

**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 2018**

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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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

Company registration number:	1562723
Charity registration number:	1068103
Registered Office:	Somerset House, St Paul's Street Morley, Leeds, LS27 9EP Telephone 0113 289 8490 Fax 0113 289 8491 Email office@urcyorkshire.org.uk
Web Site:	www.urcyorkshire.org.uk
Trustees & Directors:	Mr J Charlesworth Rev A Crump (from 22 May 2018) Mr W Duncan Mr C Evans (from 9 March 2019) Mr S Gooder Prof T B C McGuffog (to 21 Nov 2018) Mrs E C Merlin Mr J C Reed (to 9 March 2019) Rev K Watson
Secretary to Trustees & Company Secretary:	Mrs S F Duncan
Bankers:	National Westminster Bank plc Leeds City Branch, PO Box 154, 8 Park Row, Leeds, LS1 1QS
Solicitors:	Lupton Fawcett LLP Yorkshire House, East Parade, Leeds, LS1 5BD
Auditors:	Jolliffe Cork LLP Chartered Accountants and Statutory Auditor, 33 George Street, Wakefield, WF1 1LX
Investment Managers:	Brewin Dolphin Ltd 10 Wellington Place, Leeds, LS1 4AN
Property Advisers:	Walker Singleton Property House, Lister Lane, Halifax, HX1 5AS

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TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

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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 2018 the number of members totalled 16 (2017 – 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. However, following the appointment of a Synod Clerk as an employee of the Charity, on the 9th March 2019, the Synod Clerk will not be a member of the Executive Council. The Directors of the Charity are listed on page 1.

During the year, Rev Alan Crump was appointed to the Executive Council and Prof Tom McGuffog resigned due to personal circumstances. Mr Chris Reed came to the end of his term of office on 9th March 2019. A search continues to identify additional Trustees/directors. The position of Treasurer remains vacant for the time being.

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 Strategy is reviewed annually.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

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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 and Local Ecumenical Partnerships which are part of the Yorkshire Synod of the United Reformed Church.

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 four times a year. The Panel consists of the Synod Clerk, Synod Evangelist, and Conveners of the Synod Pastoral, Ministries, Property and Financial Resources 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, subject to compliance with its ethical investment policy, 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 14.5% (2017: 13.8%) higher than the budget set by the Synod for 2018. 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.

2018 was another busy year for training and development within the life of the Synod, albeit with much of the focus being on consolidating previous work rather than initiating new areas.

One major highlight of the year saw nearly all of the Synod's ministers attending a URC-wide four-day *Ministers' Gathering* at Yarnfield Park, Stone, in April. This was the first time such an event has happened in the life of the United Reformed Church and the widespread degree of participation, both from within Yorkshire Synod and beyond, indicated a growing commitment to networking across the whole church. This gathering was then supplemented by Yorkshire's own Synod ministers coming together for 24 hours in the autumn, to consider the future of ministry in the face of current challenges.

Development work is not confined to ministers and two separate 'learning community' days took place in February and November. The first was centred on hearing and seeing about a ground-breaking work with parents and young children in one of the local ecumenical partnerships, while the second day considered the theme of 'the blessings of ageing', led by a team from Sheffield Cathedral. Such links testify to the importance placed on working with other denominations, this being a fundamental part of the URC's 'DNA'.

On that note, the year also saw the formal ending of the Yorkshire Regional Training Partnership, set up in 2007 following the Hind Report which first came to the General Synod of the Church of England in 2003. The intervening years have seen considerable changes in the training landscape across all the churches and the RTP no longer fitted the needs of today. Not wishing to lose the very good ecumenical training links what has

Achievements and Performance (continued)

emerged is a new 'Network of Yorkshire Learning Practitioners'. Having only established this body in November 2018 it is clearly very early days, but already plans are being made for a major conference in 2020. Within the Synod itself progress has continued with our aim of embedding appreciative inquiry (AI) in all facets of our structures and ways of working. To this end the AI steering group has now been formally constituted as a task group with responsibility for overseeing all aspects of this work, including *Inviting Forward*, an AI-based approach to reviewing the lives of our congregations. This is ground-breaking work which has taken two years to develop, and is increasingly being used within our churches. A basic 'Taste of AI' course was held early in the year, followed up by a training event specifically for potential facilitators of *Inviting Forward*.

