

Scheme registration number 10002491

**THE UNITED REFORMED CHURCH
MINISTERS' PENSION FUND**

**TRUSTEE'S ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

**THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND
TRUSTEE'S ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

CONTENTS

	Page
Trustee and advisers	1
Trustee's annual report	2 – 7
Engagement Policy Implementation Statement	8 - 10
Schedule of contributions	11
Actuary's certification of schedule of contributions	12
Annual Summary Funding Statement	13
Statement of Trustee's responsibilities	14
Independent auditor's report	15 – 17
Fund account	18
Net assets statement	19
Notes to the accounts	20 – 26
Independent auditor's statement about contributions	27
Trustee's Summary of contributions	28
Appendix 1 to Trustee's Report – Benefits payable	29
Appendix 2 to Trustee's Report – Participating bodies	30

TRUSTEE AND ADVISERS

Trustee

The United Reformed Church Ministers' Pension Trust Limited
86 Tavistock Place
London WC1H 9RT
Company Secretary: Ms Sandi Hallam-Jones

Independent Auditor

Moore Kingston Smith LLP
6th floor
9 Appold Street
London
EC2A 2AP

Scheme Actuary

Amanda Beale FIA
Aon Solutions UK Limited
3 The Embankment Sovereign Street
Leeds LS1 4BJ

Solicitors

Travers Smith
10 Snow Hill
London
EC1A 2AL

Investment Managers

Fidelity International
Oakhill House, 130 Tonbridge Road
Hildenborough, Tonbridge
Kent TN11 9DZ

Legal & General Investment
Management
One Coleman Street
London
EC2R 5AA

Bank

HSBC Bank plc
165 Fleet Street
London
EC4A 2DY

INFORMATION

The United Reformed Church Ministers' Pension Fund is administered on behalf of the Trustee by the finance office of the United Reformed Church, the principal employer.

Any queries concerning the Fund, for example with regard to contributions or benefits, should be addressed to the United Reformed Church finance office at 86 Tavistock Place, London, WC1H 9RT (telephone 020 7691 9869). Any member who is dissatisfied with any aspect of the personal service given should initially consult with the Secretary to the Trustee, at 86 Tavistock Place, London WC1H 9RT (email: urctrust@urc.org.uk), who can provide details of the formal disputes procedure if required.

Registration number with the Pension Schemes Regulator – 10002491

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustee of The United Reformed Church Ministers' Pension Fund ("the Pension Fund") presents its annual report together with the actuarial statements and certificates, summary of contributions, and accounts for the year ended 31 December 2024.

Constitution of the Fund

The United Reformed Church Ministers' Pension Fund was established with effect from 30 May 1980, after the merging of the Congregational Ministers' Pension Fund and the Ministers', Widows' and Orphans' Pension Fund of the former Presbyterian Church of England.

The main purpose of the Pension Fund is the provision of pensions for the stipendiary ministers and Church Related Community Workers of the United Reformed Church upon retirement, and for widows, widowers and dependants of deceased members of the Pension Fund. Every such stipendiary minister and Church Related Community Worker is normally permitted to become a contributing member of the Pension Fund.

Rule changes

The Rules of the Pension Fund were substantially updated in 2013 and 2014. In 2017 the Trustee and Mission Council (now Assembly Executive) approved amendments to the rules regarding (i) qualification for benefits of part time members in ill health retirement cases and (ii) pension entitlements of same sex spouses and civil partners. In March 2025 the Pensions Committee of the URC approved an amendment to the rules, granting the URC the power to trigger a wind up of the fund. Rule changes must be approved by the scheme actuary.

A copy of the latest Trust Deed and Rules of the Pension Fund may be obtained from the United Reformed Church finance office.

The fund closed to future accrual on 28 February 2023.

Trustee

On 7 July 1993 the General Assembly of the United Reformed Church, which has the power to remove the Trustee and appoint another Trustee or Trustees in its place, appointed The United Reformed Church Ministers' Pension Trust Limited as Trustee of the Pension Fund.

The Trustee is responsible, in the terms of the Trust Deed, to hold, apply and dispose of the property of the Pension Fund, as provided by the Trust Deed and Rules of the Fund. It is also responsible for the administration and investment policy of the Pension Fund. The Trustee is indemnified by the United Reformed Church in respect of all liabilities and expenses properly incurred in the administration of the Pension Fund.

Trustee Board

In the terms of the Trustee's Articles of Association, the Board consists of twelve members, four being ex-officio, four being members of the United Reformed Church and four being members of the Pension Fund. The Board, upon the nomination of the General Assembly of the United Reformed Church, appoints the four Church members of the Board. Vacancies are filled as soon as is practicable.

In order to comply with Member Nominated Trustee legislation introduced by the Pensions Act 2004, vacancies for the four Pension Fund members of the Board are filled by seeking nominations from the Pension Fund membership, with the support of 5 Pension Fund members and the consent of the nominee. Active, deferred and pensioner members of the Pension Fund are able to nominate or be nominated. The Chair of the Board, the Convenor of URC Pensions Committee and the Company Secretary then meet with each of the nominees and makes recommendations to the full Board for appointment.

The Board met four times during 2024 and so far twice in 2025 to conduct its regular business. The Board is served by the United Reformed Church Investment Committee on which several board members sit; that Committee meets regularly with the investment consultants and fund managers to receive their reports and to consider investment strategy. The Board has a close relationship with the URC Pensions Committee which

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

deals with pensions matters on behalf of the United Reformed Church. Some routine matters are dealt with by a sub-committee of the Board. Other urgent matters between meetings are dealt with by ad hoc sub-committees of the Board.

During the period since 1 January 2024 the following persons have been directors of the Trustee:

Name	Office	Category	Note
Revd Daniel Cheyne		Fund member	
Revd Elaine Colechin		Fund member	Appointed 19/3/24
Revd David Coote	Convener URC M of M sub committee +	Ex officio	Resigned 19/3/24
Mr Vaughan Griffiths	Deputy Treasurer – URC *+	Ex officio	
Mr Colin MacBean		Church member	Resigned 23/9/24
Ms Bridget Micklem	Chair*	Church member	
Mr Ian Miller		Church member	Appointed 17/12/24
Mr Richard Nunn	Convenor Investment Committee *+	Church member	
Mrs Faith Paulding		Church member	
Mr Lyndon Thomas	Deputy Chair*	Church member	
Revd Dr Janet Tollington	Convenor Pensions Committee*+	Fund member	
Revd Caroline Vodden		Fund member	
Revd Helen Warmington		Fund member	Appointed 25/9/24

*- member of Investment Committee + - member of Pensions Committee

Ms Sandi Hallam-Jones has been Secretary to the Trustee throughout the year.

