

Charity Registration No. 1132154

Company Registration No. 134549 (England and Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	W.I.Buchanan H.J.Finlayson J.C.G.Forrest D.Grosch-Miller A.Hamnett A.P.Haws C.Hogg J.C.Kennedy M.J.Louis P.B.Matthew J.R.Tomlin
Convenor:	D.Grosch-Miller
Treasurer	A.P.Haws
Secretary	A.Hamnett
Trust officer	A.Atkinson
Finance officer	H.E.Hogg
Charity number	1132154
Company number	134549
Registered office	4 College Lane, Newcastle upon Tyne, NE1 8JJ
Auditor	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG
Bankers	Bank of Scotland Plc PO Box 1000, BX2 1LB Lloyds Bank plc PO Box 1000, BX1 1LT
Legal advisors	Womble Bond Dickinson (UK) LLP St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX Sintons LLP The Cube, Barrack Road, Newcastle upon Tyne, NE4 6DB
Investment managers	CCLA Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Property consultants	Sanderson Weatherall LLP Central Square South, Orchard Street, Newcastle upon Tyne, NE1 3AZ

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

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THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and financial statements for the year ended 31 December 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The Company's objectives are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages and the Basis of Union of the United Reformed Church. In pursuit of this, the Company acts as trustee, holding monies, investments and properties for these purposes and for local churches.

The Company supports the Northern Synod's vision, to enable local churches to be lively, informed and be effective in being the church in their local setting and Synod to be an expression of the Church at regional level, in the light of the five marks of mission (tell, teach, tend, transform and treasure). The Company provides financial, advisory and technical support to assist churches in the Synod to reflect the United Reformed Church's Vision 2020 programme and Walking the Way (Living the life of Jesus today).

Public benefit

The Company is aware of the Charity Commission's guidance on public benefit. This requirement is met by enabling local churches to provide their services to the general public.

Activities

The Company carries out its work under 4 headings and illustrative examples of activity in 2018 are given below.

- *1. Discipleship* - supporting Christian spirituality, nurture, lay and ministerial education, development and training.

This is a cornerstone of Synod activity and the Trust assists this by funding courses, sponsoring events, and offering grants for specific developments and projects which strengthen individual or group faith experience. Growing Leader courses continue throughout the Synod and increases capacity for leadership development. Through the Lay Preaching Commissioner, the Trust have been able to offer support for lay people attending courses on baptism and communion. Training for Learning and Serving has been replaced by Stepwise and consists of five streams covering vocation, faith literacy, living church in community, transforming worship and faith leadership.

- *2. Mission* - promoting evangelism, mission, church growth, outreach and racial justice.

This is central to the Company's purposes. Specific examples include, supporting church related community work, chaplaincies and local churches with projects and events. Grants are awarded for ministry in local ecumenical partnerships. Through the work of the Mission Enabler, the Trust can support the mission and outreach of local churches. Specific examples would include the work of Redar URC in its work with asylum seekers and refugees and supporting Rothbury URC in seeking to transform their buildings for mission. Synod continues to explore Fresh Expressions and new ways of being church.

- *3. Partnership* - supporting joint working with ecumenical, community and global partners.

The Company supports the Synod's partnership with the Presbyterian Church of Mozambique. It also works jointly with the Methodist Church on Safeguarding training, development of policies and other activities. Collaboration with Northerly Synods continues, and funding is available to assist with joint working on projects and events.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

- *4. Property* - providing and managing housing for ministers, retired ministers and their widow(er)s or former civil partners, and supporting local churches in proper care of their properties.

Property issues are considered by the Trust's Manse and Property sub-groups. Both groups initiate a schedule of surveys to assess the condition of property and subsequent maintenance requirements. Financial support for building preservation is made available through grants.

Starting in 2015 the Trust discussions have reflected those across the Synod regarding the future of ministry and churches in acknowledgement that fewer people are seeking ordination and in some places church membership is declining.

By January 2016 it was recognised that the Synod would be adopting a new Way Forward, which involves developing new patterns of ministry, building up local congregations and supporting churches with lay appointments where appropriate.

The Company is therefore seeking sustainable and responsible ways to fulfil Synod's aspirations and making resources available to assist with developing new forms of ministry. It also recognises the potential benefits of employing people to support churches in their work.

The Trust has participated in the programme planning for the Synod Way Forward since its inception and will continue to participate in the programme and agree milestones during 2019.

The key issue presenting to the Trust is tackling how to use resources to support churches and which might involve employing more lay people, whilst maintaining its charitable duty to achieve best value for its investments.

Grant-making

Much of the Company's work is achieved through making grants (in 2018, some £138,509), which are given to churches and other bodies as well as individuals, in accordance with published policies for the following purposes:

- Repair, maintenance and improvement of church and manse buildings
- Mission, outreach and fresh expressions of church
- Lay and ministerial education and learning
- Travel to events for young people

Small welfare benevolences are also given.

Staffing and Volunteers

The work of the Company is carried out by volunteers (mainly the Directors) who receive expenses, as well as by two members of paid staff, who are responsible to the Board and refer to Directors or Officers when major decisions are needed. Local churches contribute towards the administrative costs of those employees.

No honoraria are paid to Directors of the Board.

Volunteers donated an estimated 800 hours' work in total during the year, which is difficult to value in financial terms. The Board takes the view that the Company is not excessively dependent on any one individual.