Once again, a successful annual elders' conference was held in April on the theme of 'Prayer, Community and Discipleship', with speakers and workshop leaders being drawn from both within the Synod and beyond. Similarly, another course for those in positions of leadership (not just ministers) was held in the autumn at the Keld Resource Centre in Swaledale. This jointly run course with Northern Synod largely repeated the 2017 format, but given the new title of 'Changing Places ... and the People Within Them.'

Finally, there is one student currently in the 2nd year of a four-year training course for the ministry of word and sacraments.

The Synod Mission Fund continued throughout the year to help churches establish creative and innovative missionary projects. In 2018, the fund made 6 awards totalling £141,700. The projects which received awards ranged from the town celebrations of St Robert, to a much larger community outreach project.

The fund continues to benefit from the 'Synod Policy for Redundant Manses 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 2018, £45,757 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 2018, there were no churches sold.

In early 2018, the Albion Fund investments were liquidated for £306,978 to purchase a manse for a minister appointed to work with young adults (Generation Y) within the Synod. The manse was purchased at a cost of £312,337, the shortfall being met by the closed churches fund.

Plans for Future Periods

The eighth annual Elders' Conference is planned for March 2019, with the theme 'Holy Habits'. The annual Ministers' Summer School will happen in June with the title 'Honey, I Shrunk the Gospel', led by John Proctor, General Secretary of the URC. An additional 24 hour Elders' event is to be held in September 2019, focusing on community auditing.

The Executive Council plans to withdraw £1,000,000 from cash currently held on deposit or from disposal of investments, over a two year period (2019-2020), with expenditure being planned on assisting churches with mission projects, training, property and evangelism. Detailed proposals were approved at the Synod meeting on 9th March 2019.

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 expenditure over income for the year amounted to £676,233 (in 2017 this was £165,508, income over expenditure).

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 2018, was £341,069 and the level of reserves at that date was £323,262. Within the reserves there are designated funds totalling £81,200 (see note 18).

The Trustees have become aware of a serious incident related to one particular church, disclosure of which has been made by the YCU to the Charity Commission. Financial support from the Trust to the YCU to resolve the issue, would be put in place if required.

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 20 November 2018 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.

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 Charlesworth (Executive Council Member)

26th March 2019

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

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 2018 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 2018, 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)

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 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)

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. 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 26th March 2019

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

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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	2018 Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	2017 Total Funds
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	111,112	178		111,290	63,701	193		63,894
Charitable activities	3	985	54,450	-	55,435	77	118,868	-	118,945
Investments	4	264,164	20,663	-	284,827	262,391	17,237	-	279,628
Other									
<i>Profit on sale of tangible asset</i>		-	-	-	-	-	-	-	-
Total	16	376,261	75,291	-	451,552	326,169	136,298	-	462,467
Expenditure on:									
Raising funds	5	15,035	22,352	5,055	42,442	14,911	23,126	5,240	43,277
Charitable activities	6	356,293	167,426	-	523,719	355,005	200,261	-	555,266
Total		371,328	189,778	5,055	566,161	369,916	223,387	5,240	598,543
Gains/(losses) on investment assets	11								
Realised		(11,262)	(158,410)	(54,212)	(223,884)	5,877	1,878	434	8,189
Unrealised		-	(291,535)	(46,205)	(337,740)	25,798	220,312	47,285	293,395
Total		(11,262)	(449,945)	(100,417)	(561,624)	31,675	222,190	47,719	301,584
Net income/(expenditure)									
Transfers between funds	16	(6,329)	(564,432)	(105,472)	(676,233)	(12,072)	135,101	42,479	165,508
		(303,724)	303,724	-	-	3,484	(3,484)	-	-
Net movement in funds		(310,053)	(260,708)	(105,472)	(676,233)	(8,588)	131,617	42,479	165,508
Reconciliation of funds:									
Total funds brought forward									
At 1 January 2018		633,315	8,062,718	1,141,339	9,837,372	641,903	7,931,101	1,098,860	9,671,864
Total funds carried forward									
At 31 December 2018	16 & 17	323,262	7,802,010	1,035,867	9,161,139	633,315	8,062,718	1,141,339	9,837,372

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Income as reported on the SOFA	451,552	462,467
Gains on investments	-	253,865
	<hr/>	<hr/>
Gross income in the reporting period	451,552	716,332
Expenditure as reported on the SOFA	561,106	593,303
Losses on investments	461,207	-
	<hr/>	<hr/>
Net (expenditure) / income for the year	(570,761)	123,029
	<hr/>	<hr/>