Trustee training

During the year the Trustee Board received training from its actuarial advisers and investment managers, which covered arranging provision of advice to members amongst other things. In addition, the Trustee received regular update reports from its advisers on matters relating to pensions and analyses of financial market conditions.

Risk management

The Trustee has overall responsibility for internal controls and risk management. The directors are committed to identifying, evaluating and managing risk and to implementing and maintaining control procedures to reduce significant risks to an acceptable level. In order to meet this responsibility, the Trustee maintains a Risk Register, which it keeps under regular review.

Financial development of the Pension Fund

The financial statements of the Pension fund for the year ended 31 December 2024 have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995.

As is detailed in the financial statements on pages 18 and 19 the Pension Fund decreased in value during 2024 by £9.9million to £139.6million (2023: increased by £44.5million to £149.6million). The value of the Pension Fund's investments decreased by £7.7million to £139.0million and investment income amounted to £848k. Net expenses of the fund amounted £7.1million after accounting for £0.8m of administrative costs.

Actuarial Review (including Report on Actuarial Liabilities)

The financial statements set out on pages 18 to 26 do not take into account the liabilities to provide pension benefits which fall due after the year end. These liabilities are considered by the Actuary who carries out an actuarial valuation of such liabilities every three years. This valuation considers the funding position of the Pension Fund and the level of contributions payable. The next due valuation considers the financial status of the fund at 1 January 2027.

A full actuarial valuation of the Pension Fund was undertaken by Amanda Beale, the Actuary, as at 1 January 2024. The valuation report compares the assets and liabilities of the Pension fund and considers the rate of contributions to be paid by the Church.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Under Section 222 of the Pensions Act 2004, every pension fund is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date, assessed using the assumptions agreed between the Trustee and the Church and set out in the Trustee's Statement of Funding Principles, which is available to members on request.

The valuation of the Pension Fund as at 1 January 2024 showed that on that date:

The value of the technical provisions was:	£145.0m
The value of the assets at that date was:	£149.6m

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are appended to the Statement of Funding Principles):

Method

The actuarial method used in the calculation of the technical provisions is the Projected Unit Method.

Significant actuarial assumptions

Discount rate: term dependent rates set by reference to the Aon Solutions fixed interest (GPO) curve with no additional outperformance.

RPI inflation : derived from the Aon Solutions "break even" RPI curve at the valuation date.

CPI inflation: RPI inflation less 0.9% until 2030 and less 0.1% p.a. thereafter.

Stipend increases: each minister's pensionable stipend is assumed to increase in line with the assumed rate of CPI inflation.

Pension increases: inflation-linked pension increase assumptions are derived from the RPI inflation assumption allowing for the maximum and minimum annual increase.

Post retirement mortality: CMI 2022 projections with adjustment factor $A=0.5\%$, smoothing parameter of $Sk=7$ and long-term improvement rate of 1% p.a. for men and women.

The Annual Summary Funding Statement included as page 13 summarises the results of the 1 January 2021 valuation. A new schedule of contributions and Recovery Plan was agreed by the Trustee and the Church on 12 November 2024. The schedule of contributions agreed as a result of the 2024 valuation is included as page 11, and the actuarial certificate required by statute to be included in this Annual Report appears on page 12. During 2024 contributions were paid in accordance with the schedule of contributions dated 23 March 2022 until the new Schedule of Contributions was signed in November 2024. The Church contributed £1.6million for deficit contributions. The 12 November 2024 schedule noted that no further contributions were needed at present.

The Trustee has also obtained a legal guarantee from the United Reformed Church Trust for the contributions due to the Fund under the schedule of contributions, backed by its available assets up to £24million.

Scheme actuary

Susan Roylance resigned as Scheme Actuary on 29th July 2024. As required by Regulations made under the Pensions Act 1995 Susan Roylance confirmed in her notice of resignation that she knew of no circumstances connected with her resignation that significantly affected the interests of the members, prospective members or beneficiaries of the Scheme. The Trustee appointed Amanda Beale as Scheme Actuary on 30th July 2024.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Membership

	Deferred pensioners	Pensioners	Beneficiaries	Total
At 1 January 2024	384	682	238	1,304
Opening balance adjustments	(2)	-	1	(1)
Members retiring	(19)	19	-	-
Deaths in service	(2)	-	-	(2)
Members leaving prior to pensionable age	(3)	3	-	-
Beneficiary to withdrawn	-	-	(1)	-
Deferred member to Pensioner	(8)	8	-	-
Pensioners who died during the year	-	(30)	(16)	(46)
New spouse and dependents' pensions	-	-	23	23
At 31 December 2024	350	682	245	1,277

Benefits and pension increases

A list of the benefits payable under the rules of the Pension Fund is shown, in appendix 1 on page 29. On 1 January 2024 most pensions increased by 5% (2023 by 5%). Pensions of 7 members and widows who elected to be treated under the rules in force prior to July 1993 were increased on 1 January 2024 by 5% (2024 by 9%) in line with ministers' basic stipends. Pensions in deferment are increased in line with a capped measure of inflation.

Additional Voluntary Contributions (AVCs)

Until 28 February 2023, members could make AVCs to the Pension Fund in order to accumulate a personal fund which, at retirement, can be used to provide additional benefits in accordance with pensions legislation. These contributions are invested with the other monies of the Pension Fund and not separately earmarked for individual members.

The AVC scheme, as revised in June 1992, provides for the payment of pensions based upon the contributions made and the average investment return of the Pension Fund, over the previous five years.

In the last five years the investment return credited to members' balances, expressed as a percentage of the accumulated personal fund, has been as follows:

2020	11.48%
2021	9.41%
2022	10.29%
2023	3.45%
2024	1.21%

For ministers retiring in 2025 the provisional rate is 2.83%.

Transfers to/from other pension schemes

Eight members transferred their AVC pension rights to another pension scheme and no members transferred pension benefits into the Pension Fund's AVC scheme. No allowance is made for discretionary benefits, other than for discretionary pension increases of transfer values in respect of pre 1971 Congregational Church service pensions. These latter service pensions are computed on the basis that such pensions will increase each year on a discretionary basis in line with the basic stipends of ministers of the United Reformed Church.

