United Reformed Church Trust

2023

Trustees' Report and Financial Statements

(A company limited by guarantee, number 135934,
Registered Charity No. 1133373)

UNITED REFORMED CHURCH TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2023

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UNITED REFORMED CHURCH TRUST

(A company limited by guarantee, number 135934, Registered Charity number 1133373)

TRUSTEES' REPORT

(Incorporating the Report of the Directors)

The United Reformed Church Trust ("the charitable company") is the corporate charity trustee of the funds of the General Assembly of the United Reformed Church ("URC") and is responsible for reporting its financial activities. The directors, who are also trustees of the charitable company, submit their report and the audited consolidated financial statements for the year ended 31 December, 2023, which incorporate the funds of the General Assembly of the United Reformed Church.

REFERENCE AND ADMINISTRATIVE INFORMATION

Corporate Trustee Registered Office: 86 Tavistock Place, London WC1H 9RT

Directors

The directors who served during the year and to the date of this report, unless otherwise indicated, were as follows:

Name	Ex officio	Appt/Resigned
Alan Yates	Honorary Treasurer of the URC	Appointed 12 September, 2023
Dr Stephen Thompson		
Mr Clifford Patten		
Mr David Greatorex		
Mr David Lathbury		
Mr Ian Hardie		Resigned 31 August, 2023
Mrs Jane Baird	Deputy General Secretary, Administration & Resources	Resigned 31 August, 2023
Ms Catriona Wheeler (Chair)		
The Revd John Macaulay		
The Revd Julian Macro		
The Revd Dr John Bradbury	General Secretary	
The Revd Dr Michael Hopkins	Clerk of the General Assembly	
The Revd James Breslin		
The Revd Nick Mark	Designated Safeguarding Trustee	
Mrs Victoria James	Chief Operating Officer	Appointed 12 September, 2023

Secretary: Ms Sandi Hallam-Jones

Most of the directors are appointed as members of the charitable company by the General Assembly of the URC and then as directors by the company under the provisions of its Articles of Association, to serve for up to four years (with a possibility of renewal for one further period of four years), having been nominated through the representative processes of the Church. There are six directors who serve ex officio, their appointment or election to their positions also having followed nomination. The directors receive no remuneration but may be reimbursed their expenses of attending meetings.

Most newly appointed directors are already familiar with many aspects of their role through serving on Assembly committees or synod bodies, but they are provided with relevant documentation and encouraged to sign up to receiving regular information from sources such as the Charity Commission. Training is provided via general external courses and events where possible, and training is given in conjunction with quarterly meetings in specific areas of governance as needs arise, to assist in the performance of their duties.

Trustees of subsidiary charities at the date of this report:

United Reformed Church Retired Ministers' Housing Society Limited
(Exempt charity, registered under Co-operative and Community Benefit Societies Act 2014, number 15986R)
Chair: The Revd Nigel Appleton
Secretary: Ms Chuka Agbasiere
The Board (appointed for a renewable term of three years): The Revd Dr John Bradbury, The Revd Sian Collins, The Revd Nicola Furley-Smith, Mr David Greatorex, The Revd Carla Grosch-Miller, The Revd Michael Jagessar, Mrs Victoria James, Mr Malcolm Lindo, Mr Clifford Patten, Mr Peter West, The Revd Paul Whittle, Mr Alan Yates.

Others with charity governance responsibilities
General Assembly Moderator: The Revd Tessa Henry-Robinson
Immediate Past Moderators: The Revd Fiona Bennett
Business Committee Convenor: The Revd Mark Robinson
Deputy General Secretary, Discipleship: The Revd Adrian Bulley
Deputy General Secretary, Mission: The Revd Philip Brooks
The key management personnel of the charity are the members of the General Secretariat: the General Secretary, two Deputy General Secretaries and the Chief Operating Officer.

Assembly Executive

The ex officio members of the charitable company, the Chair of trustees, the Deputy Treasurer, Vaughan Griffiths, and the others listed immediately above are members of Assembly Executive by virtue of the offices that they hold. Other members are the other convenors of the General Assembly Standing committees, URC Youth representatives, Synod Moderators and three representatives from each synod. These are listed below, as of December 2022. Convenors: Mrs Sarah Lane Cawte, The Revd Naison Hove, The Revd Roger Jones, Mrs Helen Lidgett, The Revd Mark Robinson, The Revd Paul Robinson, The Revd Dr Robert Pope, The Revd Dr Peter Stevenson; The Revd Mary Thomas, Mr Alan Yates.

URC Youth representatives: Ms Jo Harris (Moderator), Miss Philipa Osei (Moderator elect), Miss Laura Everard.

Synod Moderators and representatives:

1 Northern: The Revd David Herbert, Mrs Melanie Campbell, The Revd Joan Grindrod-Helmn, Maureen Shepherd
2 North Western: Mr Tim Hopley, The Revd Martyn Coe, The Revd Jonnie Hill, The Revd Alison Termie
3 Mersey: The Revd Geoffrey Felton, Mrs Rita Griffiths, Mr Paul Franklin, The Revd Dr Nick Jones
4 Yorkshire: The Revd Jamie Kissack, Mr Daniel Raddings, Mr Tim Crossley, The Revd Fran Kissack
5 East Midlands: The Revd Geoffrey Clarke, Mr David Greatorex, The Revd Camilla Veitch, The Revd Martin Ferris
6 West Midlands: The Revd Steve Faber, Mr Steve Powell, The Revd Elaine Hutchinson, Mrs Rachel Wakeman
7 Eastern: The Revd Lythan Nevard, The Revd David Coaker, Mr Richard Lewney, The Revd Anne Sardeson
8 South Western: The Revd Ruth Whitehead, Ms Rachel Leach, The Revd Dr Hazel Starrit, Ms Ann Marie Trubic
9 Wessex: The Revd Graham Hoslett, Ms Karen Bell, The Revd Timothy Clarke, Mr Clive Snashall
10 Thames North: The Revd George Watt, The Revd Sally Thomas, Ms Ola Lawal, Ms Nneoma Chima
11 Southern: The Revd Bridget Banks, Miss Pam Tolhurst, The Revd Kim Plumpton, The Revd Russell Furley-Smith
12 Wales: The Revd Simon Walkling, Mrs Adella Pritchard, Ms Martha McInnes, The Revd Martin Spain
13 Scotland: The Revd Paul Whittle, Miss Myra Rose, Dr Ewen Harley, The Revd Janet Adamson

United Reformed Church Finance Committee
Convenor: Mr Alan Yates
Chief Finance Officer: Mr John Samson

The Revd Simon Copley, Mr Vaughan Griffiths (Deputy Treasurer), Mrs Denise Harman, Mrs Jane Humphreys, Mrs Victoria James, Ms Joana Marfoh, Mr William Potter, The Revd Wilbert Sayimani, Mr Gordon Wanless, Mrs Catriona Wheeler

Legal Advisers
Slater Heelis Solicitors
Lloyds Bank Buildings
16 School Road, Sale
Chester M33 7XP

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Actuaries
Aon Hewitt Limited
Carnegie House
Peterborough Road
Harrow
Middlesex HA1 2AJ

Independent Auditors
Moore Kingston Smith LLP
Chartered Accountants and Statutory Auditors
9 Appold Street
London EC1M 7AD

Bankers
HSBC Bank plc
City of London Corporate Banking Centre
60 Queen Victoria Street
London EC4N 4TR

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company
The General Assembly of the URC in 2006 appointed the United Reformed Church Trust, the charitable company, as the corporate trustee of its funds. Following consultation with the Charity Commission in December 2009 the charitable company adopted new memorandum and articles and was registered as a Charity. The memorandum and articles were revised further in 2013.

Church Governance
The governing body of the URC is the General Assembly. The authority under which the General Assembly acts was given by the resolutions passed at the Uniting Assemblies of 1972, 1981 and 2000; and the United Reformed Church Acts 1972, 1981 and 2000 enabled those resolutions to be given legal effect in relation to the finance and property of the Church. These Acts of Parliament together with the Basis, Structure and Rules of Procedure for the time being of the URC (as contained in sections A-C of the Manual of the URC) contain the foundation documents of the Church, known as the Scheme of Union. Each General Assembly appoints members to Assembly Executive, although those appointed to represent synods are nominated by the synods concerned. The names of members of Assembly Executive are listed above. The purpose of Assembly Executive is to enable the Church, in its General Assembly, to take a more comprehensive view of the activity and policy of the Church, to decide more carefully about priorities and to encourage the outreach of the Church to the community.

Charitable Assets
The charitable assets of the URC, are held by the charitable company as charity trustee. It manages those assets and applies them as directed by General Assembly for the work of the URC, and ensures they are expended in a compliant fashion.

Employees
There is a commitment by the URC to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, gender reassignment, sexual orientation, religious beliefs, colour, ethnic or national origin, age, marital status or disability. The Trustees are updated on all employment policies as least annually, but more frequently if the circumstances require it.

Employees are provided with information on matters of concern to them, and the Church consults them regularly, so that their views can be considered when making decisions likely to affect their interests. Employee involvement is encouraged, for example by a staff association and periodic staff meetings for employed team members. These help create a common awareness of the charity's priorities and of the financial and economic factors affecting it.

Remuneration
Remuneration of key management personnel is set in the same way as that of other equivalent staff and is overseen by the Remuneration Committee. All ministers, whether in Assembly appointed roles or in pastorate ministry, are paid the same basic stipend.

New Posts:

The pay of lay staff is assessed when a post is created, by the Human Resources Advisory Group having regard to comparable posts in the charity sector and among Church bodies in particular; it is then reviewed and confirmed by the Remuneration Committee. Any reassessment of a post's remuneration is by the same process.

Annual Cost of Living Rises:

The stipend level is reviewed annually by a sub-committee of Ministries Committee having regard to a formula, based on inflation. A recommendation is then made to the finance committee. Similarly, the Remuneration Committee considers any annual increase for lay salaries, taking account of the recommendations regarding stipends, external data and benchmarking against other faith organisations.

The work of these two groups in terms of remuneration of lay staff and ministers is reviewed by Finance committee each year and confirmed by the Church.

OBJECTIVES AND ACTIVITIES

The charitable objects of the Charitable company are to advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church.

- **Public benefit**
  Having regard to the guidance published by the Charity Commission, the Charitable company provides public benefit by carrying out its objectives and by advancing the charitable purposes of the funds that it holds as charity trustee. Some of the broad strategies are set out in the following paragraphs, and further details and examples are given under Achievements and Performance. In addition, the Church at General Assembly level acts as an umbrella resource body for the 13 National and Provincial Synods and approximately 1,240 local churches, whose charitable assets are held by separate charities and/or charitable trust companies.

- **Worship and partnership**
  The URC is part of the Church universal. As such its aim is to proclaim the love of God in Jesus Christ in word and deed. A main strategy to achieve that aim is the provision of public worship in viable congregations across the three nations of England, Scotland and Wales. This is increasingly carried out in partnership with ecumenical colleagues, particularly the Methodist Church with whom we have over three hundred shared congregations. It also takes new forms through the 'Fresh Expressions' initiative offering Christian worship, teaching, fellowship and service in non-traditional venues and styles. We have a number of 'pioneer ministers', developing pastoral and worshipping communities outside the usual frameworks of church tradition and habit.

- **Walking the Way**
  During 2017 the URC launched *Walking the Way, Living the Life of Jesus Today*, an emphasis on personal and corporate discipleship. It offers a framework within which much of the denomination's planning takes place and includes Stepwise, a lay development programme, as well as the advocacy of resources such as Holy Habits which are all intended to assist growth in discipleship practices. Alongside this, preaching of the Gospel, pastoral care for, and building up of, communities by ministers, lay preachers

and Church Related Community Workers (CRCWs) will continue to operate. The denomination's 10 priorities for mission, as well as the Local Mission and Ministry Review process, through which the synods challenge and support their churches, are key vehicles for increasing the effectiveness of local witness and service. The Commitment for Life programme continues to encourage churches to pray and campaign for the eradication of global poverty. While the initiative continued, the Walking the Way Steering Group has been disbanded.

Subsidiary charity

The **United Reformed Church Retired Ministers' Housing Society Limited's** (RMHS) objects are for the benefit of the community to advance the Christian religion in accordance with the principles, usages and the Scheme of Union of the URC, in particular by providing for retired ministers and widow/ers or civil partners of ministers of the United Reformed Church who are in need for various reasons, housing and associated amenities, or assistance to enable them to provide this for themselves. Memorandum of Understanding and Service Level agreements are being finalised in order to clarify the relationship and interdependencies as well as services provided by the URCT and the Church to the RMHS and vice versa.

STRATEGIC REPORT

Achievements and Performance

The charitable funds of the United Reformed Church are used to fund the work carried out through councils and committees of the United Reformed Church, and a detailed review of their work is incorporated in the *Book of Reports* to the Church's General Assembly, which met in hybrid form from 30 June to 3 July, 2023. The *Book of Reports* to the July 2023 General Assembly will cover the second half of the year 2022. We report below on that work and on the specific activities of the URC, whose work is supported by the charitable assets of the United Reformed Church held and applied by the charity trustee.

Post Covid lockdown, many churches have settled into providing online/or in-person worship. The many committees of the denomination have conducted their business through a mixture of online platforms and in-person meetings. Most of the committees are looking to a hybrid of online in-person meetings going forward as this not only saves time and money but is also a more climate friendly way of meeting.
The Assembly Executive met online on 28 November, 2023.