Volunteers support the Trust directly through their roles as Directors, and others offer their time and help to subgroups and committees. The role of volunteers in furthering church activities is extensive and without it the churches' effectiveness will be limited. The Synod has recognised that volunteers require support, and this is reflected in the Synod Way Forward.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Achievements and performance

Discipleship – (£88,866) The Spring Retreat was organised again this year and held at Shepherds Dene. Another event was held during 2018 at Keld Resource Centre entitled 'Changing places and the people within them' to encourage a vital perception of what the Christian church is and can be, based on faith in scripture. Growing Leaders courses were held throughout the year to develop lay leadership for local churches and to reconsider new ways of ministry and groupings of congregations. The Growing Leaders course also resulted in two candidates beginning training for ministry and another being accepted for training. Two others are also considering a vocation to Ministry. Grants and expenses were paid for Ministers' training (including the URC national Ministers' conference in Yarnfield), Sabbaticals and Lay training. Youth Internships attached to churches have been introduced and it is hoped this will lead to sustainable development. The Trust supported youth assembly in 2018 and attendance from Northern Synod was enthusiastically increased this year with new people attending for the first time and participating in leading workshops at the event. Through the work of the appointed Youth Representative, nurture, encouragement and enthusiasm has been generated within the Youth and Children's Work Committee alongside the youth internships in local churches. The positive response from within the synod enabled a children's worker retreat day which was beneficial to all that attended.

Mission – (£129,390) Mission continued to be supported during 2018 and included grants to St Columba's, Billingham for a CRCW position and Newcastle Central and East Methodist Circuit for ministry at Trinity Gosforth LEP. Small mission grants were awarded, helping churches to benefit local communities with a summer holiday club, a remembrance and reconciliation project, IT equipment and events. The footsteps toolkit was launched at Synod in March 2018 to embrace new ways of working to inspire and challenge congregations. Footsteps is a resource to assist churches in mission-based outreach and includes a booklet, dedicated website and Facebook group.

Partnerships – (£143,838) Costs relating to ecumenical ministries were shared during 2018, and resources were also shared with poorer synods in the United Reformed Church through the Resource Sharing process. Support grants continue to be awarded to local churches where required. The Board is also apprised of and involved with collaborative arrangements between other synods in Northern Britain. These are intended to provide efficiency gains and put in place supportive and constructive working partnerships. Focus during 2018 has been on children's and youth work, guidance on buildings, supporting team ministry and IT. The Listening and Reconciliation service comprises a team of volunteers nominated by Synods and has focused upon managing conflict in group situations. The Safeguarding Advisor is continuing to work with Synod, Trust and local churches to review and strengthen systems across all parts of the Synod. Pulpit supply continues to be subsidised by the Trust for churches in Northumberland. Liaising with Solicitors regarding church investment funds is ongoing throughout the year.

Property – (£289,213) The Company continued to maintain the properties for which it is directly responsible and ensured professional advice on legal and property matters for local churches. Church surveys were carried out throughout the year and grants were awarded for church and manse repairs and improvements totalling £32,080 during 2018. Substantial work was carried out at St Cuthbert's Centre, Holy Island to eradicate woodworm and Synod confirmed its ongoing support of the Holy Island Mission Project. Improvements to Synod Offices are being planned for 2019.

Goals achieved in 2018 include:

- Review of legal advisor's appointment

Goals still in progress and carried forward to 2019 include:

- Complete reform of the investment pool
- Update data protection practice to comply with GDPR
- Synod team review
- Review strategy (Strategic maintenance and retention of properties)

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial review

During the year, total funds decreased by £430,009 (2017: Increase of £417,271) to £10,563,189. Expenditure was higher than income during 2018 and net losses on investments of £346,735 contributed substantially to the decrease in funds.

Income

The Trust is grateful for the synod levy payments received from churches and a legacy of £100,000 received during the year. Investment income of £337,879 was pleasing to note, and well ahead of expectations. Included in other income (note 5) is £35,000 for church properties handed over to the Trust for sale during 2018.

Expenditure

There were no exceptional items of expenditure during 2018.

Reserves Policy

The Company has a policy of maintaining sufficient reserves to provide the necessary income for the efficient running of the Synod's administration, and the provision of grants and donations to the church and to individuals in order to comply with the objects of the Trust. The Company's policy is to hold a level of reserves that will provide an income to meet its ongoing costs.

The Charity operates this policy taking note of the guidelines and recommendations contained in the Charity Commission document Charity reserves: building resilience CC19, while bearing in mind the need to raise sufficient income from its investments to meet its ongoing costs.

Reserves Needed

The Charity has made an assessment of the reserves it needs using the guidance given in CC19 and the categories set out in Annex 1, A Simple approach to developing a Reserves Policy. A summary of the required reserves is as follows:

- | | |
|--|----------|
| • a) To meet unforeseen emergencies and other needs | £200,000 |
| • b) To cover unforeseen day-to-day operational costs* | £60,000 |
| • c) Sources of income such as grants and donations not eventuating | £40,000 |
| • d) Planned spending commitments (eg grants to local churches
which are approved but not yet taken up) | £200,000 |
| • e) Cover against 'troughs' in the cash budget* | £200,000 |

Total Reserves Needed	£700,000
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NB * The estimates under b) and e) are based upon quarterly expenditure.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Whilst this figure is derived by using the guidelines set out in CC19, there was a case reported recently by a URC Synod similar in size to Northern Synod that it had forfeited the opportunity to receive a substantial grant because it was considered by the grant awarding body to have insufficient reserves. The Synod Trust actually held about £1.5 million in its reserves. Thus, it seems prudent for Northern Synod Trust to hold reserves in excess of £2 million to ensure it has access to grant funding as and when required.