Custody

All investments are in pooled funds where custody is accessed via the fund manager who appoints a custodian for the appropriate fund.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Investment Management

The assets of the Pension Fund were invested by the Trustee Board into two pooled funds managed by external investment managers:

- A UK Real Estate Fund managed by Fidelity International ('Fidelity'): The Fund aims to provide investors with a diversified portfolio of high quality UK commercial real estate through direct property investments.
- Index-Linked Gilts Funds managed by Legal & General (with varying maturities): The investment objectives of the funds are to track the performance of the various FTSE Actuaries UK Gvt Index-Linked Gilts funds.

All investment managers are paid a quarterly fee, based on the value of funds under their management. The Trustee is advised of all changes in investment activity each month, and quarterly schedules of investments held are issued by the managers and reconciled to records maintained by the United Reformed Church on behalf of the Trustee.

Investment policy and performance

The Pension Fund's investments are made in accordance with an agreed Statement of Investment Principles (SIP), as required by Section 35 of the Pensions Act 1995, which is approved by the Board and subject to periodic review at least every three years. A copy of the SIP is available on the URC website (<https://urc.org.uk/images/Finance/URCMPT-Statement-of-Investment-Principles.pdf>) or on request from the address shown on page 1. In 2020 the SIP was updated to include detailed information about choosing and realising investments in line with the requirements of the Pensions Regulator. In preparing the Statement, the Trustee consulted with the principal employer and took written advice from the Investment Practice of Hymans Robertson LLP, appointed as investment consultants.

The Trustee translated its funding objective into a suitable strategic asset allocation benchmark for the Fund:

Asset Class	Allocation	Benchmark Index
Index-Linked Gilts	90%	FTSE A All Stocks UK Index-Linked Gilts Over 5 Years
Property	10%	IPD UK PFI – All Balanced Property Fund Index

The Trustee's investment managers have delegated to them the choice of specific investments within their pooled funds. They hold a mix of investments which reflects their views relative to their respective benchmarks. The Trustee has set limits on investment risk and monitors investment returns against benchmarks. The Trustee receives quarterly reports from investment managers, and independently from its investment consultants.

The Trustee recognises that social, environmental and ethical considerations are among those that equity investment managers should take account of in selecting investments; it has issued to them general principles on ethical investment and governance standards approved by the General Assembly of the United Reformed Church. In line with those principles, under its sustainable investment policies, Newton avoided any investment in:

- Companies directly engaged in the manufacture or supply of weapons;
- Companies a significant part of whose business (more than 10% of turnover) is in the manufacture or supply of alcoholic drinks, or tobacco products, or military equipment (other than weapons); or the provision of gambling facilities; or the publication or distribution of pornography; or in the extraction of thermal coal, or the production of oil from oil sands.
- Companies who benefit by offering credit at usurious rates of interest to those who do not have access to funds through normal lending channels.

The Trustee also discusses these principles regularly with Fidelity as they apply to its property investments.

Review of Investment Performance

2024 was a better year for the fund's investments as both the property and equity funds showing positive performance albeit only slight in the property fund. The gilts fund continued to show a negative performance. Overall, the investment portfolio decreased in value by £7.6m.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

The United Reformed Church Investment Committee continues to monitor the portfolio and recommends changes to the Trustee board should it be deemed necessary.

Performance for periods to 31 December 2024 (annualised)

Index Linked Bond Fund	1 year	3 years	Since inception 29.9.17
Fund Performance	(7.89)%	(16.7)%	(3.91)%
FTSE A UK Index Linked Gilts Over 5 Yrs	(7.89)%	(16.7)%	(3.91)%

Source: LGIM

The rise in bond yields in 2024 meant that the investments in the Legal & General funds fell by 7.89% (2023: 0.53%). The bond portfolio is invested primarily in UK Treasury bonds with some investments in UK inflation-linked corporate bonds and a small percentage invested in Sovereign overseas bonds. The fund has performed close to the benchmark since its inception.

Property Portfolio (Benchmark: IPD UK PFI – All Balanced Property Funds Index)

Performance for periods to 31 December 2024 (annualised)

Real Estate Fund	1 year	3 years	Since inception 7.1.14
Fund Performance	10.3%	(1.6)%	5.3%
IPD UK PFI – All Balanced Property Funds Index	5.4%	(2.0)%	3.9%

Source: Fidelity

The return since inception shown is for assets held in the Real Estate Fund for the entire period. Further investments have been made at various times, so overall actual return will be slightly lower.

The Fund is a UK balanced fund currently focused on delivering positive returns from investment in good quality secondary property. This strategy, focused on securing assets with attractive income yields in locations where occupational markets are likely to be strong or improving, aims to deliver strong returns. This has led to a bias in the portfolio away from Central London markets towards regional hubs.

Participating bodies

A list of all participating bodies is given in appendix 2 on page 30.

Compliance Statement

The Board of the Trustee believes that this report and the financial statements give the information required. The Board believes that the Trustee has complied with all relevant legislation.

The Pension Fund is a registered pension scheme under Part 4 Chapter 2 of the Finance Act 2004.

Investment values

During 2024, a decision was made to de-risk the fund's investment portfolio to better place the fund for a buy-in and ultimately a buy-out. The holdings in equity funds were disposed of and the proceeds invested into various gilt funds to align the assets with the liabilities of the scheme. The rise in bond yields during the year saw the value of the gilt holdings fall by £7.6million. The fund's liabilities also fell significantly in the same period.

Buy-in

On 21 May 2025, the Trustee agreed with Just Pensions to buy an annuity to cover the scheme's liabilities at a cost of £112.3m. This was paid for using the investments in the gilt funds.

Approval of Trustee's Report and Financial Statements

We confirm, on behalf of The United Reformed Church Ministers' Pension Trust Limited, acting as Trustee for the United Reformed Church Ministers' Pension Fund, our approval of the Trustee's report, its appendices, and the financial statements set out on pages 18 to 26 in respect of the year ended 31 December 2024.

Bridget Micklem
Director

Lyndon Thomas
Director

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

United Reformed Church Ministers' Pension Fund ('the URC MPF')

Engagement Policy Implementation Statement

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations ('the Regulations'). The Regulations, among other things, require trustees of defined benefit pension scheme to produce an Engagement Policy Implementation Statement ('EPIS'). The EPIS should set out the following:

- How the Trustees have adhered to their policies on engagement and the exercise of their rights, including voting rights attaching to the pension scheme investments.
- The voting behaviour by, or on behalf of, the trustees including the most significant votes cast during the year and stating any use of the services of a proxy voter.

Trustees must include the EPIS in the Trustees' Report & Accounts and publish it on a publicly available website.

This is the fifth implementation statement the Trustees of the URC MPF have prepared and covers the year ending 31 December 2024.

