational structure

Staff

The Charities have no full time staff but do employ a part-time Executive Officer. Revd Frank Wroe continued in the position of Executive Officer of the Charities during the year and works an average of three days per week for the Charities.

Trustees

Mr G Holmes was elected by the Trustee Board to serve as Chairman. Mr Holmes died 21 March 2018 and in June 2018 Mr R J Alp was elected by the Trustee Board to serve as Chairman. Dr D. L. James was elected by the Trustee Board to serve as Secretary for 2018.

Major risks and management of those risks

Investments

The Charities have no property other than its Stock Market investments. These investments are held in four charity investment funds, each with a widespread portfolio of holdings. The funds comprise a roughly equal split between fixed interest and equity funds, from 2019 a proportion of the fixed interest funds with one major investment manager have been switched into an ethical fund, with the same fund manager, with a view to obtaining a greater rate of return. The continued aim of the Trustees is for a regular income to the Charities of around 5% per annum paid on a quarterly basis. The Trustees continue undertake periodic reviews each year but rely on the integrity and professionalism of the individual charity fund managers to provide the income, and maintain the capital for the ongoing operation of the Charities for the benefit of its beneficiaries.

YEAR ENDED 31 DECEMBER 2018

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Policy on reserves

The funds administered by the Charity are detailed in the notes to the financial statements. Each fund is divided into permanent endowments arising from the original appointment and more recent capital receipts, and accumulation of income. Income is distributed from both permanent endowments and the accumulation of income.

The Charity's policy on reserves is that they should be kept at a minimum. It is not always possible to distribute income for two main reasons; either churches don't apply for grants or loans or because there are just not the number of churches within the scope of the fund to use all the income.

Investment policy and objectives

The principal investment policy of the Charity is to obtain sufficient income to maintain its annual commitments from the investments it holds now and all future investments it will make, whilst at the same time making every effort not to place the capital at risk. The Trustees feel that the investment objectives are being achieved by investing in charity-managed funds and deposits.

Objectives and activities

Objects and aims

To support through grants and low cost interest loans, personal contact and encouragement, where possible, the listed Unaffiliated Congregational Churches, their members, serving ministers and where appropriate retired ministers or their widows or widowers.

Public benefit

The Charities have seven specific funds that allow the Trustees to distribute its income in the form of grants and/or loans, where necessary, to assist and maintain ministry in individual churches and to assist with the relief of hardship for retired ministers or their widows and widowers. Other areas of assistance include grants for the education of ministers, their children and students training for the ministry.

Grants and loans are also available to churches for repairs and the ongoing maintenance of buildings or expansion of church buildings and assistance to comply with legal building requirements in order to meet current building legislation. Where appropriate, grants for regeneration are also considered to assist churches on the point of closure to remain open.

Churches are invited to apply to the Trustees for support by completing an application form, which gives the Trustees specific details of the assistance required by the church. This application will usually be accompanied by two years audited accounts of the church and in case of building work two or three estimates from different builders to support the application. In the case of a grant for maintenance of the ministry or additional ministerial training the minister must possess a clear and current Criminal Record Disclosure Certificate.

The Trustees confirm that they have complied with the requirements of section 4 of the Charities' Act 2011 to have due regard to the public benefit guidance published by the Charity Commission of England and Wales

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Grant making policies

The Charities' main objective is to assist churches and individuals with grants as made from appropriate funds.

During 2018 the UCCC have been able to directly assist four churches and 41 individuals as well as the Congregational History Society, the John Bunyan Museum and indirectly UCCC churches with grants to assist with the administration costs associated with custodian trusteeship.

The following grants were made from the Charities' Funds:

| Fund | Amount |
|----------------------------------|----------------------|
| | £ |
| General Purposes Fund | 16,550 |
| Maintenance of the Ministry Fund | 15,977 |
| Ministerial Training Fund | - |
| Church Extension Fund | 3,000 |
| Welfare Fund | 3,600 |
| Homes for Retired Ministers Fund | 10,350 |
| Education Fund | 1,300 |
| Sydney Berry Trust | <u>4,936</u> |
| Total | <u>55,713</u> |

The Trustees awarded the grants in the following ways:

- Once again this year grants of £100 from the Education Fund were awarded to each of thirteen children of five ministers to assist with their education.
 - The Charities were able to assist four churches in various parts of the country with the grants totalling £16,000 for various types of building work for the maintenance, repair, improvement and modernisation of existing church premises. In order to comply with church insurance stipulations, one church was required to have a safety rail fitted for their gallery seating. Another church needed to renew both the heating boiler and have the church building re-wired. Three of these grants came from the General Purpose Fund (£13,000) and the other was from the Church Extension Fund (£3,000).
 - The Trustees were able to support a mature student from one of the listed UCCC churches with a grant of £2,000 from the General Purposes Fund. This was for a one-year course working for Relay, the UCCF's Mission and Discipleship Training for Graduates.
 - The John Bunyan Museum in Bedford received a grant of £3,000 from the General Purposes Fund, to assist with the funding for employing the museum's current curator.
 - Two churches received grants totalling £15,977 for the support of minister's stipends from the Maintenance of the Ministry fund.
-

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- £1,000 from the General Purposes Fund was awarded to the Congregational History Society to assist with the administration costs of the society.
- Payments totalling £4,936 were made from the Dr Sydney Berry Trust to four retired ministers and the widow of a former minister of an unaffiliated church.
- Grants totalling £10,350 were awarded from the Homes for Retired Ministers Fund to assist five retired ministers and the widows of two retired ministers of Unaffiliated Churches, with the payment of Council Tax and Water Rate demands.
- Further grants totalling £3,600 for the relief of hardship were made to five retired ministers and the widows of three former retired ministers of unaffiliated churches, which came from the Welfare Fund.
- Once again this year ministers and pastors of Unaffiliated Congregational Churches were awarded a grant of £125 each with the specific aim of purchasing theological books for their own personal library. The total cost of £2,250 came from the General Purposes Fund
- Three anniversary grants of £100 each were paid from the General Purpose Fund to three churches.
- Bradley Chapel returned the building portion of the grant they received in November last year, totalling £5,000, this was refunded to the General Purposes Fund.

Loans

From time to time the Charities are able to make low cost interest loans to churches, to be repaid over a set period of two, three or five years or longer if required to assist with ongoing repairs or renovations to church property.

The Trustees made one loan of £5,000 during 2018. This came from the General Purposes Fund. This is part of an ongoing arrangement of loans for 2019 and 2020.

Charitable commitments

As part of the policy of continually reviewing all the regular grants, as outlined in the Report of the Trustees the following grant structure for Maintenance of the Ministry, welfare and various other regular grants is in place. These future grants have been notified to the churches and individuals concerned and with the exception of the grants from Dr Sydney Berry Trust for retired ministers and retired minister's widows, which have not been guaranteed.

| Year | £ |
|------|--------|
| 2019 | 38,708 |
| 2020 | 30,959 |
| 2021 | 26,645 |

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Financial instruments

Objectives and policies

The Charities' activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

The Charities' activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Charities' principal financial assets are bank balances and investments.

The credit risk on liquid funds is limited because the counterparties are banks and high credit ratings by international credit-rating agencies.

The Charities have no significant concentration of credit risk, with exposure spread over a number of counterparties.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Charities uses investments in charity-managed funds and deposits which are reviewed on a regular basis.

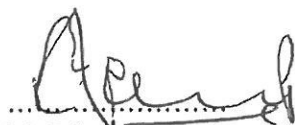
Disclosure of information to the auditor

Each Trustee has taken steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charities' auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of the auditor

The auditors Horsfield & Smith are deemed to be reappointed as auditors for the ensuing year.

The annual report was approved by the Trustees of the Charity on 19/6/19 and signed on its behalf by:



Mr R J Alp
Trustee

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2018

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 19/6/19 and signed on its behalf by:



Mr R J Alp
Trustee

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

Opinion

We have audited the financial statements of Unaffiliated Congregational Churches Charities (the 'charity') for the year ended 31 December 2018, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its results 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 Charities Act 2011.

