

**Company Number: 01337047**  
**Charity Number: 507027**

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2023**

**MHA**  
**Chartered Accountants and Registered Auditors**  
**Moorgate House**  
**201 Silbury Boulevard**  
**Milton Keynes**  
**MK9 1LZ**

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Annual Report**

**Year Ended 31 December 2023**

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**Reference and Administrative Information**

**Registered Office**

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

**Directors and Trustees**

Mr D.S. Black  
Mr T. Dicker  
Revd S.M. Faber  
Revd E. Hutchinson  
Mrs M.F. Marshall  
Mr S.M. Powell (Treasurer)  
Mr K. Thomas  
Revd D.M. Walton (retired March 2024)

**Bankers**

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

**Legal Advisors**

Slater Heelis  
Lloyds Bank Buildings, 16 School Road  
Sale, Cheshire M33 7XP

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

**Auditor**

MHA  
Moorgate House  
201 Silbury Boulevard  
Milton Keynes MK9 1LZ

**Investment Manager**

Evelyn Partners  
9 Colmore Row  
Birmingham B3 2BJ

**Synod Officers**

Moderator – Revd S.M. Faber  
Synod Clerk – Mrs R Wakeman  
Synod Treasurer – Mr S.M. Powell  
Legal and Trust Officer – Mr P Mountain (from November 2023)  
Finance Officer – Mr M.N. Davies (resigned November 2023)  
Mrs K Wise (from March 2024)  
Property Officer – Mr M. McDade  
Training and Development Officer – Revd S.P. Scott (retired October 2023)  
Evangelist – Revd N. Stanyon (finished October 2023)  
Children's and Youth Development Officer – Mr R. Knott (until March 2023)  
Safeguarding Officer – Mrs D. Gordon  
Communications Officer – Mrs E Wright (from June 2024)

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report

### Year Ended 31 December 2023

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The United Reformed Church (West Midlands) Trust Limited (“The Trust”) is the corporate body that holds the assets and liabilities of the West Midlands Synod of the United Reformed Church (“Synod”). The Trust was incorporated as a limited company and registered charity on 2 November 1977 and its Memorandum and Articles of Association were revised in 2008 and 2021. The Trust’s charitable objects are:

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

## 1. The Synod: Structure, Governance and Management

### 1.1 Overview

**The Synod** is the collective body of the United Reformed Church in the West Midlands region and is constituted in accordance with the Basis of Union and the United Reformed Church Acts of 1972, 1981 and 2000 ([www.urc.org.uk](http://www.urc.org.uk)). Synod has oversight of the URC in the West Midlands, comprising the counties of Staffordshire, Shropshire, Herefordshire, Worcestershire, Warwickshire and Gloucestershire, and the metropolitan authorities of Birmingham, Solihull, Coventry, Sandwell, Walsall, Dudley, and Wolverhampton. It meets twice a year and its membership, as detailed in the Structure of the United Reformed Church, Section B at [urc.org.uk](http://urc.org.uk), includes serving ministers, representatives of each local church, and ecumenical representatives, together with youth representatives and some co-opted members. The Synod fulfils a wide range of consultative, legislative and executive functions, and is the ultimate decision-making authority in matters of a theological, pastoral or (in certain cases) an administrative nature.

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

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.2 The Synod's relationship with the Trust and its committees

The Synod's policy decisions are subject to Trust endorsement; and decisions that have financial implications for the Trust are normally subject to consultation with Synod Trustees prior to implementation.

Because the Synod meets only twice each year, it delegates many of its functions to its committees, which in turn work alongside the Trust: the Synod Executive (formerly known as Synod Mission Council); the Resources & Compliance Committee, the Ministry Development Committee and the Missional Discipleship Development Committee. The roles of these bodies are explained in more detail below. The relationship between the Synod Executive, its Committees and Trust may be summarised as follows:

**Synod:** One of the Councils in the Structure of the United Reformed Church, and the ultimate decision-making body of the United Reformed Church in the West Midlands region.

**Synod Executive:** has delegated authority to make decisions and recommendations in between Synod Meetings and acts as the line of accountability for Synod Officers and Committees. Synod Executive comprises certain Synod Officers, Convenors of Synod Committees, and representatives from the seven designated Areas within Synod. The work of Synod Executive is organised through committees with responsibility for specific aspects within the life of the Church.

**Resources & Compliance Committee:** (RCC) is concerned with financial and property resources, maintaining legal compliance and good practice and has delegated authority to make decisions and recommendations on matters principally around finance, property and legal issues. The Synod Resources and Compliance Committee (RCC) comprises Synod Officers, their line managers, and other persons with appropriate skills identified and appointed by Synod Executive. The RCC's responsibilities may be summarised as follows:

- to regularly review the condition of the Synod Trust's assets and oversee their conservation, management and (where appropriate) disposal.
- to ensure that its liabilities are controlled and discharged in a timely manner; and
- to ensure that the Synod Trust's financial and operational integrity is maintained at all times.

The remit of the Resources and Compliance Committee includes delegated authority for agreeing grants, particularly for property, within criteria and budgets which are set by the Trust.

A Reference Committee has authority to approve urgent transactions between meetings, provided that they meet normal qualifications and are reported to the next meeting. The Reference Committee for the Resources and Compliance Committee consists of the Moderator, Synod Clerk, Synod Treasurer and Chair. The Reference Committee for the Trust consists of the Moderator, Synod Treasurer, Chair and at least one other trustee.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 1.2 The Synod's relationship with the Trust and its committees (continued)

**Ministry Development Committee:** (MDC) is responsible for developing people's ministries and delegated authority, particularly in dealing with ministerial call and service, vacancy and development. The Committee comprises a representative from each Area, plus the Moderator and key Synod Officers.

#### 1.3 The Trust

##### (a) Powers, duties, and responsibilities

Acting through its board of trustees, the Trust is responsible for the day-to-day management of the Synod and for the implementation of policy as set by the Synod. The Trust has ultimate responsibility for all Synod finance-related matters (except for Ministry and Mission Fund matters – see below).

The Trust fulfils its charitable objects by working through the Synod to provide financial, pastoral, educational and technical support to local URC congregations, and to their Ministers, Elders and lay people in their life and mission. The Trust supports the Synod in its mission purpose, defined at October Synod 2022 as:

*“To equip, encourage and support United Reformed Church congregations in the West Midlands Synod, in our collective journey to be faithful in worship, witness and service, as our way of responding to the saving love of God in Christ Jesus, in the power of the Holy spirit, and inviting others to share in the life of faith and discipleship.”*

The Trust, through the work of the Synod, supports 101 churches in the region with 3,187 United Reformed Church members and their own charitable missions to advance the Christian religion in their own communities.

The Trust also acts as Trustee to the majority of the United Reformed Churches in the West Midlands by holding properties on trust for them in accordance with the Statutory Trusts as set out in the United Reformed Church Acts. The insured value of these properties exceeds £200 million and there are guidelines in place to minimise the risk to the Trust of actions by local churches in respect of these assets. The Trust also acts as custodian trustee for some churches and other URC related organisations, holding investments separately on their behalf. The investments have a value of approximately £1.371m and the local churches have objects similar to the Synod.

United Reformed Churches are open to all people, of all ages and walks of life, including people of no faith. Through enabling worship and faith-based, educational, and community-focused activities, the Trust aims to propagate the Christian faith and Christian values in a contemporary and compassionate manner, for the benefit of all.

Local churches within the Synod's region are separate independent charities and the Trust has no controlling interest or executive control over them. Nor are local churches deemed to be connected charities within the understanding of the Charities SORP.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.3 The Trust (continued)

#### (b) The Trustees

The Synod appoints the board of trustees and considers individuals with relevant experience who are eligible for appointment. Members of the Board must be a member of the United Reformed Church ("URC") or of a Local Ecumenical Partnership involving the URC. There is no formal programme for the induction and training of Trustees although all are encouraged to attend relevant seminars arranged by the Trust's professional advisors.