Background

During the period under consideration (January – December 2024) the URC MPF Trustee has been pursuing its long term end-goal for the URC MPF. As a part of this strategy, in April 2024, the Trustee sold the equity portfolio¹ and reinvested the proceeds in UK Government Bonds (Gilts). The equity portfolio was the only element of the URC MPF's assets which had voting rights associated with them.

Set out below is the Trustee's Policy on the Exercise of Rights (including Voting rights) and Stewardship as this applied to relevant assets over the year including the equity holdings until the end of the mandate on 23 April 2024.

Start of quote

"The Trustee has delegated the exercise of rights, including voting rights in relation to assets that attract voting rights, to the managers of the pooled equity fund on the basis that voting power will be exercised by them with the objective of managing conflicts of interest, encouraging good corporate governance, preserving and enhancing long term shareholder value and mitigating financial risks. While the Trustee delegates the exercise of Voting Rights and Stewardship to the investment managers, it monitors and regularly engages with them to ensure their application of this responsibility is complementary to the objectives of the mandate and supportive of active engagement where issues appear not to be being addressed by the investee. All voting and engagement is reported to and monitored by the Trustee to ensure that no inconsistent management activity by Newton, or the investee, occurs to allow any apparent controversies to be actively pursued. The Trustee separately considers any conflicts of interest arising in the management of the Fund and its investments and has ensured that each manager has an appropriate conflicts of interest policy in place." – URC MPF Statement of Investment Principles, September 2020.

The Implementation of this Policy

The Trustees of the URC MPF have delegated all direct investment activities in relation to the management of its equity portfolio to Newton Investment Management Ltd (NIM) through the use of the BYN Mellon Sustainability Global Equity Fund (BNYM SGEF). This is a pooled arrangement, which focuses upon a limited number of investable companies whose business operations are judged to actively pursue the UN Sustainable Development Goals (SDGs).

This mandate implicitly excludes those businesses which are contained in the Church's negative screens and also promotes the standards of the positive screens. For instance, the fund does not hold hydrocarbon extractor companies or their suppliers, or those involved in mining. Accordingly, the fund is appropriately aligned with the URC's Ethical Investment Policy (EIP) which can be found here:

https://urc.org.uk/images/2019_version_Ethical_Investment_Policy.pdf

The Trustees considers the BNYM SGEF mandate to be fully supportive of meeting their objectives in terms of managing conflicts of interest and encouraging good corporate governance and, in so doing, preserving and enhancing long term shareholder value and mitigating financial risks for the benefit of the URC MPF members and beneficiaries.

¹ A small endowment of just over £7k remains invested in CCLA's COIF Charities Investment Fund. This is managed alongside the URC other CCLA investments.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Aligned with their policy, the Trustees have delegated responsibility for the exercise of rights, including voting rights to NIM. In order to ensure the application of this responsibility is complementary to the objectives of the mandate and supportive of active engagement, the Trustees require NIM to report on the following:

- Engagement by NIM and the outcomes of their efforts with the investee companies.
- Analysis of the carbon footprints of each business.
- Voting at Annual and Extraordinary General Meetings.
- Purchases and sales of assets to ensure that NIM's actions are consistent with the mandate of the BNYM SGEF and with any apparent divergences examined and evaluated.

This reporting is presented quarterly at the United Reformed Church Investment Committee (URCIC) and Trustee meetings. Discussions take place at URCIC quarterly. Twice a year, the Convener of URCIC and the Chair of the Trustees meet directly with the portfolio manager and the NIM head of sustainability to consider specific strategic efforts by the portfolio managers and their asset analysts to enforce the pursuit of the SDGs. These discussions also covered the identification of future opportunities and developments in ethical thinking.

In addition, ad hoc contacts with the senior management at NIM takes place by email or verbally to address any emerging concerns about the management resourcing at NIM or controversies which might impact the BNYM SGEF portfolio.

No concerns were identified during the year and the Trustees consider NIM to be undertaking their stewardship and voting responsibilities in an appropriate manner which is aligned with their mandate and is hence conducive to meeting the Trustees' ultimate objectives of preserving and enhancing long term shareholder value and mitigating financial risks which ultimately benefits the URC MPF members and beneficiaries.

Aside from the equity investments, the URC MPF invests in property with FIL Investment Management Ltd (FIL) through a pooled fund which holds a portfolio of high quality, mainly commercial and industrial units. There are no voting rights associated with these property investments. However, FIL is acquainted with the EIP and makes efforts to investigate both lessees and secondary lessees to avoid conflicting breaches. Additionally, the assets are actively managed and upgraded between leases to comply with the prevailing standards for such assets in terms of enhanced environmental and social requirements.

Monitoring of the stewardship activities undertaken by FIL takes place through quarterly reporting and discussions with the URCIC. No concerns were identified during the year and the Trustees consider FIL to be undertaking their stewardship activities in an appropriate manner.

The due diligence process that is undertaken when a manager is appointed includes checking that the appointed manager has an appropriate conflicts of interest policy in place. No new managers were appointed over the year. However, as part of their ongoing monitoring responsibilities, the Trustees, in conjunction with the URCIC, monitors any conflicts of interest that might arise and ensures that each manager used by the URC MPF maintains an appropriate conflicts of interest policy.

Use of the Services of a Proxy Voter

The Trustees do not directly use the services of a proxy voter. However, NIM obtain proxy voter services from Institutional Shareholder Services (ISS) for the purpose of administering proxy voting (notification and lodgement of votes), as well as research reports on individual company meetings.

End of quote

Voting Behaviour in relation to the equity portfolio during the period in which it was held

The table below provides details of the voting behaviour undertaken on behalf of the Trustees in respect of the BNYM SGEF. The mandate ended on 23 April 2024 although the information in the table covers the full calendar year of 2024.

Size of the URC MPF holding in the Fund at 31 March 2024, before termination of the fund, was £47,485,559.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Note: Figures in this table relate to activity for the NIM pooled fund across the full calendar year for 2024	
Number of meetings eligible to vote at	44
Number of resolutions eligible to vote on	698
Percentage of eligible resolutions voted on	100.0%
Of voted resolutions, percentage voted with management	92.6%
Of voted resolutions, percentage voted against management	7.4%
Percentage of eligible resolutions abstained from	0%
Percentage of eligible meetings with at least one vote against management	45%
Percentage of voted resolutions contrary to proxy adviser recommendation	6.3%

NIM have provided details of what they consider to be significant votes cast during the period of January –April 2024 in which the URC MPF was invested in the NIM pooled fund. During this time, only one notable AGM took place – that of AstraZeneca PLC.