Reserves Held (using CC19 guidelines)

Unrestricted funds in undesignated accounts (from note 24):

General funds	£ 809,770
General reserves	£2,003,645
Reserves	£2,813,415

There is no certainty as to when the designated and programme funds will be called upon but all of these funds are active and can be called upon at any time. Also the section below relating to 'Sources of Income' applies to these funds.

Excess of reserves held over CC19 calculated requirements

Using the methods of calculation for required and actual reserves set out in the Charity Commission document CC19 there is a substantial excess of reserves held. The reason for this arose from the historic and present sources of the Charity's income.

Sources of the Charity's Income

The Charity's long-standing funds come from a combination of legacies, donations and sales of redundant properties. These funds are regarded by the Charity as having some of the character and function of Endowment Funds (as defined in CC19) though they are not designated as such. In particular, the income from investments provides a substantial portion of the Charity's total income meeting the final sentence of its Reserves Policy. Without this income the Charity could have annual deficits and its reserves could diminish at an increasing rate.

Investment Policy

The majority of the available funds of the Company are invested through its nominees, primarily the CCLA (Churches, Charities and Local Authorities) Investment Management Ltd, one of the largest Charity Fund Managers in the UK. The financial policy of the company is to maximise the total return whilst maintaining a steady income by which the financial requirements of the company can be met. The portfolio is highly diversified with investment in both UK and overseas equities. CCLA operates an active ethical policy based not only on the types of activity engaged in by companies in which the fund invests, but also on active engagement over issues such as good governance and management, and good environmental policies.

It is not felt that this policy is having any detrimental effect on income or capital; the fund has returns that compare well with other investment vehicles, and performance is monitored at meetings of the investment sub-committee, which are held twice yearly. The current target is a total return of inflation plus 5% over the long term, in the COIF Charities Ethical Investment Fund. This would include the provision of a reliable income stream that maintained its real value over time. It aims to control volatility to 75% of that of the UK equity market.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Risk Management

The Directors are responsible for assessing the major risks to which the Company is exposed, and for establishing systems to mitigate those risks. The Trust maintains a risk register and considers external and internal risks to which the Company is exposed. The Trust undertakes a formal review of the risks to which it is exposed each year, with a mid-year review for monitoring purposes.

The Directors have considered 44 factors which could have a negative effect on the Company's ability to pursue its aims, both in terms of the likelihood of their occurring and the probable impact of such events. These cover governance, financial, property, office functionality, legal, human resources, and local church issues.

Significant risks identified include:

- Difficulties in appointing appropriate trustees or co-opted committee members to maintain the balance of the Trust
- Irreconcilable differences between Trust and a local church arise over trusteeship issues
- Dysfunctional board dominated by strong individuals, taking bad decisions
- Income from churches falls below levels needed by the Trust to sustain activities
- Denominational financial responsibilities have to be re-funded
- Property surveys reveal extensive and costly repairs needed to many church properties
- IT systems fail including catastrophic power failure
- Office unable to provide adequate service to Trust owing to overstretch
- Failure to adhere to legal guidelines and framework in the activities of the Trust
- HR issues involving failure to comply with legislation on the recruitment, selection and treatment of employees of Trust
- HR issues involving failure to comply with legislation on the recruitment, selection and treatment of employees of local churches part or wholly funded by Trust
- Advice on HR issues within local churches proving inadequate or misleading, and leading to difficulties with employees.

The Directors will continue to review and monitor these risks, and the adequacy of the systems in place to reduce them.

Factors Affecting Performance

The Company's ability to achieve its objectives depends on a number of factors, not necessarily within its control, such as performance of investments, and the effective coordinated work of professional advisors. In 2018 there were no significant factors of this type.

Other factors of which the Trust is cognisant include the reduction in volunteers across the synod and in churches which can cause them to close. This in turn reduces income from churches. Some remaining churches will have high maintenance costs. All of these issues have been considered by the Trust and Synod when developing future plans.

Plans for the Future

The Company plans to continue its work for the foreseeable future.

The Company has agreed in principle to support a strategic Way Forward plan for the Synod, and Trustees recognise their important role in assisting the implementation of the Synod's future strategy.

The Board reflects a broad range of professional experience within private, statutory and voluntary organisations, and of course extensive involvement with ministry and churches all of which will be drawn upon to steer the Company through the changes in the Synod which lies ahead.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Goals for 2019 include:

- Review property grants policy
- Complete the reform of the investment pool
- Complete the update of data protection practice
- Complete the changes of job descriptions and line management
- Recruit an Administrative Assistant
- Approve improvements to Synod Office
- Review Ministry & Mission calculations
- Review property strategy with Synod Executive Committee

Structure, governance and management

The United Reformed Church (Northern Province) Trust Limited (formerly known as the Durham and Northumberland Congregational Union (Incorporated)) was incorporated in England & Wales in 1914. It is a private charitable company, limited by guarantee. It is governed by its Memorandum & Articles of Association, adopted in revised form on 4 August 2009, which confer various powers, including powers to hold, maintain and administer property, money and investments; to buy and sell property and investments; and to take over any assets legally transferred to the Company.

Directors/Trustees

The Directors who served during the year were:

W.I.Buchanan
H.J.Finlayson
J.C.G.Forrest
D.Grosch-Miller
A.Hamnett
A.P.Haws
C.Hogg
J.C.Kennedy
M.J.Louis
P.B.Matthew
J.R.Tomlin

The Directors give their time voluntarily and receive no benefits from the Company. Any expenses reclaimed from the Company are set out in note 10 to the financial statements.

The Directors are appointed by the United Reformed Church Northern Synod, and the officers are appointed by the Board. A balanced Board is sought, with a mixture of experience, gender, and geographic spread. Where vacancies are identified, nominations are sought either by direct approach or advertisement amongst the 68 churches of the Synod. Under the United Reformed Church Acts 1972-2000, all members and Directors must also be members of a local church or ecumenical area of the United Reformed Church, and for this reason no candidates are sought outside the churches of the Northern Synod.