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 2018

	Note	2018 £	2017 £
Fixed assets:			
Tangible assets	9	1,194,409	904,730
Investments	11	6,096,715	7,036,513
<i>Total fixed assets</i>		<u>7,291,124</u>	<u>7,941,243</u>
Current assets:			
Debtors	12	25,173	27,733
Investments - Short term deposits		2,210,871	2,259,114
Cash at bank and in hand		7,595	20,620
<i>Total current assets</i>		<u>2,243,639</u>	<u>2,307,467</u>
Liabilities:			
Creditors: amounts falling due within one year	14	(227,089)	(316,963)
<i>Net current assets</i>		<u>2,016,550</u>	<u>1,990,504</u>
<i>Total assets less current liabilities</i>		<u>9,307,674</u>	<u>9,931,747</u>
Creditors: amounts falling due after more than one year	15	(146,535)	(94,375)
Total net assets		<u><u>9,161,139</u></u>	<u><u>9,837,372</u></u>
 The funds of the charity:	16 - 18		
Endowment funds		1,035,867	1,141,339
Revaluation reserve/(deficit)		63,952	63,952
Other restricted funds		<u>7,738,058</u>	<u>7,998,766</u>
Unrestricted designated funds	18	81,200	87,200
Other unrestricted funds		<u>242,062</u>	<u>546,115</u>
Total charity funds		<u><u>9,161,139</u></u>	<u><u>9,837,372</u></u>

The financial statements were approved by the Executive Council on 26th March 2019.

Mr W Duncan

Executive Council Member

Mr J Charlesworth

Executive Council Member

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 Total Funds £	2017 Total Funds £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	(406,800)	(255,211)
Cash flows from investing activities:		
Dividends, interest and rents from investments	284,827	279,628
Purchase of tangible fixed assets	(317,469)	(9,969)
Proceeds from the sale of investments	949,883	1,123,348
Cash withdrawn from investments	312,337	-
Purchase of investments	(884,046)	(1,079,304)
<i>Net cash provided by (used in) investing activities</i>	345,532	313,703
<i>Change in cash and cash equivalents in the reporting period</i>	(61,268)	58,492
Cash and cash equivalents at the beginning of the reporting period	2,279,734	2,221,242
Cash and cash equivalents at the end of the reporting period	2,218,466	2,279,734
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
	2018 Total Funds £	2017 Total Funds £
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(676,233)	165,508
Adjustments for:		
Depreciation charges	27,790	19,470
Losses /(Gains) on investments	561,624	(301,584)
Dividends, interest and rents from investments	(284,827)	(279,628)
Decrease /(Increase) in debtors	2,560	(9,854)
(Decrease) /Increase in creditors	(37,714)	150,877
<i>Net cash used in operating activities</i>	(406,800)	(255,211)
Analysis of cash and cash equivalents		
	2018 Total Funds £	2017 Total Funds £
Cash at bank and in hand	7,595	20,620
Notice deposits (less than 3 months)	2,210,871	2,259,114
Total cash and cash equivalents	2,218,466	2,279,734

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 and Evangelist, who are Ministers 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. These donations have been valued at the usual employment cost of a URC minister, reduced for the Synod Evangelist, which is not a full-time appointment. 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 2018 (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	2018	2017
	£	£
Donations		
Synod Levy	29,170	30,910
Notional Grant for Synod Development Officer and Evangelist	48,804	31,791
Gifts	33,316	1,193
	111,290	63,894

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	2018	2017
	£	£
Net proceeds of redundant manse funds and sale of redundant churches	45,757	118,109
Net assets from church closed in the year	869	-
Interest on loans to churches & ministers	8,809	836
	55,435	118,945

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	2018	2017
	£	£
Income from quoted investments	252,090	251,612
Investment property rents	22,756	22,755
Interest on bank balances	9,981	5,261
	284,827	279,628