In defining a 'significant vote', NIM considers the proportion of a shares of investee companies held, the size of the investment and the votes that are likely to generate significant scrutiny. We have set out details of three votes which the Trustees consider significant based them covering social and governance considerations aligned with the EIP

Company name: AstraZeneca PLC (British-Swedish multinational pharmaceutical company)

Date of Vote: 11/4/2024

Approximate size of holding: 1.78% of the portfolio as at the date of the vote

Resolution summary: Approve remuneration report and policy, amend performance share plan - NIM voted FOR

Rationale for voting decisions:

NIM voted for the CEO pay package based on the CEO's track record of creating significant value for shareholders and turning around a company once considered beyond recovery. NIM considered that the CEO's compensation had lagged global peers in the industry for many years which NIM felt did not reflect his accomplishments and led to the possibility of him leaving . At this juncture, NIM wanted to avoid any potential disruptions that a change in leadership might bring.

NIM considered the decision to support CEO pay aligned with the broader investment case for AstraZeneca PLC which is well-positioned to continue executing on its strategic initiatives and delivering value to shareholders under the CEO's leadership.

Vote results:

95.3% FOR – the Remuneration Report

64.4% FOR – the Remuneration Policy

65.3% FOR – Amend Performance Share Plan

Implications of the vote results:

In NIM's view, the level of support behind this vote signifies shareholder confidence in executive leadership at this juncture. It also brings the company closer to global peers regarding executive pay. NIM will continue to monitor performance to ensure it aligns with shareholder interests.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Schedule of Contributions

Name of Scheme: The United Reformed Church Ministers' Pension Fund

This schedule of contributions has been prepared for and agreed by The United Reformed Church Ministers' Pension Trust Limited (the 'Trustee'), after having obtained the advice of Amanda Beale, the Scheme Actuary to the Fund.

This schedule of contributions is required by Section 227 of the Pensions Act 2004. It comes into effect on the date of certification of this schedule by the Scheme Actuary and covers the 5-year period from that date. The Trustee is responsible for preparing a revised schedule no later than 31 March 2028.

Church Contributions:

There are no longer any active members in the Fund, as such no Church contributions are required in respect of future accrual of benefits.

Under the previous Schedule of Contributions, the Church was required to pay £4,700,000 between 1 January 2024 and 31 December 2024. The Church has paid £1,600,000 in respect of deficit funding since 1 January 2024. As the Fund is now in surplus, no further contributions are required in respect of deficit funding.

Expenses

Until 12 November 2024, the Church paid £33,759 each month in relation to the expenses of administering the Fund. The Trustee and Church have agreed that these contributions will no longer be required and the Fund's surplus will be used to cover:

- The cost of administering the Fund; and
- The Pension Protection Fund levy and other levies collected by The Pensions Regulator

Therefore no contributions are required in respect of expenses from 12 November 2024.

Member contributions

There are no longer any active members in the Fund, as such no member contributions are required in respect of future accrual of benefits.

Signed on behalf of The United Reformed Church:

Name: Vaughan Griffiths

Position: Deputy Treasurer

Date: 12 November 2024

Signed on behalf of The United Reformed Church Ministers' Pension Trust Limited

Name: Bridget Micklem

Position: Chair of Trustees

Date: 12 November 2024

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Actuary's certification of schedule of contributions

Name of Scheme: **The United Reformed Church Ministers' Pension Fund**

Effective date of valuation: 1 January 2024

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 1 January 2024 to continue to be met for the period for which the schedule is to be in force.

Adherence to Statement of Funding Principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated 12 November 2024.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature:

(signed) Amanda Beale

Date: 12 November 2024

Name: Amanda Beale

Qualification: Fellow of Institute and Faculty of Actuaries

Address:

The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

Name of employer: Aon Solutions UK Limited

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Annual Summary Funding Statement

It is a requirement that each year the Scheme Actuary produces an annual update of the Fund's financial position, within 12 months of the effective date of the calculations. The 2023 Summary Funding Statement is reproduced below.

Summary Funding Statement made in accordance with the Scheme Funding Regulations 2005/3377

Summary Funding Statement made in accordance with the Scheme Funding Regulations 2005/3377

This statement relates to the actuarial valuation carried out as at 1 January 2021 and the subsequent reports prepared by the Actuary on the development of the funding position over the following years.

In accordance with legislation an ongoing valuation was carried out as at 1 January 2021. This assumed that the Pension Fund would continue with the Church's contributions being made at the recommended levels.

The valuation showed the Fund had assets of £174.4m and liabilities of £197.4m, resulting in a funding level of 88% (and a deficit of £23.0m).

The Deficit Recovery Plan agreed by the Trustee and the Church as part of the 2021 actuarial valuation was that the Church is to contribute:

- £580,000 payable in equal monthly instalments from 1 January 2021 to 31 December 2021
- A one-off lump sum of £2,000,000 payable before 31 March 2022
- £4,700,000 p.a. from 1 January 2022 to 31 December 2025 payable before the end of the respective calendar year
- £3,133,333 payable before 31 August 2026

over a deficit recovery period of 5 years and 8 months from 1 January 2021.

In addition to the deficit contributions, the Church contributed to the Pension Fund at a rate of 21.95% of stipends to fund the benefits which continue to accrue to contributing ministers (increasing to 41.25% effective 1 March 2022). Ministers continued to contribute at a rate of 7.5% of stipends.

On 28th February 2023, the Pension Fund was closed to future accrual with all pensionable service ceasing and all active members becoming 'closure members' with benefits broadly equal to deferred members (but with a continuing link to final stipend). The contributions linked to accrual of new benefits ceased from this date.

The Trustee has received a report from the Actuary on the developments that have affected the Pension Fund since the 1 January 2021 valuation date. Without having undertaken a full valuation as at 1 January 2023, the Actuary estimates that the Fund's assets exceeded its liabilities by £11.9m, representing a funding level of 109%.

	1 January 2021	1 January 2022	1 January 2023
Assets	£174.4m	£189.7m	£145.1m
Liabilities	£197.4m	£198.5m	£133.2m
Surplus / (Deficit)	(£23.0m)	(£8.8m)	£11.9m
Funding level	88%	96%	109%

Since the last Summary Funding Statement, the funding level improved and the deficit at 1 January 2022 became a surplus at 1 January 2023. This was primarily driven by a large increase in the yields available on government bonds, which caused the estimated cost of providing benefits to fall. This decrease in liabilities was partially matched by a fall in asset value (due to holding a proportion of the assets in index-linked gilts) but the fall in asset value was smaller than the fall in liabilities.