The positive response by General Assembly to the Church Life Review work has been a key achievement for 2023 as it sets a course (which will be outlined in more detail in the future work) for significant change in terms of governance and the Church's approach to committee decision making. All of which underpin the work of the Charity. Key aspects relate to a more refined governance structures proportionate to the size of the organisation, improved compliance with adopting safer recruitment principles to all our volunteer roles across the Church and Charity as well as ways of supporting the church at local level to flourish.

Many churches are still recovering financially post Covid and this continues to impact the local churches' ability to make regular payments into the Ministry and Mission ("M&M") Nevertheless, we have seen a positive response following the communications about the budget for 2024. The trustees are extremely grateful for the efforts of all involved for the generosity and commitment to M&M which enables the activities of the Church to continue.

Pensions:
The URC has obligations to two defined benefit pension schemes (see notes 22 to 24). Both funds are showing surplus positions for FRS 102 purposes as at 31 December 2022. These surpluses have not been recognised in these accounts. Both pension schemes were closed to future accrual at the end of February 2023.

Committee work

Children's and Youth Work

For 2023 our theme was Love Is, and worship resources for all ages were sent to all URC churches. Linked Holiday Club resources were produced and grants offered to churches running holiday clubs. We assisted with the service to mark the 50th anniversary of the URC. Staffing remained stable over the year. The third URC Youth Intern was recruited and started in August. We support URC Youth Executive and ran URC Youth Assembly, with the second Youth Leaders' Gathering alongside this. We ran the Youth Venue at Greenbelt Festival for the second year, recruiting a team of volunteers and offering a diverse programme. We trialled a new Young Leaders training programme. We joined a Tri-nation youth event.

In partnership with Commitment for Life we published a resource for 5-14 year olds about Zimbabwe (Go with Greta). We offered training to children's and youth workers using Youthscape Essentials, Youth Mental Health First Aid, Makaton, Widget, a series of monthly Talking About sessions and some wider resilience for churches sessions in partnership with Education and Learning. We promoted the Lundie Award and received a fresh selection of nominations for children and young people playing their part in the mission of God; and a number of churches completed the Children and Youth Friendly Church scheme. We launched Faith Adventures for Children Together, a free weekly resource for children's work, and plan to extend this for young people aged 11-14 in 2024.

In partnership with Bible Society we ran workshops for grandparents. In partnership with the Quakers, we launched a conversation starter bank of resources to help churches consider Where Are the Young People? In partnership with Australian colleagues we created *Regenerational*, a resource to help churches become more intergenerational. We created a family Advent resource (3,500 packs) to support local churches in mission. General Assembly passed three resolutions recognising children's, youth and family work as ministry and we are working on proposals to establish this for General Assembly 2024.

Communications

The work of the URC Communications Team continues to be wide-ranging and busy. The team currently provides press releases and statements for media enquiries; media training for church leaders; editing and designing *Reform* magazine; managing the subscriptions for *Reform* magazine, writing and curating content for the URC website; writing and delivering News Update, the URC's biggest email, distributed to more than 15,000 people each month; content for multiple social media channels; design and production for hundreds of leaflets, books and resources; running the URC bookshop, delivering tens of thousands of items in 2023; graphical, editorial and technical support at national and regional events, including Synods and General Assembly; managing the URC's presence at the Christian Resources Exhibitions; video content; content for the URC Daily Devotions and related worship resources; the iChurch website service for local churches; editing and copywriting; helping to maintain the URC archive; assisting the URC History Society and other groups within the URC, such as GEAR and Free to Believe; delivering creative solutions to anyone in the URC who needs them. In addition to this business-as-usual work, the team helped to deliver the rail-strike delated anniversary service and Open Church House event, events for the URC's 50th anniversary; the 2023 Community Awards with Congregational; the annual *Prayer Handbook, Full to the Brim*, the second under the Editors Sue McCoan and Stephen Ansa-Addo; kits for Advent to engage with families connected to our churches and much more.

Education and Learning

Education and Learning (E and L) in the URC is overseen by the Team in Church House, the Resource Centres for Learning (RCLs) and the Synods through the Training and Development Officers+ Network (TDO+ Network). In 2023 we have all worked hard to foster relationships as new people have come into post and also to work out what we can do together, more effectively. The meetings and conversations have led to exciting possibilities including the

revising of the Education for Ministry 2 programme for new Ministers which will be implemented, from September 2024, by the RCLs and TDO Network with support from the Children and Youth Development Officers+ Team. This increased cooperation will have a positive impact on the Education and Learning that is open to both lay and ordained people of all ages within the URC. Opportunities are offered online, in person at an RCL or at a Synod event which will be more locally accessed. It is this diversity of opportunity which encourages more people to focus on their discipleship development, through what is offered.

In 2023, alongside Children and Youth under the URC Training umbrella, we offered online sessions focusing on Resilience; these were well attended and much appreciated sessions and more are planned for 2024. Online learning, offered through the URC Learning Hub, including the URC Discipleship Development Programme Stepwise and other resources are available to help people develop their faith or to support them in specific roles. Two new Stepwise streams are being developed and we continue to encourage people to access this learning that is non-accredited and non-assessed and so open to all. Stepwise streams, with added resources, are also used by some Synods as means to support training to become a Locally Recognised Worship Leader. Lifelong learning for all is the main focus of our work and we seek to continue to both offer and develop new ways of learning. One resource that was developed on the Hub in 2023 is the Conversation Starters. Currently we have two such resources: 'Vocation and Call' and 'Where are the Young People'; both are freely accessible on the URC Learning Hub and the one about the young people was developed with the Quakers.

As we develop learning opportunities we are aware that this may need funding, and finance has been a focus of our work as we endeavour to support learning whilst appreciating the need for good stewardship. We continue to offer lay Discipleship Development Grants and this year the Committee also agreed to support anyone becoming an Assembly Accredited Lay Pioneer with a £300 per annum grant to support their continued learning; currently any Assembly Accredited Lay Preachers can access this grant and, with the URC focus on pioneering and new ways of being church, it was felt that supporting those in such lay posts would be beneficial. As reported last year, the conversations with the RCLs around funding and financial support have continued. The good relationships that have been fostered have meant that open discussions and closer collaboration have happened. This work is ongoing.

This work is also affected by the news that the E and L Team reduces further as the Revd David Salsbury (currently Stepwise and Digital Learning Programme Manager) was nominated to the role of Moderator of the Synod of Wales and moved on in January 2024. This move gives E and L the opportunity to consider where learning emanates from and how closer working relationships with both the RCLs and TDO+ Network can be further enhanced.

Finally, in a bid to share more widely all that we are doing, E and L produced our own bi-monthly Newsletter and this has been a great success. Anyone can register to receive it and it shares news and opportunities across and beyond the URC. This ensures that people can know more about E and L in the URC and understand more about our work and our intention to support those in local churches and communities in all their learning.

Equalities

The remit of the Equalities committee is 'to remind the United Reformed Church that equality is enshrined in its theology, life and work and to challenge the practice of the URC where appropriate.' Much of the work of the committee is in the promotion and encouragement of inclusion, equality and diversity within the denomination. This is achieved through established links with the other Assembly committees as well as by being alert to the work undertaken on Assembly's behalf by bodies such as the Joint Public Issues Team (JPIT) and by members of staff but particularly the work around racial justice and intercultural ministry. In 2023 the committee has worked with Global and Intercultural Ministries in the development of Anti-racist Training for the whole church. We've also done work, which is ongoing, in discovering ways to support members of the Trans community within the church. The committee is able to remind other committees of their responsibilities regarding equality and diversity and seeks to identify new methods and encourage the use of technologies that will enable participation by all.

Following General Assembly in 2023, we will be looking to develop our approach to Equality Diversity and Inclusion which will link to the work of the Equalities Committee but also seek to ensure we are more coordinated in our approach across the denomination.

Ministries

The committee is concerned with the specific recognised ministries which provide leadership for the Church, including Church Related Community Work, Eldership, Lay preaching including Assembly Accredited Lay Preachers and Locally Recognised Worship Leaders, Lay Pioneering and the Ministry of Word and Sacraments, but also recognises that each of these has a duty to enable discipleship in others. Recognising the challenges of our demography, we continue to work with our Synods developing strategies that use our ministers most effectively in providing leadership in local churches. In 2024 Ministries will bring a new lay ministry of Elders in Local Leadership to General Assembly. Ministries continues to look at other forms of ministry that can be funded by the M&M fund.

Mission

The Mission Department continued to assist the URC's long-term focus on whole-of-life discipleship. A major feature of 2023 was the postponed celebration service at Westminster Central Hall for the URC's 50th Anniversary.

Once again there was a large presence at the Greenbelt faith festival at Boughton House, near Kettering. The URC was responsible for the youth provision at the festival and provided an affordable café venue, with music and talks to explain the ethos of the denomination. The theme of 'Revolting Christians' reflected our advocacy work and was a nod to our history of dissent. An online service was held from Greenbelt in conjunction with the newly formed online congregation of yoURChurch.

The United Reformed Church responds to issues of public policy and social justice through its shared involvement with the ecumenical Joint Public Issues Team (JPIT). In 2023 the team focused on the cost of living crisis and its continuing advocacy for a fairer and more compassionate asylum system.

The Mission Department continued its work relating to the denomination's commitment to achieve net zero by 2030.

Following on from the 2022 official recognition of our historic involvement in the transatlantic slave trade in the form of a formal apology, the denomination committed itself to introducing anti-racist training.

Mission staff continued to support the work of synod mission enablers and pioneer ministers. The new training course, called the Newbigin Pioneering Hub completed its first year of operation. This is a programme to equip lay people in our churches for the work of fresh expressions and pioneering.

Global and Intercultural Ministries continued to focus on racial justice – within the URC, ecumenically, and in wider society. Its Legacies of Slavery work facilitated the move to formal apology already noted. Global work mainly focused on the Partners in Mission Programme, supporting individuals from overseas serving in the URC, and being sent by the URC to serve in partner contexts.

Commitment for Life is the URC's global justice programme. We partner with Christian Aid and Global Justice Now. We enable local congregations to deepen their prayer, insight and advocacy for global justice. In 2023 the programme continued to focus on three partner regions: Zimbabwe, Bangladesh, and Israel and the occupied Palestinian territory.

The URC's ecumenical work was strengthened by a resolution to increase the number of ministers available to local ecumenical partnerships. Our General Secretary currently serves as President of the Communion of Protestant Churches in Europe. Once again there were several events linking the URC with partner churches in the Pfalz region of Germany. The URC continues to be committed to interfaith work. The General Assembly Moderator attended an educational visit organised by the Council of Christians and Jews to Auschwitz.

Safeguarding

2023 saw a far more settled year for the staffing of the central Safeguarding team with Emma Pearce moving from the Ministries team to work full-time for the Safeguarding team as the Assistant Administrator but bringing with her ministries work related to Ministers DBS checks.

Behind schedule, due to the change in personnel within the team over the last two years, *Good Practice 5* was reviewed and relaunched as *Good Practice 6 – Safeguarding for Everyone*. It was launched officially at a Safeguarding Symposium in October 2023 which was attended by almost 300 people. The cost of the proof reading, printing and postage were more than budgeted for both due to the delay in the review, general costs rising and sending all churches a paper copy, going forward it has been decided that GP6 is the last version to be printed and sent out to churches.

The much-awaited Case Management system was introduced in September 2023 and feedback from those that are using both in synods and within the central team is positive and it will most definitely make for a much more robust, professional, and consistent recording system across the denomination.

CO2 Emissions

The church continually looks for ways of reducing its carbon footprint and actively recycles wherever possible. It also encourages individual churches to be as 'green' as possible and promotes the Eco-Church award scheme.

A carbon emissions figure has been calculated for the central functions of the church based on electricity usage at Church House along with car and air miles travelled by officers and staff. In 2023 it was calculated that the central church's carbon emissions amounted to approximately 82.66 tonnes (2022: 74.79 tonnes). Average emission rates have been used in calculating this figure. The total includes use of 148,157 kWH (2022: 157, 657 kWH) of energy used which has been converted to CO2 emission using an average rate. This works out at approximately 1.33 tonnes (2022: 1.07 tonnes) per employee. The increases in the figures reflects more travel being done in a post-Covid environment.

Resourcing the work of the United Reformed Church

All the above must be set in the context of the financial resources of the United Reformed Church, which continue to be carefully managed in an uncertain economic climate. Detail of the latest year is given in the financial review below, broader trends also need to be considered. Among these are:

- Giving to central funds of the United Reformed Church from our local churches dropped by £369k in 2023.
- The investments of the United Reformed Church continued to produce a steady income stream and the accounts show investment income of £2,210k (which includes income from mixed motive investment property). Investment values recovered somewhat in 2023 after 2022's drop showing a gain on investments of £4,910k.
- The liabilities of the Ministers' Pension Fund rose by just over £2.4m from 2022, largely as a result of a slightly reduced discount rate. This was offset by a growth in the assets of the fund which grew by £4.5m. The fund continues to reflect a surplus for FRS 102 purposes which amounted to £15.5m at the end of 2023. The next formal triennial valuation of the fund is due in 2024.
- The United Reformed Church Final Salary Scheme saw the liabilities increasing by £1.3 million while asset values increased by just £326k. The scheme remained in surplus for FRS 102 purposes amounting to £3,530k. This surplus has not been recognised in the accounts as there is no unconditional right to that surplus.

Managing the Assets

Investments & Investment Policy

The charitable company acts as corporate charity trustee of the central funds of the United Reformed Church. The powers of investment are given under the memorandum and articles of association of the charitable company. The Investment Committee of the Church, which reports to the charitable company, keeps under review the investment policy and monitors the performance of the fund managers. All investments are held in pooled funds that aim to comply with the ethical policies agreed by the Church through its General Assembly.

The Investment Committee continued to monitor the investments throughout 2023.