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

Mr D.S. Black, Mr T. Dicker, Revd S.M. Faber, Revd E. Hutchinson, Mr S.M. Powell (Treasurer), Mrs M.F. Marshall, Mr K. Thomas and Revd D.M. Walton (retired March 2024).

The Trustees are the Trust's key management personnel and directors of the company for the purpose of company law. Together they form the Trust's governing board and are responsible for overseeing the management and for decisions relating to the assets held at Synod and local church level. All director-trustees give their time voluntarily and receive no benefits from the Trust other than reimbursement of their expenses [as shown in note 5 to the financial statements]. The only exception here is the Moderator whose stipend is settled and paid by the central URC.

Indemnity insurance of up to £5m is in place to cover the liability of the Trustees in relation to negligence, default, breach of duty or breach of trust.

With regard to potential conflicts of interest, clear procedures are in place to ensure that no trustee derives any private benefit from the Trust's financial operations and that no actual or perceived bias arises when the Trust considers any application for funding support from a Church which counts a trustee among its members.

#### (c) The Trust's professional and technical staff

There were eight paid staff in 2023 who enabled the Synod's day-to-day operations and who were recruited on the basis of their professional experience and skills. They are:

- Finance Officer
- Property Officer
- Office Manager and PA to the Moderator
- Administrative Assistant
- Legal and Trust Officer (started November 2023)
- Safeguarding Officer
- Synod Clerk
- Training and Development Officer

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.3 The Trust (continued)

#### (c) The Trust's professional and technical staff (continued)

Levels of staff pay are decided by reference to market rates for those working for professional organisations with the relevant qualifications and experience and regard is given to published pay scales for similar roles. All rates of pay are reviewed annually and amended in the light of changes in the cost of living and other relevant factors.

The **Finance Officer** is responsible for the Synod's finances and assists local churches with their grant applications and other areas of church finance. The Finance Officer also plays an important role in developing policy for control of Synod finances and in supporting churches financially. The Finance Officer deals with the calculation and allocation of contributions to the Ministry and Mission Fund which funds ministers' stipends and the work of the wider church; and works with the Synod's Investment Sub Committee and its independent Investment Managers to ensure the efficient management of cash and the generation of income to run Synod. The Finance Officer is also active in management of the funds for Inter Synod Resource Sharing.

The **Property Officer** provides technical support to local churches in the maintenance of their church buildings and their repair and/or redevelopment, including advising on grant support which may be available for Synod. This includes working closely with local church leadership to resolve practical and technical issues as they arise. Where churches are Listed buildings, Synod has a statutory role under Ecclesiastical Exemption, which the Property Officer discharges with the assistance of other officers of the wider United Reformed Church.

The **Legal and Trust Officer** is Secretary to the Board and the Synod Resources and Compliance Committee. The Trust Officer is a solicitor and provides support to local Churches and other officers in the areas of governance, charity law and transactional matters, working with external lawyers with specialist knowledge of the URC's legal structure and processes, and other independent advisers as appropriate.

The **Safeguarding Officer** works with local churches to ensure that children and adults at risk are protected as the law require and as a matter of best practice. The Safeguarding Officer is responsible for co-ordinating safeguarding training around the Synod and ensuring that current safeguarding policies and procedures are implemented.

The **Synod Clerk** has oversight of Synod and its Committees; supports the Moderator; represents the Synod nationally and locally; and provides guidance on governance and procedures.

The **Office Manager** is responsible for the day-to-day operation and management of the Trust's premises and business affairs, including HR, and provides the Moderator with all required back-office support. The Administrative Assistant supports the office and Synod Officers' work..

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.3 The Trust (continued)

#### (c) The Trust's professional and technical staff (continued)

The **Training and Development Officer** is responsible for guiding and mentoring Elders of local churches in the fulfilment of their duties and for providing wider training opportunities in pastoral matters to anyone connected with the Church.

#### (d) Risk Assessments

The Trust has undertaken a thorough Risk Assessment, identifying, and evaluating the risks to which the Synod and Trust are exposed, and policies are in place and actions are taken to minimise any potential exposure. The Trust's reserves and investment policies are designed in part to mitigate the risk of insufficient resources being available to provide the necessary level of support to Churches within the Synod area.

### 1.4 Financial support and grant making policies

The Trust makes available a range of grants and loans (i) to local churches to assist them in their mission and in the improvement and maintenance of their properties; and (ii) to local ministers to support ministerial training, development, and sabbaticals. In all cases, grant awards are made after consideration of the mission statement and financial situation of the applicant. The funding programmes comprise:

- **Synod Manse Fund:** Financial Support is available to support the purchase and/or replacement and improvement of manses to improve standards; and to ensure essential works are carried out including Gas and Safety certificates being kept up to date. £750 per year from 2023 can be claimed retrospectively per annum and can be rolled over for up to 3 years This increased from £500 per annum up to 2022. Upon the disposal of a Manse, the net proceeds are split: a portion is sent to the local church and the balance is used to top up the manse fund.
- **Property Grants:** capital grants are available (i) to support large cyclical repairs to church buildings; and (ii) to bring all manses and church buildings up to the highest standards of accessibility and full compliance with Equalities legislation.
- **Synod Mission Fund:** £1 million set aside in in 2010 to encourage, enable and support local churches in their mission activities. The current balance on this account is £618,562 and the fund is periodically topped with instalments of funds equal to 20 per cent of the net proceeds of any church property disposal.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 1.4 Financial support and grant making policies (continued)

- **Major Building Development Fund:** The initial funding was formed in 2022 from the entire proceeds of two closed church buildings : St Columbas URC, Dudley URC. The aim is to support the development of new churches and ancillary building and the consequent strengthening of congregations and communities. It is topped up by 80% of the net proceeds from closed churches after a small portion has been allocated to the M&M fund. The balance currently sits at £2.2m. One application was received in 2023 from Chesterton URC, the details have not been finalised as yet.
- **Ministry Support Fund** to support local ministry and assist in creating lay posts focussed on church growth, administered by the Ministry Development Committee and Synod Executive. There were no new applications in 2023.
- **Energy Efficiency Grants:** an important consequence of the Synod's 2019 decision to divest from investments in fossil fuels and to move to a zero-carbon future: a fund of £1m to support churches with the capital cost of energy efficiency improvement to church buildings with grants starting at 100% and tapering down with increasing costs. The fund is extremely popular with 46 grants totalling £ 340,752 having been made in 2023. This will be rolled out to incorporate Manses from 2024.
- **Youth and Discipleship Grants:** This grant is three-fold – Leaders Training and development: To assist individual leaders connected with churches and local ecumenical partnerships to participate in training and learning opportunities that are designed to enable local church mission objectives with children and youth. For Churches and Groups: e.g. Holiday clubs and for Individuals: To assist individual children and young people connected with churches and local ecumenical partnerships with projects that enable mission objectives. Each grant can be up to £500.

The Trust is active in the Inter Synod Resource Sharing system, which supports those Synods with least resources.

## 2 Pastoral and Educational support

The **Moderator** is Revd. Steve Faber, an ordained minister of Word and Sacraments of the United Reformed Church. His role is to provide spiritual and pastoral oversight, care, and leadership within the Synod. The Moderator is a member of all Synod Committees and works with Synod Officers to provide spiritual, strategic and pastoral leadership to churches within the Synod area; and he provides care, encouragement and engagement with ministers and churches through meetings, conferences, visits and training events. Also, as a member of the Ministry Development Committee (see 1.2 above) the Moderator is instrumental in encouraging conversations about pastorates and calling of ministers.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 2 Pastoral and Educational support (continued)

The **Synod Training and Development Officer (TDO)** is a Minister of Word and Sacraments, inducted to their Synod role following a call issued and accepted recognising their appropriate skills and experience.