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 charity 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 charity'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 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity 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 Charities Act 2011 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 11], the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

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

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Staples BSc FCA DChA (Senior Statutory Auditor)
For and on behalf of Horsfield & Smith, Statutory Auditor

Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

Date: 19/6/19

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2018

| | Note | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2018 £ | Total 2017 £ |
|------------------------------------|------|-------------------------|-----------------------|----------------------|-----------------|-----------------|
| Income and Endowments from: | | | | | | |
| Investment income | 2 | 28,313 | 22,005 | 45,983 | 96,301 | 95,609 |
| Other income | 3 | 61,080 | 94 | - | 61,174 | 964 |
| Total Income | | 89,393 | 22,099 | 45,983 | 157,475 | 96,573 |
| Expenditure on: | | | | | | |
| Raising funds | 4 | (15,011) | (15,268) | - | (30,279) | (27,909) |
| Charitable activities | 5 | (24,169) | (36,957) | - | (61,126) | (93,698) |
| Total Expenditure | | (39,180) | (52,225) | - | (91,405) | (121,607) |
| Net income/(expenditure) | | 50,213 | (30,126) | 45,983 | 66,070 | (25,034) |
| Gains/losses on investment assets | | (50,831) | (39,653) | (85,101) | (175,585) | 102,502 |
| Gross transfers between funds | | 9,730 | 36,253 | (45,983) | - | - |
| Net movement in funds | | 9,112 | (33,526) | (85,101) | (109,515) | 77,468 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 674,623 | 686,177 | 1,163,808 | 2,524,608 | 2,447,140 |
| Total funds carried forward | 16 | 683,735 | 652,651 | 1,078,707 | 2,415,093 | 2,524,608 |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 DECEMBER 2018

Prior year Statement of Financial Activities

| | Note | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2017 £ |
|------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------|
| Income and Endowments from: | | | | | |
| Investment income | 2 | 28,263 | 22,034 | 45,312 | 95,609 |
| Other income | | 887 | 77 | - | 964 |
| Total Income | | 29,150 | 22,111 | 45,312 | 96,573 |
| Expenditure on: | | | | | |
| Raising funds | | (14,055) | (13,854) | - | (27,909) |
| Charitable activities | | (55,163) | (38,535) | - | (93,698) |
| Total Expenditure | | (69,218) | (52,389) | - | (121,607) |
| Net (expenditure)/income | | (40,068) | (30,278) | 45,312 | (25,034) |
| Gains/losses on investment assets | | 31,230 | 24,283 | 46,989 | 102,502 |
| Gross transfers between funds | | 13,541 | 31,771 | (45,312) | - |
| Net movement in funds | | 4,703 | 25,776 | 46,989 | 77,468 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 669,920 | 660,401 | 1,116,819 | 2,447,140 |
| Total funds carried forward | 16 | 674,623 | 686,177 | 1,163,808 | 2,524,608 |

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2017 is shown in note 16.

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

BALANCE SHEET

31 DECEMBER 2018

| | Note | 2018 £ | 2017 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Investments | 13 | 2,251,765 | 2,427,350 |
| Current assets | | | |
| Debtors | 14 | 47,450 | 42,528 |
| Cash at bank and in hand | | <u>121,354</u> | <u>59,683</u> |
| | | 168,804 | 102,211 |
| Creditors: Amounts falling due within one year | 15 | <u>(5,476)</u> | <u>(4,953)</u> |
| Net current assets | | <u>163,328</u> | <u>97,258</u> |
| Net assets | | <u>2,415,093</u> | <u>2,524,608</u> |
| Funds of the charity: | | | |
| Endowment funds | | 1,078,707 | 1,163,808 |
| Restricted funds | | 652,651 | 686,177 |
| Unrestricted income funds | | | |
| Unrestricted funds | | <u>683,735</u> | <u>674,623</u> |
| Total funds | 16 | <u>2,415,093</u> | <u>2,524,608</u> |

The financial statements on pages 16 to 34 were approved by the trustees, and authorised for issue on 19/6/19..... and signed on their behalf by:



Dr D L James
Trustee

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Unaffiliated Congregational Churches Charities 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 notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations and legacies

Cash donations, gifts, legacies and grants are accounted for in full as they are received. The value of voluntary help is not included in the accounts.

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

Investment income

Bank interest is accounted for on receipt. Other investment income is accounted for when receivable.

The Statement of Financial Activities includes net gains and losses arising on revaluations and disposals throughout the year.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources. The irrecoverable element of VAT is included within the item of expense to which it relates. Grants offered subject to conditions, which have not been met at the year end date, are noted as commitment but not accrued as expenditure.

Raising funds

These are costs incurred in the management of investments.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements.