Properties

The charitable company is responsible for the management of the properties included in its balance sheet.

Risk Management

The charitable company continues to monitor the risks with which the central administration of the Church is faced. During 2023 the risk register process was updated for all the main committees of the church. This process concentrated on identifying risks as opposed to issues and also helped committees focus on what mitigation procedures were in place. The results of this procedure have been collated and were presented to the charitable company.

The risks which are deemed as having the highest impact and likelihood are given particular attention. Those risks fall broadly into three areas:

- risks associated with serious reputational damage particularly with regard to safeguarding matters; and
- risks associated with societal changes, the general economic situation and consequent reduction in resource.
- Risks associated with governance when the work of the General Assembly committees are so interconnected and interdependent.

Reputational matters are taken very seriously, and the Church has a process in place whereby anyone concerned that a matter may receive unfavourable publicity refers that matter to the communications department who will advise on its handling or, if the matter is particularly sensitive, will handle it directly. The General Secretary is made aware of all issues and will intervene personally if appropriate.

The safeguarding of children and adults at risk is seen as a key responsibility of the Church. *Good Practice 5*, the denomination's safeguarding policy was issued during 2019. Work has been done to update this and *Good Practice 6* was launched in October 2023. Local churches are required to report annually on safeguarding matters to their synod's safeguarding officer. A Safeguarding Advisor at Church House, together with the synods' own safeguarding officers, is available to offer advice and guidance to churches. DBS/PVG checks are mandatory for all active ministers and key officers including all who work with children.

Further details about safeguarding are to be found in the 'Safeguarding' section on page 9.

The 'cost of living crisis' has had some impact M&M income as well as the cost base of the Church. However, the shortfall from giving by churches was made up by generous giving from some synods. This risk to income remains a challenge and synods have been asked to top up the M&M giving from churches to keep the income at the 2023 levels if possible. This risk continues to be closely monitored.

The Business Committee was given a new remit during 2023 and this enables an increased overview of the work of General Assembly committees. This changed remit alongside the work which is ongoing in relation to the Church Life Review play a significant role in managing the governance related risks.

Future Developments

The first phase of the Church Life Review work was presented as planned to General Assembly in 2023. The recommendations as to next steps were welcomed by General Assembly. The church, and therefore the charity in overseeing its funds, is at the start of an important journey of change. During 2024 we will adopt a new approach to how we fill volunteer positions, seeking to ensure that the size of our governance structure and the number of roles is proportionate to the size of the denomination. We will also be adopting safer recruitment principles to all volunteer appointments and The Church Life Review Group's work to conduct a thorough review of the life of the United Reformed Church has been progressing well. The group will present the early results of its work to General Assembly at the end of June 2024. Part of its work concerns a forensic examination of the income, expenditure and assets of the 14 Trusts that hold the majority of the URC's assets and expend the majority of its expenditure. These are the 13 synods, and the General Assembly. It is hoped that this examination will lead to clarity over where economies of scale might be made through more collaborative working and allow us to determine where and how we are best able to invest in the development of the ministry and mission work of the United Reformed Church.

The Deputy General Secretary for Admin and Resources, Mrs Jane Baird, retired at the end of June 2023. After much discussion it was decided to rename the post Chief Operating Officer and Mrs Victoria James has been appointed in the role. Mrs James started on a part time basis at the start of the year and became full time from the beginning of April 2023.

Section 172 of the Companies Act

In summary, as required by Section 172 of the Companies Act, the Directors must act in a way they consider, in good, faith, would be most likely to promote the success of the charitable company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the charitable company's employees
- the need to foster the charitable company's business relationships with suppliers, customers and others
- the impact of the charitable company's operations on the community and environment
- the desirability of the charitable company maintaining a reputation for high standards of business conduct and
- the need to act fairly as between members of the charitable company.

To achieve these aims, the Directors are kept informed of the long-term ambitions and needs of the Church as expressed by General Assembly and Assembly Executive and take this into consideration when making decisions. The Church has a Human Resources Advisory Group and Remuneration Committee that attend to employee interests and pertinent matters from these are brought to the attention of the Directors. The Church has a policy of paying all suppliers in a timely manner with invoices and expense claims generally settled within a week of receipt. The Directors are guided by the Church's environmental policies and wherever possible, will ensure that their decisions are made within this framework. The Church's reputation is a high priority for the Directors and they seek to ensure that no decision are made which would adversely affect this. They are kept up to date with guidance for charity trustees and training is provided in areas where this is deemed necessary. Furthermore, the Church's legal advisor attends the Directors' meetings and provides input into discussions where legal issues are involved.

Financial Review

The financial statements show the consolidated income, expenditure, assets and liabilities of those trusts and other funds that the charitable company administers and holds as charity trustee for the benefit of the United Reformed Church under the overall authority of the General Assembly. These represent the assets of the United Reformed Church that the charitable company manages on its behalf and applies towards its charitable purposes. They include the

United Reformed Church Retired Ministers' Housing Society Limited (RMHS), which is an exempt charity providing housing and associated amenities for needy persons who are retired ministers or widow/ers or civil partners of ministers of the United Reformed Church.
The Finance Committee of the Church is responsible for the general financial oversight of funds administered for the benefit of the United Reformed Church, its long-term financial planning, and the preparation and control of its budget under the authority of Assembly Executive, General Assembly and the charitable company. The Committee ensures that proper procedures are in place for the maintenance of accounting records, controlling and monitoring the budgetary process, and the preparation of financial statements in compliance with applicable United Kingdom law and accounting standards. To this end the Committee meets with the auditors at least once a year. The Committee may take such decisions with regard to the finances of the Church as are necessary within the policies set by the General Assembly.

Reserves Policy

The Consolidated Balance Sheet on page 23 shows the disposition of the various charity funds totalling £131,173k as at 31 December, 2023 (2022: £124,207k). The term "reserves" describes that part of a charity's income funds that is freely available. Much of the funds are invested in property or restricted in use.
The unrestricted fund net assets readily available are £14,212k (2022: £19,416k).
The Finance Committee reviews the policy annually and have taken a risk-based approach to setting a reserves target. The main financial risks that the Committee felt needed to be covered were the call up of the guarantee to the pension funds (see notes 22 to 23), possible future lump sum contributions required to be made to either of the pension fund, a possible drop in excess of the usual rate in giving to Ministry and Mission Fund and possible legal action against the church requiring lump sum pay outs. Based on these risks, the Committee felt that the Trust should aim to maintain its reserves at a level between £16.45m and £16.7m.
While the current level of reserves held is below this target level, the Committee felt that risk of the pension guarantee being called up was significantly diminished by the closure of the scheme to future accrual and the move in early 2023 to de-risk the Ministers' Pension Fund's investment portfolio. Work is also being done ensure a buy out of the pension scheme within the next 2 years and that would negate the need for the guarantee. Based on this, the Committee were content with the current level of reserves.

Grant making

Grants are made on the recommendation of the relevant committee. Each application is assessed on its individual merits.

2023 Financial Results

The results for 2023 are set out in more detail in the Consolidated Statement of Financial Activities on page 22. This shows that there was, overall, an increase in funds in the year of £6,967k. The following table shows the breakdown of the results for 2023 compared with those for the previous year.

	2023 **£000**	2022 £000
Ministry and Mission Fund contributions	16,316	16,685
Donations, grants and legacies	7,593	5,495
Income from charitable activities	816	705
Investment income	2,210	2,006
Other income	1,759	4,461
Total income	28,694	29,352

	2023 £000	2022 £000
Expenditure:		
Charitable activities	26,641	29,290
Total expended	26,641	29,290
Net income from operating activities	2,053	62
Gains/(loss) on investment assets	4,910	(8,041)
Net (expense)/income	6,963	(7,979)
Actuarial (loss)/gain on pension schemes	4	3,368
	6,967	(4,611)

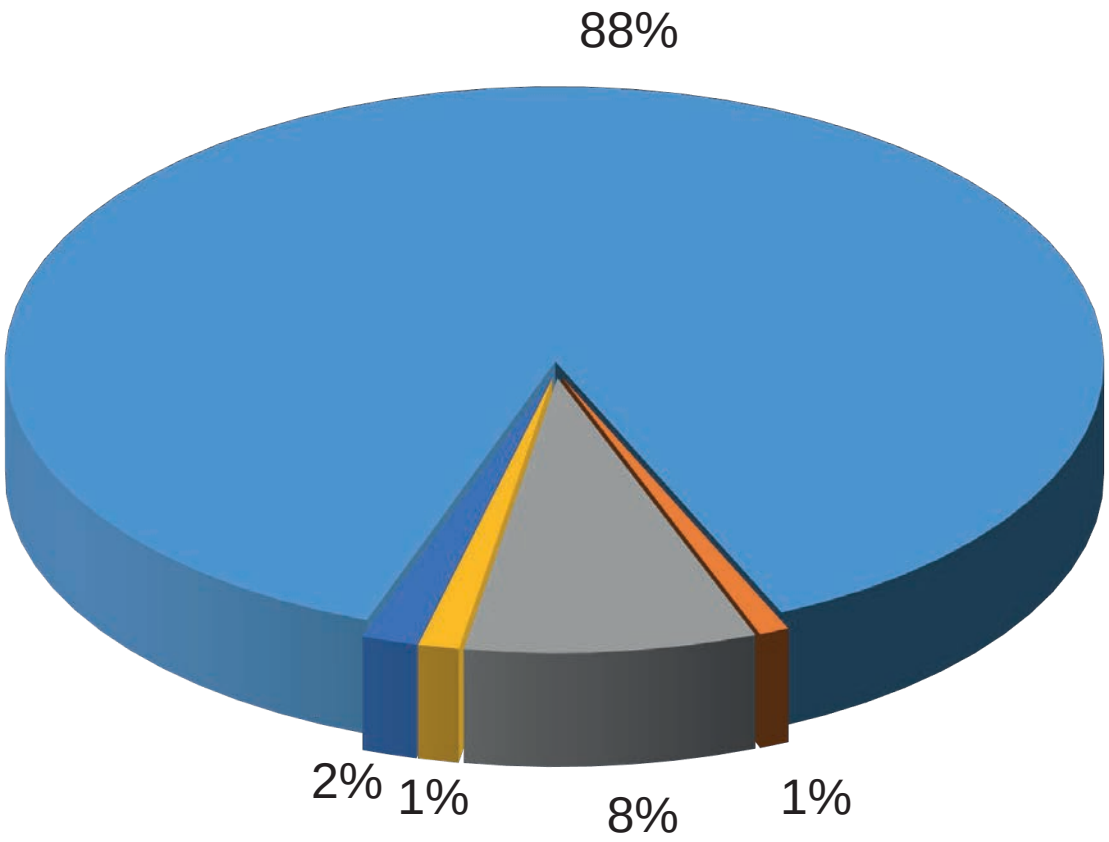
Ministry and Mission Fund contributions

The pie chart on page 14 gives a visual picture of total unrestricted income, showing that 88% of our unrestricted income comes from Ministry and Mission Fund contributions, which totalled just over £16.3 million. We are extremely grateful for the faithful and regular giving that this represents, enabling the Church to support ministry and mission across our three nations, and sustain the major way in which all members of the Church fund, in partnership, all our work for the kingdom of God. The pie chart of total unrestricted expenditure on page 15 shows that 81% of our unrestricted expenditure, totalling £15.8 million is used to provide ministry and a further 10% (£1.9 million) is used to provide financial resources to train and equip people for ministry.

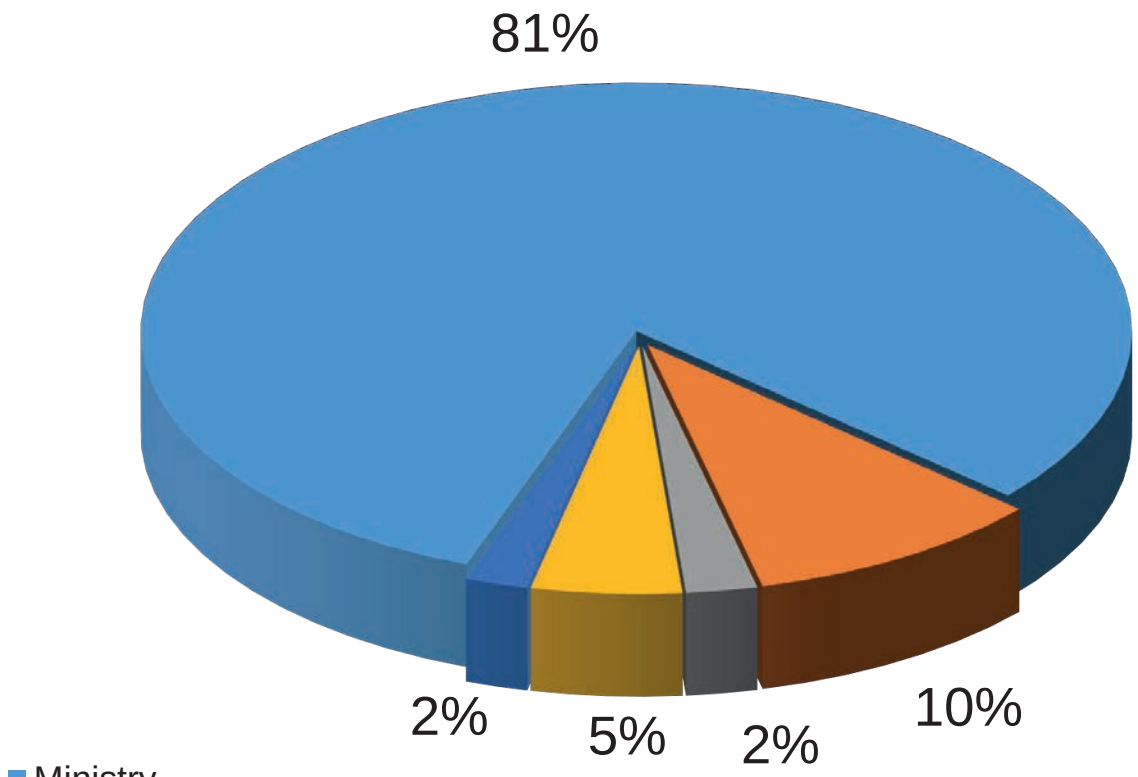
Donations, grants and legacies

We are very grateful for regular grants from a number of trusts, detailed in note 2 to the financial statements, as well as for many other donations. Apart from general donations the Trust received donations totalling just over £6.1 million from the synods towards helping pay the deficit contribution to the Ministers' Pension Fund. Commitment for Life donations from churches and individuals were up on the 2023 level, increasing from £259 to £267. Legacies bequeathed for general purposes are held in a separate designated Legacy Fund, available for projects not covered by regular budgets. During the year, General Assembly agreed to re-purpose half of the fund to create the Church Life Review Fund. The balance in this fund is now £672k (2022: £1,089k). Grants paid from this fund totalled £101k in 2023 (2022: £24k) with a further £163k included in creditors having been committed for future payment.