The role of the TDO is to implement those parts of the Synod Mission Strategy concerned with establishing, developing and control of lay training, and to implement those parts of the Synod Mission Strategy concerned with EM1, EM2 and EM3 (Education for Ministry Phases 1-3) as a lifelong and ongoing process for Ministers and Church Related Community Work Ministers, and to provide advice, support and guidance as appropriate in relation to training in other aspects of mission and ministry in the Synod.

The Revd Stuart Scott retired from the role of TDO at the end of October 2023. Following a review, October Synod agreed to a new role going forward, combining that of TDO with Synod Pastoral Consultant, and a suitable candidate is being sought.

The **Synod Evangelist**, also a Minister of Word and Sacraments, worked with local congregations, encouraging and responding to invitations from local churches to be involved in specific outreach projects; providing training in evangelism; and exploring with elders, churches, and individuals how they can respond to opportunities to share their faith. This was a Special Category Minister Post for two 5-year terms, which ended in October 2023.

Following review, October Synod 2023 agreed to the appointment of a temporary, half-term, 'LYCiG' Consultant. This was to particularly take forward the Evangelist's work on the Leading Your Church into Growth initiative and was taken up by Revd Ashley Evans in February 2024.

Going forward, October Synod agreed to develop the Evangelist's work with the introduction of a full-time, salaried, Mission Development Officer. This post was advertised and is due to be taken up as a job share in September 2024.

The **Children and Youth Development Officer** supports and enables the work in local churches with Youth and Children. This is a salaried post, recruitment to which is based on skills and experience. The *Equality Act 2010: Part 1, Schedule 9* applies to this post, which requires a Christian who is willing to share their own personal faith and encourage others in that faith. Following Richard Knott's move from the West Midlands to the East Midlands in April 2023, a replacement is sought.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 3 Achievements and performance

A strategic review of the Synod's activities by external consultants, to consider ways in which we can structure our work to fulfil the statement of purpose as defined at October Synod 2022, commenced in 2023. Amongst other aspects, the review group were asked to consider our staffing structure and financial support for local churches. They reported on the first phase of the review in Autumn 2023, particularly encouraging Synod to recruit staff to replace a number who had left due to retirement, end of fixed terms, or resignation.

A number of Synod staff of longstanding completed their service to the Synod in 2023, with their achievements much appreciated.

We were pleased to appoint Lindsay Peniston, Office Manager & Moderator's PA, in March 2023; Emma Price, Office Administrator, in September 2023; Paul Mountain, Legal & Trust Officer, in November 2023; and Karen Wise, Finance Officer in March 2024. All have already added value to Synod's operations. In line with recommendations from the first phase of the Synod Review, Emma Wright started as Communications Officer in June 2024.

It has been acknowledged that the staff turnover and some extended vacancies have hampered operations in 2023, and the efforts of existing and new staff to maintain the services to our churches have been much appreciated.

We look forward to more Synod Officers being appointed in 2024 and await the outcome of the second phase of the review of operations.

The Synod Mission Fund continues to support local churches in mission activity and the achievement of mission pledges. Amending the criteria has made it more accessible to smaller churches. During the year grants totalling £34,980 were awarded to support: -

- Christchurch, Abbeydale - Mother & Toddler group
- Preeshenlle URC - Community Food Bank
- United Church, Lye - "Warm Space" project
- Lydney URC - Ecumenical Community Family Ministry / Minister
- Wade Street URC - Engage Youth Mentoring Project
- Dursley Tabernacle - Youth Worker
- Malvern URC - Seeds for Life project
- Quarry Chapel - Church Development worker

Our global partnership with the Diocese of Durgapur was maintained, with continued involvement of the Trust in managing further release of the legacy which financed the Colin Choyce Hostel for children at risk or rescued from human trafficking and now contributes to running costs. During 2023 £10,185 was sent to this project. This fund is now fully distributed.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 4. Financial review

#### ***Financial Statements***

The financial statements, including the notes, have been prepared in compliance with the Statement of Recommended Practice "SORP2019 (FRS102)". The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust do not sell goods or services, nor are there any other trading activities.

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

#### ***Statement of Financial Activities***

The Statement of Financial Activities is shown on page 19, with a more detailed analysis of income and expenditure on pages 27 to 24.

Investment income remained on a par with 2022. In addition, a surplus of £1.3m was realised from sale of a four Manses, and £852k from three church buildings. This enabled the purchase of two New Manses as well settling the deferred Ministers' pensions from 2022. In 2024 there was the completion and sale for Welsh Frankton URC, Weirbrook URC, 137 Birmingham Road Manse and 25 Woodcote Road Manse.

Operating costs increased by £100k, partly boosted by the award of energy efficiency grants. Once again, we released funds from a Restricted Legacy to the Church of North India for the running costs of a Children's Hostel. We continue to invest in our buildings, Church property grants were £94,372. However, having completed the majority of the manse improvement programme in 2022, spending on manses decreased to £2k with a further £28,335 on manse repairs and insurance.

Training expenditure was lower than budget due to the CYDO position not being filled and the retirement of Rev S Scott in October. The Trust still remains fully committed to supporting the training costs of those at all levels within the Synod.

Other incoming resources included surpluses on disposal of three church buildings: Hatherton URC, Potters Green and Wolstanton, the whole of which are designated to the Major Buildings Development Fund, Mission Fund, and a small portion towards the M&M fund.

There were sales of four Manses in Hereford, Dudley, Birmingham and Stretton, a portion of these proceeds were paid out to the local churches as well as being utilised to fund the purchase of two new manses, one in Sutton Coldfield and one in Walsall. These proceeds are held in the Synod Manse Fund and allow the Synod to advance capital for the upgrade and replacement of manses so that they are of a suitable standard.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 4. Financial review (continued)

During 2021, £4m was transferred to a fund to contribute to the deficit on the URC Ministers' Pension Fund, to be settled over 9 years commencing in 2022. This sum was transferred from the Synod Manse Fund to a Ministers' Pension Support Fund. £1.454m of this sum for the first three years was recognised in the accounts in 2021.

An increase in the stock market resulted in unrealised gains of £1.823m.

The total increase in funds was £3.531m.

#### **Balance Sheet**

Reference has been made above to the increase in the funds balance. An analysis of the funds movements is shown on page 35.

Programme Related Investments stood at £3.6m relating to seventeen manses. These are funds invested by Synod to assist local churches to purchase or update the properties and to assist certain individuals.

#### **Reserves policy**

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

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

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The policy of the trustees is to hold sufficient investments and deposits that the income generated, and capital appreciation will cover one full year's total net expenditure. Specific policy decisions have been made not draw down reserves in addition to this.

#### **Investment policy**

The agreed investment objectives are: -

- To maintain adequate liquidity.
- To maintain the security of any investments.
- To minimise capital loss.
- To maintain a mixed portfolio of fixed interest and equity investments whilst providing a balance between income and growth.
- To adhere to any restrictions as defined from time to time by Synod, including an ethical policy; and
- To obtain the optimum yield, subject to complying with the above criteria.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 4. Financial review (continued)

The current restrictions defined by Synod are that investments should avoid those companies that have significant involvement in armaments, pornography, supply of alcoholic drinks, gambling, and tobacco manufacture as well as those companies whose turnover is derived from the extraction and / or supply of fossil fuels.

An investment portfolio is managed by Evelyn Partners and investment advice is sought from them as required. Individual purchases and sales are made by the investment manager in accordance with parameters provided to them, subject to consultation as necessary with the investment subcommittee which includes the treasurer, finance officer and other members with the relevant knowledge and experience.

