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

Charity registered no: 1068103

Company registered no: 1562723

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2013**

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**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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

**Reference and Administrative Information**

<b>Company registration number:</b>	1562723
<b>Charity registration number:</b>	1068103
<b>Registered Office:</b>	Somerset House, St Paul's Street Morley, Leeds, LS27 9EP Telephone 0113 289 8490 Fax 0113 289 8491 Email office@urcyorkshire.org.uk
<b>Web Site:</b>	www.urcyorkshire.org.uk
<b>Trustees &amp; Directors:</b>	Miss M E Atkinson Mr A B Brook (to 17 <sup>th</sup> September 2013) Rev D G Coote (Treasurer) Mr S Gooder (from 9 <sup>th</sup> March 2013) Prof T B C McGuffog Mrs A Oldknow Mr J C Reed Rev K Watson
<b>Secretary to Trustees &amp; Company Secretary:</b>	Mrs Sheila Duncan
<b>Bankers:</b>	National Westminster Bank plc Leeds City Branch, PO Box 154, 8 Park Row, Leeds, LS1 1QS
<b>Solicitors:</b>	Lupton Fawcett LLP Yorkshire House, East Parade, Leeds, LS1 5BD
<b>Auditors:</b>	Jolliffe Cork LLP Chartered Accountants and Statutory Auditor, 33 George Street, Wakefield, WF1 1LX
<b>Investment Managers:</b>	Brewin Dolphin Securities 34 Lisbon Street, Leeds, LS1 4LX
<b>Property Advisers:</b>	Walker Singleton Property House, Lister Lane, Halifax, HX1 5AS

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

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**Structure, Governance and Management**

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

The membership consists of the members for the time being of the Synod Council of the Yorkshire Synod of the United Reformed Church. At 31 December 2013 the number of members totalled 17 (2012 – 18). In the event of the Association being wound up, every person who is a member, or who has been a member within one year, is liable to contribute to the debts and liabilities of the Association a sum not exceeding £1.

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

Sadly the Executive Council has lost the services of Mr A B Brook who tendered his resignation in September 2013. From March 2013, Mr S Gooder joined the Council and those listed on page 1 are the only directors to serve from the beginning of the year to the date of this report.

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

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

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

**Connected Charities**

The United Reformed Church (Yorkshire Province) Trust Limited is connected with the Yorkshire Congregational Union (Incorporated) which is custodian trustee to most of the local churches of the United Reformed Church in its Yorkshire Synod. The Yorkshire Congregational Union (Incorporated) shares the United Reformed Church (Yorkshire Province) Trust Limited offices and administration, for which it pays a small charge based on its income. The two organisations have common trustees.

**Risk management**

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

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

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**Objectives and Activities**

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

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

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

**Significant activities**

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

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

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

Administering the investments and property of the churches

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

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

Providing training and resources for the enabling of...

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

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

Management and maintenance of investments and properties held for the use of the Association

**Public Benefit**

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

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

This benefit is available to all communities who are within reach of one of more than 100 churches that are situated across Yorkshire. Further details are to be found throughout the remainder of this report.

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

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**Grants Policy**

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

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

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

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

Synod Mission Fund grants applications are considered by the Mission Fund Panel which meets twice a year. The Panel consists of the Synod Clerk, Synod Treasurer, and Conveners of the Synod Pastoral, Ministries and Property Committees; and the Co-ordinator of the Synod Mission Enabling Group.

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

All grants are accounted for once a decision has been reached and the church notified and grants will be held for a maximum of three years. Any delay longer than this will require a fresh application.

**Achievements and Performance**

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

It is pleasing to report that the Synod had three students training as Ministers of Word and Sacrament during the year. Two of these finished their training in 2013, with one being ordained, one continuing study for their PhD, and the third in their final year at Northern College, Manchester.

Work continues to enable and resource the ministry of our Elders with a day conference held in May 2013, entitled "Touching Lives- Transforming Lives." Other training and equipping events included - Conflict Awareness Days, Preaching the Parables, Annual Ministers Retreat, Two Words and God, Theological Reading Day – thinking together about 'busyness' in ministry. All these events were designed to encourage and equip those serving throughout the Synod.