Unrestricted Income - £18.6m
Year ended 31 December 2023



Unrestricted Expenditure - £19.5m
Year ended 31 December 2023



Investment income

In 2023 investment income showed an increase of 10% due mainly to higher interest rates. The total was £2,210 in 2023 compared to £2,006k in 2022. Total investment income includes rental income on the mixed motive property.

Income from charitable activities

This income includes rental from the retired ministers' housing properties, and from sales of publications and subscriptions to *Reform* magazine.

Other income

Most of this income (£1,759k) represents net gains from sales of housing properties when they fall vacant. £258k came from selling properties for ministers in central roles and £1,456k came from selling homes for retired ministers. The proceeds of the latter are used to acquire properties for retiring ministers or sometimes for rehousing them in later years. In 2023, nine properties were bought and 14 were sold.

Unrestricted Expenditure – Charitable activities

These costs are analysed in note 5 on page 29 and include a share of support costs.

Ministry: £15,816k. The maintenance of ministry is the most important charge on the Church's resources. This sum pays for the stipends, social security and pension costs of our stipendiary ministers and CRCWs (who averaged 314 in number over the year) and includes all costs of the Synod Moderators. The total also includes costs relating to retired ministers of supplementing pensions and maintaining housing.

Education and Learning: £1,906k. The considerable commitment of resources to training ministers has continued. This sum includes our support for our Resource Centres for Learning, which reflects their wider role in providing learning opportunities for the whole Church, as well as direct support of those training for ministry. Other costs relate to ongoing lay development, including the Stepwise programme.

Children's and Youth Work: £453k. Children & Youth Work continued to run Youth Assembly and a variety of programmes.

Mission Programmes: £960k. The Mission Committee and team continue to progress longer-term strategies, including the Commitment for Life programme and have continued to support the Joint Public Issues Team and various interdenominational and interfaith organisations.

Publishing: £400k. The department continues to publish *Reform,* the denomination's magazine. They also run the on-line bookshop which offers a wide variety of book, merchandise and URC branded items. The denomination continued to subsidise the iChurch website support.

Gains on investment assets

The change in investment values from the beginning to end of the year, broken down by fund, is shown in the Summary of Fund Movements in note 19. After the downturn in 2002 with fears around the War in Ukraine, the markets saw some recovery in 2023, although still ended the year below the level at the start of 2022. Most of the funds are invested with CCLA and the investment committee continues to monitor their performance and press on ethical issues where needed. In monetary terms, investments increased by £5 million during the year. There was a downward revaluation of £245k on the investment property. Investment gains and losses over time are shown in the five year summary on page 49.

Actuarial gains on pension obligations

The Trust is required to take full account of actuarial losses arising each year in the United Reformed Church Ministers' Pension Fund (MPF). A lower discount factor saw the pension liabilities in 2023 rise by just over £2m while the fund's diversified investments increased in value by £5m. A large portion of the rise in the value of assets was attributed to the recovery of the fund's bond portfolio The overall net actuarial gain for the year was £2m. As the fund now shows a surplus using the FRS102 basis of valuation, the amount of the actuarial gains recognised in the Statement of Financial Activities was limited to the value of the deficit shown at the start of the year. The Church continued to make the required deficit contributions to fund the deficit mainly from contributions from synods to the Pension Deficit Fund, a restricted fund within these accounts. The MPF was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme was started.

The United Reformed Church Final Salary Scheme (FSS), which is mainly for lay staff, reported an actuarial loss of £962k mainly due to an increase in the scheme liabilities. The scheme remains in a net asset position in this scheme but because the Trust does not have an unconditional right to the surplus, this has not been recognised.

More details are given in notes 22 to 24 to the financial statements on pages 41 to 45.

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The directors of the charitable company are responsible for preparing the Trustees' Report and the financial statements.

Company law requires the charitable company to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the charitable company is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments 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 financial statements: and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the charitable company is aware:

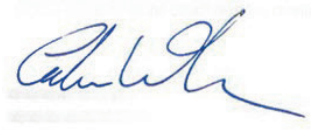
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the charitable company has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONCLUSION

The company by its directors has approved this Report. Those wanting more information or explanations about any aspect of the Church's finances are encouraged to address their enquiries to the Treasurer.

Signed on behalf of the directors of the charitable company



Catriona Wheeler

16 May, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED REFORMED CHURCH TRUST

Opinion

We have audited the financial statements of United Reformed Church Trust for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2023 and of the group and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such

material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
9 Appold Street
London
EC2A 2AP

5 June 2024

CONSOLIDATED & TRUSTS' STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000	2023 Total funds £'000	2023 Trust Only £'000	2022 Total funds £'000
Donations and legacies								
Ministry and Mission Fund contributions	2(a)	16,316	0	0	0	**16,316**	16,316	16,685
Grants receivable	2(b)	155	0	0	0	**155**	155	175
Legacies		0	170	480	0	**650**	171	568
Commitment for Life donations		0	0	267	0	**267**	267	259
Other donations	2(c)	10	0	6,507	4	**6,521**	6,122	4,493
		165	170	7,254	4	**7,593**	6,715	5,495
Charitable activities	3							
Ministry		6	0	592	0	**598**	6	483
Education and Learning		2	0	0	0	**2**	2	2
Children's and Youth work		25	0	0	0	**25**	25	15
Mission programmes		1	0	0	0	**1**	2	8
Publishing		190	0	0	0	**190**	190	197
		224	0	592	0	**816**	225	705
Investment income	4	1,594	34	582	0	**2,210**	2,210	2,006
Other income								
Gains on sale of properties		258	0	1,456	0	**1,714**	258	4,384
Other income		45	0	0	0	**45**	45	77
		303	0	1,456	0	**1,759**	303	4,461
Total income and endowments		18,602	204	9,884	4	**28,694**	25,769	29,352
Expenditure on:								
Charitable activities	5							
Ministry		15,816	323	5,536	0	**21,675**	20,407	23,595
Education and Learning		1,906	40	506	0	**2,452**	2,452	2,879
Children's and Youth work		453	7	96	0	**556**	556	534
Mission programmes		960	17	480	0	**1,457**	1,457	1,717
Publishing		400	7	94	0	**501**	501	565
Other expenditure		0	0	0	0	**0**	0	0
		19,535	394	6,712	0	**26,641**	25,373	29,290
Total expended		19,535	394	6,712	0	**26,641**	25,373	29,290
Surplus from charitable and trading activities		(933)	(190)	3,172	4	**2,053**	396	62
Net gains/ (Loss)on investment assets		944	103	1,197	2,666	**4,910**	4,910	(8,041)
Net income		11	(87)	4,369	2,670	**6,963**	5,306	(7,979)
Transfers between funds		(518)	(1)	519	0	**0**	0	0
Actuarial gains/(losses) on pension schemes	22	4	0	0	0	**4**	4	3,368
Net movement in funds		(503)	(88)	4,888	2,670	**6,967**	5,310	(4,611)
Reconciliation of Funds								
Total funds brought forward		27,839	4,203	62,251	29,914	**124,207**	85,647	128,818
Total funds carried forward		27,336	4,115	67,139	32,584	**131,174**	90,957	124,207

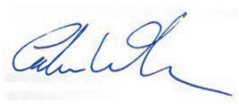
All amounts relate to continuing operations.
There is no material difference between the net incoming resources stated above and their historical cost equivalents.
All gains and losses recognised in the year are included in the Statement of Financial Activities.
The Companies Act income and expenditure account has been included in note 33.

The notes on pages 25 to 48 form an integral part of these financial statements.

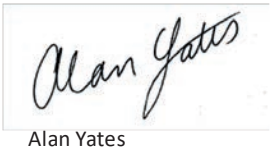
CONSOLIDATED AND TRUST BALANCE SHEETS AS AT 31 DECEMBER 2023

	Note	*Consolidated* 2023	*Consolidated* 2022	*Trust* 2023	*Trust* 2022
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	11	235	192	235	192
Tangible assets	11				
Houses for retired ministers		39,972	38,278	347	347
Houses for serving ministers		8,200	7,736	8,200	7,736
Other properties		2,603	2,620	2,603	2,620
Total properties		50,775	48,634	11,150	10,703
Cars and equipment		74	73	74	73
		51,084	48,899	11,459	10,968
Investments and loans					
Mixed motive investment property	12	2,105	2,222	2,105	2,222
Mixed use investment property	12a	728	856	728	856
Investments	13	59,432	54,336	59,432	54,336
Programme-related investments	14	244	242	244	242
Loans, excluding inter-fund loans	15	191	193	4,042	4,042
		62,700	57,849	66,551	61,698
Current assets					
Debtors	16	5,136	3,085	5,497	2,503
Bank balances and money on call		16,158	18,309	10,944	14,305
		21,294	21,394	16,441	16,808
Current liabilities	17	(1,542)	(1,569)	(1,132)	(1,461)
Net current assets		19,752	19,825	15,309	15,347
Total assets less current liabilities		133,536	126,573	93,319	88,013
Defined benefit pension scheme liability	22-24	(4)	(8)	(4)	(8)
Other pension obligations	23	(2,358)	(2,358)	(2,358)	(2,358)
Net assets including pension liability		131,174	124,207	90,957	85,647
Unrestricted income funds					
General reserves		19,703	21,153	19,703	21,153
Revaluation reserve - investments		5,698	4,160	5,698	4,160
Revaluation reserve - property		1,939	2,534	1,939	2,534
Designated funds		4,115	4,203	4,115	4,203
Total unrestricted income funds before pension reserve		31,455	32,050	31,455	32,050
Pension reserve		(4)	(8)	(4)	(8)
Restricted income funds		67,139	62,251	26,922	23,691
Capital funds		32,584	29,914	32,584	29,914
TOTAL FUNDS	19-20	131,174	124,207	90,957	85,647

Approved by the directors on 14 May 2024 and signed on their behalf by:



Catriona Wheeler
Chair



Alan Yates
Treasurer

United Reformed Church Trust is a company limited by guarantee, number 135934, and Registered Charity number 1133373.

The notes on pages 25 to 48 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2023

	2023 £'000	2022 £'000
Cash flows from operating activities		
Net income/(expenditure) before other recognised gains and losses (see page 22)	6,963	(4,611)
Adjustments for:		
Decrease/(increase) in debtors	(2,051)	2,143
Decrease/(increase) in creditors	(27)	(22)
Loss/(gain) on investment assets	(4,910)	8,049
Profit on sale of tangible fixed assets	(1,714)	(4,309)
Depreciation and impairment	88	70
Other investment income	(2,210)	(2,006)
Cash endowment received	(4)	(4)
Difference between pension contributions and actuarial cost	(4)	(4,608)
Cash flows generated from operations	(10,832)	(687)
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(3,823)	(969)
Payments to acquire intangible fixed assets	(67)	(104)
Receipts from sales of tangible fixed assets	3,332	7,208
Receipts from sales of fixed asset investments	60	-
Loans and advances made to ministers	(26)	(14)
Loans repaid by ministers	17	20
Loans and advances to churches	11	4
Investment income	2,210	2,006
	1,714	8,151
Cash flows from financing		
Addition to capital endowment	4	4
Net increase (decrease) in Cash (note 28)	(2,151)	2,857

The notes on pages 25 to 48 form an integral part of these financial statements.

NOTE 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)) and the Companies Act 2006. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April, 2005 which has since been withdrawn.
United Reformed Church Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).
A separate Cash Flow Statement has not been presented for United Reformed Church Trust itself because it has made use of the exemptions afforded by Section 408 of the Companies Act 2006.
The presentation currency is pounds sterling and unless otherwise stated, figures are rounded to the nearest thousand (£000).

Going concern
The directors have considered possible events and conditions that might cast significant doubt on the ability of the Trust to continue as a going concern. The directors have made their assessment for a period of at least one year from the date of approval of these financial statements. In particular they have considered the Trust's forecasts and projections and have considered the longer term impact of the cost of living crisis and the diminishing giving to M&M on the viability of the Trust. A request has been made to synods to help top up the Ministry and Mission Fund contributions and maintain this at the 2023 level. The synods are considering this request, but the general feeling is that they will be able to help in this respect. The two Defined Benefit Pension schemes have been closed to future accrual from 1 March 2023 and this will result in significant savings for the Church. The General Secretariat has been tasked with cutting the expenditure for the 2025 budget by 5%. Work is ongoing in this area. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.
The principal accounting policies, which have been applied consistently throughout the year, are set out below:

(i) Scope
The consolidated financial statements show the combined income, expenditure, assets and liabilities of the charitable funds administered by the Trust for the purposes of the United Reformed Church under the overall authority of the General Assembly, and include the total financial operations of the United Reformed Church Retired Ministers' Housing Society Limited ("the society"). The society is a separate exempt charity registered under the Co-operative and Community Benefit Societies Act 2014. It is accounted for as a separate fund and branch of the Church in accordance with the SORP, and details are also given to reflect its legal status as a subsidiary charity.