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

5 Expenditure on raising funds	Direct costs	Grant funding	Support costs	2018	2017
	£	£	£	£	£
<i>Managing investments</i>					
Investment management fees	27,557	-	-	27,557	29,810
Support costs	-	-	14,885	14,885	13,467
	27,557	-	14,885	42,442	43,277
6 Expenditure on charitable activities	Direct costs	Grant funding	Support costs	Total 2018	Total 2017
<i>Grant making</i>	£	£	£	£	£
Grants to individuals					
Retired ministers and widows (6 grants)		5,000		5,000	5,500
Grants to URC institutions					
To churches for mission activities (6 grants)		141,700		141,700	158,272
To churches for property surveys (12 grants)		3,573		3,573	1,294
Retired ministers' housing (0 grants)		-		-	22,577
URC ministers' pensions (0 grants)		-		-	74,120
Support costs			3,721	3,721	3,366
	-	150,273	3,721	153,994	265,129
<i>Other charitable activities</i>					
Training ministers and lay members	121,263		1,861	123,124	84,594
Administering churches' property and investments	378		46,517	46,895	42,612
Supporting committees and Synod	21,641		26,049	47,690	36,600
Pastoral work	1,232		14,885	16,117	14,949
Supporting and encouraging URC churches, districts and centrally	18,683		50,237	68,920	48,391
Chaplaincies, industrial mission and ecumenical relations	125		3,721	3,846	6,320
Management & maintenance of Synod properties	28,792		9,303	38,095	34,625
Sundry and contingencies	552		-	552	949
	192,666	-	152,573	345,239	269,040
<i>Governance costs</i>					
External audit fee	5,040		-	5,040	5,040
Internal audit and accountancy	1,550		-	1,550	1,750
Legal and professional fees	1,740		-	1,740	840
Recruitment fees	1,271		-	1,271	-
Support costs	-		14,885	14,885	13,467
	9,601	-	14,885	24,486	21,097
Total expenditure on charitable activities	202,267	150,273	171,179	523,719	555,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

5 Expenditure on raising funds - previous year

	Direct costs £	Grant funding £	Support costs £	2017 £
<i>Managing investments</i>				
Investment management fees	29,810	-	-	29,810
Support costs	-	-	13,467	13,467
	29,810	-	13,467	43,277

6 Expenditure on charitable activities - previous year

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

7 Analysis of support costs

	Raising funds £	Grant- making £	Other charitable activities £	Governance £	Total £
Office staff costs	12,135	3,034	124,381	12,134	151,684
Office rates and maintenance	1,172	293	12,012	1,172	14,649
Office expenses and equipment	1,374	343	14,080	1,374	17,171
Depreciation	204	51	2,100	205	2,560
	14,885	3,721	152,573	14,885	186,064

Analysis of support costs - previous year

	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
	13,467	3,366	138,036	13,467	168,336

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 and Synod Evangelist are Ministers of Word and Sacraments under the terms of the United Reformed Church Plan for Partnership in Ministerial Remuneration and should not be classified as employees.

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

	2018 £	2017 £
Salaries and wages	157,776	114,603
Employer's National Insurance	12,377	9,396
Pension contributions to defined benefit schemes	40,589	26,821
	210,742	150,820

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 8 (2017 - 7).

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 and the Finance Manager. The employee benefits of the key personnel total £77,440 (2017 £76,713).

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 2018 or 2017 except as noted below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

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

	2018	2017
The total of expenses claimed, by 3 (2017 3) Trustees, for the year was:	2,542	£3,073

9 Tangible assets

	Freehold Property £	Office equipment £	Total £
Cost or valuation			
At 1 January 2018	934,584	69,106	1,003,690
Additions	312,412	5,057	317,469
Disposals	-	(18,089)	(18,089)
At 31 December 2018	1,246,996	56,074	1,303,070
Depreciation			
At 1 January 2018	37,268	61,692	98,960
Charge for the period	24,939	2,851	27,790
Disposals	-	(18,089)	(18,089)
At 31 December 2018	62,207	46,454	108,661
Net book value			
At 1 January 2018	897,316	7,414	904,730
At 31 December 2018	1,184,789	9,620	1,194,409
Net carrying value of revalued assets on historical cost basis	1,183,044	-	1,183,044

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 4 properties)	959,001
Graveyards (2 sites)	188
Synod office building	225,600
	1,184,789

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 2018 (continued)

11 Fixed asset investments	Investment properties	Listed investments	Balances at stockbroker	Concessionary loans	Total
Market value	£	£	£	£	£
At 1 January 2018	502,764	6,448,525	23,549	61,675	7,036,513
Less:					
Disposals at opening book value	-	(1,135,342)	(312,337)		(1,447,679)
Deposits realised/(reinvested)	-	-	360,085		360,085
Investment management fees	-	-	(27,557)		(27,557)
Loan repayments	-	-	-	(38,425)	(38,425)
Add:					
Acquisitions at cost	-	551,518	-	-	551,518
Revaluation	-	(337,740)	-	-	(337,740)
At 31 December 2018	502,764	5,526,961	43,740	23,250	6,096,715
Historical cost					
At 31 December 2018	-	5,038,281	43,740	23,250	5,082,021
Disposals:					
Proceeds	-	911,458	-	-	911,458
Book value at 1 Jan 2018		(1,135,342)	-	-	(1,135,342)
Gain / (loss)	-	(223,884)	-	-	(223,884)

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

	2018	2017
	£	£
Equity investments	2,287,771	2,613,487
Gilt-edged and fixed interest stocks	500,477	527,471
Investment and unit trusts	2,738,713	3,307,567
	5,526,961	6,448,525

There were no material investments (over 5% by value) at the beginning or end of the year.