Deficit contributions from the Church had a further positive impact, and the Fund is now in surplus (i.e. it has more assets than it is estimated to need to provide the benefits due from the Fund).

The Pension Fund continues to target investment of approximately 60% of its assets in a pooled fund of index-linked bonds. The remainder of the assets are primarily invested in an actively managed portfolio of equities and an allocation of around 10% of the assets to a property pooled fund. This is periodically reviewed as the funding position evolves, and the Trustee is currently in discussion around the potential to invest in less volatile assets, to 'lock in' some of the recent funding gains.

As they are required to do, in the 1 January 2021 valuation, the Actuary also considered the hypothetical situation of the Pension Fund winding up on 1 January 2021. This is based on the assumption that the assets are invested in appropriate insurance policies at that date. On this basis the Actuary estimated that the assets would have been sufficient to meet approximately 70% of the liabilities. It is a statutory requirement that all pension schemes include this information in the Summary Funding Statement and the Trustee would like to stress that there is no intention to wind up the Pension Fund nor to purchase annuities on terms currently available from insurers. We also have a statutory obligation to inform you that if the Pension Fund were ever to wind up at a time when the Church did not have sufficient funds to cover the cost of buying out members' benefits with an insurance company, the Trustee would apply for admission to the "Pension Protection Fund" set up by the Government which should meet a significant part of the benefits due to members.

No payments have ever been made to the Church or any other employer associated with the Pension Fund under the terms of Section 37 of the Pensions Act 1995, which permits such payments in certain circumstances. The Pension Fund has not been modified by The Pensions Regulator under Section 231(2)(a) of the Pensions Act 2004, nor is it subject to any directions by The Pensions Regulator under Section 231(2)(b) of that Act or bound by a Schedule of Contributions imposed by The Pensions Regulator under Section 231(2)(c) of that Act.

Should you have any questions on this statement or more generally then please contact Paul Bannister at Church House, 86 Tavistock Place, London, WC1H 9RT from whom further information is available.

Statement of Trustee's responsibilities for the Financial Statements

The financial statements, which are prepared in accordance with the UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS102) are the responsibility of the trustee. Pension scheme regulations require, and the trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year; and
- contain the information specified in Regulation 3A the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement as to whether the financial statements have been prepared in accordance with the relevant reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the scheme will continue as a going concern.

The trustee is also responsible for making available certain other information about the scheme in the form of an annual report.

The trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a schedule of contributions showing the rates of contributions payable towards the scheme by or on behalf of the employer and the active members of the scheme and the dates on or before which such contributions are to be paid. The trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the scheme and for adopting risk-based processes to monitor whether contributions are made to the scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF
THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND**

Opinion

We have audited the financial statements of The United Reformed Church Ministers' Pension Fund for the year ended 31 December 2024 which comprise the fund account, the net assets 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:

- show a true and fair view of the financial transactions of the scheme during the year ended 31 December 2024 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

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 scheme 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 scheme'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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the scheme 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 scheme'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 scheme'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 scheme 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.

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.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

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 scheme.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Pensions Act 1995, the Pensions SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the scheme 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 scheme's trustees, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP
6th floor
9 Appold Street
London
EC2A 2AP

Statutory auditor

30 June 2025

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024

THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND

	Note	2024 £'000	2023 £'000
Contributions and benefits			
Contributions receivable		1,600	5,643
Church & employers		-	156
	3	1,600	5,799
Transfers in	4	-	29
Other income	5	1	7
Employer's contribution to expenses		338	-
		339	36
Benefits	6	8,016	7,599
Payments to and on account of leavers	7	146	-
Other payments	8	-	45
Administrative expenses	9	828	427
		8,990	8,071
Net (withdrawals)/income from dealings with members		(7,051)	(2,236)
Returns on investments			
Investment income	10	848	1,563
Change in market value of investments	11	(3,662)	5,389
Investment management expenses		(103)	(227)
Net returns on investments		(2,917)	6,725
Net (decrease)/increase in the fund during the year		(9,968)	4,489
Net assets of the Pension Fund			
At 1 January		149,595	145,106
At 31 December		139,627	149,595

The notes on pages 20 to 26 form part of these Financial Statements.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

NET ASSETS STATEMENT AT 31 DECEMBER 2024

	Notes	2024 £'000	2023 £'000
Investment assets:	11		
Pooled Investment vehicles	12	<u>139,071</u>	<u>146,788</u>
		139,071	146,788
Current assets	15	1,576	5,549
Current liabilities	16	(1,020)	(2,742)
Net assets of the Pension Fund		<u>139,627</u>	<u>149,595</u>

The financial statements summarise the transactions of the Pension Fund and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Pension Fund year. The actuarial position of the Pension Fund, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities, included in the annual report on pages 3 and 4, and these accounts should be read in conjunction with them.

Approved by the Board of the United Reformed Church Ministers' Pension Trust Limited, acting as Trustee for the United Reformed Church Ministers' Pension Fund, on 24 June 2025.

Signed on behalf of the Trustee by:

Bridget Micklem

Lyndon Thomas

Bridget Micklem
Director

Lyndon Thomas
Director

Notes to the financial statements for the year ended 31 December 2024

1 Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and with the guidance set out in the Statement of Recommended Practice (revised 2018).

2 Accounting Policies

The principal accounting policies of the Pension Fund are as follows:

(i) Contributions

a) The Church's deficit funding contributions are accounted for in accordance with the agreement under which they are being paid or in the absence of an agreement on a receipts basis.

b) Employer S75 debt contributions are accounted for when a reasonable estimate of the amount receivable can be determined.

(ii) Payments to members

a) Pensions are paid monthly in advance on the 25th day of the month due and are accounted for on an accruals basis. Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised.

b) Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the Pension Fund as appropriate.

c) Individual transfers in or out of the Pension Fund are accounted for when member liability is accepted or discharged, which is normally when the transfer amount is paid or received.

(iii) Expenses

Administrative expenses, premiums on term insurance policies and investment management expenses are accounted for on an accruals basis.

(iv) Investment income

a) Income from equities, and any pooled investment vehicles which distribute income, is accounted for on the date stocks are quoted ex-dividend/interest.

b) Income from cash and short term deposits is accounted for on an accruals basis.

c) The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Accounting Policies (continued)

(v) Investments

Investments are included at fair value as described below:

a) Quoted securities are stated at the official price of the stock exchange on which they are quoted, at the date of the Statement of Net Assets. Quoted securities where the official price is not recent are valued using available information from market participants.

b) Utilised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager.

c) The Pension Fund's functional and presentation currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates ruling at the year end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.