Upon appointment, all Directors are provided with an induction pack explaining the work of the Company and including the Charity Commission's leaflet *The Essential Trustee: what you need to know*. Further training is provided during the year on a range of relevant topics.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

The Board meets five times a year and receives reports, sets policies and takes major financial decisions. Subcommittees deal with investments, staff remuneration, denominational Ministry & Mission Fund assessments, church and manse properties, and human resources. Small grant applications are considered by subcommittees, with larger ones referred to the Board. Investments are monitored regularly, with quarterly reports from the Investment Managers. Periodic condition survey reports are received from the Property Consultants on local church properties.

All decisions are taken by simple majority, with the Convenor having a casting vote. The Board may make decisions by agreement of two Directors, on straightforward, non-controversial matters. The day-to-day running of the Company's affairs is carried out by two members of office staff, who are responsible to the Board. The Finance Officer and Trust Officer support the day to day working of the Trust Company. Their tasks are operational in nature and they work within parameters defined by their role descriptions. The Trust Officer supports the Trust with administrative and legal support with policy decisions referred to the Board.

The Trust has a remuneration policy to provide effective stewardship of resources as well as being objective and transparent so that salary levels are perceived as being fair and rational. The salaries of lay staff employed by the Trust are assessed when a new post is created. This is carried out an HR Consultant. In making a recommendation of an appropriate salary level account is taken of:

- Levels of remuneration for posts of comparable responsibility within the not for profit sector in the North East of England
- Salaries being paid by the URC and other denominations across the United Kingdom.

The proposed salary and its rationale are then discussed with the Remuneration Committee and the outcome recommended to the Trust. Salaries of lay staff are reviewed annually to reflect changes in the level of responsibility and increases in the cost of living which have occurred in the last 12 months. In exceptional circumstances a bonus payment may be recommended by the Remuneration Committee to reflect the performance of duties well in excess of what might normally be expected of the post-holder.

Relations with other Parties

The Company carries out its activities in concert with and in support of the United Reformed Church Northern Synod, an unregistered unincorporated charitable association.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of Directors' responsibilities

The directors, who also act as trustees for the charitable activities of The United Reformed Church (Northern Province) Trust Limited, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts 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.

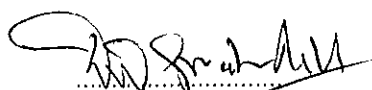
Auditor

A resolution proposing that RMT Accountants & Business Advisors Ltd be reappointed as auditor of the company will be put at a Board Meeting.

Disclosure of information to auditor

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Directors' report was approved by the Board of Directors.



D. Grosch-Miller
Director (Convenor)

Dated: 31/3/19

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

Opinion

We have audited the financial statements of The United Reformed Church (Northern Province) Trust Limited (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 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 Directors 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 Directors

As explained more fully in the statement of Directors' responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**TO THE MEMBERS OF THE UNITED REFORMED CHURCH (NORTHERN PROVINCE)
TRUST LIMITED**

.....S.D. 

Mr Stephen Slater (Senior Statutory Auditor)
for and on behalf of RMT Accountants & Business Advisors Ltd
Statutory Auditor
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Date: 3/9/2019

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Income and endowments						
Donations and legacies	3	177,402	15,043	-	192,445	158,572
Investments	4	304,492	49,908	-	354,400	280,604
Other income	5	20,810	37,450	-	58,260	250,170
Total income and endowments		502,704	102,401	-	605,105	689,346
Expenditure						
<i>Raising funds</i>						
Investment management	6	-	-	-	-	9,844
		-	-	-	-	9,844
Charitable activities	7	507,689	143,618	-	651,307	618,622
Other expenditure	12	-	17,072	-	17,072	84,898
Total resources expended		507,689	160,690	-	668,379	713,364
Net gains on investments	13	(296,539)	(50,196)	-	(346,735)	555,289
Net (outgoing)/incoming resources before transfers		(301,524)	(108,485)	-	(410,009)	531,271
Gross transfers between funds		(67,654)	67,654	-	-	-
Net (outgoing)/incoming resources		(369,178)	(40,831)	-	(410,009)	531,271
Other recognised gains and losses						
Other gains or losses	14	(20,000)	-	-	(20,000)	(114,000)
Net movement in funds		(389,178)	(40,831)	-	(430,009)	417,271
Fund balances at 1 January 2018		9,154,797	1,638,401	200,000	10,993,198	10,575,927
Fund balances at 31 December 2018		8,765,619	1,597,570	200,000	10,563,189	10,993,198

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	16	793,381		805,386	
Investment properties	15	155,000		210,000	
Investments	18	9,171,039		9,149,002	
		<u>10,119,420</u>		<u>10,164,388</u>	
Current assets					
Debtors falling due after one year	19	27,001		26,004	
Debtors falling due within one year	19	23,377		45,531	
Investments	20	230,000		646,000	
Cash at bank and in hand		338,752		331,988	
		<u>619,130</u>		<u>1,049,523</u>	
Creditors: amounts falling due within one year	21	<u>(24,309)</u>		<u>(44,445)</u>	
Net current assets		594,821		1,005,078	
Total assets less current liabilities		<u>10,714,241</u>		<u>11,169,466</u>	
Provisions for liabilities	22	<u>(151,052)</u>		<u>(176,268)</u>	
Net assets		<u>10,563,189</u>		<u>10,993,198</u>	
Capital funds					
Endowment funds	23	200,000		200,000	
Income funds					
Unrestricted funds	24	8,765,619		9,154,797	
Restricted funds	25	1,597,570		1,638,401	
		<u>10,563,189</u>		<u>10,993,198</u>	