All concessionary loans are to churches within the URC Yorkshire province. The maximum repayment period is 5 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 2018 was £9,000 (31 December 2017: £29,250).

	£	£
Concessionary loans falling due within one year	9,000	39,925
Concessionary loans falling due after more than one year	14,250	21,750
	23,250	61,675

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

12 Debtors	2018	2017
	£	£
Prepayments and accrued income	25,173	27,733
	25,173	27,733

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 2018 of £nil (2017 - £nil) is a debtor in these accounts. In addition, the Trust owed the YCU £6,500 at the year end, which has been settled in 2019.

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 the company secretary. The Trustee is not involved in any decision which might confer a financial benefit on his wife.

Revd A Crump who is a minister at Knaresborough and Bilton Grange URCs and is also a Trustee, occupies a manse which is part owned by the Trust.

14 Creditors: amounts falling due within one year	2018	2017
	£	£
Accruals for grants payable	162,486	234,657
Accruals and deferred income	10,685	8,695
Other creditors	53,918	73,611
	227,089	316,963

Other creditors includes an amount of £38,451 (2017: £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. Discussions with other Christian denominations are still ongoing at the year end.

Other creditors in 2017 included an amount of £23,138 donated to the URC Retired Ministers Housing Society many years ago, but returned to the Trust in 2017. This has been credited to income in 2018.

15 Creditors: amounts falling due after more than one year	2018	2017
	£	£
Accruals for grants payable	146,535	94,375

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

16 Movement in funds during the year

	Balance 1 January 2018 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Revaluation gains/losses £	Balance 31 December 2018 £
Permanent endowments						
General Purposes	765,657	-	(3,384)	-	(67,272)	695,001
Church Extension	259,466	-	(1,154)	-	(22,892)	235,420
Maintenance of Ministry	18,290	-	(81)	-	(1,614)	16,595
Welfare of Ministry	78,385	-	(349)	-	(6,915)	71,121
Home Churches	19,541	-	(87)	-	(1,724)	17,730
	<u>1,141,339</u>	<u>-</u>	<u>(5,055)</u>	<u>-</u>	<u>(100,417)</u>	<u>1,035,867</u>
Restricted funds						
Closed Churches capital	7,156,284	-	(47,291)	306,978	(449,945)	6,966,026
Closed Churches revaluation reserve	63,952				-	63,952
Synod Mission capital and income	488,013	49,315	(141,700)	-	-	395,628
Income funds						
Church Extension	344,418	20,955	-	-	-	365,373
Maintenance of Ministry	-	754	-	(754)	-	-
Welfare	8,715	3,454	-	(2,500)	-	9,669
Home Churches	1,336	813	(787)	-	-	1,362
	<u>8,062,718</u>	<u>75,291</u>	<u>(189,778)</u>	<u>303,724</u>	<u>(449,945)</u>	<u>7,802,010</u>
Unrestricted Funds						
General income	224,767	142,962	(357,752)	229,127	-	239,104
Designated funds (note 18)	87,200	-	(6,000)	-	-	81,200
Closed Churches income Albion -	-	232,154	(7,426)	(224,728)	-	-
capital and income	321,348	1,145	(150)	(308,123)	(11,262)	2,958
	<u>633,315</u>	<u>376,261</u>	<u>(371,328)</u>	<u>(303,724)</u>	<u>(11,262)</u>	<u>323,262</u>
Total Funds	<u>9,837,372</u>	<u>451,552</u>	<u>(566,161)</u>	<u>-</u>	<u>(561,624)</u>	<u>9,161,139</u>

The Charity is Trustee of all the funds, which are to be used by the United Reformed Church in its Yorkshire Synod.

Permanent Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Any capital gains or losses arising on the investments form part of the fund. Investment management charges are charged against the fund. Income arising on the endowment funds is either restricted or unrestricted depending on the fund.