Following completion of the Vision4Life programme in 2012, the Synod focused on the theme of Generous Hospitality. A group was established, and a series of Road Shows have taken place around the Synod throughout the year, and three more are set for February, March and April 2014.

Continuing from 2012 the Ministries Committee, presented to the March Synod a strategy entitled "Many are called" ... is a flexible framework for mission and ministry across Yorkshire. It aims to encourage and enable local churches, in partnership with the wider church, to identify and resource appropriate ministry in order to fulfil their identified mission priorities. It encompasses the ministry of all believers, lay and ordained, paid and voluntary.

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

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**Achievements and Performance (continued)**

The system for pastoral care of the churches called the 'Local Ministry and Mission Review' (LMMR) has continued to grow during the year with further Church Life Reviews taken place during 2013. These reviews are enabling churches to discern, design and develop mission and ministry in their communities.

The Synod Mission Fund continued throughout the year to help churches establish creative and innovative missionary projects, which this year have focused on community, family, children and youth, with a scheme for the carers of Alzheimer's sufferers. In 2013 the fund made 10 awards totalling £111,060. The fund continues to benefit from the 'Synod Policy for Redundant Manses and Manse Funds' which was adopted in October 2011. Where Manse Funds are declared redundant, 75% is released to the local church and 25% is transferred to the Synod Mission Fund. In 2013, £28,509 was received by this route.

The performance of the investment portfolios was assessed by the Investment Sub Committee on behalf of the trustees and the income received was 6% above the budget set by the Synod for 2013. This was an encouraging performance considering the continuing problems in the financial markets. Forecasts for the future still remain a little uncertain.

**Future Plans**

The third Elders Conference in Yorkshire is planned for March 2104 with the title "Reaching Out – Reaching In – Developing Christian Spirituality for a Multi-faith World". The Keeping InTouch newsheet is now on its third edition.

The United Reformed Church in Yorkshire is running out its planned campaign entitled 'Generous Hospitality' aimed at helping churches to open up to their local communities in a radical way. Roadshows are to be held around Yorkshire between Easter 2013 and Easter 2014 and a toolkit will be made available for use in local churches.

The recession is causing financial pressures for the United Reformed Church at National, Synod and Church levels and attempts will continue into 2014, to contain or reduce budgets whilst maintaining the mission and ministry to which the church is called.

One significant change in 2013 was the retirement, after 24 years in post, of the Synod Office Manager. An appointment was made and the replacement started in June. The remaining staff members were proved to be highly experienced, greatly assisted in the handover and the integration of the new member of the team.

The hard work of the Strategy Group established in 2012 culminated in a proposal to and accepted by Synod to seek a person for a one year term, to specifically look at, and establish a strategy for the best way of enabling the ministry of youth and children's work in the coming years. At the October Synod we were introduced to Mr Chris Cranswick who subsequently started in post in November 2013.

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

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**Financial Review**

**Results for the year**

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2005.

The excess of income over expenditure for the year amounted to £273,601 (in 2012 there was an excess of expenditure over income of £30,608).

**Reserves policy**

Reserves are unrestricted funds which are not held as fixed assets. Reserves will normally be held to finance the work of the United Reformed Church in Yorkshire, together with its responsibilities to the work nationally, for a period of 12 months. The average resources expended from unrestricted funds, over the three years, to 31 December 2013, was £314,462 and the level of reserves at that date was £515,201. The Executive Council has no plans to alter the level of reserves at this time but this Reserves policy will be reviewed annually.

**Use of Funds**

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

**Investment policy and investment powers**

On 21 November 2012 the Executive Council reviewed the Investment Policy Statement and confirmed the Policy Document of that date. This document outlines the responsibilities of the various committees within the Synod and contains details of the Discretionary Management of the Investments by Brewin Dolphin Securities Ltd. The policy document also outlines the Requirements, Restrictions, Recording and Reporting under which the Managers will operate.

