

Company Number: 01337047
Charity Number: 507027

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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Annual Report

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Reference and Administrative Information

Registered Office

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

Directors and Trustees

Mr D.S. Black
Mr T. Dicker
Revd S.M. Faber
Mrs M.F. Marshall
Mr A. Mottram
Mr G.W. Potter (Treasurer)
Mr S.M. Powell
Mr K. Thomas
Revd D.M. Walton (Chair of Trust)

Bankers

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

Legal Advisors

Towns Needham Solicitors Limited
Brook House, 64-72 Spring Gardens
Manchester M2 2BQ

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

Auditor

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

Investment Manager

Smith & Williamson
9 Colmore Row
Birmingham B3 2BJ

Synod Officers

Moderator – Revd S.M. Faber
Synod Clerk – Mrs. M.F. Marshall
Synod Treasurer – Mr G.W. Potter
Children's and Youth Development Officer – Revd C.B. Burgham
Training and Development Officer – Revd. S.P. Scott
Evangelist – Revd. N. Stanyon
Mission Enabler – Revd. K. Snyman (finished in the role 30 November 2018)
Trust Officer – Mrs. R.F. Wakeman
Finance Officer – Mr M.N. Davies
Property Officer – Mr B. Goldsby

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Structure, Governance and Management

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

Trustees

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

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

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

Appointment of new trustees

The Synod, which has the sole power to appoint members of the Board, delegates its power to the Synod Mission Council (a sub-committee of the Synod) in between meetings. The Synod Mission Council, through its Nominations Committee, considered individuals with relevant experience who are eligible for appointment. Due to Synod committee restructuring the Nominations Committee met for the last time in 2018. Its work will be carried forward by the Synod Mission Council itself.

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

Organisational structure

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

Most members of the Board, although not all, have been members of the Synod Finance Committee with the two committees meeting on the same date quarterly. The Finance Committee was convened by the Chair of Trust and consisted of Moderator, Synod Clerk, Synod Treasurer and other members with financial, property or legal experience and an additional ministerial representative. Following agreement at the October 2018 Synod to restructure, the Finance Committee met for the last time in November 2018. Its remit has passed to the new Synod Resources and Compliance Committee with its own convenor and membership consisting of Synod Officers, their Line Managers, and others with appropriate skills to be identified and appointed by Synod Mission Council.

Key management personnel are the trustees as directors. Details of the remuneration are given in note 6.

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A Reference Committee has authority to approve urgent transactions between Board meetings, provided that they meet normal qualifications and are reported to the next committee. It does not normally take decisions which involve substantial sums of money. The Reference Committee consists of the Moderator, Synod Clerk and Synod Treasurer together with the Trust or Finance or Property Officer. Another Trustee is co-opted as a voting member when urgent decisions are required and key officers are not all available and the Chair of Trust assists where consensus is not reached. Membership is being reviewed to take into account restructuring and include the new Resources and Compliance Committee Convenor.

Constitution of the Synod

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

The Trust has responsibility for all Synod finance related matters except for Ministry and Mission Fund matters (by which churches pay for ministry) for which the Finance Committee has had delegated responsibility and which the Resources and Compliance Committee will take on in 2019. Ministers' stipends are paid centrally with Synods agreeing with their local churches the level of payments to the central Ministry and Mission Fund. The detailed remit of the Resources and Compliance Committee is under discussion, it will include the work of the former Synod Property Committee and is likely to have some delegated authority for agreeing grants, particularly for property, within criteria and budgets set by the Trust.

Other business between Synod meetings is dealt with by Synod Mission Council and its committees. Synod Mission Council comprises Synod Officers, Convenors of Synod Committees and representatives from the Areas within Synod (see www.urcwestmidlands.org.uk). During the year there were seven Areas. The work of Synod Mission Council is organised through committees with responsibility for specific aspects within the life of the Church. At the October 2018 Synod it was agreed to reduce the number of committees from eight to three to better resource the work, it having been identified that the large number of committee places were difficult to fill and the number of committees and meetings was proving a burden for the Synod as its membership has declined. This change will take place in 2019 and is further detailed under Future Plans.

Relationships with the URC General Assembly

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

Related parties

Local United Reformed Churches operating in the West Midlands area are separate independent charities. There is no common control or unity of administration with any of these bodies and they are not deemed to be connected charities within the understanding of the Charities SORP 2015.

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Property Holding Trustee

The Trust acts as trustee on behalf of most of the United Reformed Churches in the West Midlands holding properties on trust for them in accordance with the Statutory Trusts as set out in the United Reformed Church Acts. The insured value of these properties exceeds £100 million and there are guidelines in place to minimise the risk to the Trust of actions by local churches in respect of these assets.

Custodian Trustee

The Trust acts as custodian trustee for some churches, holding investments separately on their behalf. The investments have a value of approximately £440,000 and the local churches have objects similar to the Synod.

Risk management

Synod has undertaken a thorough Risk Assessment review and aims to revisit it on an annual basis. This process considers the risks to which the Synod and Trust are exposed and agrees policies and actions to minimise any potential exposure to those risks. The reserves policy and investment policy of the Trust are considered to play a key part in mitigating the major risk of having insufficient resources to provide the appropriate level of support to United Reformed Churches within the Synod area. The format of the Risk Assessment has been based on a model produced by the central United Reformed Church. This is currently subject to review and it is intended to similarly revise the format for the Synod.

Objectives and activities

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

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

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

Ensuring delivery of the Trust's aims and public benefit

The trustees have referred to the general guidance issued by the Charity Commission on public benefit when considering the delivery of activities in furtherance of the aims and objectives. The Trust, through the work of the Synod, supports 111 churches in the region with 3923 United Reformed Church members. Our support of these churches and their congregations aims to further their purposes in advancing the Christian religion.

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

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Financial support and grant making policies

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

In addition, a Synod Mission Fund of £1 million was established in 2010. The Synod created the fund as part of its responsibility to encourage, enable and support local churches in their mission activities. The Fund is a resource to enable mission to develop and, in particular, as a financial support to Mission pledges, an idea introduced in 2009 as part of the Vision 2020 process.

Another important aspect of the support offered to churches is through the Synod Manse Policy. In addition to grants and short-term loans for improving existing manses, capital investment is often made when purchasing replacement manses to improve standards. The Trust has enabled the purchase of replacement houses before sale of the existing manse in certain instances. At the March 2018 Synod further development of the Synod Manse Policy was agreed to enable further support to be offered to local churches with a commitment to spend an additional £500,000 over 5 years. The Trust also provides contributions from the sale of redundant church buildings to support retired ministers and their partners through the Retired Ministers Housing Society.