Taxation

The charity is exempt from tax on its charitable activities.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

Trade debtors

are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of is established when there is objective evidence that the will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

Fund structure

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Endowment funds represent assets which must be held permanently by the Charity. Income from those assets may be used to support the objectives of the Charity.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs),

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

2 Investment income

| | Unrestricted funds | Restricted funds | Endowment funds | Total 2018 | Total 2017 |
|---|--------------------|------------------|-----------------|---------------|---------------|
| | General £ | £ | Expendable £ | £ | £ |
| Interest receivable and similar income; | | | | | |
| Interest receivable on bank deposits | 104 | - | - | 104 | 17 |
| Other income from fixed asset investments | 28,209 | 22,005 | 45,983 | 96,197 | 95,592 |
| | <u>28,313</u> | <u>22,005</u> | <u>45,983</u> | <u>96,301</u> | <u>95,609</u> |

3 Other income

| | Unrestricted funds | Restricted funds | Total 2018 | Total 2017 |
|---------------|--------------------|------------------|---------------|------------|
| | General £ | £ | £ | £ |
| Other income | 59,305 | 94 | 59,399 | 77 |
| Rental income | 1,775 | - | 1,775 | 887 |
| | <u>61,080</u> | <u>94</u> | <u>61,174</u> | <u>964</u> |

Other income includes £59,305 received from the Congregational Federation Ltd. This sum represents a third of the sale proceeds of the Former Rishworth Congregational Church.

4 Expenditure on raising funds

| | Note | Allocated support costs £ | Total 2018 £ | Total 2017 £ |
|----------------------|------|---------------------------|---------------|---------------|
| Administration costs | 6 | <u>30,279</u> | <u>30,279</u> | <u>27,909</u> |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

5 Expenditure on charitable activities

| | | Unrestricted funds | Restricted funds | Total 2018 | Total 2017 |
|-----------------------------|------|--------------------|------------------|---------------|---------------|
| | Note | General £ | £ | £ | £ |
| Grant funding of activities | | 21,486 | 34,227 | 55,713 | 88,631 |
| Governance costs | 6 | 2,683 | 2,730 | 5,413 | 5,067 |
| | | <u>24,169</u> | <u>36,957</u> | <u>61,126</u> | <u>93,698</u> |

6 Analysis of governance and support costs

Raising funds expenditure

Administrative costs

| | Unrestricted funds | Restricted funds | Total 2018 | Total 2017 |
|-------------------------|--------------------|------------------|---------------|---------------|
| | General £ | £ | £ | £ |
| Staff costs | 10,020 | 10,191 | 20,211 | 19,565 |
| Administrative expenses | 4,991 | 5,077 | 10,068 | 8,344 |
| | <u>15,011</u> | <u>15,268</u> | <u>30,279</u> | <u>27,909</u> |

Governance costs

| | Unrestricted funds | Restricted funds | Total 2018 | Total 2017 |
|-----------------------------------|--------------------|------------------|--------------|--------------|
| | General £ | £ | £ | £ |
| Audit fees | | | | |
| Audit of the financial statements | 961 | 979 | 1,940 | 1,850 |
| Other fees paid to auditors | 1,722 | 1,751 | 3,473 | 3,217 |
| | <u>2,683</u> | <u>2,730</u> | <u>5,413</u> | <u>5,067</u> |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

7 Grant-making

Analysis of grants

| | Grants to institutions | | Grants to individuals | |
|-----------------------------|------------------------|---------------|-----------------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Analysis | | | | |
| General Purposes | 12,300 | 40,550 | 9,186 | 12,061 |
| Maintenance of the Ministry | 15,977 | 20,710 | - | - |
| Ministerial Training | - | 1,000 | - | - |
| Church Extension | 3,000 | - | - | - |
| Homes for Retired Ministers | - | - | 10,350 | 9,960 |
| Welfare | - | - | 3,600 | 3,150 |
| Education | - | - | 1,300 | 1,200 |
| | <u>31,277</u> | <u>62,260</u> | <u>24,436</u> | <u>26,371</u> |

8 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

| | 2018 | 2017 |
|------------|--------------|--------------|
| | £ | £ |
| Audit fees | <u>1,940</u> | <u>1,850</u> |

9 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

£3,531 (2017: £2,302) of expenses were reimbursed to the trustees during the year.