In addition to this portfolio, funds were also invested with the Charities Official Investment Fund (COIF) managed by CCLA.

#### **Cash**

For many years it has been the Company's policy to hold sufficient cash within the Unrestricted General Funds to fund its operational needs, grant commitments and capital expenditure commitments. In response to the sustained low yields available on such cash and the reduced need for capital expenditure the Investment Sub Committee agreed to maximise its managed investment income by limiting the amount of cash held at all times, with any excess over short term cash flow requirements being invested in managed investments until required. The cash and deposits held at the end of the year was £1.6m and reflects a known requirement for capital spending commitments including the extensive Repairs to Solihull URC and the payments to support the URC Minister Pension Fund.

#### **Future plans**

The strategic review of the Synod's activities by external consultants, to consider ways in which we can structure our work to fulfil our statement of mission purpose, is being continued in 2024 with a second phase of work. The review group has been asked to look in more detail at the current effectiveness of committee operations measured against the functions and identify any areas of concern or operational weakness. A report is anticipated by September 2024 to enable the findings and proposed responses to go to October Synod.

Because of denominational policy the Synod faces a year-on-year decline of the number of Stipendiary Ministers available to local churches, and Synod Officers continue to actively manage plans for that reduction and continue to look at ways in which to increase the range of lay leadership and ministries to compensate for the reduction in ordained Ministers. The Ministry Support Fund described above is one way in which we intend to realise that support.

Further recruitment is in hand in 2024 and we look forward to the work of the Mission Development Officer commencing as a job share in September, and we hope that a new Children & Youth Development Officer and Training & Development Officer / Pastoral Consultant will soon follow this.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

### Year Ended 31 December 2023

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#### 4. Financial review (continued)

In addition, in 2024 the following are planned within our strategy: -

- Encouraging ministers and churches to engage with Stepwise (particularly the introductory course “Faith-filled Life” and the leadership course “Faith-fuelled leadership) and/or other opportunities to develop discipleship, including the resources available through “Holy Habits.”
- Encouraging ministers and churches to engage with the Leading Your Church into Growth (LYCiG) programme, introduced at the Synod meeting in October 2022.
- More encouragement and training for local churches in faith sharing and outreach.
- Encouragement of Prayer for Mission and Evangelism in our churches.
- As a continuing priority, discern and respond to worship needs in the Synod’s churches, with particular attention to the advocacy and recruitment of lay preachers/worship leaders and to include attention to the provision of resources for them, including the denomination’s lay preaching course.
- Continued development of the Safeguarding Coordinators Forum.
- National delivery of Domestic Abuse training for churches.
- Roll out of Advanced Safeguarding Training.
- Additional offer for face-to-face training sessions.
- Continued liaison with our international partner church, the Church of North India.
- Resuming work with the manse inspection team to conduct regular manse inspections to support churches as they provide manses for ministers and their families in accordance with the Plan for Partnership. With the support of the Resources and Compliance Committee, reinstating inspection of manses on a three yearly cycle to ensure routine maintenance and repairs are progressed.
- Continued attention to the recruitment of and training provision for Interim Moderators.
- To continue the Quinquennial Survey programme for properties. Consolidation of a 5-yearly inspection programme is in progress.
- Continue the work of monitoring the environmental impact of buildings and encouraging green credentials in line with the Synod Strategy.
- Continue to support those churches considering or actively pursuing major repair and development projects.
- To continue to signpost advice and training suitable for local churches on subjects such as GDPR.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Annual Report (Continued)

Year Ended 31 December 2023

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### 4. Financial review (continued)

#### Trustees' Responsibilities

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

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

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

In so far as the trustees are aware:-

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

#### Auditor

A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

On behalf of the Board

Date:

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

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#### Opinion

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

In our opinion the financial statements:

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

#### Basis of opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

#### Other information

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

### **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (incorporating the annual report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

#### **Responsibilities of trustees**

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

### **THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

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#### **Auditor's responsibilities for the audit of the financial statements**

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

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:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting systems for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

#### **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 we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

**Elizabeth Newell BA (Hons), FCA (Senior Statutory Auditor)**

**For and on behalf of MHA (Statutory Auditor)**

Milton Keynes, United Kingdom

Date:

MHA is a trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Statement of Financial Activities  
(Incorporating Income and Expenditure Account)  
Year Ended 31 December 2023**

2022 Total Funds £		Notes	2023 Total Funds £	Unrestricted General £	Designated £	Restricted £
	<b>Income from:</b>					
	<i>Charitable activities:</i>					
171,084	Grants received	2a	<b>18,213</b>	17,575	-	638
8,660	Other income	2a	<b>45,913</b>	2,000	43,913	-
	<i>Investments</i>					
550,206	Investment income	2a	<b>623,312</b>	431,135	192,177	-
<u>10,782</u>	Rents	2a	<u>9,450</u>	-	<u>9,450</u>	-
	<i>Incoming resources from charitable activities:</i>					
740,732	<b>Total Operating Income</b>	2a	<b>696,888</b>	450,710	245,540	638
<u>2,212,836</u>	Income on sale of properties	2a	<u>2,178,013</u>	<u>848,432</u>	<u>1,329,581</u>	-
<u>2,953,568</u>	<b>Total Income</b>		<u>2,874,901</u>	<u>1,299,142</u>	<u>1,575,121</u>	<u>638</u>
	<b>Expenditure on:</b>					
87,095	Generating funds	2b	<b>87,088</b>	(5,292)	92,380	-
<u>932,377</u>	Charitable expenditure	2b	<u>1,028,726</u>	<u>607,117</u>	<u>411,409</u>	<u>10,200</u>
1,019,472	<b>Total Operating Expenditure</b>	2b	<b>1,115,814</b>	601,825	503,789	10,200
	<b>Net losses/(gains) on investments</b>	7	<b>(1,822,533)</b>	(1,490,517)	(331,439)	(577)
3,420,481						
<u>72,710</u>	Interest	2b	<u>49,861</u>	-	<u>49,861</u>	-
<u>4,512,663</u>	<b>Total Expenditure</b>		<u>(656,858)</u>	<u>(888,692)</u>	<u>222,211</u>	<u>9,623</u>
	<b>Net Expenditure on Operating account</b>	2b	<b>(418,926)</b>	(151,115)	(258,249)	(9,562)
(278,740)						
<u>(1,559,095)</u>	<b>Net Income for the Year</b>		<u>3,531,759</u>	<u>2,187,834</u>	<u>1,352,910</u>	<u>(8,985)</u>
	<b>Other recognised Gains &amp; Losses</b>					
-	Transfer between reserves	8a	-	(823,212)	823,212	-
(1,559,095)	<b>Net Movement in Funds for the year</b>		<b>3,531,759</b>	1,364,622	2,176,122	(8,985)
<u>25,422,516</u>	<b>Funds Balances brought forward</b>		<u>23,863,421</u>	<u>8,258,399</u>	<u>15,596,037</u>	<u>8,985</u>
<u>23,863,421</u>	<b>Fund Balances carried forward</b>	8a	<u>27,395,180</u>	<u>9,623,021</u>	<u>17,772,159</u>	-

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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