**Property**

All property under the control of the Association is shown at market value as indicated in notes 9 and 11 of the Financial Statements. The valuations used were those provided by Walker Singleton, as at 31 December 2010.

**Statement of responsibilities of the Executive Council**

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

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



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

**TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

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

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

- there is no relevant audit information of which the Association's auditor is unaware; and
- the Executive Council have taken all steps which they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

**Auditors**

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

SIGNED ON BEHALF OF THE EXECUTIVE COUNCIL

Revd D G Coote (Treasurer)

Mr J C Reed (Executive Council Member)

18<sup>th</sup> March 2014

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**

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We have audited the financial statements of The United Reformed Church (Yorkshire Province) Trust Limited for the year ended 31 December 2013, which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, set out on pages 6 and 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> December 2013 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED (continued)**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

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 regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

**Dated this 18<sup>th</sup> March 2014**

**Claire Lawton (Senior Statutory Auditor)  
For and on behalf of Jolliffe Cork LLP  
Chartered Accountants and Statutory Auditor  
33, George Street,  
Wakefield, WF1 1LX**

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

		Unrestricted Funds	Restricted Funds	Endowment Funds	2013 Total Funds	2012 Total Funds
	Note	£	£	£	£	£
<b>INCOMING RESOURCES</b>						
<b>Voluntary income</b>						
Gifts, donations and legacies		78,347	473		78,820	68,006
Gift from churches		-	-		-	12,323
<b>Investment income</b>						
Income from quoted investments		215,966	13,770		229,736	228,001
Investment property rents		22,993			22,993	32,069
Interest on bank balances		2,333	7,518		9,851	12,921
<b>Incoming resources from charitable activities</b>						
Mission and Ministry fund income		57,816			57,816	-
Interest on loans to churches & ministers		125	2,322		2,447	2,443
Net proceeds of redundant manse funds and sale of redundant churches	2	-	277,441		277,441	64,320
Transfers from amalgamated churches or local ecumenical partnerships	2		87,354		87,354	-
Management charge		1,473			1,473	-
<b>Total incoming resources</b>	16	379,053	388,878	-	767,931	420,083
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Managing investments	4	14,659	22,027	4,966	41,652	38,932
<b>Charitable activities</b>						
Grantmaking	5	50,448	111,060	-	161,508	102,827
Loss on sale of tangible asset		-	9,258		9,258	4,826
Other charitable activities	5	247,368	18,660	-	266,028	288,647
<b>Governance costs</b>	6	20,850	-	-	20,850	20,168
<b>Total resources expended</b>		333,325	161,005	4,966	499,296	455,400
<b>Net incoming resources before transfers</b>						
		45,728	227,873	(4,966)	268,635	(35,317)
<b>Gross transfers between funds</b>	16	3,954	(3,954)	-	-	-
<b>other recognised gains and losses</b>		49,682	223,919	(4,966)	268,635	(35,317)
Gains on revaluation of fixed assets for the charity's own use	9	-	-	-	-	-
Gains/(losses) on investment assets	11	47,749	361,468	82,876	492,093	367,789
<b>Net movement in funds</b>		97,431	585,387	77,910	760,728	332,472
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>						
At 1 January 2013		424,019	6,845,093	973,645	8,242,757	7,910,285
<b>Total funds carried forward</b>						
At 31 December 2013	16 & 17	521,450	7,430,480	1,051,555	9,003,485	8,242,757

**THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

	2013 £	2012 £
Total income of continuing operations	767,931	420,083
Total expenditure of continuing operations	494,330	450,691
	<hr/>	<hr/>
Net income / (expenditure) for the year	273,601	(30,608)
Realised profit / (loss) on disposal of fixed asset investments	32,237	45,402
	<hr/>	<hr/>
<b>Net income / (expenditure) for the period</b>	<b>305,838</b>	<b>14,794</b>
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**Notes**

Total income comprises £379,053 for unrestricted funds and £388,878 for restricted funds. A detailed analysis of income by source is given in the Statement of Financial Activities.

Analyses of expenditure are provided in the Statement of Financial Activities and notes 3 to 5.