(ii) Classification of funds
Unrestricted income funds may be spent generally for furthering the religious and charitable work of the Church.
Restricted income funds are funds whose use is restricted to specific purposes according to the terms on which the funds were received. However, if the purpose is one that forms part of the Church's regular expenditure and the income of the funds are fully spent each year, the restriction has no practical effect and funds with such restrictions are treated as unrestricted.
Capital funds (i.e. endowments) include some permanent endowments that are required to be retained but the income from these funds can be spent for the benefit of the Church subject, in certain cases, to specific restrictions contained in the original endowment. Other capital funds (i.e. expendable endowments) may be converted to income at the discretion of the trustees.
The main funds included in these financial statements, and their classification, are shown in notes 18 to 21.

(iii) Income

All incoming resources including voluntary income, income from activities for raising funds, investment income, is recognised in the SOFA when there is legal entitlement to the income, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

a. Donations and legacies

Donations and legacies are accounted for on a receivable basis. In accordance with this policy, legacies are included when advice has been received from the personal representative of an estate that payment will be made or property transferred and the amount can be measured reliably. Gifts in kind are included within income at the value to the charity at the date of the gift. The value of services provided by volunteers has not been included.

b. Grants receivable

Incoming grants are accounted for on a receivable basis. Incoming resources from grants, where there are service or performance deliverables required as conditions of the terms of the grant, are accounted for as the charity earns the right to payment through its performance, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably and it is not deferred.

c. Ministry and Mission Fund contributions, investment income and other income

Ministry and Mission Fund contributions, investment income, income from charitable activities and other incoming resources are accounted for on a receivable basis. Contributions to the fund, based on local church pledges, are agreed annually in advance with each synod; amounts received in excess of, or shortfalls from the agreed contributions, are accounted for in the year.

d. Gains and losses on investments

Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

(iv) Expenditure

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Any irrecoverable VAT is included with the costs to which it relates. Directly attributable costs are allocated to the main charitable activities; details are shown in notes 5 to 8. The support costs, including governance costs, included in note 7 relate to the whole of the charity's activities and a proportion of these costs is allocated to expenditure headings on a basis that is consistent with the use of the resources. Outgoing grants are accounted for on a payable basis. Grants payable are included in the Statement of Financial Activities when approved and this has been communicated to the applicant. The value of such grants unpaid at the end of the year is accrued.

(v) Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

(vi) Pensions

The Church operated a funded defined benefit pension scheme for ministers and Church Related Community Workers (CRCWs) receiving a stipend, known as The United Reformed Church Ministers' Pension Fund. The assets of the scheme are managed independently of the Church. Pension costs are assessed in accordance with the advice of an independent qualified actuary. This scheme was closed to future accrual on 28 March 2023.

The Church, together with most synod trusts, also used The United Reformed Church Final Salary Scheme, a multi-employer defined benefit scheme operated by TPT Retirement Solutions Trust, an independent pension provider to the not-for-profit sector. It provides trustee and asset management services, and pension costs are assessed in accordance with the advice of an independent qualified actuary. This scheme was also closed to future accrual on 28 February, 2023.

For both schemes, under FRS 102 paragraph 28 – 'Retirement benefits' – the amounts charged to expenditure are the current service costs, interest costs and expenses, which are included within charitable expenditure. Actuarial gains and losses are recognised immediately and disclosed in the Statement of Financial Activities.

The assets of the pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each year end. The resulting defined benefit asset or liability is presented separately after other net assets on the Balance Sheet except where the scheme is in surplus and there is no unconditional right to that surplus. In this situation the scheme surplus is recognised at nil value in accordance with FRS102.

(vii) Intangible and tangible fixed assets

Intangible and tangible fixed assets having an initial cost of £1,000 or less are written off on acquisition. Assets having an initial cost greater than £1,000 are stated at cost when purchased and at valuation when received in specie. Property repairs are normally written off when incurred.

Many properties used as houses for retired ministers are owned jointly with tenants or synods of the United Reformed Church. The value in the Balance Sheet of such properties is the cost (less any impairment charged) to the charity of the charity's share in the property.

Properties are maintained in a state of sound repair. The Finance Committee considers whether any impairment is necessary considering the lives of the properties and their residual value. Any material deficit between the anticipated recoverable amount of freehold property and its carrying value shown in the financial statements is recognised in the Statement of Financial Activities. Depreciation is no longer charged on these properties on grounds of materiality. The value of land is not depreciated.

Depreciation is charged as a percentage of cost as follows:

Improvements to property with limited life	5 % pa
Cars, computers and photocopiers	25 % pa
Intangible assets, other furniture and equipment	10 % pa

Further details are given in note 11.

(viii) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

(ix) Mixed motive investment properties

Mixed motive investment property comprises the portion of United Reformed Church House that is let on a commercial basis to other charities. It is recognised at fair value and is not depreciated.

(x) Mixed-use investment properties

Mixed use investment property comprises the portion of United Reformed Church House that is let on a commercial basis for residential purposes. It is recognised at fair value and is not depreciated.

(xi) Investments

Listed securities are included at market value at the Balance Sheet date. Unlisted securities are stated at cost as there is no readily ascertainable market price.

(xii) Programme-related investments

Programme-related investments comprise investments in entities whose aims are aligned to the charitable objectives of the trust and are shown at cost.

(xiii) Concessionary loans

Loans to advance the Church's charitable purposes are held within fixed assets and are stated at original cost and subsequently adjusted for any repayments or impairment.

(xiv) Financial instruments

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

(xv) Critical accounting judgements and estimation

Significant areas of judgement in applying accounting policies are as follows:

- Provision is made for retirement obligations where advice is taken from independent actuaries
- Valuation of mixed motive and mixed use investments where use has been made of relevant market indices to update the formal valuations obtained in previous years
- Recoverability of concessionary loans based on management's assessment of recovery
- Impairment of houses held for serving and retired ministers

NOTE 2 VOLUNTARY INCOME

(a)

Synods	2023 £'000	2022 £'000
Northern	906	765
North Western	1,430	1,596
Mersey	855	878
Yorkshire	714	776
East Midlands	906	953
West Midlands	1,461	1,570
Eastern	1,819	1,953
South Western	1,115	1,193
Wessex	1,851	1,884
Thames North	1,929	1,745
Southern	2,339	2,416
Wales	473	435
Scotland	518	521
	16,316	16,685

(b) Grants Receivable

The Church receives income from a number of trusts. The significant ones are described below.

	2023 £'000	2022 £'000
Congregational Memorial Hall Trust	115	108
Council for World Mission	40	49
Other grants	-	18
	155	175

Congregational Memorial Hall Trust

The United Reformed Church has a 70% interest in distributions from this Trust. In 2010 the trust distributed a share of half of its assets by way of a donation totalling £3,658k of investments. Income from the investments has replaced most of the grant.

Council for World Mission

Further grants totalling £40k were received to cover the costs of a South Korean minister working for the URC.

(c) Donations

	2023 £'000	2022 £'000
Other donations received	6,521	4,493

Included above are £6,108 (2022: £4,467k) received from synods as a contribution towards the pension fund deficit (see note 21).

NOTE 3 INCOME FROM CHARITABLE ACTIVITIES

These comprise:	2023 £'000	2022 £'000
Retired Ministers' Housing rents	592	411
Publication and resource sales	100	86
Reform magazine - subscriptions and advertising	91	105
Other programmes - fees, grants and sales	33	103
	816	705

NOTE 4 INVESTMENT INCOME

	2023 £'000	2022 £'000
Unitised funds	1,793	1,795
Interest on short-term investment and bank deposits	260	50
Rental income	157	161
	2,210	2,006

NOTE 5 ANALYSIS OF EXPENDITURE

The amount spent on charitable activities, including support costs, is summarised as follows:

2023	Direct programme expenditure £'000	Grant funding (note 6) £'000	Support costs (note 7) £'000	2023 Total £'000
Ministry	18,591	894	2,188	21,673
Education and Learning	1,145	452	855	2,452
Children's and Youth work	303	2	252	557
Mission programmes	642	336	479	1,457
Publishing	299	-	203	502
	20,980	1,684	3,977	26,641

2022	Direct programme expenditure £'000	Grant funding (note 6) £'000	Support costs (note 7) £'000	2022 Total £'000
Ministry	21,140	668	1,787	23,595
Education and Learning	1,248	548	1,083	2,879
Children's and Youth work	303	6	226	535
Mission programmes	862	259	596	1,717
Publishing	334	-	230	564
	23,887	1,481	3,922	29,290

NOTE 6 ANALYSIS OF GRANTS

2023	Grants to individuals £'000	Grants to institutions £'000	2023 Total £'000
Pension grants	292	-	292
Welfare and other ministry grants	296	19	315
Student maintenance and training	378	28	406
Local churches - mission and facilities	15	328	343
Chaplaincies	-	9	9
Ecumenical church bodies	2	-	2
Commitment for Life programme	1	215	216
Other programmes	2	99	101
	986	698	1,684

2022	Grants to individuals £'000	Grants to institutions £'000	2022 Total £'000
Pension grants	314	-	314
Welfare and other ministry grants	305	10	315
Student maintenance and training	492	14	506
Local churches - mission and facilities	6	50	56
Chaplaincies	-	38	38
Ecumenical church bodies	1	1	2
Commitment for Life programme	-	208	208
Other programmes	2	40	42
	1,120	361	1,481

Major grants to institutions in the year (included above) were:

Organisation	Type	2023 £'000	2022 £'000
Christian Aid	Commitment for Life	213	195
Global Justice Now	Commitment for Life	15	13

NOTE 7 SUPPORT COSTS

Support costs comprise the premises costs of United Reformed Church House, and the staff and office costs in respect of: Central Secretariat (including Human Resources), Finance, Communications and Information Technology, and governance costs. These costs have been apportioned across the areas of charitable activity on the basis and in the amounts shown below.

	Premises costs £'000	Computer costs £'000	Staff and office costs £'000	2023 Total £'000	2022 Total £'000
Basis of apportionment	Area	Staff	Actual costs		
Ministry	24	42	2,122	2,188	1,787
Education and Learning	22	30	803	855	1,083
Children's and Youth work	26	70	156	252	226
Mission	31	81	367	479	596
Publishing	22	30	151	203	230
	125	253	3,599	3,977	3,922

NOTE 8 GOVERNANCE COSTS

Governance costs are included in support costs and total £423k (2022: £344k). This figure includes the remuneration of the auditors, amounting to £50k (2022: £58k) of which £35k relates to the audit of the Trust which includes an over accrual of £1k and the balance of £15k relates to the audits of subsidiary charities. Other services provided by the auditors amounts to £18k.

NOTE 9 NOTIFIED LEGACIES

The Trust had not received notification of any legacies (2022: nil) that has not been included in the financial statements because the conditions for recognition have not yet been met.

NOTE 10 STIPEND AND SALARY COSTS

During the year the following stipend and salary costs were incurred:

		2023 £'000	2022 £'000
Ministers and CRCWs: 314 (2022: 336)	Gross stipends	9,159	8,941
	Social security costs	909	953
	Other pension costs	6,518	10,050
		16,586	19,944

All stipend costs above are included within the costs of Ministry

		2023 £'000	2022 £'000
Lay staff: 69 (2022: 70)	Gross salaries	2,540	2,272
	Social security costs	238	226
	Other pension costs	394	461
	Redundancy costs	-	8
		3,172	2,967

Salary costs have been apportioned as follows:

Ministry	1,701	1,489
Education and Learning	300	306
Children's and Youth work	246	226
Mission programmes	451	447
Publishing	474	497
	3,172	2,967

The minister and staff numbers shown represent the average for the year. They include staff working at Church House in London.

Two employees received emoluments, excluding employer pension contributions greater than £60k during 2023 (2022: Nil).

Key management personnel are the General Secretary, the Deputy General Secretary Discipleship, the Deputy General Secretary Mission and the Chief Operating Officer (‘COO’). The post of the COO is filled by a lay person while the other 3 posts are filled by ministers. The total of employee benefits paid to key management personnel in 2023 was £294k (2022: £184k). Until June 2023, the Deputy General Secretary Admin and Resources was part of the Key management team. That post was discontinued after June with most of the responsibilities falling to the COO who started on a part time basis at the beginning of the year, going full time in May.

In addition, a great amount of time, the value of which it is impossible to reflect in these financial statements, is donated by thousands of volunteers throughout the United Kingdom.