The endowment investments are pooled and held within the Common Investment Fund. All gains and income are credited to the constituent endowment and income funds in the proportion of the assets originally pooled, which were general (66.93%), church extension (22.84%), maintenance of the ministry (1.61%), welfare (6.90%) and home churches (1.72%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

16 Movement in funds during the year (continued)

Restricted funds are funds which have been given for particular purposes.

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Designated funds are amounts of money within unrestricted funds which have been set aside for a specific purpose which will be achieved within less than three years.

General purposes fund - use of the income is unrestricted for the furtherance of religious and other charitable work of the United Reformed Church within its Yorkshire Synod.

Church extension fund - makes loans to local United Reformed Churches for the upkeep and repair of their buildings.

Maintenance of the ministry fund - provides a small income which is transferred to the general purposes fund where it is deemed to assist in the maintenance of the ministry of the Synod Moderator.

Welfare of the ministry fund - provides income which forms 50% of the grants made in cases of need to ministers, retired ministers and their dependants.

Home churches fund - represents a small amount of capital, the income from which forms part of the Synod's mission and ministry fund contributions to the United Reformed Church.

Closed churches fund - holds funds from churches closed after 1972, under the terms of the URC Trusts set out in the 1972 URC Act, as modified by the 1981 Act. The capital is available for use in accordance with the URC Act 1981, Schedule 2, parts I and II. Income from the investment of the capital is directed to the general purposes fund and is used to fund the work of the Synod.

Albion fund - consists mainly of accrued income and is administered and managed as part of the general purposes fund. The fund was liquidated during the year to purchase a manse for a Special Category Minister appointed to work in the Synod with young adults (Generation Y).

Synod mission fund was set up in 2010 and incorporates the former Amalgamation fund. It receives funds primarily from property sales that arise as part of the closure or amalgamation of local churches, or the creation of Local Ecumenical Projects. Both capital and income are available for grants to local churches for any project that can be shown to promote the missionary work of the United Reformed Churches in Yorkshire.

Transfers between funds

The net income on the Closed churches and Albion funds is unrestricted and transferred to the General fund each year. The General fund also receives the income from the maintenance of the ministry and welfare funds, in line with the above descriptions. The proceeds of sale of the Albion investments were transferred to the Closed Churches fund, which holds the Synod properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

17 Analysis of net assets between funds at the year end

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at the year end are represented by:				
Tangible fixed assets	9,620	1,184,789	-	1,194,409
Investments	-	5,061,111	1,035,606	6,096,717
Net current assets	307,991	1,688,294	263	1,996,548
Long term liabilities	-	(126,535)	-	(126,535)
Total net assets	317,611	7,807,659	1,035,869	9,161,139

18 Designated Funds

	Balance 1 January 2018 £	Incoming resources £	Outgoing resources £	Balance 31 December 2018 £
Within the General Fund are the following:				
A temporary fund holding church contributions to the URC Mission and Ministry Fund	87,200	-	(6,000)	81,200

19 Pension costs

The Charity contributes to a URC lay staff pension scheme known as the "Final Salary" scheme, which is administered by TPT Retirement Solutions. This is operated as a defined benefit scheme but the Charity is not the only participating employer in the scheme and is ordinarily unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate.

During 2018 the Charity contributed 25.1% (2017: 25.1%) of basic salary in respect of members of the Final Salary scheme which includes 10.5% as deficit funding and 3.2% to meet expenses and levies. Members contributed at the rate of 7.5% (2017: 7.5%) of pensionable salary throughout the accounting period.

Triennial actuarial valuations of the Final Salary scheme are performed by a professionally qualified actuary. The most recent formal actuarial review of the scheme was at 30 September 2016, when the scheme had a deficit of £5,445,000. The assumptions underlying that valuation include:

Discount rate:	pre-retirement 4.9%, post-retirement 1.8%
Pensionable earnings growth:	2.45% for three years, 2.7% thereafter
Future pension increases:	2.2%
Retirement age:	65, with maximum commutation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

19 Pension costs (continued)

In 2017 due to the need to fund the large deficit that the September 2016 valuation threw up, a one off and costly exercise was undertaken to split the liabilities by employer. The Charity's share of the deficit was calculated at £119,000. Participating employers agreed to make one off lump sum contributions towards the deficit and the Charity's contribution was £74,120, which was paid in 2018. This figure was included as a provision on the balance sheet at 31 December 2017. In addition, in the event of no members continuing to contribute, there is a contingent obligation of an employer debt on withdrawal. The Charity's contingent obligation has not been quantified, but there is not currently any expectation that this situation will arise.