The Trust has an approved grant making policy, which is kept under review. Grants are charged in the year in which they are approved and there is a clear application procedure for all potential beneficiaries. The grant making policy for ministerial training is based on national guidelines. In all cases grant awards are made after consideration of the mission statement and financial situation of the applicant.

Pastoral and Educational support

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

The Synod is divided up into Areas to help communication and pastoral support to develop more readily across the region. A key body in this process is the Synod's Pastoral Committee which has now become part of the Ministry Development Committee. It comprises the Area Ministers from each Area with the Moderator and key Synod Officers and it is chaired by a Minister of the Synod. In the context of the Areas the Moderator is instrumental in encouraging conversations about pastorates and calling of ministers.

The Synod Training and Development Officer, the Synod Evangelist and the Mission Enabler (who ceased in the role on 30 November 2018) are ministers of word and sacrament, inducted to their Synod roles following a call issued and accepted recognising their appropriate skills and experience. The Children and Youth Development Officer is a salaried post, with recruitment also based on skills and experience.

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The role of the Synod Training and Development Officer is to implement those parts of the Synod Mission Strategy concerned with establishing, developing and control of lay training, and to implement those parts of the Synod Mission Strategy concerned with EM1, EM2 and EM3 (Education for Ministry) as a lifelong and ongoing process for Ministers and Church Related Community Workers of the Synod.

The Synod Evangelist post has been reviewed and following a successful application for a further five years funding, the Officer has accepted the offer of a second term in the post. The role remains to challenge, enable and equip the United Reformed Churches, including Local Ecumenical Partnerships, of the Synod to engage in evangelism. The Mission Enabler post, which had been funded as a Special Category Ministry post for a single five-year term with the aim of equipping and supporting Area Ministers for this role, came to an end in December 2018 when the post holder moved on.

Work in the local churches with Youth and Children continues to be supported and enabled by the work of the Children and Youth Development Officer. The Officer retires in February 2019 and discussions are ongoing about future provision in this area and for the responsibilities relating to safeguarding which the Officer has undertaken.

Technical support

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

Where churches are Listed buildings, Synod has a statutory role under Ecclesiastical Exemption now included within the remit of the Synod Resources and Compliance Committee. In addition, Synod seeks to provide advice and guidance to assist churches to meet their obligations as Listed Buildings while developing their mission and vision. Support is also provided in other areas where changes in policy or legislation have to be implemented on a practical basis at local church level and training and/or advice is made available to these churches including the provision of an annual conference for church treasurers and those interested in finance.

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

Technical support is of particular relevance where churches are facing closure or entering into local ecumenical projects and partnerships and decisions have to be made about surplus properties. The Trust provides support through the decision-making process and legalities both technically and pastorally. On occasions financial support is also made available on a temporary bridging basis.

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The Synod Property Officer continues to provide technical support to local churches in the maintenance and enhancement of their church buildings. This includes working closely with local church leadership to resolve practical and technical issues regarding a number of major projects including the building of a new Church at Lillington due for completion in early 2019.

In addition to being in charge of the Accounts, the Synod Finance Officer is Secretary to the Synod Mission Fund Panel and assists local Churches with their grant applications and other areas of church finance.

The Synod Trust Officer is Secretary to the Trust Executive and having been Secretary of the Synod Finance Committee is taking up the same role for the new Synod Resources and Compliance Committee. She offers support to local Churches and other officers particularly in the areas of governance and charity law, working with solicitors and others as appropriate.

Achievements and performance

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

With the new Manse Guidelines, developed and brought through a robust discussion process in 2014, and formally adopted at Spring Synod in 2015, the programme of inspection of Manses currently occupied by a Minister, along with the inspection of other Manse properties continued. During 2018 the Property Officer conducted an assessment of the cost of investment into the manse stock required to meet future ministerial deployment across the Synod, to ensure consistency in future refurbishment, maintenance/repair and energy efficiency. The proposed investment costs have been shared to help inform future budgets. Following approval at March Synod of the new Synod Manse Policy, the Property Officer in consultation with the Synod Finance Officer committed £100,000 spend to support improvement works to five manses. An additional £50,000 was approved to support energy efficiency work to another ten manses. The majority of these works have been completed in 2018 with the balance due for completion in early 2019.

The network of Architects and Surveyors, established in 2014 to support the Quinquennial Survey programme, has continued to progress the programme commenced in the latter part of 2014 and continued throughout 2015, 2016 and 2017 with all listed churches within Synod now having been surveyed along with a number of non-listed churches. The programme for non-listed churches continued in 2018. Completed Quinquennial Reports continue to be circulated to Area ministers and churches, with the response that the information contained within the reports has assisted churches to plan and budget for short, medium and long term maintenance/repair programmes.

The Property Officer has in 2018 worked with a health and safety consultant to draft and structure a presentation to assist churches with understanding the compliance with relevant health and safety legislation. It is proposed that this will be delivered at future Synod Area meetings, Elders Training, seminars and local church meetings.

The Synod Mission Fund is now in its eighth year of operation and continues to support local churches in mission activity and the achievement of mission pledges. We have amended the criteria to make it more accessible to smaller churches. During the year financial support was committed to seven new projects.

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Grants were awarded to support: -

- Lillington
- Quarry
- Elmwood
- Holyhead Road
- Baxter
- Two projects of £1,000 or less

The Synod Mission Fund balance is £521,007 which includes £21,238 from a legacy for use in the Coventry Area. Grants of £27,572 have been awarded in 2018.

During 2018 our global partnership with the Diocese of Durgapur was maintained with the Synod Clerk visiting India and continued involvement of the Trust in managing further release of the legacy which financed the Colin Choyce Hostel for children at risk or rescued from human trafficking and now contributes to running costs.

The work of the Synod Training and Development Officer has included the production of a regular newsletter, the oversight and review of the Local Mission and Ministry Review process for churches in the Synod, the planning and delivery of Elders' training days, the provision of training for lay presidency in the light of the agreed Synod and Assembly policy on authorised Elders, the review of students in the EM1 (Education for Ministry 1) and the support and training of ministers in the EM2 phases of training, approval of CME (Continuing Ministerial Education) and lay training grant applications and the preparation and debriefing of ministers granted sabbatical study leave, initial publicity for the "Stepwise" training resources being developed by the United Reformed Church, advocacy and delivery of training for lay preachers and others through the TLS LITE courses, alongside a regular pattern of preaching by invitation in the Synod's churches and participation in the decision-making structures of the Synod and ecumenical and denominational networking.