Individuals acting as a director for the company received no remuneration in respect of their services as director, other than the reimbursement of travel expenses to nine individuals during the year ended 31 December, 2023 totalling £1,824 (2022: 11 individuals totalling £792)

NOTE 11 TANGIBLE & INTANGIBLE FIXED ASSETS

(a) Consolidated:	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible Fixed assets £'000	Computer Software £'000
Cost						
At 1 January, 2023	38,608	7,776	2,838	241	49,463	222
Additions	3,302	464	9	48	3,823	67
Disposals	(1,635)	-	-	(20)	(1,655)	-
Re-classification						
At 31 December, 2023	40,275	8,240	2,847	269	51,631	289
Accumulated depreciation and impairment						
At 1 January, 2023	330	40	218	168	756	30
Charge for year	-	-	26	38	64	24
Disposals	(27)	-	-	(11)	(38)	-
At 31 December, 2023	303	40	244	195	782	54
Net book value						
At 31 December, 2023	39,972	8,200	2,603	74	50,849	235
At 31 December, 2022	38,278	7,736	2,620	73	48,707	192

Of the land and buildings included above, £4,206k (2022: £5,035k) are leasehold. At 31 December, 2023, 271 (2022: 276) houses were owned for housing retired ministers and 17 (2022: 16) houses for serving ministers. Although the total market value of all properties is not practicable to quantify, it is considerably in excess of the carrying value shown above.
Other properties include premises improvements at United Reformed Church House and the Yardley Hastings Centre. At the Yardley Hastings property, which has a carrying value of £628k, the local church continues to use part of the premises and the remainder is leased to a local charity under a long-term lease.

(b) Trust:	Houses for retired ministers £'000	Houses for serving ministers £'000	Other properties £'000	Cars and equipment £'000	Total Tangible fixed assets £'000	Computer software £'000
Cost						
At 1 January 2023	369	7,776	2,835	241	11,221	222
Additions	-	464	12	48	524	67
Disposals	-	-	-	(20)	(20)	-
Re-classification						
At 31 December 2023	369	8,240	2,847	269	11,725	289
Accumulated depreciation and impairment						
At 1 January 2023	21	40	215	168	444	30
Charge for year	1	-	29	38	67	24
Disposals	-	-	-	(11)	(11)	-
At 31 December 2023	22	40	244	195	500	54
Net book value						
At 31 December 2023	347	8,200	2,603	74	11,224	235
At 31 December 2022	347	7,736	2,620	73	10,777	192

NOTE 12 MIXED MOTIVE INVESTMENT PROPERTY

	Consolidated		Trust	
Fixed asset investments	**2023 £'000**	**2022 £'000**	**2023 £'000**	**2022 £'000**
Carrying value at beginning of year	2,222	2,500	2,222	2,500
Net gains/(losses) on revaluation	(117)	(278)	(117)	(278)
Carrying value at end of year	2,105	2,222	2,105	2,222

Mixed motive investment property consists of the second floor of URC Church House which is rented out on a commercial let to another charity. The property was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed motive investment property at 31 December, 2023 was calculated using rental yields.

NOTE 12a MIXED-USE INVESTMENT PROPERTY

	Consolidated		Trust	
Fixed asset investments	**2023 £'000**	**2022 £'000**	**2023 £'000**	**2022 £'000**
Carrying value at beginning of year	856	927	856	927
Net gains/(losses) on revaluation	(128)	(71)	(128)	(71)
Carrying value at end of year	728	856	728	856

Mixed use investment property consists of the third floor of URC Church House which is rented out on a commercial let for residential purposes. The property was formally valued by Allsop LLP on 6 November, 2017. The value of the mixed use investment property at 31 December, 2023 was calculated using rental yields.

NOTE 13 INVESTMENTS

	Consolidated		Trust	
Fixed asset investments	**2023 £'000**	**2022 £'000**	**2023 £'000**	**2022 £'000**
Carrying value at beginning of year	54,336	62,036	54,336	62,036
Sales proceeds	(59)	-	(59)	-
Net gains/(losses) on revaluation	5,155	(7,700)	5,155	(7,700)
Carrying value at end of year	59,432	54,336	59,432	54,336

	Consolidated		Trust	
Investments comprise units in UK based Common Investment Funds at market value, as follows:	**2023 £'000**	**2022 £'000**	**2023 £'000**	**2022 £'000**
COIF Charities Ethical Investment Fund	58,407	53,243	58,407	53,243
COIF Charities Property Fund	1,025	1,093	1,025	1,093
	59,432	54,336	59,432	54,336
Investments at book cost	33,972	34,013	33,972	34,013

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Included within investments held in the COIF Charities Ethical Investment Fund is £4,523k held to meet the 'other pension obligation' as set out in note 23.
Financial assets measured at fair value are £59,432k.

NOTE 14 PROGRAMME-RELATED INVESTMENTS

Programme-related investments are investments made in pursuit of the Trust's charitable purposes, the primary motivation for which is not financial but to further our objectives and programme. The principal programme-related investment is £200k as a Founder Member of Luther King House Educational Trust, which owns the property that houses our resource centre for learning at Northern College. Smaller investments are held in Oikocredit, the Churches' Mutual Credit Union and Traidcraft plc. These smaller investments held as social investments and are held at cost and not revalued.

NOTE 15 CONCESSIONARY LOANS

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
External loans comprise:				
To ministers	46	37	46	37
To Churches	145	156	145	156
Inter-fund concessionary loans	-	-	3,851	3,849
	191	193	4,042	4,042

Loans to ministers are generally interest free and repayable over 3 to 5 years. Movement on the loan balances was as follows:

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Balance at 1 January	37	43	37	43
Repaid in the year	(17)	(20)	(17)	(20)
Advanced in the year	26	14	26	14
Balance at 31 December	46	37	46	37

Loans to churches comprises a long term loan to the Synod of Wales in respect of the Glamorgan Chaplaincy and loans from the Church Building Fund to local churches. The loan to the Glamorgan Chaplaincy is interest free and is repayable if the chaplaincy is wound up. The loans from the Church Building Fund are repayable over 8 years and interest is charged using the CCLA Charities Deposit Fund deposit rate.
Inter-fund concessionary loans represent the long-term indebtedness of the United Reformed Church Retired Ministers' Housing Society Limited to the Church. Loans have been made available for the purchase of properties, for as long as they are required, to enable the Society to fulfil its objectives.

NOTE 16 DEBTORS

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debtors comprise:				
Tax recoverable	-	2	-	2
Other debtors	4,330	2,197	4,733	1,769
Prepayments and accrued income	806	886	764	732
	5,136	3,085	5,497	2,503
Financial assets measured at amortised cost	4,312	2,627	4,189	2,199

NOTE 17 CREDITORS: amounts falling due within one year

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Current liabilities comprise:				
Amounts owed to group undertakings	-	-		11
Sums held for synods and congregations	50	155	-	-
Other creditors including taxation and social security	1,229	1,135	921	1,103
Accruals	263	246	211	314
Deferred income	-	33	-	33
	1,542	1,569	1,132	1,461
Financial liabilities measured at amortised cost	1,261	1,290	903	1,194

Included within Other creditors are amounts totalling £41k which are held in trust on behalf of other organisations.

Movements in deferred income	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Balance at 1 January	33	43	33	43
Received in the year	-	33	-	33
Transferred to income	(33)	(43)	(33)	(43)
Balance at 31 December	-	33	-	33

NOTE 18 UNRESTRICTED FUNDS

The Ministry and Mission Fund is the general fund of the Church through which the bulk of income and expenditure, covered by the annual budget agreed by the Trustee and presented to Assembly Executive, is passed. Associated with it are two capital funds, Maintenance of the Ministry and Ministerial Training, the whole of whose income each year is transferred to the Ministry and Mission Fund, which is responsible for meeting ministry and training costs.
These funds include £18.6million held as capital, most having been gifted by other trusts. These funds are invested and the income is used as intended. The capital is expendable by decision of the Trustee.

NOTE 19 SUMMARY OF FUND MOVEMENTS

2023 Fund Movements

	Funds at 1 Jan 2023 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 2023 £'000s
UNRESTRICTED FUNDS							
Ministry and Mission	27,839	18,088	(19,535)	(4)	944	4	27,336
Maintenance of the Ministry Fund	-	36	-	(36)	-	-	-
Ministerial Training Fund	-	478	-	(478)	-	-	-
Consolidated & Trust	**27,839**	**18,602**	**(19,535)**	**(518)**	**944**	**4**	**27,336**
DESIGNATED FUNDS							
Legacy Fund	1,089	169	(102)	(485)	-	-	671
Discipleship Development Fund	934	30	(81)	(1)	89	-	971
Church Life Review Fund (previously the Annenberg Fund)	180	5	(1)	485	14	-	683
Churches Energy Crisis Fund	2,000	-	(210)	-	-	-	1,790
Consolidated & Trust	**4,203**	**204**	**(394)**	**(1)**	**103**	**-**	**4,115**
RESTRICTED FUNDS (note 21)							
Church Buildings Fund	4,812	147	(65)	2	439	-	5,335
Retired Ministers' Housing Fund	5,489	9	(20)	-	-	-	5,478
Welfare Fund	16	8	-	-	-	-	24
Retired Ministers' Funds	1,794	157	(292)	12	405	-	2,076
Commitment For Life Fund	-	269	(215)	(54)	-	-	-
Pension Deficit Fund	6,481	6,108	(4,700)	500	-	-	8,389
Other Funds	5,103	261	(153)	59	353	-	5,623
Total Trust Funds	**23,695**	**6,959**	**(5,445)**	**519**	**1,197**	**-**	**26,925**
Retired Ministers' Housing Society	38,556	2.925	(1,267)	-	-	-	40,214
Total Consolidated Funds	**62,251**	**9,884**	**(6,712)**	**519**	**1,197**	**-**	**67,139**
CAPITAL FUNDS							
Ministry and Mission	6,639	-	-	-	612	-	7,251
Maintenance of the Ministry Fund	1,870	-	-	-	140	-	2,010
Ministerial Training Fund	15,199	-	-	-	1,361	-	16,560
Church Buildings Funds	184	-	-	-	-	-	184
Retired Ministers' Housing Funds	391	-	-	-	-	-	391
Welfare Funds	963	-	-	-	95	-	1,058
Retired Ministers' Funds	353	-	-	-	35	-	388
Other Funds	4,315	4	-	-	423	-	4,742
Consolidated & Trust	**29,914**	**4**	**-**	**-**	**2,666**	**-**	**32,584**

Transfers between funds generally represents use of restricted funds to cover items of expenditure in the general funds that fall within the objects of the specific restricted fund.

2022 Fund Movements

	Funds at 1 Jan 2022 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers between funds £'000s	Gains/ (Losses) on investment assets £'000s	Actuarial (losses)/ gains £'000s	Funds at 31 Dec 2022 £'000s
UNRESTRICTED FUNDS							
Ministry and Mission	28,774	19,887	(20,672)	(1,451)	(2,067)	3,368	27,839
Maintenance of the Ministry Fund	-	40	-	(40)	-	-	-
Ministerial Training Fund	-	480	-	(480)	-	-	-
Consolidated & Trust	**28,774**	**20,407**	**(20,672)**	**(1,971)**	**(2,067)**	**3,368**	**27,839**
DESIGNATED FUNDS							
Legacy Fund	633	510	(24)	(30)	-	-	1,089
Discipleship Development Fund	1,089	29	(57)	-	(127)	-	934
Annenberg Fund	-	5	-	196	(21)	-	180
Churches Energy Crisis Fund	-	-	-	2,000	-	-	2,000
Consolidated & Trust	**1,722**	**544**	**(81)**	**2,166**	**(148)**	**-**	**4,203**
RESTRICTED FUNDS							
Church Buildings Fund	5,309	148	(13)	2	(634)	-	4,812
Retired Ministers' Housing Fund	5,502	6	(19)	-	-	-	5,489
Welfare Fund	8	8	-	-	-	-	16
Retired Ministers' Funds	2,523	157	(314)	12	(584)	-	1,794
Commitment For Life Fund	5	259	(208)	(56)	-	-	-
Pension Deficit Fund	8,714	4,467	(6,700)	-	-	-	6,481
Other Funds	5,678	262	(183)	(143)	(511)	-	5,103
Total Trust Funds	**27,739**	**5,307**	**(7,437)**	**(185)**	**(1,729)**	**-**	**23,695**
Retired Ministers' Housing Society	36,566	3,090	(1,100)	-	-	-	38,556
Total Consolidated Funds	**64,305**	**8,397**	**(8,537)**	**(185)**	**(1,729)**	**-**	**62,251**
CAPITAL FUNDS							
Ministry and Mission	7,524	-	-	-	(885)	-	6,639
Maintenance of the Ministry Fund	2,133	-	-	-	(263)	-	1,870
Ministerial Training Fund	17,349	-	-	-	(2,150)	-	15,199
Church Buildings Funds	184	-	-	-	-	-	184
Retired Ministers' Housing Funds	391	-	-	-	-	-	391
Welfare Funds	1,100	-	-	-	(137)	-	963
Retired Ministers' Funds	403	-	-	-	(50)	-	353
Other Funds	4,930	4	-	-	(619)	-	4,315
Consolidated & Trust	**34,014**	**4**	**-**	**-**	**(4,104)**	**-**	**29,914**

Designated funds: Income from unrestricted legacies is put into the Legacy Fund. Grants are made from the fund to churches and synods for mission focussed projects. The Discipleship Development Fund resulted from the sale of the Windermere Centre in 2017. It is used to give grants to help develop lay people for work in the church. The Churches Energy Crisis fund was set up late in 2022 in response to rising energy prices. The aim of the fund is to give financial support to churches struggling with these increases.