The accounts were approved by the Directors on 31/9/19


A.P. Haws
Director


D. Grosch-Miller
Director

Company Registration No. 134549

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash absorbed by operations	32	(427,409)		(276,187)	
Investing activities					
Purchase of tangible fixed assets		(2,454)		(7,207)	
Proceeds on disposal of tangible fixed assets		396,000		341,009	
Purchase of investments		(313,773)		(8,616,647)	
Proceeds on disposal of investments		-		8,197,006	
Rental income		15,000		15,000	
Investment management fees		-		(9,844)	
Interest / dividends received		339,400		265,604	
Net cash generated from investing activities			434,173		184,921
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			6,764		(91,266)
Cash and cash equivalents at beginning of year			331,988		423,254
Cash and cash equivalents at end of year			338,752		331,988

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Charity information

The United Reformed Church (Northern Province) Trust Limited is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office is 4 College Lane, Newcastle upon Tyne, NE1 8JJ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Transfers to and from the General Reserve Fund to designated funds are made in accordance with the annual budget and in accordance with need. Funds are closed when the purpose for which they were created comes to an end, or it is otherwise resolved to discontinue them.

Details of the nature and purpose of each fund are explained in note 27.
Designated funds are determined by the Board.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income arising on endowed funds is treated as an addition to the endowment.

1.5 Resources expended

Expenditure is accounted for on an accruals basis. Grants payable are voluntary payments to individuals, local URC churches or other organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff and governance costs which support the charity and its activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 10.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold properties have been brought into the financial statements at the value at which they had previously been included in the accounts of the Northern Synod in 2009. Properties brought in after this date are valued at market value on donation or purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	25% straight line
Loans	No depreciation

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Donations and gifts	77,347	15,043	92,390	115,217
Legacies receivable	100,055	-	100,055	3,355
Grants receivable	-	-	-	40,000
	<u>177,402</u>	<u>15,043</u>	<u>192,445</u>	<u>158,572</u>
For the year ended 31 December 2017	<u>94,962</u>	<u>63,610</u>		<u>158,572</u>
Donations and gifts				
Contributions from local churches	74,453	-	74,453	76,999
Donations	2,050	258	2,308	20,612
M&M contributions	844	14,785	15,629	16,543
Other	-	-	-	1,063
	<u>77,347</u>	<u>15,043</u>	<u>92,390</u>	<u>115,217</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Investments

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Rental income	15,000	-	15,000	15,000
Income from listed investments	288,194	49,685	337,879	264,322
Interest receivable	1,298	223	1,521	1,282
	<u>304,492</u>	<u>49,908</u>	<u>354,400</u>	<u>280,604</u>
For the year ended 31 December 2017	<u>243,381</u>	<u>37,223</u>		<u>280,604</u>

Rental income from investment properties is accounted for under income from investments.

5 Other income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Net gain on disposal of tangible fixed assets	-	-	-	50,398
Properties held for sale	-	35,000	35,000	170,000
Other income	5,284	500	5,784	888
Rental income	15,526	-	15,526	15,604
Monies received from investors	-	1,950	1,950	13,280
	<u>20,810</u>	<u>37,450</u>	<u>58,260</u>	<u>250,170</u>
For the year ended 31 December 2017	<u>66,064</u>	<u>184,106</u>		<u>250,170</u>

Church properties handed over to the Trust for sale during 2018 are shown under properties held for resale. Properties that remain unsold have been included as current assets in assets held for sale, valued at expected sale value.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Investment management	-	-	-	9,844
	-	-	-	9,844
For the year ended 31 December 2017				
Investment management	8,465	1,379		9,844

The above fees are calculated as a percentage of the investment portfolio value and commissions are offset against this amount.

7 Charitable activities

	Notes	Discipleship £	Mission Partnership £	Property £	Total 2018 £	Total 2017 £
Direct activities		15,974	9,083	28,111	209,252	262,420
Grant funding	8	7,507	86,110	22,647	22,245	138,509
Support costs	10	63,859	32,671	91,554	56,191	244,275
Governance costs	10	1,526	1,526	1,526	1,525	6,103
		88,866	129,390	143,838	289,213	651,307
Analysis by fund						
Unrestricted funds		88,866	129,390	113,229	176,204	507,689
Restricted funds		-	-	30,609	113,009	143,618
		88,866	129,390	143,838	289,213	651,307
For the year ended 31 December 2017						
Unrestricted funds		88,557	98,241	161,190	229,574	577,562
Restricted funds		-	-	33,110	7,950	41,060
		88,557	98,241	194,300	237,524	618,622