During the year ten trustees were paid expenses in relation to reimbursed meeting expenses.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

10 Staff costs

The aggregate payroll costs were as follows:

| | 2018 £ | 2017 £ |
|-----------------------------------|---------------|---------------|
| Staff costs during the year were: | | |
| Wages and salaries | 18,362 | 17,786 |
| Pension costs | <u>1,849</u> | <u>1,779</u> |
| | <u>20,211</u> | <u>19,565</u> |

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

| | 2018 No | 2017 No |
|-------------------|------------|------------|
| Executive officer | <u>1</u> | <u>1</u> |

No employee received emoluments of more than £60,000 during the year

11 Auditors' remuneration

| | 2018 £ | 2017 £ |
|-----------------------------------|--------------|--------------|
| Audit of the financial statements | <u>1,940</u> | <u>1,850</u> |
| Other fees to auditors | | |
| All other non-audit services | <u>3,473</u> | <u>3,217</u> |

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

13 Fixed asset investments

| | 2018 £ | 2017 £ |
|-------------------|------------------|------------------|
| Other investments | <u>2,251,765</u> | <u>2,427,350</u> |

Other investments

| | Fixed interest investments £ | Managed funds £ | Total £ |
|--------------------------|------------------------------------|-----------------------|------------------|
| Cost or Valuation | | | |
| At 1 January 2018 | 892,212 | 1,535,138 | 2,427,350 |
| Revaluation | <u>(34,967)</u> | <u>(140,618)</u> | <u>(175,585)</u> |
| At 31 December 2018 | <u>857,245</u> | <u>1,394,520</u> | <u>2,251,765</u> |
| Net book value | | | |
| At 31 December 2018 | <u>857,245</u> | <u>1,394,520</u> | <u>2,251,765</u> |
| At 31 December 2017 | <u>892,212</u> | <u>1,535,138</u> | <u>2,427,350</u> |

Analysis of investments at 31 December 2018 between funds

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total Funds 2018 £ | Total Funds 2017 £ |
|---|----------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| Listed and other investments | | | | | |
| Fixed interest investments | 235,401 | 183,631 | 438,213 | 857,245 | 892,212 |
| Managed funds | <u>423,592</u> | <u>330,434</u> | <u>640,494</u> | <u>1,394,520</u> | <u>1,535,138</u> |
| | <u>658,993</u> | <u>514,065</u> | <u>1,078,707</u> | <u>2,251,765</u> | <u>2,427,350</u> |

The investments representing more than 5% of the total value are as follows:

| | Endowed | | | Expendable | | |
|---------------------------|------------|------------------|------|------------|------------------|------|
| | Units | Market Value | % | Units | Market Value | % |
| Charinco Income Units | 55354.057 | 102,959 | 4.6 | 82708.374 | 153,838 | 6.8 |
| COIF Income Unites | 17231.700 | 247,461 | 11.0 | 23674.980 | 339,992 | 15.1 |
| Charifund Units | 27600.000 | 393,033 | 17.5 | 29074.909 | 414,034 | 18.4 |
| COIF Fixed Interest Units | 251447.120 | 335,254 | 14.9 | 198900.440 | 265,194 | 11.8 |
| | | <u>1,078,707</u> | | | <u>1,173,058</u> | |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

14 Debtors

| | 2018 £ | 2017 £ |
|--|---------------|---------------|
| Prepayments | 200 | 200 |
| Other debtors | - | 78 |
| Amounts falling due after more than one year: Interest in property | 17,250 | 17,250 |
| Amounts falling due after more than one year: Loans to churches | <u>30,000</u> | <u>25,000</u> |
| | <u>47,450</u> | <u>42,528</u> |

The interest in property figure includes loans to two churches made on the following basis:

In March 1992 a loan was made to the Congregational Federation Limited to purchase the freehold reversion of Bethania, Tredegar, amounting to £6,250. This represented 13% of the value of the building at that time. Repayment of the loan will be made in the event of the church closing with 13% of the sale price.

Also in March 1992, a loan was made to the Congregational Federation Limited to purchase the freehold reversion of Bethesda, Brynmawr, amounting to £11,000. This loan represented 22% of the value of the building at that time. Repayment of the loan will be expected if and when the church is sold with 22% of the sale price.