The Synod Evangelist and the Synod Mission Enabler reach out to local churches and ministers, facilitating and sharing creative, imaginative and energetic responses to God's mission in Christ. The Synod Mission Enabler while not following the classic model continued to work with the Area Ministers to develop their roles relating to mission enabling, recognising the need for experiment. With the Synod Evangelist a number of films were produced telling "good stories" around the Synod and films were also made to accompany the "Holy Habits" discipleship resources and in other areas of the life of the wider Church. Live streaming of worship and the recording of sermons on film was also enabled. Further, significant attention was given to raising awareness in the Synod of issues relating to ecology and climate change particularly through the Synod Eco-Group which will continue. Alongside a regular preaching ministry across the Synod the Officer also participated in the Committees of the Synod and responded to opportunities to share denominationally, ecumenically and internationally.

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In addition to joint work with the Mission Enabler, the Evangelist shared in Elders' training days. He also worked with lay worship leaders and local congregations offering training in evangelism and explorers courses and responding to opportunities to help churches share their faith particularly using community connections, and continuing to promoting and use initiatives and resources such as "Church where the people are", "Prayers for every household", "Praying the way" and "Talking Jesus". The Officer has also continued to develop the networks of chaplains and outreach workers in the Synod and preached regularly. He has also responded to invitations from local churches to be involved in specific outreach projects.

Alongside other responsibilities, the Synod Children's and Youth Development Officer (CYDO) carries the Synod responsibility for safeguarding and the protection of children and young people and vulnerable adults in the Synod's churches. The Officer supports individual churches as requested and given the opportunity to do so. Particularly in this regard the Officer has contributed to Elders' training events while also offering guidance and support in other aspects relating to the development of work among children and young people. Churches have been encouraged and supported in engaging with and pursuing the Child-friendly Church Award. It is the intention to continue with a range of events and activities at a variety of levels in the denomination.

A comprehensive ministerial deployment plan for the next ten years was completed in 2017 and accepted by Synod Pastoral Committee, identifying how we intend to use decreasing ministerial resource over this period. Implementation of the plan is now underway, whilst accepting that circumstances will inevitably change during the life of the plan.

Following decisions taken at General Assembly in 2016, Synod discussed a policy on Authorised Elders in relation to presidency at the sacraments of baptism and communion when a minister of Word and Sacrament is not available either at short-notice or is known ahead of time. The policy was agreed with processes for the appointment of Authorised Elders, limits on authorisation, and the requirement for training to the agreed syllabus at the direction of the Synod Training and Development Officer. Guidelines on conduct and behaviour of Authorised Elders were also agreed.

Financial review

Financial Statements

The financial statements, including the notes, have been prepared in compliance with the new Statement of Recommended Practice "SORP2015 (FRS102)". The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust do not sell goods or services, nor are there any other trading activities.

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

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Statement of Financial Activities

The Statement of Financial Activities is shown on page 19, with a more detailed analysis of income and expenditure on pages 26 to 29.

The total operating income for the year was £602,521, which is 6% more than last year's income net of legacies of £567,711. There was a 17% increase in investment income as a result of an additional £1.2m being invested arising from the sale of properties. Rental income decreased partly due to the policy of disposing of manses, six manses were sold in the year. In addition a surplus of £1,511,902 was realised on the sale of manses and £152,314 from sale of two churches.

The total operating expenditure of £742,256 was a rise on last year's figure of £682,631. There was a decrease in Ministry and Mission Grants from £106,230 to £98,257 mainly due to fewer applications to the Mission Fund however we did release £9,000 from a Restricted Legacy to the Church of North India for the running costs of a Children's Hostel. Church property and Quinquennial Inspection grants changed from £57,913 and £19,256 to £59,758 and £17,776 respectively as the programme of inspections fully takes effect, Manse grants increased from £24,447 to £93,931. Training grants and costs for Ministers, Lay Preachers and Members increased due to our commitment to supporting such spending. This was primarily upon result of a number of Ministers being on sabbatical.

Other incoming resources consist of surplus on disposal of manses at: -

Clayton
Stourbridge
Whixall
Moseley
Olton

These proceeds are held in the Synod Manse Fund and allow the Synod to advance capital for the upgrade and replacement of manses so that they are of a suitable standard.

There was no request for funds to the Ministers Pension Fund nor the Retired Ministers Housing Society, although it continues to be the policy of the Trust to allocate a proportion of proceeds of sale of closed churches to these funds and during the year we paid £35,954 to the Ministers Pension Fund.

A fall in the stock market resulted in unrealised losses of £1,089k following gains of over £2.4 million in the last two years.

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Balance Sheet

Reference has been made above to the increase in the funds balance. An analysis of the funds movements is shown on page 30.

Programme Related Investments stood at £1,824,306 relating to 15 manses, and 1 property occupied by a retired minister's widow. These are funds invested by Synod to assist local churches to purchase or update the properties and to assist certain individuals.

Reserves policy

The Trust holds funds under a number of different terms. Funds which are restricted or endowed may only be used as directed by the funder at the time they were granted to the Trust. Details of the specific restrictions of those individual funds are disclosed in note 8 to the financial statements.

Other funds are unrestricted and can be used at the discretion of the trustees in furtherance of the Trust's objects. It is the policy of the trustees to designate certain funds for particular purposes as agreed from time to time and details of the purpose and use of those designated funds can be found in note 8 to the financial statements.

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

Investment policy

The agreed investment objectives are:-

To maintain adequate liquidity

To maintain the security of any investments

To minimise capital loss

To maintain a mixed portfolio of fixed interest and equity investments whilst providing a balance between income and growth

To adhere to any restrictions as defined from time to time by Synod, including an ethical policy

To obtain the optimum yield, subject to complying with the above criteria.

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

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

In addition to this portfolio funds are also invested with Epworth Investment Management Limited, the investment arm of the Central Finance Board of the Methodist Church and with the Charities Official Investment Fund (COIF) managed by CCLA.

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Asset Allocation

The current allocation of investments is as follows: -

- 82.96% of the Unrestricted General Funds are invested by Smith and Williamson, 6.83% in the COIF Charities Ethical Investment Fund, managed by CCLA Investment Management Limited (CCLA) and 10.21%, managed by Epworth Investment Management. The Company keeps under review the extent to which the ethical and corporate governance criteria of the funds are in line with the policy set out under 'Ethical Considerations'.
- Designated, Restricted and Endowment Funds are mainly invested with the same Investment Manager as the Unrestricted General Funds.
- Equities 82.73%, Fixed Interest 14.75% and cash 2.52%

Investment Performance

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

	Total Return after Charges over 2018 %	Income yield at 31 December 2018 %
Smith and Williamson – Investment Managers	-4.58	2.85
CCLA (COIF Charities Ethical Investment Fund)	+0.49	3.49
Epworth Investment Management	-5.39	2.84

Comparative Measures -

FTSE All-Share Index	-9.47%
FTSE 100	-8.73%
Bench Mark	-5.46%

Cash

For many years it has been the Company's policy to hold sufficient cash within the Unrestricted General Funds to fund its operational needs, grant commitments and capital expenditure commitments, but in response to the sustained low yields available on such cash and the reduced need for capital expenditure the Investment Sub Committee agreed in 2016 to maximise its managed investment income by limiting the amount of cash held at all times, with any excess over short term cash flow requirements being invested in managed investment income until required. The cash and deposits held at the end of the year was £334,231.