**As at 31 December 2023**

2022		Notes	2023
£			£
	<b>Fixed Assets</b>		
223,766	Tangible assets	9	213,034
21,159,001	Investments	10	22,960,640
<u>2,694,889</u>	Programme related investments	11	<u>3,612,170</u>
<u>24,077,656</u>			<u>26,785,844</u>
	<b>Current Assets</b>		
127,756	Debtors	12	185,908
<u>1,583,074</u>	Cash and short-term deposits	13	<u>1,602,162</u>
1,710,830			1,788,070
(1,234,583)	<b>Creditors: Amounts falling due within one year</b>	14a	<u>(952,160)</u>
<u>476,247</u>	<b>Net Current (Liabilities)/Assets</b>		<u>835,910</u>
<u>24,553,903</u>	Total Assets less Current Liabilities		<u>27,621,754</u>
(663,946)	<b>Creditors: Amounts falling due after more than one year</b>	14b	(200,038)
<u>(26,536)</u>	Provision for charges	14c	<u>(26,536)</u>
<u>23,863,421</u>	<b>Net Assets</b>		<u>27,395,180</u>
	<b>Funds:</b>		
	<i>Restricted Funds</i>		
4,841	Other		
<u>4,144</u>	Revaluation reserve		
8,985			
	<i>Unrestricted funds</i>		
	General		
4,902,049	- Other	4,776,155	
<u>3,356,350</u>	- Revaluation reserve	<u>4,846,866</u>	
8,258,399			9,623,021
	Designated		
14,759,451	- Other	18,123,161	
<u>836,586</u>	- Revaluation reserve	<u>(351,002)</u>	
<u>15,596,037</u>			<u>17,772,159</u>
<u>23,863,421</u>	<b>Total Funds</b>	15	<u>27,395,180</u>

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

Approved by the Trust Board on

and signed on its behalf by

Mr S Faber

- Director and Moderator

Mr S M Powell

- Director and Treasurer

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Statement of Cash Flows

Year ended 31 December 2023

	Notes	2023 £	2022 £
<b>Cash flow from operating activities:</b>			
<b>Net cash provided/used in operating activities</b>	A	<b>(1,669,636)</b>	<b>(1,282,823)</b>
<b>Cash flows from investing activities:</b>			
Interest paid		(49,861)	(72,710)
Investment income		632,762	560,988
Proceeds from programme related investments		2,178,013	2,281,181
Proceeds from sale of investments		3,635,387	2,245,969
Purchase of investments		(3,638,901)	(2,225,632)
Purchase of programme related investments		<u>(917,281)</u>	<u>(377,885)</u>
Net (decrease)/increase cash provided by investing activities		<b><u>1,840,119</u></b>	<b><u>2,411,911</u></b>
<b>Net increase in cash and cash equivalents in the reporting period</b>		<b>170,483</b>	<b>1,129,088</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b><u>1,722,697</u></b>	<b><u>643,609</u></b>
<b>Cash and cash equivalents at the end of the reporting period</b>	B	<b><u>1,943,180</u></b>	<b><u>1,772,697</u></b>
<b>Notes to the statement of cash flows</b>			
<b>Reconciliation of net income/expenditure to net cash flow from operating activities</b>			
A)			
<b>Net income for the reporting period (as per the statement of financial activities)</b>		<b>3,531,759</b>	<b>(1,559,095)</b>
<b>Adjustments for:</b>			
(Gains) and losses on investments		(1,646,730)	2,991,265
Depreciation		10,732	11,137
Surplus on sale of programme related investments		(2,178,013)	(2,212,836)
Investment income and rents		(632,762)	(560,988)
(Increase) in debtors		(58,152)	(42,141)
(Decrease)/increase in creditors		(746,331)	17,125
Interest paid		<u>49,861</u>	<u>72,710</u>
<b>Net cash used in operating activities</b>		<b><u>(1,669,636)</u></b>	<b><u>(1,282,823)</u></b>
B) <b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		19,542	48,735
Deposit accounts		1,582,620	1,534,339
Cash held by investment manager		<u>341,018</u>	<u>189,623</u>
		<b><u>1,943,180</u></b>	<b><u>1,772,697</u></b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies

#### General Information

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

The company's functional and presentational currency is British Pound Sterling (£).

#### Basis of Accounting

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

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value.

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

#### Critical accounting estimates and areas of judgement

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

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

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

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

Valuation of listed investments – valuations are subject to variations arising from external factors which can impact actual future results.

Discount rate – an estimation is made as to the applicable rate at which to reflect the time value of future payments.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies *(continued)*

#### **Going concern basis**

The financial statements have been prepared on a going concern basis. The directors have considered budgets, cash flows and the impact of subsequent events, including that of the current economic climate. The directors are satisfied that the charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty and the going concern basis of preparing the financial statements continues to be appropriate.

#### **Funds Incorporated**

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

General Purposes Fund  
Church Buildings Fund  
Manse Fund  
Retired Ministers Housing Fund  
Mission Fund  
Choyce Legacy  
Ministry Support Fund  
Major Buildings Development Fund  
Energy Efficiency Fund  
Ministers Pension Support Fund  
M & M Support Fund

Funds administered on behalf of local churches are not included.

#### **Description and Use of Funds**

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

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

#### **Contribution to Pension Funds**

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

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies *(continued)*

#### **Income Recognition**

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

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

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

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

#### **Resources Expended**

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

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

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

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies *(continued)*

#### **Individual Church Property, including Manse**

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

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

#### **Support Costs Allocation**

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

#### **Depreciation**

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

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

No amounts under £2,500 are capitalised.

#### **Investments**

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

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

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

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 1. Accounting Policies *(continued)*

#### **Debtors and creditors receivable/payable within one year**

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

#### **Financial instruments**

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

#### **Provisions**

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

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt. Where the effect of the time value of money is material, the liability is based on the present value of those amounts, discounted at the discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

2. Income and Expenditure

a) Analysis of Total Incoming Resources

2022 Total Funds £		2023 Total Funds £	Unrestricted £	Designated £	Restricted £
	<b>Income from Investments</b>				
540,103	Listed Investments	<b>571,340</b>	379,163	192,177	-
<u>10,103</u>	Interest	<u>51,972</u>	<u>51,972</u>	-	-
550,206		<b>623,312</b>	431,135	192,177	-
<u>10,782</u>	Rents	<u>9,450</u>	-	<u>9,450</u>	-
<u>560,988</u>		<u>632,762</u>	<u>431,135</u>	<u>201,627</u>	-
	<b>Income from Charitable Activities:</b>				
48,379	Grants – Ministry & Mission	<b>7,225</b>	7,225	-	-
8,847	- Training	<b>8,336</b>	8,336	-	-
<u>113,858</u>	- Donations	<u>2,652</u>	<u>2,014</u>	-	<u>638</u>
<u>171,084</u>		<u>18,213</u>	<u>17,575</u>	-	<u>638</u>
	<b>Other income</b>				
2,000	Investment charge – The Redditch Trust	<b>2,000</b>	2,000	-	-
<u>6,660</u>	Transfer of funds from Local Church Trusts	<u>43,913</u>	-	<u>43,913</u>	-
<u>8,660</u>		<u>45,913</u>	<u>2,000</u>	<u>43,913</u>	-
<u>740,732</u>	<b>Total Operating Income</b>	<u>696,888</u>	<u>450,710</u>	<u>245,540</u>	<u>638</u>
	<b>Income from sale of properties</b>				
1,902,373	Of closed Churches	<b>848,432</b>	848,432	-	-
<u>310,463</u>	On disposal of manses	<u>1,329,581</u>	-	<u>1,329,581</u>	-
<u>2,212,836</u>		<u>2,178,013</u>	<u>848,432</u>	<u>1,329,581</u>	-
<u>2,953,568</u>	<b>Total Incoming Resources</b>	<u>2,874,901</u>	<u>1,299,142</u>	<u>1,575,121</u>	<u>638</u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2023**