Loans to churches carry an interest rate set by the Trustees. All such loans are considered recoverable.

In November 2016 the trustees agreed a loan of £25,000 to the Union Croft Chapel. This loan will only be repayable in the event of the closure of the chapel or if the pastor leaves the chapel.

In November 2017 the trustees agreed a loan of £5,000 per year for three years, starting in 2018, to Bethania Congregational Church. If the church closed within that three year period any loans made would have to be paid back in full from the sale proceeds of the church, otherwise the loans would be reviewed again after three years.

15 Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|--------------|--------------|
| Other taxation and social security | 288 | - |
| Accruals | <u>5,188</u> | <u>4,953</u> |
| | <u>5,476</u> | <u>4,953</u> |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

16 Funds

| | Balance at 1 January 2018 £ | Incoming resources £ | Resources expended £ | Transfers £ | Other recognised gains/(losses) £ | Balance at 31 December 2018 £ |
|---------------------------------|-----------------------------------|----------------------------|----------------------------|----------------|--|--|
| Unrestricted funds | | | | | | |
| <i>General</i> | | | | | | |
| General purpose | 674,623 | 89,393 | (39,180) | 9,730 | (50,831) | 683,735 |
| Total unrestricted funds | 674,623 | 89,393 | (39,180) | 9,730 | (50,831) | 683,735 |
| Restricted funds | | | | | | |
| Maintenance of ministry | - | 2,951 | (15,977) | 18,344 | (5,318) | - |
| Ministerial training | 192,306 | 2,857 | (5,043) | 10,272 | (5,148) | 195,244 |
| Church extension | 241,773 | 8,485 | (9,344) | 1,769 | (15,290) | 227,393 |
| Homes for retired ministers | 223,449 | 6,389 | (16,211) | 3,651 | (11,343) | 205,935 |
| Welfare | 28,649 | 1,316 | (4,350) | 835 | (2,371) | 24,079 |
| Education | - | 101 | (1,300) | 1,382 | (183) | - |
| Total restricted funds | 686,177 | 22,099 | (52,225) | 36,253 | (39,653) | 652,651 |
| Endowment funds | | | | | | |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

| | Balance at 1 January 2018 £ | Incoming resources £ | Resources expended £ | Transfers £ | Other recognised gains/(losses) £ | Balance at 31 December 2018 £ |
|---------------------------------|-----------------------------------|----------------------------|----------------------------|-----------------|--|--|
| <i>Permanent</i> | | | | | | |
| General purpose | 688,424 | 27,200 | - | (27,200) | (50,340) | 638,084 |
| Maintenance of ministry | 49,026 | 1,937 | - | (1,937) | (3,585) | 45,441 |
| Ministerial training | 259,969 | 10,272 | - | (10,272) | (19,009) | 240,960 |
| Church extension | 44,777 | 1,769 | - | (1,769) | (3,274) | 41,503 |
| Homes for retired ministers | 92,410 | 3,651 | - | (3,651) | (6,757) | 85,653 |
| Welfare | 21,126 | 835 | - | (835) | (1,545) | 19,581 |
| Education | 8,076 | 319 | - | (319) | (591) | 7,485 |
| Total Endowment funds | 1,163,808 | 45,983 | - | (45,983) | (85,101) | 1,078,707 |
| Total funds | 2,524,608 | 157,475 | (91,405) | - | (175,585) | 2,415,093 |
| | | | | | | |
| <i>Unrestricted funds</i> | | | | | | |
| <i>General</i> | | | | | | |
| General purpose | 669,920 | 29,150 | (69,218) | 13,541 | 31,230 | 674,623 |
| Total unrestricted funds | 669,920 | 29,150 | (69,218) | 13,541 | 31,230 | 674,623 |
| Restricted funds | | | | | | |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