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Grants payable

	Discipleship	Mission Partnership	Property	Total	Total
	£	£	£	2018	2017
				£	£
Grants to Institutions:					
Newcastle Central and East Circuit	-	50,000	-	50,000	-
St Columba's URC, Billingham	-	30,107	-	30,107	-
Roker URC, Sunderland	-	-	23,693	23,693	-
St Columba's URC, Billingham	-	10,037	-	10,037	-
Tynedale Churches	-	-	10,000	10,000	-
St Andrew's URC, Glanton	-	-	4,032	4,032	-
St Andrew's Dawson Street, Crook LEP	-	3,000	-	3,000	-
St James's URC, Alnwick	-	-	-	-	23,016
North East Churches Acting Together	-	-	-	-	15,669
Rothbury URC	-	-	-	-	10,260
Northumbrian Industrial Mission	-	-	-	-	9,000
Faith in Our Community	-	-	-	-	7,000
Keld URC	-	-	-	-	5,910
St John's URC, Wideopen	-	-	-	-	5,113
Falstone & Kielder URC	-	-	-	-	4,397
Bellingham LEP	-	-	-	-	3,908
Crookham URC	-	-	-	-	3,400
Robert Stewart Memorial URC, Newcastle	-	-	-	-	3,150
Ponteland URC and Wideopen URC	-	-	-	-	3,000
Less grants no longer required	-	(13,077)	-	(22,912)	(9,882)
Minor institutional grants	3,812	6,043	11,750	4,355	25,960
	3,812	86,110	21,750	22,245	133,917
					118,014
Grants to individuals	3,695	-	897	-	4,592
	7,507	86,110	22,647	22,245	138,509
					121,830

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

Discipleship

Discipleship grants are awarded for specific developments and projects which strengthen individual or group faith experience.

Mission

Mission grants are awarded to fund events and projects central to the company's purpose including promoting evangelism and church growth.

Partnership

Partnership grants are awarded to support joint working with ecumenical, community and global partners.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Grants payable

(Continued)

Property

Property grants are awarded to support local churches in funding proper care of their properties.

9 Directors

None of the Directors (or any persons connected with them) received any remuneration during the year, but 7 of them were reimbursed a total of £1,241 travelling and other expenses (2017: 11 were reimbursed £1,434).

10 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Staff costs	193,999	-	193,999	181,904
Depreciation	3,088	-	3,088	2,780
Office & executive	36,860	-	36,860	97,154
Office staff costs	5,154	-	5,154	5,999
Resource staff costs	5,174	-	5,174	5,613
Auditors remuneration	-	6,000	6,000	6,000
Sundry expenses	-	103	103	274
	<u>244,275</u>	<u>6,103</u>	<u>250,378</u>	<u>299,724</u>
Analysed between				
Charitable activities	<u>244,275</u>	<u>6,103</u>	<u>250,378</u>	<u>299,724</u>

Basis of allocation

	Office & executive	Office staff	Resource staff
	%	%	%
Discipleship	25	17	55
Mission	25	13	5
Partnership	25	40	40
Property	25	30	-
	<u>100</u>	<u>100</u>	<u>100</u>

Support and governance costs are allocated as an approximation of average working time for staff costs, and equally between all categories for the running costs of the Synod Office and the Synod Executive Committee.

Governance costs includes payments to the auditors of £5,000 (2017: £5,000) for audit fees and £1,000 (2017: £1,000) for non audit services.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Head count	13	7
Full-time equivalent	5	5

Employment costs

	2018 £	2017 £
Wages and salaries	138,212	129,454
Social security costs	12,066	10,998
Other pension costs	43,721	41,452
	<u>193,999</u>	<u>181,904</u>

Key management are considered to be the Directors of the Trust, none of whom received any remuneration this year or in the previous year.

There were no employees whose annual remuneration was £60,000 or more.

12 Other expenditure

	Unrestricted funds	Restricted funds	Total 2018 £	Total 2017 £
Loss on disposal of tangible fixed assets	-	-	-	66,599
Monies paid to investors	-	17,072	17,072	14,630
Charity collections paid out	-	-	-	3,669
	<u>-</u>	<u>17,072</u>	<u>17,072</u>	<u>84,898</u>
For the year ended 31 December 2017	<u>66,599</u>	<u>18,299</u>		<u>84,898</u>

13 Net gains/(losses) on investments

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Revaluation of investments	(241,539)	(50,196)	(291,735)	555,289
Revaluation of investment properties	(55,000)	-	(55,000)	-
	<u>(296,539)</u>	<u>(50,196)</u>	<u>(346,735)</u>	<u>555,289</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

13 Net gains/(losses) on investments (Continued)

For the year ended 31 December 2017	470,568	84,721	555,289
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14 Other gains or losses

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Fair value movement on assets held for sale	20,000	-	20,000	114,000
For the year ended 31 December 2017	114,000	-		114,000

15 Investment property

	2018 £
Fair value	
At 1 January 2018	210,000
Net gains or losses through fair value adjustments	(55,000)
At 31 December 2018	155,000

The above property, Blyth URC, was obtained in 2009 and included at a valuation of £210,000 derived from the market value as calculated by an independent valuer. An updated valuation was obtained during 2018 and property is now valued at £155,000.

16 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Loans £	Total £
Cost				
At 1 January 2018	559,950	41,154	286,489	887,593
Additions	-	2,454	-	2,454
At 31 December 2018	559,950	43,608	286,489	890,047
Depreciation and impairment				
At 1 January 2018	47,539	34,668	-	82,207
Depreciation charged in the year	11,370	3,089	-	14,459
At 31 December 2018	58,909	37,757	-	96,666
Carrying amount				
At 31 December 2018	501,041	5,851	286,489	793,381
At 31 December 2017	512,411	6,486	286,489	805,386

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Tangible fixed assets

(Continued)

Freehold properties comprised in the total above are functional assets and managed by the Trust. Loans relate to properties for the purpose of providing houses for some ministers, retired ministers and their spouses. These properties are managed by the United Reformed Church Retired Minister's Housing Society Limited.