Fundraising Practice

The company does not undertake any fundraising activities or actively solicit donations from members of the public. It does not therefore adhere to a fundraising code and has received no complaints in the year.

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Future plans

Future plans continue to be determined by the Synod Mission Strategy in which as indicated elsewhere and previously we are committed to the United Reformed Church's Statements of Mission Purpose towards 2020. These have been adapted to reflect the needs the Synod's churches have identified as priority requirements for them. The Synod Strategy reminds us that we are called to be disciples of Jesus and to live the life of Jesus and is encouraging local churches being disciples; making disciples and transforming disciples.

Because of denominational policy the Synod faces a year-on-year decline of the number of Stipendiary Ministers available to local churches, and Synod Officers are actively managing plans for that reduction and continuing ways in which to increase the range of lay leadership and ministries to compensate for the reduction in ordained Ministers.

In 2019, as a result of the restructuring agreed at Synod in October 2018, three standing committees will replace eight committees, continuing to report to Synod Mission Council and utilising three additional Task Groups alongside four existing Task Groups and networks. The Mission Discipleship Development Committee will focus on developing discipleship across the whole people of God, leading to a deeper engagement in mission, and will incorporate concerns previously covered by the Ecumenical, Children's & Youth Work Committees and the Evangelist and Mission Enabler's Vision and Strategy Group. The Ministry Development Committee will focus on developing people's ministries and will incorporate concerns previously covered by the Education & Learning, Pastoral and Launde Committees and the Ministries Sub-committee. The new Resources and Compliance Committee will focus on stewardship of financial and property resources, maintaining legal compliance and good practice. It will hold responsibilities previously held by the Property and Finance Committees. Officers are working to ensure clear lines of governance in the new structures and appropriate sharing of responsibility particularly between the Resources and Compliance Committee, which takes on statutory roles relating to Ecclesiastical Exemption and church and manse properties held on the United Reformed Church Statutory Trusts, and the Trust Board, which has overall responsibility for the assets of the Trust in addition to shared responsibility for decision making relating to the properties held on the Statutory Trusts.

In addition in 2019 the following are planned within our strategy:-

- Continued development of vision and strategy for the Synod Evangelist and Training and Development Officer, particularly in the light of the retirement of the current Children's and Youth Development Officer expected in February 2019 and the end of the Mission Enabler post.
- Advocacy and delivery of the United Reformed Church's "Stepwise" resources for lay training (launched in 2018).
- More encouragement and training for local churches in faith sharing and outreach.
- The continuation of regular newsletters from both Officers to bring training opportunities to the attention of ministers and churches.
- A continued focus on outreach through the Evangelist's car-boot ministry and work with Open the Book in schools together with exploration and support for chaplaincy and fresh expressions across the Synod.
- Encouragement of Prayer for Mission and Evangelism in our churches.
- Discernment and response to the training needs of ministers and others in leadership, particularly through one-to-one conversation, sabbatical leave, CME and ministers days.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Annual Report

Year Ended 31 December 2018

- As a continuing priority, discern and respond to worship needs in the Synod's churches, with particular attention to the advocacy and recruitment of lay preachers/worship leaders and to include attention to the provision of resources for these people.
- Continue and broaden the pattern of Elders' training to include other areas of responsibility.
- Continue to engage with and respond to the "Walking the Way – living the life of Jesus today" initiative, encouraging and enabling the use of the "Holy Habits" materials.
- Provide a further opportunity for the training and support for Church Secretaries.
- With the Synod's consultant for dementia awareness, continue to explore and respond to training opportunities in this area.
- Continued emphasis on Safeguarding Training across the Synod.
- Continued use of the Child Friendly Church Award to enable churches to evaluate their ministry to children and young people.
- Continued liaison with our international partner church, the Church of North India, including reciprocal visits.
- Continuing work with the manse inspection team to conduct regular manse inspections to support churches as they provide manses for ministers and their families in accordance with the Plan for Partnership. With the support of the Resources and Compliance Committee, we will continue to inspect manses on a three yearly cycle to ensure routine maintenance and repairs are progressed.
- To continue the Quinquennial Survey programme for properties, with work on linking the inspections with the Local Ministry & Mission Review (LMMR) programme. It is planned to consolidate a 5-yearly inspection programme.
- Continue the work of monitoring the environmental impact of buildings and encouraging green credentials in line with the Synod Strategy.
- Continue to support those churches considering or actively pursuing major repair and development projects.
- To continue the work commenced in 2017 to develop a database of key property related information to assist the Synod Property Officer and Resources and Compliance Committee in determining future resource to support local churches in managing church and associated properties.
- To continue to signpost advice and training suitable for local churches on subjects such as GDPR.

Trustees' Responsibilities

Company law requires the trustees as directors to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the trustees are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Annual Report

Year Ended 31 December 2018

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:-

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Trust Board

Rev. D.M. Walton – Chair of Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Opinion

We have audited the financial statements of The United Reformed Church (West Midlands) Trust Limited (the 'charitable company') for the year ended 31 December 2018 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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 of opinion

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

Conclusions relating to going concern

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 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.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, 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 trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Helen Blundell LLB, FCA, FCIE, DChA (Senior Statutory Auditor)

For and on behalf of MHA MacIntyre Hudson (Statutory Auditor)

Chartered Accountants and Registered Auditors

Rutland House

148 Edmund Street

Birmingham

B3 2FD

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Statement of Financial Activities (Incorporating Income and Expenditure Account) Year Ended 31 December 2018