| | Balance at 1 January 2017 £ | Incoming resources £ | Resources expended £ | Transfers £ | Other recognised gains/(losses) £ | Balance at 31 December 2017 £ |
|-------------------------------|-----------------------------------|----------------------------|----------------------------|-----------------|--|--|
| Maintenance of ministry | - | 2,955 | (20,710) | 14,499 | 3,256 | - |
| Ministerial training | 181,674 | 2,861 | (5,504) | 10,122 | 3,153 | 192,306 |
| Church extension | 227,814 | 8,497 | (5,645) | 1,743 | 9,364 | 241,773 |
| Homes for retired ministers | 221,988 | 6,380 | (15,464) | 3,598 | 6,947 | 223,449 |
| Welfare | 28,925 | 1,317 | (3,866) | 823 | 1,450 | 28,649 |
| Education | - | 101 | (1,200) | 986 | 113 | - |
| Total restricted funds | 660,401 | 22,111 | (52,389) | 31,771 | 24,283 | 686,177 |
| Endowment funds | | | | | | |
| <i>Permanent</i> | | | | | | |
| General purpose | 660,629 | 26,803 | - | (26,803) | 27,795 | 688,424 |
| Maintenance of ministry | 47,047 | 1,909 | - | (1,909) | 1,979 | 49,026 |
| Ministerial training | 249,473 | 10,122 | - | (10,122) | 10,496 | 259,969 |
| Church extension | 42,969 | 1,743 | - | (1,743) | 1,808 | 44,777 |
| Homes for retired ministers | 88,679 | 3,598 | - | (3,598) | 3,731 | 92,410 |
| Welfare | 20,273 | 823 | - | (823) | 853 | 21,126 |
| Education | 7,749 | 314 | - | (314) | 327 | 8,076 |
| Total endowment funds | 1,116,819 | 45,312 | - | (45,312) | 46,989 | 1,163,808 |
| Total funds | 2,447,140 | 96,573 | (121,607) | - | 102,502 | 2,524,608 |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

The specific purposes for which the funds are to be applied are as follows:

Maintenance of the Ministry - Income is used for grants to Unaffiliated Congregational Churches or otherwise for maintaining ministry within a Congregational Church.

Ministerial Training - Income is used for training men and women for the ministry of the Congregational Denomination.

Church Extension - For the use of the upkeep and repair of property, and the services it provides, of an Unaffiliated Congregational Church. In addition the fund may be used for the extension of existing buildings and in the provision or construction of buildings to be used as a Congregational Church or for residences of ministers of Unaffiliated Congregational Churches.

Homes for Retired Ministers - Income from this fund is to be used to provide accommodation for retired ministers and their widows/widowers in retirement.

Welfare - For use in the relief of need among ministers and their dependents by way of grants 'or otherwise'.

Education - To be used for the benefit of the children of the minister of an Unaffiliated Congregational Church.

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

17 Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Endowment funds | Total funds |
|-------------------------|--------------------|------------------|------------------|------------------|
| | General | | Permanent | |
| | £ | £ | £ | £ |
| Fixed asset investments | 658,993 | 514,065 | 1,078,707 | 2,251,765 |
| Current assets | 47,688 | 121,116 | - | 168,804 |
| Current liabilities | (5,476) | - | - | (5,476) |
| Total net assets | <u>701,205</u> | <u>635,181</u> | <u>1,078,707</u> | <u>2,415,093</u> |

18 Analysis of net funds

| | At 1 January 2018 | Cash flow | At 31 December 2018 |
|--------------------------|-------------------|---------------|---------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 59,683 | 61,671 | 121,354 |
| Net debt | <u>59,683</u> | <u>61,671</u> | <u>121,354</u> |

19 Financial instruments

Categorisation of financial instruments

| | 2018 | 2017 |
|---|-----------|-----------|
| | £ | £ |
| Financial assets measured at fair value through profit or loss | 2,251,765 | 2,427,350 |
| Financial assets that are debt instruments measured at amortised cost | 47,250 | 42,328 |
| Financial liabilities measured at amortised cost | 5,476 | 4,953 |

UNAFFILIATED CONGREGATIONAL CHURCHES CHARITIES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

20 Related party transactions

As the minister of Bradley Congregational Chapel, Pastor Mike Valentine took no part in the discussion or the decision in awarding the Book Grant to ministers.

Reverend Chris Damp, Treasurer to the Congregational History Society, took no part in the discussion or the decision to award the grant. As minister of Bunyan Meeting in Bedford, Revd Damp left the meeting when the discussion and decision was made to award a grant to the Bunyan Museum.

A Custodian Trustee Grant was awarded to the Congregational Partnership Ltd. Mr Roy Alp, Chairman of the Congregational Partnership Ltd, took no part in the discussion or the decision to award a Custodian Trustee Grant to the Congregational Partnership Ltd.