**2. Income and Expenditure (Continued)**

**b) Analysis of Total Operating Resources Expended**

2022 Total Funds £	2023 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Costs of Generated Funds</b>				
67,860	Investment Management Fees	<b>64,048</b>	(28,332)	92,380
1,448	Other property costs	-	-	-
<u>17,787</u>	Shared Indirect costs (Note 3)	<u>23,040</u>	<u>23,040</u>	<u>-</u>
<u>87,095</u>	<b>Total Cost of Generating Funds</b>	<u><b>87,088</b></u>	<u>(5,292)</u>	<u>92,380</u>
<b>Charitable Activities</b>				
<b>Ministry &amp; Mission:-</b>				
453,447	Grants (Note 4)	<b>124,952</b>	98,870	15,882
10,011	Residential Synod	<b>9,265</b>	9,265	-
14,044	Support Costs	<b>17,655</b>	17,655	-
20,000	Resource sharing (Note 4)	<b>25,000</b>	25,000	-
<u>130,439</u>	Shared Indirect Costs (Note 3)	<u><b>168,956</b></u>	<u>168,956</u>	<u>-</u>
<u>627,941</u>		<u><b>345,828</b></u>	<u>319,746</u>	<u>15,882</u>
<b>Training:-</b>				
9,920	Ministers (Note 4)	<b>11,292</b>	11,292	-
1,540	Students (Note 4)	<b>1,430</b>	1,430	-
1,923	Members (Note 4)	<b>2,710</b>	2,710	-
608	Church Treasurers and staff	<b>1,180</b>	1,180	-
62,403	Training – staff costs	<b>40,773</b>	40,773	-
320	Support Costs	-	-	-
<u>20,108</u>	Shared Indirect Costs (Note 3)	<u><b>26,046</b></u>	<u>26,046</u>	<u>-</u>
<u>96,822</u>		<u><b>83,431</b></u>	<u>83,431</u>	<u>-</u>
<b>Property:-</b>				
38,029	Church Repairs (Note 4)	<b>94,372</b>	94,372	-
-	Energy efficiency	<b>340,752</b>	-	340,752
47,686	Manse Repairs (Note 4)	<b>1,900</b>	-	1,900
24,930	Manse allowance and insurance	<b>28,335</b>	-	28,335
13,090	Manse Expenses	<b>8,516</b>	-	8,516
8,651	Church surveys (Note 4)	<b>16,334</b>	16,334	-
30,840	Staff costs	<b>37,970</b>	37,970	-
1,724	Legal and Support Costs	<b>16,025</b>	-	16,025
<u>42,664</u>	Shared Indirect Costs (Note 3)	<u><b>55,262</b></u>	<u>55,262</u>	<u>-</u>
<u>207,614</u>		<u><b>599,466</b></u>	<u>203,938</u>	<u>395,528</u>
<u>932,377</u>	<b>Total Charitable Expenditure</b>	<u><b>1,028,726</b></u>	<u><b>607,117</b></u>	<u><b>411,409</b></u>
<u>72,710</u>	Interest	<u><b>49,861</b></u>	<u>-</u>	<u><b>49,861</b></u>
<u>1,092,182</u>	<b>Total Operating Resources Expended</b>	<u><b>1,078,587</b></u>	<u><b>607,115</b></u>	<u><b>461,270</b></u>
<u>(278,740)</u>	<b>Net (Expenditure)/income on operating account</b>	<u><b>(418,926)</b></u>	<u><b>(151,115)</b></u>	<u><b>(258,249)</b></u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

2022 Comparative figures

a) Analysis of Total Incoming Resources

	2022 Total Funds £	Unrestricted £	Designated £	Restricted £
<b>Income from Investments</b>				
Listed Investments	540,103	323,809	216,294	-
Interest	<u>10,103</u>	<u>10,103</u>	-	-
	550,206	333,912	216,294	-
Rents	<u>10,782</u>	-	<u>10,782</u>	-
	<u>560,988</u>	<u>333,912</u>	<u>227,076</u>	-
<b>Income from Charitable Activities:</b>				
Grants – Ministry & Mission	48,379	8,725	39,654	-
- Training	8,847	8,847	-	-
- Donations	<u>113,858</u>	<u>53,767</u>	<u>59,730</u>	<u>361</u>
	<u>171,084</u>	<u>71,339</u>	<u>99,384</u>	<u>361</u>
<b>Other income</b>				
Investment charge – The Redditch Trust	2,000	2,000	-	-
Transfer of funds from Local Church Trusts	<u>6,660</u>	-	<u>6,660</u>	-
	<u>8,660</u>	<u>2,000</u>	<u>6,660</u>	-
<b>Total Operating Income</b>	<u>740,732</u>	<u>407,251</u>	<u>333,120</u>	<u>361</u>
<b>Income from sale of properties</b>				
Of closed Churches	1,902,373	1,830,608	71,765	-
On disposal of manses	<u>310,463</u>	-	<u>310,463</u>	-
	<u>2,212,836</u>	<u>1,830,608</u>	<u>382,228</u>	-
<b>Total Incoming Resources</b>	<u>2,953,568</u>	<u>2,237,859</u>	<u>715,348</u>	<u>361</u>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

2. **Income and Expenditure** (Continued)

b) **Analysis of Total Operating Resources Expended**

	<b>2022</b>			
	<b>Total</b>	<b>Unrestricted</b>	<b>Designated</b>	<b>Restricted</b>
	<b>Funds</b>			
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Costs of Generated Funds</b>				
Investment Management Fees	67,860	46,810	21,050	-
Other property costs	1,448	-	1,448	-
Shared Indirect costs (Note 3)	<u>17,787</u>	<u>17,787</u>	-	-
<b>Total Cost of Generating Funds</b>	<u><b>87,095</b></u>	<u><b>64,597</b></u>	<u><b>22,498</b></u>	<u><b>-</b></u>
<b>Charitable Activities</b>				
<b>Ministry &amp; Mission:-</b>				
Grants (Note 4)	453,447	91,552	351,285	10,610
Residential Synod	10,011	10,011	-	-
Support Costs	14,044	8,286	5,758	-
Resource sharing (Note 4)	20,000	20,000	-	-
COVID support to Churches (Note 4)	-	-	-	-
Shared Indirect Costs (Note 3)	<u>130,439</u>	<u>130,439</u>	-	-
	<u><b>627,941</b></u>	<u><b>260,288</b></u>	<u><b>357,043</b></u>	<u><b>10,610</b></u>
<b>Training:-</b>				
Ministers (Note 4)	9,920	9,920	-	-
Students (Note 4)	1,540	1,540	-	-
Members (Note 4)	1,923	1,923	-	-
Church Treasurers and staff	608	608	-	-
Training – staff costs	62,403	59,514	2,889	-
Support Costs	320	320	-	-
Shared Indirect Costs (Note 3)	<u>20,108</u>	<u>20,108</u>	-	-
	<u><b>96,822</b></u>	<u><b>93,933</b></u>	<u><b>2,889</b></u>	<u><b>-</b></u>
<b>Property:-</b>				
Church Repairs (Note 4)	38,029	38,029	-	-
Manse Repairs (Note 4)	47,686	-	47,686	-
Manse allowance and insurance	24,930	-	24,930	-
Release of Church Sale Proceeds	-	-	-	-
Manse Expenses	13,090	-	13,090	-
Church surveys (Note 4)	8,651	8,651	-	-
Staff costs	30,840	15,420	15,420	-
Legal and Support Costs	1,724	-	1,724	-
Shared Indirect Costs (Note 3)	<u>42,664</u>	<u>42,664</u>	-	-
	<u><b>207,614</b></u>	<u><b>104,764</b></u>	<u><b>102,850</b></u>	<u><b>-</b></u>
<b>Total Charitable Expenditure</b>	<u><b>932,377</b></u>	<u><b>458,985</b></u>	<u><b>462,782</b></u>	<u><b>10,610</b></u>
Interest	<u>72,710</u>	-	<u>72,710</u>	-
<b>Total Operating Resources Expended</b>	<u><b>1,092,182</b></u>	<u><b>523,582</b></u>	<u><b>557,990</b></u>	<u><b>10,610</b></u>
<b>Net (Expenditure)/income on operating account</b>	<u><b>(278,740)</b></u>	<u><b>(116,331)</b></u>	<u><b>(152,160)</b></u>	<u><b>(10,249)</b></u>



THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

2022 Comparative figures

3. Indirect Costs	2022	Unrestricted	Designated	Restricted
	Total Funds			
<b>Governance Costs</b>	£	£	£	£
Synod Expenses	90	90	-	-
Synod Council	1,495	1,495	-	-
Staff Costs:-				
Trust Employment Costs	150,347	150,347	-	-
Officers Expenses	1,928	1,928	-	-
Audit	11,200	11,200	-	-
Legal and Professional	-	-	-	-
Bank Charges	242	242	-	-
Committee Support Costs	275	275	-	-
<b>Total Governance Costs</b>	<b>165,577</b>	<b>165,577</b>	-	-
<b>Premises Costs:-</b>				
Rent	1,600	1,600	-	-
Insurance	4,657	4,657	-	-
Electricity	3,045	3,045	-	-
Depreciation of Synod Office	11,137	11,137	-	-
Repairs and Cleaning	7,161	7,161	-	-
	<u>27,600</u>	<u>27,600</u>	-	-
<b>Office Costs:-</b>				
Telephone	3,179	3,179	-	-
Printing, Stationery and Postage	5,999	5,999	-	-
Computers	6,163	6,163	-	-
Advertising	1,508	1,508	-	-
Furniture and equipment	-	-	-	-
Sundry costs	972	972	-	-
	<u>17,821</u>	<u>17,821</u>	-	-
<b>Total Indirect Costs</b>	<b>210,998</b>	<b>210,998</b>	-	-

	2022 Total	Charitable Activities			
		Raising Funds	Ministry and Mission	Training	Property
	£	£	£	£	£
Governance costs	165,577	13,958	102,360	15,779	33,480
Premises costs	27,600	2,327	17,062	2,630	5,581
Office costs	<u>17,821</u>	<u>1,502</u>	<u>11,017</u>	<u>1,699</u>	<u>3,603</u>
<b>Total Indirect Costs</b>	<b>210,998</b>	<b>17,787</b>	<b>130,439</b>	<b>20,108</b>	<b>42,664</b>
% of Direct costs	100%	8.5%	61.8%	9.5%	20.2%

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2023**

**4. Grants**

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

	2023		2022	
	Number	Amount £	Number	Amount £
<b>Institutional Grants</b>				
Ministry and Mission:				
Carbon Offset	1	1,006	-	-
M & M Fund	1	50,000	1	46,862
Pulpit Supply	17	3,973	17	18,957
Inter-Synod Resource Sharing	1	25,000	1	20,000
Educational Chaplaincy	2	20,200	4	27,950
Ecumenical Situations	7	17,695	8	15,929
Release of legacy - Overseas Mission	1	10,200	1	5,610
Release of Legacy – Local Missions	-	-	1	5,000
Ministry Support Fund	-	-	3	218,360
Local Church Missions	7	15,882	8	112,106
Youth and Childrens Work	<u>8</u>	<u>5,996</u>	<u>2</u>	<u>2,659</u>
	<u>45</u>	<u>149,952</u>	<u>46</u>	<u>473,433</u>
Property:				
Church repairs	9	94,372	10	38,029
Manse repairs	1	1,900	6	47,686
Manse allowance and insurance		28,335		24,930
Church surveys	<u>11</u>	<u>16,334</u>	<u>9</u>	<u>8,650</u>
	<u>21</u>	<u>140,941</u>	<u>25</u>	<u>119,295</u>
<b>Total Institutional Grants</b>	<u>66</u>	<u>290,893</u>	<u>71</u>	<u>592,728</u>
<b>Individual Grants</b>				
Training:				
Ministers	20	11,292	44	9,920
Members	10	2,710	12	1,922
Students	<u>2</u>	<u>1,430</u>	<u>6</u>	<u>1,540</u>
<b>Total Individual Grants</b>	<u>32</u>	<u>15,432</u>	<u>62</u>	<u>13,382</u>
<b>Total Grants Charged</b>	<u>98</u>	<u>306,325</u>	<u>133</u>	<u>606,110</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 5. Trustees' Expenses

There were no Honoraria paid in the year.

Reimbursed expenses were paid to Trustees of the Board in aggregate of £448 (2022: £151). This figure includes expenses reimbursed for duties including, but not restricted to, Board meetings and travel.

6. Employment Emoluments	2023	2022
	£	£
Wages and salaries	188,210	186,925
Employers national insurance	16,889	10,206
Pension costs	<u>19,423</u>	<u>19,299</u>
	<b><u>224,522</u></b>	<b><u>216,430</u></b>

The average number of employees was 10 9

No employee received £60,000 per annum or more in the current or prior year. All staff are employed by the company.

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

Key management personnel are the Trustees as directors. Revd S M Faber (Moderator) receives a stipend from the United Reformed Church for his role with the charity.

7. Gains on Investments	2023	2022
	£	£
Realised gain on investments sold	1,154,784	669,878
Gains previously recognised in Trust accounts	<u>979,408</u>	<u>1,099,095</u>
Net gains/(losses) in the year on investments sold	175,376	(429,217)
Unrealised gains/(losses) on investments for the year	<u>1,647,157</u>	<u>(2,991,265)</u>
<b>Net Gain/(Loss) on Investments for the Year</b>	<b><u>1,822,533</u></b>	<b><u>(3,420,482)</u></b>

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

8. Movement on Funds

a) Fund	Balance 1 January 2023 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2023 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	-	8,749	-	(8,749)	-
Major Buildings Development Fund	1,629,907	-	-	641,727	2,271,634
Energy Efficiency Fund	1,000,000	-	(340,752)	-	659,248
Manse - General	6,135,266	1,484,420	(65,202)	296,708	7,851,192
- Churches	577,714	9,022	-	-	586,736
Church Property	2,874,267	72,930	(81,953)	37,731	2,899,975
Mission Fund	474,012	-	(15,882)	160,432	618,562
Ministry Support Fund	281,640	-	-	-	281,640
Ministers Pension Support Fund	2,473,290	-	(49,861)	-	2,423,429
M & M Support Fund	149,941	-	-	29,802	179,743
	<u>15,596,037</u>	<u>1,575,121</u>	<u>(553,650)</u>	<u>1,154,651</u>	<u>17,772,159</u>
<b>Unrestricted General Funds</b>					
General Purposes	8,258,399	1,299,142	(601,825)	667,305	9,623,021
<b>Restricted Funds</b>					
Choyce legacy	8,985	638	(10,200)	577	-
<b>Total Funds</b>	<u>23,863,421</u>	<u>2,874,901</u>	<u>(1,165,675)</u>	<u>1,822,532</u>	<u>27,395,180</u>

2022 Comparative figures

a) Fund	Balance 1 January 2022 £	Income £	Expenditure £	Other Movements £	Balance 31 December 2022 £
<b>Unrestricted Designated Funds</b>					
Church Buildings	-	8,678	-	(8,678)	-
Major Buildings Development Fund	-	-	-	1,629,907	1,629,907
Energy Efficiency Fund	-	-	-	1,000,000	1,000,000
Manse - General	7,685,332	470,518	(133,995)	(1,886,589)	6,135,266
- Churches	569,940	7,774	-	-	577,714
Church Property	2,778,606	128,994	-	(33,333)	2,874,267
Mission Fund	456,274	-	(112,106)	129,844	474,012
Ministry Support Fund	500,000	-	(218,360)	-	281,640
Ministers Pension Support Fund	2,546,000	-	(72,710)	-	2,473,290
M & M Support Fund	-	99,384	(20,819)	71,376	149,941
	<u>14,536,152</u>	<u>715,348</u>	<u>(557,990)</u>	<u>902,527</u>	<u>15,596,037</u>
<b>Unrestricted General Funds</b>					
General Purposes	10,865,032	2,237,859	(523,582)	(4,320,910)	8,258,399
<b>Restricted Funds</b>					
Choyce legacy	21,332	361	(10,610)	(2,098)	8,985
<b>Total Funds</b>	<u>25,422,516</u>	<u>2,953,568</u>	<u>(1,092,182)</u>	<u>(3,420,481)</u>	<u>23,863,421</u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