2017 Total Funds £		Notes	2018 Total Funds £	Unrestricted General £	Designated £	Restricted £
	Income from:					
	<i>Charitable activities:</i>					
152,004	Grants received	2a	158,721	123,294	33,215	2,212
34,425	Other income	2a	3,450	3,450	-	-
	<i>Investments</i>					
372,282	Investment income	2a	436,600	292,657	143,943	-
<u>9,000</u>	Rents	2a	<u>3,750</u>	<u>-</u>	<u>3,750</u>	<u>-</u>
	<i>Incoming resources from charitable activities:</i>					
567,711	Total Operating Income	2a	602,521	419,401	180,908	2,212
939,826	Income on sale of properties	2a	1,664,216	152,314	1,511,902	-
<u>1,224,177</u>	Transfers from churches to Synod Funds	2a	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,731,714</u>	Total Income		<u>2,266,737</u>	<u>571,715</u>	<u>1,692,810</u>	<u>2,212</u>
	Expenditure on:					
64,378	Generating funds	2b	77,169	60,586	16,583	-
<u>618,253</u>	Charitable expenditure	2b	<u>665,087</u>	<u>389,372</u>	<u>260,715</u>	<u>15,000</u>
682,631	Net Loss on Investments and Total Operating Expenditure	2b	742,256	449,958	277,298	15,000
<u>(1,198,209)</u>	Net (losses)/gains on investments	7	<u>1,087,998</u>	<u>757,774</u>	<u>330,117</u>	<u>107</u>
<u>-</u>	Payment to Ministers Pension Fund	4	<u>35,954</u>	<u>-</u>	<u>35,954</u>	<u>-</u>
<u>(515,578)</u>	Total Expenditure		<u>1,866,208</u>	<u>1,207,732</u>	<u>643,369</u>	<u>15,107</u>
(114,920)	Net Expenditure on Operating account	2b	<u>(139,735)</u>	<u>(30,557)</u>	<u>(96,390)</u>	<u>(12,788)</u>
<u>3,247,292</u>	Net Income for the Year		<u>400,529</u>	<u>(636,017)</u>	<u>1,049,441</u>	<u>(12,895)</u>
	Other recognised Gains & Losses					
-	Transfer between reserves	8a	-	(58,959)	58,959	-
3,247,292	Net Movement in Funds for the year		400,529	(694,976)	1,108,400	(12,895)
<u>13,734,845</u>	Funds Balances brought forward		<u>16,982,137</u>	<u>7,635,895</u>	<u>9,292,669</u>	<u>53,573</u>
<u>16,982,137</u>	Fund Balances carried forward	8a	<u>17,382,666</u>	<u>6,940,919</u>	<u>10,401,069</u>	<u>40,678</u>

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

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED
COMPANY NUMBER 01337047
Balance Sheet

As at 31 December 2018

2017	Notes	2018
£		£
	Fixed Assets	
282,163	Tangible assets	270,123
15,409,143	Investments	15,432,894
<u>1,906,413</u>	Programme related investments	<u>1,824,306</u>
<u>17,597,719</u>		<u>17,527,323</u>
	Current Assets	
58,008	Debtors	90,672
<u>470,978</u>	Cash and short term deposits	<u>334,231</u>
528,986		424,903
(1,101,098)	Creditors: Amounts falling due within one year	<u>(552,600)</u>
<u>(572,112)</u>	Net Current (Liabilities)Assets	<u>(127,697)</u>
<u>17,025,607</u>	Total Assets less Current Liabilities	<u>17,399,626</u>
<u>(43,470)</u>	Creditors: Amounts falling due after more than one year	<u>(16,960)</u>
<u>16,982,137</u>	Net Assets	<u>17,382,666</u>
	Funds:	
	<i>Restricted Funds</i>	
46,277	Other	40,678
<u>7,296</u>	Revaluation reserve	<u>-</u>
<u>53,573</u>		40,678
	<i>Unrestricted funds</i>	
	General	
4,487,524	- Other	4,911,458
<u>3,148,371</u>	- Revaluation reserve	<u>2,029,461</u>
		6,940,919
	Designated	
8,513,604	- Other	10,214,242
<u>779,065</u>	- Revaluation reserve	<u>186,827</u>
<u>9,292,669</u>		<u>10,401,069</u>
<u>16,982,137</u>	Total Funds	<u>17,382,666</u>

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

Approved by the Trust Board on

and signed on its behalf by

Revd D.M. Walton
Mr G W Potter

- Chair of Trust
- Director and Treasurer

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Statement of Cash Flows

Year ended 31 December 2018

	Notes	2018 £	2017 £
Cash flow from operating activities:			
Net cash provided/used in operating activities	A	(742,962)	(440,415)
Cash flows from investing activities:			
Investment income		440,350	381,282
Proceeds from programme related investments		1,618,971	2,340,390
Purchase of programme related investment		(339,962)	(329,889)
Proceeds from sale of investments		1,656,209	796,648
Purchase of investments		<u>(2,784,361)</u>	<u>(2,774,332)</u>
Net (decrease)/increase cash provided by investing activities		<u>591,207</u>	<u>414,099</u>
Net (decrease)/increase in cash and cash equivalents in the reporting period		(151,755)	(26,316)
Cash and cash equivalents at the beginning of the reporting period		<u>875,147</u>	<u>901,463</u>
Cash and cash equivalents at the end of the reporting period	B	<u>723,392</u>	<u>875,147</u>
Notes to the statement of cash flows			
A) Reconciliation of net income/expenditure to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		400,529	3,247,292
Adjustments for:			
(Gains) and losses on investments		1,089,393	(1,173,804)
Depreciation		12,040	12,040
Surplus on sale of programme related investments		(1,511,902)	(2,164,003)
Investment income and rents		(440,350)	(381,282)
Decrease in debtors		(32,664)	(13,677)
Decrease in creditors		<u>(260,008)</u>	<u>33,019</u>
Net cash used in operating activities		<u>(742,962)</u>	<u>(440,415)</u>
B) Analysis of cash and cash equivalents			
Cash at bank and in hand		42,026	40,563
Deposit accounts		292,205	430,415
Cash held by investment manager		<u>389,161</u>	<u>404,169</u>
		<u>723,392</u>	<u>875,147</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

1. Accounting Policies

General Information

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

Basis of Accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice (UK GAAP) as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis due to there being no significant future uncertainties and given the positive position of the balance sheet.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

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

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

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

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

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

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

1. Accounting Policies *(continued)*

Funds Incorporated

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

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

Funds administered on behalf of local churches are not included.

Description and Use of Funds

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

Unrestricted income funds may be spent generally for furthering the Christian and charitable work of the United Reformed Church in the West Midlands. The main fund in this category is the General Purposes Fund. Certain funds have been allocated for Church Buildings or Manses, although the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

Contribution to Pension Funds

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

Income Recognition

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

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

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

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

1. Accounting Policies *(continued)*

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

Resources Expended

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

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

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

Individual Church Property, including Manses

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

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

Support Costs Allocation

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

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

1. Accounting Policies *(continued)*

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their estimated useful economic lives as follows:-

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

No amounts under £2,500 are capitalised. Prior to May 2012 this limit was £1,000.