NOTE 20 ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUNDS

2023 Analysis

ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2023
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	235	-	-	-	235
Property	9,737	-	40,107	931	50,775
Cars and equipment	74	-	-	-	74
Investments	13,540	1,147	13,388	31,601	59,676
Investment properties	2,833	-	-	-	2,833
External loans	47	-	144	-	191
Inter fund loans	944	-	(944)	-	-
Net current assets	14,536	(163)	5,378	-	19,751
Pension reserve	(4)	-	(2,358)	-	(2,362)
Inter fund balances	(14,606)	3,131	11,424	52	1
Net assets	**27,336**	**4,115**	**67,139**	**32,584**	**131,174**

ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2023
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	235	-	-	-	235
Property	9,737	-	483	931	11,151
Cars and equipment	74	-	-	-	74
Investments	13,540	1,147	13,388	31,601	59,676
Investment properties	2,833	-	-	-	2,833
External loans	47	-	3,994	-	4,041
Net current assets	15,480	(163)	(9)	-	15,308
Pension reserve	(4)	-	(2,358)	-	(2,362)
Inter fund balances	(14,606)	3,131	11,424	52	1
Net assets	**27,336**	**4,115**	**26,922**	**32,584**	**90,957**

2022 Analysis

ANALYSIS OF ASSETS BETWEEN FUNDS – CONSOLIDATED

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2022
	£'000s	£'000s	£'000s	£'000s	£'000s
Intangible assets	192	-	-	-	192
Property	9,290	-	38,413	931	48,634
Cars and equipment	73	-	-	-	73
Investments	12,408	1,045	12,190	28,935	54,578
Investment properties	3,078	-	-	-	3,078
External loans	38	-	155	-	193
Inter fund loans	-	-	-	-	-
Net current assets	15,374	(28)	4,479	-	19,825
Pension reserve	(8)	-	(2,358)	-	(2,366)
Inter fund balances	(12,606)	3,186	9,372	48	-
Net assets	**27,839**	**4,203**	**62,251**	**29,914**	**124,207**

ANALYSIS OF ASSETS BETWEEN FUNDS – TRUST

	Unrestricted Funds	Designated Funds	Restricted Funds	Capital Funds	Total 2022
	£'000	£'000s	£'000	£'000	£'000
Intangible assets	192	-	-	-	192
Property	9,290	-	483	931	10,704
Cars and equipment	73	-	-	-	73
Investments	12,408	1,045	12,190	28,935	54,578
Investment properties	3,078	-	-	-	3,078
External loans	37	-	4,005	-	4,042
Net current assets	15,374	(28)	-	-	15,346
Pension reserve	(7)	-	(2,358)	-	(2,365)
Inter fund balances	(12,606)	3,186	9,372	48	-
	27,839	**4,203**	**23,692**	**29,914**	**85,648**

NOTE 21 RESTRICTED FUNDS

(a) Church Buildings Fund
This fund may be used in the upkeep and repair of the buildings of the local churches of the United Reformed Church and the maintenance of the services therein; in the improvement and extension of the buildings of such churches; and in the provision and erection of buildings for use for the purposes of such churches or as residences for ministers of the United Reformed Church. Both grants and loans are available for these purposes; notes 6 and 15 give some details.

(b) Retired Ministers' Housing Funds and Retired Ministers' Housing Society
The whole of these funds is utilised by the RMHS Board in providing accommodation for ministers and ministers' widow/ers or civil partners in their retirement. Income in 2023 included £398k from donations and £479k from legacies. Most of the remaining income arises from the profit on the sale of houses, the proceeds of which were largely re-invested in further house purchases. The indebtedness of the Society to the other funds of the Church is included in the Trust Balance Sheet and notes 15 to 17 as inter-fund loans and balances; note 26 gives information on its future commitments.

(c) Welfare Fund
This fund can be used to relieve cases of need among ministers of the United Reformed Church, their spouses and other dependants. Regular uses have been to provide a grant on the death of a minister to the surviving spouse, to provide a grant at Christmas to widow/ers of United Reformed Church ministers, counselling costs and assistance with medical costs. Surplus income of certain other funds is transferred to this fund.

(d) Retired Ministers' Fund and Retired Ministers' Aid Fund
These funds are used to supplement the pensions paid to ministers and ministers' widow/ers, principally by upgrading the pensions of former ministers of the Congregational Church and the Churches of Christ and the widow/ers of such ministers to a level of the pension that would have been paid if the minister's service had been to the former Presbyterian Church, and also to pay certain ill-health early retirement pensions. The balances shown for these funds are after deducting the actuarially assessed cost of the Church's constructive obligation to continue making these payments, totalling £2,358k.

(e) Commitment for Life Fund
This programme involves substantial sums of money being collected through the Church and Society office and disbursed for Christian Aid programmes and other purposes. The balance held at the year end represents sums received, which had not yet been allocated.

(f) Pension Deficit Fund
During 2021 the synods pledged various amounts to help with the payment of deficit contributions to the Ministers' Pension Fund. A restricted fund was set up to collect these contributions and to pay them over to the Pension Fund when required by the agreed schedule of contributions. Any excess monies in the fund once the deficit has been paid off will be returned to the synods in the proportion in which they contributed.

(g) Other funds
There are some fifty other funds in the care of United Reformed Church Trust, covering many different activities relating to the Church centrally, and some to the wider parts of the United Reformed Church. Most of their income is earned from investments, and expenditure is in accordance with their various specific purposes.

NOTE 22 PENSION OBLIGATIONS

The United Reformed Church has obligations for two pension funds: United Reformed Church Ministers' Pension Fund (MPF), and the United Reformed Church Final Salary Scheme (FSS). Both schemes were closed to future accrual on 28 February 2023. The actuarial gains and/or losses and the liabilities for each scheme were:

	MPF		FSS		Total	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Recognised actuarial gains/(losses)	-	(4,603)	4	7	4	(4,596)
Net scheme assets/(liabilities)	-	-	(4)	(8)	(4)	(8)

Net scheme assets are not recognised in the balance sheet. The details of each scheme are set out in notes 23 and 24 below.

NOTE 23 THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Up until 28 February, 2023, pensions for most ministers were provided by The United Reformed Church Ministers' Pension Fund. The Fund is a defined benefit pension scheme, and the assets are invested and managed by an independent trustee. The scheme was closed to future accrual at the end of February, 2023 and a new Defined Contribution Scheme (Note 25) has been set up for ministers. The new pension fund is administered by Aon MasterTrust.

Triennial actuarial valuations of the pension scheme are performed by a qualified actuary. The actuarial valuation at 1 January, 2021 was formally agreed on 23 March, 2022. For the purpose of these financial statements, the actuary has updated that valuation at 31 December, 2023 using assumptions that are consistent with the requirements of FRS102. The fund's assets saw some growth during the year, increasing by £4,488k. There was also an increase in the liabilities which rose by £2,446k. Overall the surplus of the fund on a technical provision basis rose by £2,042k.

a) Contributions:

The defined benefit scheme is funded and is not contracted-out of the state scheme. Contributions in January and February 2023 totalled 41.25% of pensionable pay. From this date, the scheme closed to accrual and was replaced by a defined contribution scheme (see note 25). The church paid ordinary contributions of £624k for the two months the scheme remained open (year 2022: £4,568k) and paid deficit funding contributions of £4.7m in 2023 (2022: £6.7m). Members' contributions for the two months the scheme was open were paid at 7.5% of pensionable pay.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	2023	2022
Discount rate at year end	4.55%	4.80%
Expected return on plan assets at year end		n/a
Future stipend increases	2.80%	2.95%
Future pension increases (RPI up to 5%)	3.15%	3.35%
Future deferred pension revaluation (CPI)	2.95%	2.95%
Life expectancy of male pensioners (age 65)	23.7	23.8
Life expectancy at female pensioners (age 65)	25.3	25.3

b) The amounts recognised in the Balance Sheet are as follows:

	2023 Value at 31 Dec £'000	2022 Value at 31 Dec £'000
Present value of obligations	(134,060)	(131,614)
Fair value of plan assets	149,596	145,108
Adjustment to reflect asset limit	(15,536)	(13,494)
Pension asset/(liability)	-	-

c) The charge to the Statement of Financial Activities for the year comprised:

Charitable activities	2023 £'000	20222 £'000
Current service cost	381	2,982
Administrative expenses	427	351
Financing cost:		
Interest on net defined liability	-	5
Total operating charge	808	3,338
Actuarial gains/(losses) on pension schemes)		
Asset losses/(gains) arising during the year	(1,081)	52,703
Liability losses/(gains) arising during the year	4,277	(62,829)
	3,196	(10,126)
Change in effect of the asset ceiling	1,329	13,494
Total loss/(gain) recognised in the Statements of Financial Activities	**4,525**	**3,368**

d) Change in defined benefit obligation:

	2023 £'000	2022 £'000
Opening defined benefit obligation	131,614	194,278
Service cost (incl. employee contributions)	537	3,944
Interest expense on DBO	6,127	3,845
Actuarial (gains)/losses on liabilities	4,277	(62,829)
Benefits paid	(8,495)	(7,624)
Closing defined benefit obligation	134,060	131,614

e) Change in fair value of plan assets:

	2023 £'000	2022 £'000
Opening fair value of plan assets	145,108	189,675
Interest income on assets	6,840	3,840
Actuarial gains (losses)	1,081	(52,703)
Contributions by employer	5,333	11,309
Contributions by employees	156	962
Administrative expenses	(427)	(351)
Benefits paid	(8,495)	(7,624)
Closing fair value of plan assets	149,596	145,108

f) Future employer contributions:

The Church expects to contribute about £372k to the plan during the next accounting year to cover the fund's expenses.

g) Breakdown of plan assets:

The major categories of plan assets as a percentage of total plan assets are as follows:

	2023 Asset allocation %	2022 Asset allocation %
Equities	29	41
Property	12	13
Bonds	59	46

h) Five year comparison

The amounts for the current and previous four years are as follows:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Defined benefit obligation	(134,060)	(131,614)	(194,278)	(194,227)	165,807
Plan assets	149,596	145,108	189,675	173,426	156,426
Unrecognised surplus/(Recognised deficit)	15,536	13,494	(4,603)	(20,801)	(9,381)

Other pension obligations

SORP 2015 requires that constructive obligations, although not legally binding, be recognised on a charity's balance sheet. United Reformed Church Trust considers that it has a long-term constructive obligation in respect of:

a) the pension supplements it pays to former ministers of the Congregational Church and the Churches of Christ and the widow/ers of those ministers, in order to bring their pension to the level of the pension that would have been paid if the minister's service had been to the former Presbyterian Church. An independent actuarial assessment of the net present value of these future payments was obtained at the time of the formal actuarial review as at 1 January, 2021, using comparable assumptions as for FRS 102 section 28 calculations; this value (£2,358k) has been deducted from the total of restricted Fund included in the Balance Sheet. Included within restricted fund investments is £5,281k held to meet this obligation, and;

b) other pension grants, principally for ill-health early retirement until 2004.

NOTE 24 THE UNITED REFORMED CHURCH FINAL SALARY SCHEME

a) Up until 28 February 2023, the United Reformed Church contributed to a staff pension scheme known as the "Final Salary" scheme; this too is a defined benefit scheme, which is administered by TPT Retirement Solutions (formerly The Pensions Trust). The United Reformed Church is the principal employer in the scheme, and eleven synods and Northern College are participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities – each employer paid a common contribution rate. The information below is provided by the principal employer in respect of the whole scheme as required by FRS102.

Triennial actuarial valuations of the whole Final Salary scheme are performed by a qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September, 2022, when the scheme had a surplus of £1,446k. For the purpose of these financial statements, the actuary has updated that valuation at 31 December, 2023 using assumptions that are consistent with the requirements of FRS102.

The scheme was closed to future accrual at the end of February 2023 and a new Defined Contribution Scheme has been set up for lay staff. The pension fund is administered by Aon MasterTrust.

i) Contributions:

During January and February 2023 the United Reformed Church contributed 22.8% (2022: 22.8%) of basic salary in respect of members of the scheme. This figure included 3% as deficit funding. Expenses and levies with are payable as a separate lump sum. Members contributed at the rate of 7.5% (2022: 7.5%) of pensionable salary.

The major assumptions used by the actuary in assessing scheme liabilities on a FRS102 basis were:

	2023	2022	2021
Discount rate at year end	4.77%	4.98%	1.80%
Inflation (RPI)	3.04%	3.12%	3.20%
Inflation (CPI)	2.62%	2.81%	2.85%
Earnings growth	2.62%	2.62%	2.62%
Future deferred pension revaluation (CPI)	2.5%	2.50%	2.50%
Life expectancy in years of males retiring in 2020 (age 65)	21.0	21.3	21.2
Life expectancy in years of females retiring in 2020 (age 65)	23.3	23.4	23.4
Life expectancy in years of males retiring in 2040 (age 65)	22.6	22.6	22.6
Life expectancy in years of females retiring in 2040 (age 65)	24.8	24.6	24.5

ii) The amounts recognised at 31 December in the Balance Sheet are as follows:

	2023 £'000	2022 £'000	2021 £'000
Present value of obligations	(24,588)	(23,300)	(36,994)
Fair value of plan assets	28,118	27,792	46,764
Adjustment to reflect asset limit	(3,530)	(4,492)	(9,770)
Pension asset/(liability)	-	–	–

iii) The charge to the Statement of Financial Activities for the year comprised:

Charitable activities	2023 £'000	2022 £'000
Current service cost	88	1,358
Administrative expenses	150	124
Net interest (credit)/cost:	-	-
Total operating charge	238	1,482
Actuarial gains/(losses) on pension schemes		
Asset gains/(losses) arising during the year	(56)	(20,018)
Liability gains/(losses) arising during the year	(1,124)	14,667
Effect of asset limit	1,180	5,351
	-	-

iv) Change in defined benefit obligation:

	2023 £'000	2022 £'000
Opening defined benefit obligation	23,300	36,994
Current service cost (inc. contributions by plan participants)	94	1,358
Interest expense on DBO	1,134	702
Actuarial losses/(gains) on liabilities	1,226	(14,667)
Benefits paid and death in service premiums	(1,166)	(1,087)
Closing defined benefit obligation	24,588	23,300

v) Change in fair value of plan assets:

	2023 £'000	2022 £'000
Opening fair value of plan assets	27,792	46,764
Interest income on assets	1,360	844
Expenses	(150)	(124)
Actuarial gains (losses)	(56)	(20,018)
Contributions by employers	332	1,380
Contributions by plan participants	6	33
Benefits paid	(1,166)	(1,087)
Closing fair value of plan assets	28,118	27,792

vi) Future employer contributions:

As the scheme has closed to future accrual, there are no further contributions expected to be made by the employer.

vii) Breakdown of plan assets:

The major categories of plan assets are as follows:

	2023 £'000	2022 £'000	2021 £'000
Equity-Type assets	12,422	10,723	23,587
Fixed Interest Bonds	292	2,536	3,829
Index-Linked bonds	-	-	13,800
Fixed Interest Gilts	-	-	3,132
LDI	12,181	11,833	-
Property	1,910	2,162	2,082
Other	1,313	538	334
Total assets	28,118	27,792	46,764

b) Certain members of the Final Salary scheme have also made additional voluntary contributions to the 'Growth Plan', a multi-employer funded pension plan operated by TPT Retirement Solutions. Certain past contributions to this plan entitle the members to either a defined pension or a guaranteed capital sum to be converted into an annuity at retirement. The Church does not normally make contributions to the Growth Plan, but from 1 April, 2013 has been required to do so as a result of an actuarial deficit. The most recent formal actuarial valuation of the Growth Plan, as at 30 September, 2020, revealed a funding level of 96.2%. Its latest recovery plan includes a requirement for contributions from the Church over a period of 2.75 years from 1 April, 2022, including £4k in 2023. The Church now recognises a liability for the net present value of these future contributions, amounting to £4k at the balance sheet date (2022: £8k). The present value is calculated using a discount rate of 5.31% (2022: 4.96%), and the charge to the Statement of Financial Activities of £4k (2022: £10k) represents the finance cost of unwinding the discount rate and the effect of any changes in actuarial assumptions.