3 Contributions

Members contribute 7.5% of stipend. Some members have also made voluntary contributions to secure additional benefits. The employer pays the balance required to fund the benefits and to meet fund administration costs.

		2024	2023
		£'000	£'000
Church & Employers -	normal	-	633
	deficit per Schedule	1,600	4,700
	contribution to expenses	-	310
Members -	normal	-	115
	additional voluntary	-	41
		1,600	5,799

Following the completion of the 1 January 2024 triennial valuation, no further deficit contributions are required at present.

4 Transfers In

	2024	2023
	£'000	£'000
Individual transfers in from other Schemes	-	29
	-	29

5 Other income

	2024	2023
	£'000	£'000
Legacy and donation	1	7
	1	7

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Notes to the accounts for the year ended 31 December 2024 (continued)

6 Benefits paid

	2024	2023
	£'000	£000
Pensions	7,425	7,095
Commutation and lump sum benefits	591	414
Death in Retirement	-	90
	8,016	7,599

7 Payments to and on account of leavers

Individual transfers to other Schemes	146	-
---------------------------------------	------------	---

8 Other payments

Premiums on term insurance	-	45
----------------------------	----------	----

9 Administrative expenses

Administration charge paid to URC	233	182
Actuarial fees	169	74
Audit fees	15	14
Legal fees	119	63
Investment consultancy fees	282	83
Pensions Protection Fund levies	10	11
	828	427

10 Investment income

Income from pooled investment vehicles - equity-based	4	736
Income from pooled investment vehicles - real estate	844	827
	848	1,563

11 Investments

	Value at 1 January 2024 £'000	Purchases at cost £'000	Sale proceeds £'000	Change in market value £'000	Value at 31 December 2024 £'000
Pooled investment vehicles – equity based	43,106	-	(46,405)	3,306	7
Pooled investment vehicles – real estate	17,526	-	-	617	18,143
Pooled investment vehicles – index-linked bonds (L & G)	86,156	79,927	(37,577)	(7,585)	120,921
	146,788	79,927	(83,982)	(3,662)	139,071

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Notes to the accounts for the year ended 31 December 2024 (continued)

12 Pooled investment vehicles

The Pension Fund's investments in pooled investment vehicles at the year end comprised:

	2024	2023
	£'000	£'000
Equity	7	43,104
Property	18,143	17,526
Bonds	120,921	86,158
	139,071	146,788

13 Fair value determination

The fair value of the financial instruments has been estimated using the following fair value hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset.

The Pension Fund's investment assets have been fair valued using the above hierarchy categories as follows:

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
At 31 December 2024				
Pooled investment vehicles	-	120,928	18,143	139,071
	-	120,928	18,143	139,071
At 31 December 2023				
Pooled investment vehicles	-	129,262	17,526	146,788
	-	129,262	17,526	146,788

Notes to the accounts for the year ended 31 December 2024 (continued)

14 Financial instrument risk disclosures

Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.

Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Pension fund has exposure to these risks because of the investments it makes in following the investment strategy set out below. The objective of the Trustee is to manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Pension Fund's investment objectives. These risk limits are implemented through the investment management agreements in place with the Pension Fund's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management, credit and market risk is set out below.

i. Investment Strategy

With the move to buy in and ultimately buy out, the main investment objective of the Pension fund is to maintain a portfolio of suitable assets of appropriate liquidity to effect these transactions as and when these actions are taken.

Accordingly, the company divested from all its equity portfolio early in 2024 and moved these fund into a gilt portfolio with varying lengths of maturity. The aim was to also divest from the Property Fund held within the portfolio, but the Trustee acknowledged that these investments are not very liquid and will take time to realise. The investment manager of the Property Fund has been notified of the intention to withdraw from the fund and the scheme is in a queue for redemption of the whole holding.

As at the year end, the scheme held 87% of its investments in a pooled index-linked gilt fund and 13% in a property fund.

ii Credit risk

The Pension Fund is subject to credit risk because it has cash balances and invests in pooled investment vehicles; it is therefore directly exposed to credit risk in relation to its investments in the pooled investment vehicle and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Cash is held within financial institutions which are at least investment grade credit rated.

Direct credit risk arising from pooled investment vehicles is mitigated by the regulatory environments in which the pooled managers operate. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and monitors any changes to the

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Notes to the accounts for the year ended 31 December 2024 (continued)

regulatory and operating environment of the pooled manager. All pooled investment vehicles used are open ended investment companies. Indirect credit risk arises in relation to underlying investments held in pooled investment vehicles. At the year end the total value of underlying investments subject to credit risk was £139,071k (2023: £146,788k) as advised by the pooled managers. This risk is mitigated by requiring pooled investment managers to invest in at least investment grade credit rated instruments.

iii **Currency risk.**

The Pension Fund is exposed to minimal currency risk because it divested from its equity holdings during the year. The investments are currently held in UK gilt pooled investment vehicles and UK based property funds.

iv **Interest rate risk**

Changes in market rates of interest affect the value of the Pension Fund's assets and the actuary's calculation of the Pension Fund's liability to meet its future cash flows. The Trustee seeks to manage the Pension Fund's interest rate risk by investing a substantial proportion of the Pension Fund's assets in bonds, the value of which should respond to changes in market interest rates in broadly the same way as the Pension Fund's liabilities. As at 31 December 2024 the bonds represented 86.9% of the total investment portfolio (2023: 58.7%). The Pension Fund's other investments (in equities and property) are also subject to interest rate risk, but the way in which and the extent to which the value of these assets reacts to changes in market rates of interest is complex and depends upon the specific investments as well as the general economic situation and outlook. Unlike the Pension Fund's bonds, the value of these other assets will tend therefore not to follow the value of the Pension Fund's liabilities but the Trustee is comfortable to accept this risk on account of the higher returns it expects to achieve from these assets compared to bonds.

v **Other price risk**

Other price risk arises principally in relation to the Pension Fund's return seeking portfolio which includes directly held equities, and equities and investment properties held in pooled vehicles. The Pension fund manages this exposure by constructing a diverse portfolio of investments across various markets.

15 Current assets

	2022 £'000	2023 £'000
Accrued interest and dividends	171	421
Pensions prepaid	636	604
Cash balances	770	4,525
	1,577	5,550

In accordance with Pension Fund rules, pensions for each month are paid by the 25th day of the preceding month.