Investments

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

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

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

Debtors and creditors receivable/payable within one year

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

Financial instruments

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

Provisions

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

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

2. Income and Expenditure

a) Analysis of Total Incoming Resources

2017 Total Funds £		2018 Total Funds £	Unrestricted £	Designated £	Restricted £
	Income from Investments				
369,342	Listed Investments	433,672	290,453	143,219	-
<u>2,940</u>	Interest	<u>2,928</u>	<u>2,204</u>	<u>724</u>	-
372,282		436,600	292,657	143,943	-
<u>9,000</u>	Rents	<u>3,750</u>	-	<u>3,750</u>	-
<u>381,282</u>		<u>440,350</u>	<u>292,657</u>	<u>147,693</u>	-
	Income from Charitable Activities:				
147,733	Grants – Ministry & Mission	147,698	114,483	33,215	-
4,271	- Training	8,811	8,811	-	-
-	- Donations	<u>2,212</u>	-	-	<u>2,212</u>
<u>152,004</u>		<u>158,721</u>	<u>123,294</u>	<u>33,215</u>	<u>2,212</u>
	Other income				
2,000	Investment charge – The Redditch Trust	3,000	3,000	-	-
<u>32,425</u>	Transfer of funds from Local Church Trust	<u>450</u>	<u>450</u>	-	-
<u>34,425</u>		<u>3,450</u>	<u>3,450</u>	-	-
567,711	Total Operating Income	602,521	419,401	180,908	2,212
	Income from sale of properties				
939,826	Of closed Churches	152,314	152,314	-	-
	Transfer from churches to Trust Funds				
<u>1,224,177</u>	On disposal of manses	<u>1,511,902</u>	-	<u>1,511,902</u>	-
<u>2,731,714</u>	Total Incoming Resources	<u>2,266,737</u>	<u>571,715</u>	<u>1,692,810</u>	<u>2,212</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

2. Income and Expenditure (Continued)

b) Analysis of Total Operating Resources Expended

2017 Total Funds £		2018 Total Funds £	Unrestricted £	Designated £	Restricted £
Costs of Generated Funds					
44,153	Investment Management Fees	53,000	36,915	16,085	-
1,419	Other property costs	498	-	498	-
18,806	Shared Indirect costs (Note 3)	23,671	23,671	-	-
<u>64,378</u>	Total Cost of Generating Funds	<u>77,169</u>	<u>60,586</u>	<u>16,583</u>	<u>-</u>
Charitable Activities					
Ministry & Mission:-					
106,230	Grants (Note 4)	98,257	55,685	27,572	15,000
12,637	Residential synod	-	-	-	-
56,346	Support Costs	46,512	36,148	10,364	-
20,000	Resource sharing (Note 4)	20,000	20,000	-	-
80,048	Shared Indirect Costs (Note 3)	67,965	67,965	-	-
<u>275,261</u>		<u>232,734</u>	<u>179,798</u>	<u>37,936</u>	<u>15,000</u>
Training:-					
8,160	Ministers (Note 4)	14,885	14,885	-	-
990	Students (Note 4)	660	660	-	-
2,824	Members (Note 4)	2,075	2,075	-	-
495	Local Ministry and Mission review	842	842	-	-
687	Church Treasurers and staff	733	733	-	-
82,505	Training – staff costs	72,449	68,721	3,728	-
251	Support Costs	167	167	-	-
39,339	Shared Indirect Costs (Note 3)	37,994	37,994	-	-
<u>135,251</u>		<u>129,805</u>	<u>126,077</u>	<u>3,728</u>	<u>-</u>
Property:-					
57,913	Church Repairs (Note 4)	59,758	200	59,558	-
24,447	Manse Repairs (Note 4)	93,931	-	93,931	-
-	Release of Church Sale Proceeds	23,520	-	23,520	-
12,298	Manse Expenses	12,156	-	12,156	-
19,256	Church surveys (Note 4)	17,776	-	17,776	-
25,370	Staff costs	22,649	10,539	12,110	-
8,069	Legal and Support Costs	1,784	1,784	-	-
60,388	Shared Indirect Costs (Note 3)	70,974	70,974	-	-
<u>207,741</u>		<u>302,548</u>	<u>83,497</u>	<u>219,051</u>	<u>-</u>
618,253	Total Charitable Expenditure	665,087	389,372	260,715	15,000
682,631	Total Operating Resources Expended	742,256	449,958	277,298	15,000
(114,920)	Net (Expenditure) on operating account	(139,735)	(30,557)	(96,390)	(12,788)

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

3. INDIRECT COSTS

2017 Total Funds £		2018 Total Funds £	Unrestricted £	Designated £	Restricted £
	Governance Costs				
4,329	Synod Expenses	3,346	3,346	-	-
802	Synod Council	1,675	1,675	-	-
327	Assembly Expenses	198	198	-	-
	Staff Costs:-				
130,496	Trust Employment Costs	134,332	134,332	-	-
5,100	Honoraria	5,244	5,244	-	-
5,769	Officers Expenses	7,059	7,059	-	-
7,350	Audit	7,350	7,350	-	-
3,646	Legal and Professional	721	721	-	-
94	Bank Charges	165	165	-	-
<u>2,739</u>	Committee Support Costs	<u>2,172</u>	<u>2,172</u>	-	-
<u>160,652</u>	Total Governance Costs	<u>162,262</u>	<u>162,262</u>	-	-
	Premises Costs:-				
1,600	Rent	1,600	1,600	-	-
1,899	Insurance	1,776	1,776	-	-
2,368	Electricity	2,648	2,648	-	-
11,137	Depreciation of Synod Office	11,137	11,137	-	-
<u>3,510</u>	Repairs and Cleaning	<u>5,157</u>	<u>5,157</u>	-	-
<u>20,514</u>		<u>22,318</u>	<u>22,318</u>	-	-
	Office Costs:-				
1,465	Telephone	1,043	1,043	-	-
6,651	Printing, Stationery and Postage	5,467	5,467	-	-
4,684	Computers	5,340	5,340	-	-
720	Web design	-	-	-	-
903	Equipment Depreciation	903	903	-	-
1,163	Furniture and equipment	1,977	1,977	-	-
<u>1,829</u>	Sundry costs	<u>1,294</u>	<u>1,294</u>	-	-
<u>17,415</u>		<u>16,024</u>	<u>16,024</u>	-	-
<u>198,581</u>	Total Indirect Costs	<u>200,604</u>	<u>200,604</u>	-	-