In addition, in the event of no members continuing to contribute to the Growth Plan, there is a contingent obligation of an employer debt on withdrawal in respect of certain liabilities incurred before March 2010.

NOTE 25 DEFINED CONTRIBUTION PENSION SCHEME

During the year ended 31 December, 2023, the Church contributed £1,836k to a defined contribution pension scheme for ministers and lay staff. Of this £1,336k related to ministers and £500k related to lay staff. This was the first year that contributions were made to this scheme.

NOTE 26 COMMITMENTS

At 31 December, 2023 the Retired Ministers' Housing Society had entered into a contract to purchase 1 property (2022: £nil). The agreed purchase price of the property is £410k. A deposit of £40k was paid during the year and is included in the Other Debtors figure in note 5. There were 2 properties for which approval for purchase had been given (2022: none), but for which no contract had been signed by 31 December, 2023. The total price offered for these 2 properties was £657k. The Society was aware of 5 further ministers who were looking for properties at the year end.

The Church is committed, through the United Reformed Church Retired Ministers' Housing Society Limited and other earmarked funds, to providing housing for retired ministers. Owing to the many unknown variables which would be involved in calculating the value of this long-term liability, no provision is included in the Balance Sheet.

These variables include the number of ministers requiring assistance from the Society and the level of contributions able to be made by individual ministers towards the cost of their homes. During 2023 £3,301k was spent on acquiring housing for retired ministers, £555k on repairing and maintaining existing properties and profits of £1,456k were earned from the sale of homes no longer required. Exercises have been undertaken periodically by the Society's management committee to collect information to assist more accurate long-term planning; these have confirmed a continuing need for assistance in the short to medium term. Future cash flow is kept under continuous review, and recent years have seen the Society become cash flow positive. This trend is expected to continue for the medium to long term.

The Trust entered into a legal Guarantee on 21 July, 2010, under which it guarantees future contributions by the Church to the United Reformed Church Ministers' Pension Fund, as set out in the Schedule of Contributions in force from time to time up to an aggregate maximum amount of £24 million, using assets available for this purpose.

NOTE 27 CONTINGENT LIBILITIES

We have been notified by the trustee of the United Reformed Church Final Salary Pension Scheme that they performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The trustee has determined that it is prudent to follow best practice and seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved until late 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but as the Court direction is pending, it is not possible to calculate the impact of this issue with any accuracy at this time. Therefore, no adjustment has been made in these financial statements in respect of this issue.

NOTE 28 CASH FLOW INFORMATION

Reconciliation of net cash flow to movement in net cash funds

	2023 £'000	2022 £'000
(Decrease)/Increase in cash in the period	(2,151)	2,857
Net cash funds at 1 January	18,309	15,452
Net cash funds at 31 December	16,158	18,309

Net cash funds are represented by bank balances and money on call, as shown on the Consolidated Balance Sheet. Of the total, £10,944k is shown on the Trust Balance Sheet.

NOTE 29 RELATED PARTY TRANSACTIONS

During the year the United Reformed Church Trust recharged salary and staff costs amounting to £305k (2022: £319k) to the United Reformed Church Retired Ministers' Housing Society Limited.

NOTE 30 LEASE COMMITMENTS

At 31 December, 2023 the trust had future minimum Lease payments under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Due within 1 year	12	7
Due in more than 1 year but less than 5 years	30	16
Due in more than 5 years	6	-
Total	48	23

NOTE 31 LEASES RECEIVABLE

At 31 December, 2023 the principal future minimum lease payments receivable under non-cancellable leases are as follows:

	2023 £'000	2022 £'000
Due within 1 year	95	95
Due in more than 1 year but less than 5 years	261	356
Total	356	451

NOTE 32 SUBSIDIARY UNDERTAKINGS

The United Reformed Church Retired Ministers' Housing Society Limited ('RMHS') is an exempt charity registered under the Co-operative and Community Benefit Societies Act 2014, number 15986R. Under the rules of the Society, which were revised by agreement of the RMHS Board in 2019, the United Reformed Church Trust has the power to appoint a majority of the directors. Accordingly, it is considered that the United Reformed Church Trust has control of the entity and its results are consolidated in full.

Their financial results were as follows:

	2023 £'000	2022 £'000
Income	2,925	3,090
Expenditure	1,267	1,100
Net income/(expenditure)	1,658	1,990
Total net assets	40,217	38,559

NOTE 33 CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2023 £'000	2022 £'000
Gross income from continuing operations	26,980	24,967
Net gains on disposal of fixed assets	1,714	4,384
Total income	28,694	29,352
Total expenditure	(26,641)	(29,294)

NOTE 34 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER, 2022

CONSOLIDATED & TRUSTS' STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted £'000	Designated £'000	Restricted £'000	Capital Funds £'000	2022 Total funds £'000
Donations and legacies						
Ministry and Mission Fund contributions	2(a)	16,685	0	0	0	**16,685**
Grants receivable	2(b)	175	0	0	0	**175**
Legacies		3	510	55	0	**568**
Commitment for Life donations		0	0	259	0	**259**
Other donations	2(c)	8	0	4,481	4	**4,493**
		186	510	4,795	4	**5,495**
Charitable activities	3					
Ministry		72	0	411	0	**483**
Education and Learning		2	0	0	0	**2**
Children's and Youth work		15	0	0	0	**15**
Mission programmes		8	0	0	0	**8**
Publishing		197	0	0	0	**197**
		294	0	411	0	**705**
Other trading activities		0	0	0	0	**0**
Investment income	4	1,392	34	580	0	**2,006**
Other income						
Gains on sale of properties		1,773	0	2,611	0	**4,384**
Other income		77	0	0	0	**77**
		1,850	0	2,611	0	**4,461**
Total income and endowments		20,407	544	8,397	4	**29,352**
Expenditure on:						
Raising funds:						
Trading expenditure		0	0	0	0	**0**
Charitable activities	5					
Ministry		16,592	66	6,937	0	**23,595**
Education and Learning		2,134	8	737	0	**2,879**
Children's and Youth work		406	1	127	0	**534**
Mission programmes		1,115	4	598	0	**1,717**
Publishing		425	2	138	0	**565**
Other expenditure		0	0	0	0	**0**
		20,672	81	8,537	0	**29,290**
Total expended		20,672	81	8,537	0	**29,290**
Surplus from charitable and trading activities		(265)	463	(140)	4	**62**
Net gains/ (Loss)on investment assets		(2,067)	(148)	(1,729)	(4,097)	**(8,041)**
Net income		(2,332)	315	(1,869)	(4,093)	**(7,979)**
Transfers between funds		(1,971)	2,166	(185)	(10)	**0**
Actuarial gains/(losses) on pension schemes	22	3,368	0	0	0	**3,368**
Net movement in funds		(935)	2,481	(2,054)	(4,103)	**(4,611)**
Reconciliation of Funds						
Total funds brought forward		28,774	1,722	64,305	34,017	**128,818**
Total funds carried forward		27,839	4,203	62,251	29,914	**124,207**

FIVE YEAR SUMMARY (unaudited)

	2019 (Restated) £'000	2020 (Restated) £'000	2021 (Restated) £'000	2022 (Restated) £'000	2023 £'000
INCOME AND EXPENDITURE ACCOUNTS					
Income					
Ministry and Mission Fund contributions	18,817	17,908	17,204	16,685	16,316
Investment income	1,833	1,899	1,896	2,006	2,194
Income from charitable activities	535	610	744	705	816
Grants receivable	244	279	162	175	155
Legacies	811	339	80	568	650
Donations	1,021	345	9,509	4,752	6,788
Other income	1,919	397	3,105	4,461	1,759
	25,180	21,777	32,700	29,352	28,678
Expenditure					
Ministry	17,378	17,220	18,665	23,595	21,668
Education & Learning	1,703	1,840	1,890	2,879	2,451
Children's and Youth work	385	353	337	534	556
Mission programmes	1,537	1,282	1,353	1,717	1,456
Support activities (incl. publishing)	162	411	426	565	501
Trading activities	0	20	13	0	0
Other costs	0	0	0	-	-
	21,165	21,126	22,684	29,290	26,632
Net income	**4,015**	**651**	**10,016**	**62**	**2,046**
Investment gains	8,146	3,490	7,683	(8,041)	4,910
Actuarial gains/(losses)	332	(10,174)	17,669	3,368	0
Net increase/(decrease) in funds	12,493	(6,033)	35,368	(4,611)	6,956
CASH FLOW STATEMENTS					
Cash required for investment in					
Houses for retired ministers	(1,417)	946	946	946	946
Other properties	(1,473)	500	553	500	500
Cars and equipment	73	92	48	48	48
Loans to churches and ministers	(18)	13	(28)	(28)	(28)
	(2,835)	1,551	1,519	1,466	1,466
Source of cash					
Net incoming/(outgoing) resources for the year (see above)	3,672	552	9,788	10,009	10,009
Adjustment for items not resulting in a cash movement, for returns on investments, and for capital receipts	(4,743)	(21)	(2,866)	(2,578)	(2,578)
	(1,071)	531	6,922	7,431	7,431
Net increase in capital	4	4	5	5	5
Net decrease/(increase) in investments	(646)	0	135	(93)	(93)
Decrease/(increase) in bank balances	(1,122)	1,237	(7,790)	(8,018)	(8,018)
	(2,835)	1,772	(728)	(675)	(675)

FIVE YEAR SUMMARY continued

	2019 (Restated) £'000	2020 (Restated) £'000	2021 (Restated) £'000	2022 (Restated) £'000	2023 £'000
BALANCE SHEETS (Consolidated)					
Fixed assets					
Tangible assets					
Houses for retired ministers	38,654	39,979	39,334	38,278	39,972
Houses for serving ministers	5,021	5,517	8,622	7,736	8,200
Other properties	2,696	2,671	2,646	2,620	2,603
Cars, equipment and intangibles	147	171	195	265	317
	46,518	48,338	50,797	48,899	51,092
Investment Properties	2,695	3,078	3,427	3,078	2,833
Long term investments (incl.programme-related)	51,727	54,835	62,278	54,578	59,676
Loans to churches and ministers	142	155	202	193	191
	101,082	106,406	116,704	106,748	113,792
Net current assets/(liabilities)					
Current assets					
Debtors and stock	3,106	3,284	4,754	3,085	5,120
Bank balances and money on call	9,022	7,661	15,451	18,309	16,158
	12,128	10,945	20,205	21,394	21,278
less : current liabilities	1,113	673	1,116	1,569	1,540
	11,015	10,272	19,089	19,825	19,738
Net assets excluding pension liability	112,097	116,678	135,793	126,573	133,530
Defined benefit pension scheme liability	(9,466)	(20,872)	(4,618)	(8)	(8)
Other pension obligations	(3,150)	(2,358)	(2,358)	(2,358)	(2,358)
Net assets including pension liability	99,481	93,448	128,817	124,207	131,164
Unrestricted income funds	20,111	9,824	28,776	27,839	27,326
Designated funds	1,564	1,664	1,722	4,203	4,115
Restricted income funds	49,332	51,884	64,305	62,251	67,139
Capital funds	28,474	30,076	34,014	29,914	32,584
Total funds	99,481	93,448	128,817	124,207	131,164

NON-FINANCIAL STATISTICS
(from URC Year Book)

	2019	2020	2021	2023	2023
Members	44,788	43,208	40,024	36,986	41,786
Stipendiary ministers	377	364	334	316	301
Non-stipendiary ministers	58	62	56	60	60
Churches	1,354	1,331	1,284	1,242	1,198
Retired ministers	874	857	844	843	835
Ministry and Mission contribution per member	£420	£414	£430	£451	£390

United
Reformed
Church
Trust