17 Financial instruments	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	47,733	56,048
Equity instruments measured at cost less impairment	9,171,039	9,149,002
Instruments measured at fair value through profit or loss	230,000	646,000
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	24,309	44,445
	<u> </u>	<u> </u>

18 Fixed asset investments

	Common investment fund £	Traidcraft Investment £	Total £
Cost or valuation			
At 31 December 2018	9,147,496	1,506	9,149,002
Additions	313,773	-	313,773
Valuation changes	(291,736)	-	(291,736)
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	9,169,533	1,506	9,171,039
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 December 2018	9,169,533	1,506	9,171,039
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2017	9,147,496	1,506	9,149,002
	<u> </u>	<u> </u>	<u> </u>
Historical cost			
At 31 December 2018	9,169,533	1,506	9,171,039
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2017	9,147,496	1,506	9,149,002
	<u> </u>	<u> </u>	<u> </u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Other debtors	20,732	30,044
Prepayments and accrued income	2,645	15,487
	<u>23,377</u>	<u>45,531</u>

	2018	2017
	£	£
Amounts falling due after more than one year:		
Other debtors	<u>27,001</u>	<u>26,004</u>
Total debtors	<u>50,378</u>	<u>71,535</u>

20 Current asset investments

	2018	2017
	£	£
Assets held for sale	<u>230,000</u>	<u>646,000</u>

21 Creditors: amounts falling due within one year

	2018	2017
	£	£
Other creditors	8,659	17,317
Accruals and deferred income	15,650	27,128
	<u>24,309</u>	<u>44,445</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

22 Provisions for liabilities	2018 £	2017 £
Grant provisions	151,052	113,268
Pension provisions	-	63,000
	<u>151,052</u>	<u>176,268</u>

Movements on provisions:

	Grant provisions £
At 1 January 2018	176,268
Additional provisions in the year	161,421
Reversal of provision	(22,912)
Utilisation of provision	(163,725)
At 31 December 2018	<u>151,052</u>

Included in the above grants are amounts which are expected to be paid after more than one year totalling £77,338 (2017: £26,946).

Grants are normally awarded with a maximum contribution towards costs and a time frame to be claimed. If the grant is under spent or not claimed within the allotted time frame, the unclaimed grant provision is reversed.

A full list of the individuals and institutions to which the grants have been committed is available on request from the Synod office.

23 Endowment funds

	Balance at 1 January 2018	Incoming resources	Movement in funds			Balance at 31 December 2018
	£	£	Resources expended	Transfers	Revaluations gains and losses	£
Permanent endowments						
RMH endowed fund	200,000	-	-	-	-	200,000
	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

24 Unrestricted funds

	Movement in funds					
	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2018
	£	£	£	£	£	£
General fund	604,986	481,234	(304,457)	50,649	(22,642)	809,770
General reserve	2,079,093	500	(12,740)	-	(63,208)	2,003,645
Property valuations	1,457,515	-	(11,370)	-	(471,000)	975,145
Manse fund	3,282,490	1,392	(2,686)	-	(100,684)	3,180,512
Property fund	351,331	18,734	(77,280)	(194,277)	382,449	480,957
Mission fund	1,107,592	-	(90,065)	75,974	(38,378)	1,055,123
Ministers' pension	163,402	-	-	-	-	163,402
Dr Brand legacy	15,357	844	-	-	(505)	15,696
Synod Way Forward Fund	93,031	-	(9,091)	-	(2,571)	81,369
	<u>9,154,797</u>	<u>502,704</u>	<u>(507,689)</u>	<u>(67,654)</u>	<u>(316,539)</u>	<u>8,765,619</u>

25 Restricted funds

	Movement in funds					
	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2018
	£	£	£	£	£	£
Dales fund	36,415	-	-	-	(1,117)	35,298
Ministry & mission fund	110,342	14,785	(17,463)	-	(3,943)	103,721
Moderator's benevolent fund	9,235	2	(895)	-	-	8,342
Mozambique partnership fund	15,455	548	(750)	-	(451)	14,802
Mozambique project fund	399	282	-	-	(21)	660
Northumberland project fund	3,182	-	-	-	(98)	3,084
Student's fund	8,771	-	-	-	(269)	8,502
Pulpit supply fund	10	-	351	-	-	361
Trust capital funds	743,373	60,891	(120,508)	67,654	(23,856)	727,554
Church funds	671,219	25,893	(19,231)	-	(20,441)	657,440
Northernly Synod listening and rec fund	40,000	-	(2,194)	-	-	37,806
	<u>1,638,401</u>	<u>102,401</u>	<u>(160,690)</u>	<u>67,654</u>	<u>(50,196)</u>	<u>1,597,570</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

26 Analysis of net assets between funds

	Unrestricted £	Restricted £	Endowed £	Total £
Fund balances at 31 December 2018 are represented by:				
Tangible assets	593,381	-	200,000	793,381
Investment properties	155,000	-	-	155,000
Investments	7,587,074	1,583,965	-	9,171,039
Current assets/(liabilities)	565,427	29,394	-	594,821
Provisions	(135,263)	(15,789)	-	(151,052)
	<u>8,765,619</u>	<u>1,597,570</u>	<u>200,000</u>	<u>10,563,189</u>

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

27 Nature and purpose of funds

General fund

This fund is unrestricted, and was set up by Trust resolution in 2009, and designated for the day-to-day running of the Northern Synod. It was originally formed by combining various designated funds, and is now funded from contributions from local churches, investment income and property sales. This asset is represented by pooled investments and cash and office furniture and fittings.

General reserve fund

This fund is unrestricted, and consists of all the undesignated monies of the Synod. This asset is represented by pooled investments and cash.

Property valuations fund

This fund is unrestricted, and was set up in 2009. This asset is represented solely by property.

Manse fund

This fund is unrestricted, and was set up in 2006, and is funded from the sale of manses and retired ministers' houses. This asset is represented by pooled investments and cash.