Net income before investment asset disposals of £273,601 comprises £49,682 net income on unrestricted funds and £223,919 net income on restricted funds, as shown by the Statement of Financial Activities.

Activities which together with the notes 1 to 20 provides full information on the movements during the year on all the charity's funds.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

BALANCE SHEET AT 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	9	847,737	1,088,231
Investments	11	6,540,000	6,075,994
		<u>7,387,737</u>	<u>7,164,225</u>
<b>Current assets</b>			
Debtors	12	101,870	114,123
Short term deposits		1,637,114	1,017,114
Cash at bank and in hand		6,194	11,507
		<u>1,745,178</u>	<u>1,142,744</u>
<b>Creditors: amounts falling due within one year</b>	14	<b>(62,299)</b>	<b>(29,712)</b>
Net current assets		<u>1,682,879</u>	<u>1,113,032</u>
<b>Total assets less current liabilities</b>		<b>9,070,616</b>	<b>8,277,257</b>
Creditors: amounts falling due after more than one year	15	(67,131)	(34,500)
		<u>9,003,485</u>	<u>8,242,757</u>
<b>Funds</b>			
	16 - 18		
Endowment funds		1,051,555	973,645
Restricted funds		7,430,480	6,845,093
Designated funds	18	63,567	10,234
Unrestricted funds		457,883	413,785
		<u>9,003,485</u>	<u>8,242,757</u>

The financial statements were approved by the Executive Council on 18th March 2014

Rev D G Coote

Treasurer

Mr J C Reed

Executive Council Member

# THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

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### 1 Principal accounting policies

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and certain fixed assets, and in accordance with the Companies Act 2006, accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2005, and revised in May 2008.

#### **Incoming resources**

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

#### **Basis of allocation of expenditure**

Grants payable are voluntary payments to individuals, local URC churches or URC organisations in accordance with the purpose of the relevant fund. They are accounted for when they have been approved by the synod council or financial resources committee and the recipient has been told of that approval.

Support costs incurred in maintaining the office and employing the office staff have been allocated to the various activities of the Trust, investment management and governance in proportion to the time spent by office staff on each activity.

#### **Investment assets**

Investment assets are included at market value at the balance sheet date. Investment properties are valued professionally every five years. In between the valuations the Trustees' best estimate of market value is used. In accordance with standard accounting practice, no depreciation is charged on investment properties.

All changes in value in the year, whether realised or not, are reported in the Statement of Financial Activities.

#### **Tangible fixed assets and depreciation**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

**2 Net assets from amalgamated or closed churches and local ecumenical partnerships**

	2013 £	2012 £
Net proceeds of redundant manse funds and sale of redundant churches	277,441	64,320
Transfers from amalgamated churches	87,354	-
	<u>364,795</u>	<u>64,320</u>

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

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

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

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

**3 Allocation of support costs**

The Trust allocates its support costs as shown.

	Managing investments £	Grant- making £	Other charitable activities £	Governance £	Total £
Office staff costs	10,460	2,615	107,218	10,461	130,754
Office rates and maintenance	1,408	352	14,432	1,408	17,600
Office expenses and equipment	1,334	333	13,675	1,334	16,676
Depreciation	363	91	3,715	362	4,531
	<u>13,565</u>	<u>3,391</u>	<u>139,040</u>	<u>13,565</u>	<u>169,561</u>

**4 Costs of generating funds**

	Direct costs £	Support costs £	2013 £	2012 £
<i>Managing investments</i>				
Investment management fees	28,087	-	28,087	25,973
Support costs	-	13,565	13,565	12,959
	<u>28,087</u>	<u>13,565</u>	<u>41,652</u>	<u>38,932</u>



THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

<b>5 Costs of charitable activities</b>	<b>Direct costs</b>	<b>Support costs</b>	<b>Total 2013</b>	<b>Total 2012</b>
	£	£	£	£
<i>Grantmaking</i>				
Grants to individuals				
Retired ministers and widows (10 grants)	7,400		7,400	6,600
Grants to URC institutions				
Church mission activities (10 grants)	111,060		111,060	90,400
Church property surveys (11 grants)	3,657		3,657	2,172
Church special grants (1 grant)	-		-	415
National URC activities (no grants)	36,000		36,000	-
Support costs		3,391	3,391	3,240
	<u>158,117</u>	<u>3,391</u>	<u>161,508</u>	<u>102,827</u>
<i>Other charitable activities</i>				
Training ministers and lay members	51,907	1,696	53,603	94,526
Administering churches' property and investments and investments	382	42,391	42,773	41,087
Supporting committees and Synod	16,361	23,738	40,099	35,406
Pastoral work	1,510	13,565	15,075	14,462
Supporting and encouraging URC churches, districts and centrally	729	45,781	46,510	44,091
Chaplaincies, industrial mission and ecumenical relations	14,652	3,391	18,043	16,387
Management & maintenance of Synod properties	40,029	8,478	48,507	42,659
Sundry and contingencies	1,418	-	1,418	29
	<u>126,988</u>	<u>139,040</u>	<u>266,028</u>	<u>288,647</u>
<b>6 Governance costs</b>				
	£	£	£	£
External audit fee	5,040	-	5,040	5,040
Internal audit and accountancy	1,405	-	1,405	1,090
Legal fees	840	-	840	1,079
Support costs	-	13,565	13,565	12,959
	<u>7,285</u>	<u>13,565</u>	<u>20,850</u>	<u>20,168</u>
<b>7 Staff costs</b>			<b>2013</b>	<b>2012</b>
			£	£
Wages and salaries			104,335	90,012
Employer's National Insurance			8,775	7,330
Pension contributions			23,806	23,403
			<u>136,916</u>	<u>120,745</u>

The average number of employees during the year was 5 (2012 - 5).

No employee received remuneration of more than £60,000 per annum.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

**8 Trustees' expenses**

Members of the Executive Council are entitled to claim travel expenses for attending its meetings. The synod clerk and treasurer may claim other expenses (travel, telephone, stationery etc) incurred in their capacity as trustees. No trustee nor anyone connected with the trustees received any remuneration in 2013 or 2012.

	<b>2013</b>	2012
The total of expenses claimed, by 8 trustees, for the year was:	<b>£2,265</b>	£3,004

**9 Tangible assets**

	Freehold Property £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2013	1,123,711	69,511	1,193,222
Additions	-	1,311	1,311
Disposals	(228,511)	(1,075)	(229,586)
At 31 December 2013	<u>895,200</u>	<u>69,747</u>	<u>964,947</u>
<b>Depreciation</b>			
At 1 January 2013	44,948	60,043	104,991
Charge for the period	17,904	4,530	22,434
Disposals	(9,140)	(1,075)	(10,215)
At 31 December 2013	<u>53,712</u>	<u>63,498</u>	<u>117,210</u>
<b>Net book amount</b>			
<b>At 31 December 2013</b>	<b><u>841,488</u></b>	<b><u>6,249</u></b>	<b><u>847,737</u></b>
At 31 December 2012	<u>1,078,763</u>	<u>9,468</u>	<u>1,088,231</u>
Historical cost of revalued assets and later additions	<u>824,910</u>	-	<u>824,910</u>

**Property**

The property is used for the direct charitable purposes of the Trust and comprises:

	<b>£</b>
Housing for ministers of local churches (a part share in 4 properties)	634,500
Graveyards (2 sites)	188
Provincial office building	206,800
	<u>841,488</u>

The housing and graveyards were revalued as at 31 December 2010 by Walker Singleton, external Chartered Surveyors, at market value with vacant possession, in accordance with the Royal Institute of Chartered Surveyors Valuation Standards. The provincial office building was similarly revalued as at 31 December 2010 at existing use value.

**10 Taxation**

The Trust is a registered charity and is exempt from taxation under the provisions of the Income & Corporation Taxes Act 1988 section 505. Income represents the net amount received together with tax repaid and repayable thereon.