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

3. Indirect Costs (continued)

2017 Total £		Total £	Raising Funds £	Charitable Activities		
				Ministry and Mission £	Training £	Property £
160,652	Governance costs	162,262	19,148	54,974	30,732	57,408
20,514	Premises costs	22,318	2,632	7,562	4,227	7,897
<u>17,415</u>	Office costs	<u>16,024</u>	<u>1,891</u>	<u>5,429</u>	<u>3,035</u>	<u>5,669</u>
<u>198,581</u>	Total Indirect Costs	<u>200,604</u>	<u>23,671</u>	<u>67,965</u>	<u>37,994</u>	<u>70,974</u>
100%	% of Direct costs	100%	11.8%	33.9%	18.9%	35.4%

4. Grants

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

	2018		2017	
	Number	Amount £	Number	Amount £
Institutional Grants				
Ministry and Mission:				
Ministers Pension Fund	1	35,954	-	-
Inter-Synod Resource Sharing	1	20,000		
Educational Chaplaincy	3	24,000	4	32,500
Ecumenical Situations	12	18,541	15	18,579
Overseas Mission	1	15,000	1	22,027
Local Church Missions	10	34,772	10	27,371
Youth and Childrens Work	<u>6</u>	<u>6,111</u>	<u>9</u>	<u>5,753</u>
	<u>34</u>	<u>154,378</u>	<u>39</u>	<u>106,230</u>
Training:				
Ministers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property:				
Church repairs	15	83,278	8	57,913
Manse repairs	7	93,931	5	24,447
Church surveys	<u>18</u>	<u>17,776</u>	<u>21</u>	<u>19,256</u>
	<u>40</u>	<u>194,985</u>	<u>34</u>	<u>101,616</u>
Total Institutional Grants	<u>74</u>	<u>349,363</u>	<u>73</u>	<u>207,846</u>
Individual Grants				
Training:				
Ministers	21	8,461	21	8,160
Members	25	2,438	12	2,824
Students	<u>3</u>	<u>660</u>	<u>4</u>	<u>990</u>
Total Individual Grants	<u>49</u>	<u>11,559</u>	<u>37</u>	<u>11,974</u>
Total Grants Charged	<u>123</u>	<u>360,922</u>	<u>110</u>	<u>219,820</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

5. Trustees' Expenses

These include Honoraria of £2,622 (2017: £2,550) paid to Mrs M. Marshall (Synod Clerk) and £2,622 (2017: £2,550) to Mr G W Potter (Synod Treasurer).

Reimbursed expenses were paid to 6 (2017: 9) trustees of the Board in aggregate of £3,580 (2017: £3,931). This figure includes expenses reimbursed to the Treasurer and Clerk for duties including, but not restricted to, Board meetings.

No other remuneration or expenses were paid to the trustees.

6. Employment Emoluments	2018	2017
	£	£
Wages and salaries	181,416	161,548
Employers national insurance	11,228	10,772
Pension costs	17,085	33,533
	<u>209,729</u>	<u>205,853</u>

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

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

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

7. Gains on Investments	2018	2017
	£	£
Realised gain on investments sold	404,378	221,253
Gains previously recognised in Trust accounts	<u>(402,983)</u>	<u>(196,854)</u>
Net gain in the year on investments sold	1,395	24,399
Unrealised gains on investments for the year	<u>(1,089,393)</u>	<u>1,173,810</u>
Net Gains on Investments for the Year	<u>(1,087,998)</u>	<u>1,198,209</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

8. Movement on Funds

a) Fund	Balance 1 January 2018 £	Income £	Expenditure £	Investment Gain/(Loss) £	Transfers Between Funds £	Balance 31 December 2018 £
Unrestricted Designated Funds						
Church Buildings	-	41,222	(77,334)	-	36,112	-
Retired Ministers Housing	92,279	-	(35,954)	-	-	56,325
Manse - General	6,400,366	1,643,178	(148,872)	(335,087)	-	7,559,585
- Churches	829,477	8,410	-	4,970	-	842,857
Church Property	1,004,055	-	(23,520)	-	-	980,535
Stretton	440,700	-	-	-	-	440,700
Mission Fund	<u>525,792</u>	<u>-</u>	<u>(27,572)</u>	<u>-</u>	<u>22,847</u>	<u>521,067</u>
	9,292,669	1,692,810	(313,252)	(330,117)	58,959	10,401,069
Unrestricted General Funds						
General Purposes	7,635,895	571,715	(449,958)	(757,774)	(58,959)	6,940,919
Restricted Funds						
Choyce legacy	<u>53,573</u>	<u>2,212</u>	<u>(15,000)</u>	<u>(107)</u>	<u>-</u>	<u>40,678</u>
Total Funds	<u>16,982,137</u>	<u>2,266,737</u>	<u>(778,210)</u>	<u>1,087,998</u>	<u>-</u>	<u>17,382,666</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

8. Movement on Funds *(continued)*

b) Purpose of Funds

General Purposes Fund - Unrestricted

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

Church Buildings Fund - Designated

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

Retired Ministers Housing Fund - Designated

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

Manse General - Designated

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

Manse Churches - Designated

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

Mission Fund - Designated

Funds to support local churches in their mission activity.

Choyce Legacy - Restricted

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

Church property – Designated and Stretton - Designated

Funds from the disposal of the properties of Stretton, Stoke Chapel and Hall Green Church pending a decision on their future use.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

9. Tangible Fixed Assets	Property £	Office Equipment £	Total £
Cost			
At 1 January 2018 and 31 December 2018	<u>379,684</u>	<u>10,968</u>	<u>390,652</u>
Depreciation			
At 1 January 2018	100,233	8,256	108,489
Charge for the year	<u>11,137</u>	<u>903</u>	<u>12,040</u>
At 31 December 2018	<u>111,370</u>	<u>9,159</u>	<u>120,529</u>
Net Book Value			
At 31 December 2018	<u>268,314</u>	<u>1,809</u>	<u>270,123</u>
At 31 December 2017	<u>279,451</u>	<u>2,712</u>	<u>282,163</u>

All assets are used for charitable purposes.

10. Fixed Asset Investments	Listed Investments			Total
	Fixed Interest £	Equities £	Cash £	£
Market value at 1 January 2018	2,362,321	12,642,653	404,169	15,409,143
Additions	570,949	2,213,412	(15,008)	2,769,353
Sales and redemption	(617,638)	(1,038,571)	-	(1,656,209)
Net investment gains	<u>(39,204)</u>	<u>(1,050,189)</u>	<u>-</u>	<u>(1,089,393)</u>
Market Value at 31 December 2018	<u>2,276,428</u>	<u>12,767,305</u>	<u>389,161</u>	<u>15,432,894</u>
Cost at 31 December 2018				<u>13,216,606</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

11. Programme Related Investments	2018 £	2017 £
Cost at 1 January 2018	1,906,413	1,437,912
Repayments on investments/Manse purchased	<u>(82,107)</u>	<u>468,501</u>
Cost at 31 December 2018	<u>1,824,306</u>	<u>1,906,413</u>

These investments relate to:-	2018 £	2017 £
- Manses	1,818,282	1,900,389
- Retired Ministers Housing	<u>6,024</u>	<u>6,024</u>
	<u>1,824,306</u>	<u>1,906,413</u>

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

12. Debtors	2018 £	2017 £
Loans due from United Reformed Church churches and ministers	55,139	2,934
Other debtors	34,838	55,074
Prepayments	<u>695</u>	<u>-</u>
	<u>90,672</u>	<u>58,008</u>

Loans granted to local churches and ministers are normally repayable between five and ten years and interest is charged at 5% on the outstanding balance. Included in the above loans is an amount of £42,350 (2017: £Nil) due after twelve months.