Property fund

This fund is unrestricted, and was set up by Trust resolution in 2009 and is designated for making grants to churches and expenses incurred by the Trust in respect of property matters. It is funded from the sale of churches and halls and is represented by pooled investments and cash.

Mission fund

This fund is unrestricted, and was set up by Trust resolution in 2009. This fund is designated for the provision of grants for small church/community projects and longer term Partners in Mission projects which will require more substantial funding. The fund is a combination of the Development Fund and a legacy received, and is now funded from the sales of properties and donations from local churches. This asset is represented by pooled investments and cash.

Ministers' pension fund

This fund is unrestricted and is designated for contributing to the deficit on the URC ministers' pension fund. It arises from the sale of churches and is represented by pooled investments and cash.

Dr Brand legacy fund

This fund is unrestricted and arises from legacy income and is represented by pooled investments and cash.

Synod Way Forward Fund

This fund is unrestricted and designated to manage costs relating to the Synod Way Forward. It is represented by pooled investments and cash.

Dales fund

The Dales Fund is restricted and is used to support rural ministry and properties in Swaledale. It is represented by pooled investments and cash.

Ministry and mission fund

This fund is restricted, and was set up in 1992, for the sole purpose of meeting ministry and mission commitments as necessary. It arises from accumulated surpluses and transfers from the Lancashire Congregational Union and North Tyne fund. Contributions from and to ecumenical partners are posted through this fund. This asset is represented by pooled investments and cash.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

27 Nature and purpose of funds

(Continued)

Moderator's benevolent fund

This fund is restricted, and was set up in 1996 for the sole purpose of making discretionary grants to individuals. It arises from donations received by the Moderator. This asset is represented by one designated bank account and pooled investments and cash.

Mozambique partnership fund

This fund is restricted and was created in 2010 to sustain the partnership between Northern Synod and the Igreja Presbiteriana de Moçambique. The fund is supported by general donations from individuals and the General Reserve Fund. The asset is represented by pooled investments and cash.

Mozambique project fund

This fund was established in 2010 and is restricted. The fund was set up to collect donations from individuals, to support specific projects relating to the Partnership in Mozambique. The asset is represented by pooled investments and cash.

Northumberland project fund

This fund is restricted and was set up for the sole purpose of making grants for suitable projects in North Northumberland. This donation was received from Chatton United Reformed Church on closure of the church during 2016. The fund is to be held for a period of 5 years. The asset is represented by pooled investments and cash.

Students' fund

The Students' Fund was transferred from Newcastle Presbytery and is restricted to provide book grants to ministerial students. The asset is represented by pooled investments and cash.

Pulpit supply fund

This fund is restricted and was set up in 2011 to collect contributions from local churches and pay preaching fees and expenses in Northumberland. This asset is represented by pooled investments and cash.

Trust capital funds

These funds are restricted and arose from the sale of properties, and have been designated by Synod resolution for specific churches. These assets are represented by pooled investments and cash.

Church funds

These funds are restricted and are held on behalf of local churches. These assets are represented by pooled investments and cash.

Northerly Synods Listening and Reconciliation Fund

This fund is restricted and was set up in 2017. This fund will manage the grant received for this project in the five Northerly Synods and is represented by cash.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

28 Operating lease commitments

Lessor

The company owns an investment property for rental purposes. Rental income earned during the year was £15,000. The property has a committed tenant until 2024.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2018 £	2017 £
Within one year	15,000	15,000
Between two and five years	60,000	60,000
In over five years	15,000	30,000
	<hr/>	<hr/>
	90,000	105,000
	<hr/>	<hr/>

29 Related party transactions

There were no disclosable related party transactions during the year (2017: none).

30 Properties vested in the company as custodian trustee

A comprehensive list of properties vested in the company is available on request to the URC Northern Synod Office.

THE UNITED REFORMED CHURCH (NORTHERN PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

31 Retirement benefit schemes

Final salary (defined benefit) pension scheme

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

The Trust contributed 28.2% (2017: 28.2%) of basic salary in respect of members of the Final Salary scheme, amounting to £43,721 (2017: £41,452).

Triennial actuarial valuations of the Final Salary scheme are performed by a qualified independent actuary. The most recent formal actuarial review of the scheme was September 2016 and concluded in December 2017 when the scheme had a deficit of £5,445k. 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
Price Inflation and pension increase:	2.2%
Retirement age (active members):	65, with maximum commutation

During the year the United Reformed Church Trust made a lump sum payment of £627,520 towards reducing the deficit of the pension scheme. The Trust contributed £63,000 towards this payment. This has allowed the contribution rates of both the employers and employees to remain unchanged. Contribution by members is currently 7.5% of pensionable salary and a salary sacrifice arrangement was put in place for most members in the scheme.

Ministers' Pension Fund

It has been agreed during 2019 that the Ministers' Pension fund is to be handed over to URC London to contribute towards the deficit.

32 Cash generated from operations	2018 £	2017 £
(Deficit)/surplus for the year	(430,009)	417,271
Adjustments for:		
Investment income recognised in statement of financial activities	(354,400)	(280,604)
Investment expenditure recognised in investing activities	-	9,844
(Gain)/loss on disposal of tangible fixed assets	-	16,201
Fair value gains and losses on investment properties	55,000	-
Fair value gains and losses on investments	291,736	(555,289)
Fair value movement on assets held for sale	20,000	114,000
Depreciation and impairment of tangible fixed assets	14,459	14,150
Movements in working capital:		
Decrease/(increase) in debtors	21,157	(12,830)
(Decrease) in creditors	(20,136)	(1,330)
Increase/(decrease) in provisions	(25,216)	2,400
Cash absorbed by operations	(427,409)	(276,187)