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

11 Fixed asset investments	Investment Properties	Quoted investments	Balances at stockbroker	Total
Market value	£	£	£	£
At 1 January 2013	607,507	5,462,453	6,034	6,075,994
Less:				
Disposals at opening book value	-	(575,259)	-	(575,259)
Deposits realised/(reinvested)	-	-	33,455	33,455
Investment management fees	-	-	(28,087)	(28,087)
Cash deposited for investment	-	-	-	-
Add:				
Acquisitions at cost	-	577,232	-	577,232
Revaluation	-	456,665	-	456,665
<b>At 31 December 2013</b>	<b>607,507</b>	<b>5,921,091</b>	<b>11,402</b>	<b>6,540,000</b>
<b>Historical cost</b>				
At 31 December 2013	-	4,954,297	11,402	4,965,699
Disposals: Proceeds	-	610,687	-	610,687
Book value at 1 Jan 2013	-	(575,259)	-	(575,259)
Gain / (loss)	-	35,428	-	35,428

The investment property is 83.794% of the freehold at Aberdeen Walk, Scarborough, and was revalued as at 31 December 2010 by Walker Singleton, external Chartered Surveyors, at market value, in accordance with the Royal Institute of Chartered Surveyors Valuation Standards.

All investment assets are in the UK. Details of the portfolio of quoted investments are as follows:

	2013 £	2012 £
Equity investments	2,644,806	2,473,053
Gilt-edged and fixed interest stocks	1,064,714	1,120,374
Investment and unit trusts	2,211,571	1,869,026
	<b>5,921,091</b>	<b>5,462,453</b>

The portfolio includes no material investments (over 5% by value) for 2013, however for the Financial year ended 2012 the following were.

4.5% Treasury Stock 2019	280,025	300,825
3.75% Treasury Stock 2019	207,840	232,600

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

<b>12 Debtors</b>	<b>2013</b>	<b>2012</b>
	£	£
Loans to churches (see below)	<b>59,700</b>	70,250
Amounts due from Yorkshire Congregational Union (Incorporated)	<b>1,473</b>	-
Investment income receivable	<b>17,090</b>	27,153
Prepaid expenses and other debtors	<b>23,607</b>	16,720
	<b><u>101,870</u></b>	<b><u>114,123</u></b>
Included above are loans falling due after more than one year of:	<b><u>52,258</u></b>	<b><u>54,994</u></b>

All church loans are to churches within this province. The maximum repayment period is 20 years and interest is charged at 5%, 3% or 0%. The maximum capital outstanding on any loan at 31 December 2013 was £38,250 (31 December 2012: £41,250).

**13 Related Parties**

The Yorkshire Congregational Union (Incorporated) is a charity administered by the same trustees as the United Reformed Church (Yorkshire Province) Trust Limited, from the same office. It acts as custodian trustee for many of the United Reformed Churches in the Yorkshire Synod. The Yorkshire Congregational Union (Incorporated) has no employees; its administrative work is performed by employees of the United Reformed Church (Yorkshire Province) Trust Ltd, for which a management charge is made. The charge for 2013 of £1 473 (2012 - £nil) is a debtor in these accounts.

<b>14 Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	£	£
Grants authorised but not yet paid	<b>46,831</b>	17,300
Other creditors	<b>1,810</b>	4,576
Accruals	<b>13,658</b>	7,836
	<b><u>62,299</u></b>	<b><u>29,712</u></b>

<b>15 Creditors: amounts falling due after more than one year</b>	<b>2013</b>	<b>2012</b>
	£	£
Grants authorised but not yet paid	<b><u>67,131</u></b>	<b><u>34,500</u></b>