13. Cash and Short Term Deposits

	Bank Current Account £	Charities Official Investment Fund £	Epworth Deposit Fund £	Total £
General purposes	35,978	1,311	278,948	316,237
Designated accounts	-	15,782	-	15,782
Restricted funds	<u>2,212</u>	<u>-</u>	<u>-</u>	<u>2,212</u>
Balances as at 31 December 2018	<u>38,190</u>	<u>17,093</u>	<u>278,948</u>	<u>334,231</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

14. Creditors

a) Amounts falling due within one year	2018 £	2017 £
Amounts due to United Reformed Church and related Bodies	375,784	615,666
Other creditors (Balance Manse Purchase)	-	315,000
Accruals -	46,281	37,037
Mission grants approved	41,927	48,769
Building grants approved	88,608	84,626
	<u>552,600</u>	<u>1,101,098</u>

Included within amounts due to United Reformed churches is £306,133 (2017: £545,158) arising from property disposals being held pending applications from those churches within an agreed timescale for use of the proceeds.

b) Amounts falling due after more than one year	2018 £	2017 £
Amounts due to United Reformed Churches	<u>16,960</u>	<u>43,470</u>

15. Disposition of Funds as at 31 December 2018

Fund	Fixed Assets £	Investments £	Programme Related Investments £	Debtors/ Creditors £	Cash and Deposits £	Total £
Designated Funds						
Retired Ministers Housing	-	-	6,024	50,301	-	56,325
Manse- General	-	5,725,521	1,818,282	-	15,782	7,559,585
- Churches	-	842,857	-	-	-	842,857
Stretton Cottages	-	-	-	440,700	-	440,700
Church Property	-	980,535	-	-	-	980,535
Mission Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>521,067</u>	<u>-</u>	<u>521,067</u>
Total Designated Funds	-	7,548,913	1,824,306	1,012,068	15,782	10,401,069
Unrestricted Funds						
General Purposes	270,123	7,845,515	-	(1,490,956)	316,237	6,940,919
Restricted Funds						
Choyce Legacy	<u>-</u>	<u>38,466</u>	<u>-</u>	<u>-</u>	<u>2,212</u>	<u>40,678</u>
Total Funds	<u>270,123</u>	<u>15,432,894</u>	<u>1,824,306</u>	<u>(478,888)</u>	<u>334,231</u>	<u>17,382,666</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

16. Commitments

Property

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

Guarantees

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

17. Contingent Assets

At the year end, the properties of one church and two manses, held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the company, were held. The proceeds will revert to Synod on sale in accordance with the Statutory Trusts on which the properties are held. Professional advice is being sought prior to disposal.

18. Funds Held as Trustee for Local Churches

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

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

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

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

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

19. Related Party Transaction

The Trust is the corporate trustee of The James and Freeman Charity. During the year a charge of £3,000 (2017: £2,000) was made to The James and Freeman Charity for the administrative services provided by the Trust to the charity.

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

The following transactions arose in the year:-

Beneficiary	Purpose	Committee	Value £	Related Party	Relationship
Weoley Hill Church	Buildings & Manse Repair	Finance	1,570	Mrs R Wakeman	Trust Officer
Cheltenham URC	Manse Repair	Finance	50,083	Mr D Black	Trustee
North Coventry Pastorate	Manse Repair	Finance	17,000	Mr S Powell	Trustee
Holyhead Road	Church Repair & Equipment	Mission Fund	3,138	Mr S Powell	Trustee
Holyhead Road	Building Repair	Finance	393	Mr S Powell	Trustee
Elmwood	Mission	Mission Fund	1,262	Mrs C Binns	Panel Member
Shrewsbury	Mission	Mission Fund	200	Mr M Davies	Finance Officer

20. Financial Instruments

The carrying amounts of the charity's financial instruments are as follows:-

	2018 £	2017 £
Financial assets:		
Measured at fair value	15,043,733	15,004,974
Debt instruments measured at amortised cost	<u>1,914,283</u>	<u>1,964,421</u>
	<u>16,958,016</u>	<u>16,969,395</u>
Financial liabilities:		
Measured at amortised cost	<u>(523,279)</u>	<u>(1,144,568)</u>

Financial assets measured at fair value through net income comprise fixed asset investments. Financial assets measured at amortised cost comprise programme related investments loans to churches, other debtors.

Financial liabilities measured at amortised cost comprise amounts due to churches, other creditors and grants payable.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

21. Comparative Analysis by Fund

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

		2017		
	Total	Unrestricted	Designated	Restricted
	£	£	£	£
Income				
Legacies	-	-	-	-
<i>Charitable activities</i>				
Grants received	152,004	127,004	25,000	-
Other income	34,425	34,425	-	-
<i>Investments</i>				
Investment income	372,282	254,885	117,385	12
Rent	<u>9,000</u>	<u>-</u>	<u>9,000</u>	<u>-</u>
Total operating income	567,711	416,314	151,385	12
Income from sale of properties	939,826	316,784	623,042	-
Transfers from churches to synod funds	<u>1,224,177</u>	<u>-</u>	<u>1,224,177</u>	<u>-</u>
Total Income	<u>2,731,714</u>	<u>733,098</u>	<u>1,998,604</u>	<u>12</u>
Expenditure				
Raising funds	64,378	50,384	13,994	-
Charitable activities	<u>618,253</u>	<u>434,248</u>	<u>161,978</u>	<u>22,027</u>
Total operating expenditure	682,631	484,632	175,972	22,027
Net gains on investments	<u>(1,198,209)</u>	<u>(851,296)</u>	<u>(341,250)</u>	<u>(5,663)</u>
Total Expenditure	<u>(515,578)</u>	<u>(366,664)</u>	<u>(165,278)</u>	<u>16,364</u>
Net Expenditure on Operating account	(114,920)	(68,318)	(24,587)	(22,015)
Net Income for the year	<u>3,247,292</u>	<u>1,099,762</u>	<u>2,163,882</u>	<u>(16,352)</u>