16 Current liabilities

	2024 £'000	2023 £'000
Accrued benefits and expenses	84	141
Amounts owing to United Reformed Church Trust	936	2,601
	1,020	2,601

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Notes to the accounts for the year ended 31 December 2024 (continued)

17 Related party transactions

All pensions administration costs are incurred by United Reformed Church Trust and recharged to the Pension Fund. Costs include salaries and benefits of pensions administration staff, including external systems support. The total cost for 2024 was £138,314 (2024: £138,254) (note 9), which is included in 'Amounts owing to United Reformed Church Trust' in note 16. In addition, United Reformed Church Trust pays the monthly pensions and recharges these costs to the Pension Fund.

United Reformed Church Trust pays the expenses of Trustee Directors in respect of services provided to the Pension Fund. These costs are not recharged to the Pension Fund. Of the Directors, Revds Colechin, Vodden and Warmington are deferred members and The Revds Cheyne and Tollington were pensioners of the Pension Fund during the year. Ms Bridget Micklem is the spouse of an active deferred member and may benefit from the pension fund at a future date.

The Pension Fund holds no employer related investments.

18 Post Balance Sheet event

On 21 May 2025, the Trustee entered into a contract with Just Pensions to buy-in to the pension fund annuities at a cost of £112.3million. The aim is to achieve a full buy-out with Just Pensions in the early part of 2026.

Independent auditors' statement about contributions to the Trustee of the United Reformed Church Ministers' Pension Fund

We have examined the summary of contributions of The United Reformed Church Minister's Pension Fund payable in respect of the scheme year ended 31 December 2024 to which this statement is set out on page 28.

In our opinion the contributions for the scheme year ended 31 December 2024 as reported in the summary of contributions and payable under the schedules of contributions have in all material respects been paid at least in accordance with the schedules of contributions certified by the scheme actuary 28 February 2023 and 12 November 2024.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the schedules of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the scheme and the timing of those payments under the schedules of contributions.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the scheme's trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedules of Contributions showing the rates and due dates of certain contributions payable towards the scheme by or on behalf of the employer and the active members of the scheme. The trustee is also responsible for keeping records in respect of contributions received in respect of active members of the scheme and for monitoring whether contributions are made to the scheme by the employer in accordance with the schedules of contributions.

It is our responsibility to provide a Statement about Contributions paid under the schedules of contributions and to report our opinion to you.

Use of our report

This report is made solely to the scheme's trustees, as a body, in accordance with Regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP
Chartered Accountants and Statutory Auditor
6th floor, 9 Appold Street, London, EC2A 2AP

30 June 2025

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Statement of Trustee's Responsibilities in respect of Contributions

The Pension Fund's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained, and from time to time revised, a Schedule of Contributions showing the rates of contributions payable towards the Pension fund and the dates on or before which such contributions are paid. The Pension Fund's Trustee is also responsible for keeping records of contributions received in respect of any active member of the Pension Fund and for procuring that contributions are made to the Pension Fund in accordance with the Schedule.

Trustee's summary of contributions payable in the Pension Fund year ended 31 December 2024

This Summary of Contributions has been prepared by, and is the responsibility of, the Trustee. It sets out the Church and member contributions payable to the Pension Fund under the Schedules of Contributions certified by the Actuary on 28 February 2023 and 12 November 2024 in respect of the year ended 31 December 2024. The Pension fund Auditor reports on contributions payable under the Schedules in the Auditor's Statement about Contributions.

During the year ended 31 December 2024, the contributions receivable to the Pension Fund were as follows:

Contributions payable under the schedule of contributions

	Church £'000	Member £'000
Normal contributions	-	-
Deficit funding contributions	1,600	-
Employers contribution to expenses	-	-
Contributions payable under the schedule (as reported on by the Auditor) and reported in the Financial Statements	1,600	-

Signed on behalf of the Trustee by:



Bridget Micklem
Director

24 June 2025

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Appendix 1 to Trustee's Report

BENEFITS PAYABLE FROM THE PENSION FUND

NOTE: The rules of the Pension Fund govern its administration. This schedule does not in any way amend the rules of the Pension Fund, a copy of which may be obtained from the United Reformed Church finance office.

Death Benefit

A payment of a lump sum through an insured policy, equal to eight times the annual stipend payable to a minister from the Maintenance of the Ministry Fund, is payable upon the death of a former member who has not left stipendiary service. Non-serving deferred members who die having reached age 65, but who have not started to draw pension, are deemed to have retired on the day prior to the date of death, and a lump sum payment of 5 years' pension is then payable (see note 4 below).

Monthly Pension Benefits (as at December 2024, to members who did not elect to be dealt with under the old rules in force prior to July 1993)

The following are the key elements in respect of the computation of monthly pensions:

Pensions paid to members of the URCMPF who were never members of the Pension Funds of the former churches are paid at 1.25% of stipend (as defined in note 1) per year of service.

To former members of	the Presbyterian Fund MWOPF	the Congregational Fund CMPF
In respect of service to 31/5/71	1.25%	£215.81 (increased from £205.53 from 1/1/2024)
from 1/6/71 to date	1.25%	1.25%

Notes

- 1 All pensions are quoted per year of service, and the percentages indicate the percentage of ministerial basic stipend payable on 1 November 1993 or the normal pension age (68 years) of the member, whichever is the later.
- 2 Service means periods of service for which pension contributions have been paid or credited in the case of members of the CMPF with service prior to 1 June 1958.
- 3 Upon retirement on pension, members have the right to commute part of their pension into a tax free lump sum of up to 25% of the value of their pension benefits. Members wishing to take a lump sum should seek advice from the Pension Fund Manager.
- 4 Pensions are paid for the life of the pensioner. If the pensioner dies before 60 monthly pension payments have been made, the balance of the 60 payments at the rate applying at the date of death is paid to the dependants or relatives.
- 5 Surviving spouses of pensioners are usually paid 50% of their spouse's pension, prior to any commutation.
- 6 On 1 January each year, all pensions in payment increase by the annual increase in the Retail Price Index or 5%, whichever is the lower.
- 7 The above benefits schedule does not apply to the 7 living members who elected in 1993 to be dealt with under the rules applying prior to July 1993.

UNITED REFORMED CHURCH MINISTERS' PENSION FUND

Appendix 2 to Trustee's Report

PARTICIPATING BODIES

The following employers are participating bodies in the Pension Fund and employed active contributing members in the 2024 year:

Churches Together in Britain & Ireland
39 Eccleston Square
London
SW1V 1BX

Northern College
Luther King House
Brighton Grove
Rusholme
Manchester
M14 5JP

The United Reformed Church
86 Tavistock Place
London
WC1H 9RT