THE UNITED REFORMED CHURCH (YORKSHIRE PROVINCE) TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

16 Movement in funds during the year

	Balance 1 January 2013	Incoming resources	Outgoing resources	Transfers between funds	Revaluation gains/losses	Balance 31 December 2013
	£	£	£	£	£	£
<b>Permanent endowments</b>						
General Purposes	653,478	-	(3,324)	-	55,354	705,508
Church Extension	221,125	-	(1,134)	-	19,008	238,999
Maintenance of Ministry	15,588	-	(80)	-	1,340	16,848
Welfare of Ministry	66,802	-	(343)	-	5,742	72,201
Home Churches	16,652	-	(85)	-	1,432	17,999
	<u>973,645</u>	<u>-</u>	<u>(4,966)</u>	<u>-</u>	<u>82,876</u>	<u>1,051,555</u>
<b>Restricted funds</b>						
Closed Churches capital Synod Mission	6,082,558	151,584	(49,189)	-	361,468	6,546,421
capital and income	470,996	219,716	(111,060)	-	-	579,652
<b>Income funds</b>						
Church Extension	282,480	12,902	-	-	-	295,382
Maintenance of Ministry	-	670	-	(670)	-	-
Welfare	7,754	3,284	-	(3,284)	-	7,754
Home Churches	1,305	722	(756)	-	-	1,271
	<u>6,845,093</u>	<u>388,878</u>	<u>(161,005)</u>	<u>(3,954)</u>	<u>361,468</u>	<u>7,430,480</u>
<b>Unrestricted Funds</b>						
General income	215,218	97,242	(300,966)	201,167	-	212,661
Designated funds (note 18)	10,234	58,816	(5,483)	-	-	63,567
Closed Churches income Albion - capital and income	-	218,046	(25,782)	(192,264)	-	-
	<u>198,567</u>	<u>4,949</u>	<u>(1,094)</u>	<u>(4,949)</u>	<u>47,749</u>	<u>245,222</u>
	<u>424,019</u>	<u>379,053</u>	<u>(333,325)</u>	<u>3,954</u>	<u>47,749</u>	<u>521,450</u>
<b>Total Funds</b>	<u>8,242,757</u>	<u>767,931</u>	<u>(499,296)</u>	<u>-</u>	<u>492,093</u>	<u>9,003,485</u>

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

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**16 Movement in funds during the year (continued)**

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

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

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

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

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

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

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

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

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

**Albion fund** - consists mainly of accrued income and is administered and managed as part of the general fund.

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

**Transfers between funds**

The net income on the Closed churches and Albion funds is unrestricted and transferred to the General fund each year. The General fund also receives the income from the maintenance of the ministry and welfare funds, in line with the above descriptions.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)**

**17 Analysis of net assets between funds at the year end**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
<b>Fund balances at the year end are represented by:</b>				
Tangible fixed assets	6,249	841,488	-	<b>847,737</b>
Investments	242,118	5,246,590	1,051,292	<b>6,540,000</b>
Net current assets	273,083	1,409,533	263	<b>1,682,879</b>
Long term liabilities	-	(67,131)	-	<b>(67,131)</b>
<b>Total net assets</b>	<b>521,450</b>	<b>7,430,480</b>	<b>1,051,555</b>	<b>9,003,485</b>

**18 Designated Funds**

	Balance 1 January 2013 £	Incoming resources £	Outgoing resources £	Balance 30 September 2013 £
Within the General Fund are the following:				
A fund designated for an urban work project that is due to be completed in September 2014.	10,234	1,000	(5,483)	<b>5,751</b>
A fund holding church contributions to the URC Mission and Ministry Fund	-	57,816	-	<b>57,816</b>

**19 Pension costs**

The Trust contributes for office staff into a United Reformed Church lay staff pension scheme known as the "Final Salary" scheme, which is administered by 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.

During 2013 the Trust contributed 26% (2012: 26%) of basic salary in respect of members of the Final Salary scheme, amounting to £23,806 (2012: £23,403). Members contributed 6% (2012: 6%) of pensionable salary throughout the accounting period.

Triennial actuarial valuations of the Final Salary scheme are performed by a professionally qualified actuary. The most recent formal actuarial review of the scheme was at 30 September 2010.

The Current Review is now in progress.

There are no proposed changes to the lay staff pension fund contribution levels from January 2014.

**20 Post Balance Sheet Event**

A redundant manse shown in the accounts at a net value of £105,750 was sold on 31st January 2014 for £117,222.