### 8. Movement on Funds *(continued)*

#### Transfers between reserves

Included within Other Movements above are transfers between funds as follows:-

	General purposes Unrestricted £	Church Building Fund Designated £	Mission Fund Designated £	Major Buildings Development Designated £	M & M Support Fund Designated £
Transfer major buildings development fund	(831,960)	-	160,432	641,727	29,802
Transfer deficit on Church Buildings Fund	<u>8,749</u>	<u>(8,749)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(823,212)</u>	<u>(8,749)</u>	<u>160,432</u>	<u>641,727</u>	<u>29,802</u>

Summary	Balance 1 January 2023 £	Income £	Expenditure £	Other Movement £	Balance 31 December 2023 £
Restricted	8,985	638	(10,200)	577	-
Designated	15,596,037	1,575,121	(553,650)	1,154,651	<b>17,772,159</b>
Unrestricted	<u>8,258,399</u>	<u>1,299,142</u>	<u>(601,825)</u>	<u>667,305</u>	<u><b>9,623,021</b></u>
<b>Total funds</b>	<u><b>23,863,421</b></u>	<u><b>2,874,901</b></u>	<u><b>(1,165,675)</b></u>	<u><b>1,822,532</b></u>	<u><b>27,395,180</b></u>

#### b) Purpose of Funds

During the year, to establish more transparency in accounting for the balances relating to the funds of closed churches and pulpit supply cost reimbursement from the URC nationally, the Trustees have changed the recognition policy to move the balances received out of creditors and into designated funds. This has meant recognising the income in the SOFA, and the movement this year reflects the adjustment relating to a number of years.

#### General Purposes Fund - Unrestricted

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

#### Church Buildings Fund - Designated

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

#### Retired Ministers Housing Fund - Designated

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

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 8. Movement on Funds *(continued)*

#### **Manse General - Designated**

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

#### **Manse Churches - Designated**

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

#### **Mission Fund - Designated**

Funds to support local churches in their mission activity.

#### **Choyce Legacy - Restricted**

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

#### **Church property – Designated**

Funds from the disposal of the properties or land at Stoke Chapel, Hall Green URC, Hollymount URC, Olton URC, Hobs Moat URC, Foleshill URC, Worcester URC, St John's Stone URC and Baxter URC pending a decision on future their use.

#### **Ministry Support Fund**

Funded by a transfer in previous years of £500,000 from general funds to meet the costs of staff to supplement deployed ministry.

#### **Ministers Pension Support Fund – Designated**

During the previous year a formal resolution was passed making a commitment to support the United Reformed Church Ministers Pension Fund financially if required.

#### **Major Buildings Development Fund - Designated**

The Major Buildings Development Fund was established to receive the net proceeds of sale of closed churches. The fund is intended to facilitate the extension, rebuilding or conversion to new purposes of church buildings.

#### **Energy Efficiency Grants - Designated**

In response to a rapid rise in energy costs and an extension of our commitment to help churches move to a low or zero carbon future it was recognised that there was a need to support churches in improving their energy efficiency. The fund was established by a transfer between reserves and whilst applications were received during 2022, the first grants were not approved until January 2023.

THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

Notes to the Financial Statements

Year Ended 31 December 2023

9. Tangible Fixed Assets	Property £	Office Equipment £	Total £
<b>Cost</b>			
At 1 January 2023 and 31 December 2023	<u>379,684</u>	<u>10,968</u>	<u>390,652</u>
<b>Depreciation</b>			
At 1 January 2023	155,918	10,968	166,886
Charge for the year	<u>10,732</u>	<u>-</u>	<u>10,732</u>
<b>At 31 December 2023</b>	166,650	10,968	177,618
<b>Net Book Value</b>			
<b>At 31 December 2023</b>	<u><b>213,034</b></u>	<u>-</u>	<u><b>213,034</b></u>
At 31 December 2022	<u>223,766</u>	<u>-</u>	<u>223,766</u>

All assets are used for charitable purposes.

10. Fixed Asset Investments	Listed Investments			
	Fixed Interest £	Equities £	Cash £	Total £
Market value at 1 January 2023	1,076,620	19,892,758	189,623	21,159,001
Additions	553,977	3,084,924	151,395	3,790,296
Sales and redemption	-	(3,635,387)	-	(3,635,387)
Net investment gains	<u>61,161</u>	<u>1,585,569</u>	<u>-</u>	<u>1,646,730</u>
<b>Market Value at 31 December 2023</b>	<u><b>1,691,758</b></u>	<u><b>20,927,864</b></u>	<u><b>341,018</b></u>	<u><b>22,960,640</b></u>
<b>Cost at 31 December 2023</b>	<u><b>1,584,911</b></u>	<u><b>16,538,846</b></u>	<u><b>341,018</b></u>	<u><b>18,464,775</b></u>

11. Programme Related Investments	2023 £	2022 £
<b>Cost at 1 January 2023</b>	<b>2,694,889</b>	2,385,349
Manse purchased	<b>917,281</b>	377,885
Manse sale/repayment on investments	<u>-</u>	<u>(68,345)</u>
<b>Cost at 31 December 2023</b>	<u><b>3,612,170</b></u>	<u><b>2,694,889</b></u>
These investments relate to:-	2023 £	2022 £
- Manses	<b>3,606,146</b>	2,688,865
- Retired Ministers Housing	<u><b>6,024</b></u>	<u><b>6,024</b></u>
	<u><b>3,612,170</b></u>	<u><b>2,694,889</b></u>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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

<b>12. Debtors</b>	<b>2023</b>	<b>2022</b>
	£	£
Loans due from United Reformed Churches and Ministers	<b>6,139</b>	-
Other debtors	<b>164,897</b>	113,408
Prepayments	<b>14,872</b>	14,348
	<b><u>185,908</u></b>	<b><u>127,756</u></b>

### 13. Cash and Short Term Deposits

	Bank Current Account £	Charities Official Investment Fund £	Epworth Deposit Fund £	Total £
General purposes	18,381	1,393	1,160,279	1,180,053
Designated accounts	-	420,948	-	420,948
Restricted funds	<u>1,161</u>	-	-	<u>1,161</u>
<b>Balances as at 31 December 2023</b>	<b><u>19,542</u></b>	<b><u>422,341</u></b>	<b><u>1,160,279</u></b>	<b><u>1,602,162</u></b>

### 14. Creditors

<b>a) Amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	£	£
Amounts due to United Reformed Church and related Bodies	<b>71,113</b>	73,334
Other creditors – support for Ministers’ Pension Fund	<b>508,571</b>	832,667
Accruals -	<b>73,058</b>	48,249
Mission grants approved	<b>172,588</b>	202,242
Building grants approved	<b>126,830</b>	78,091
	<b><u>952,160</u></b>	<b><u>1,234,583</u></b>
<b>b) Amounts falling due after more than one year</b>	<b>2023</b>	<b>2022</b>
	£	£
Amounts due to United Reformed Church	<b>200,038</b>	219,903
Support for Ministers’ Pension Fund	<b>-</b>	444,043
	<b><u>200,038</u></b>	<b><u>663,946</u></b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

### Year Ended 31 December 2023

c) **Provisions**

Provision relates to Manse repair allowance of £750 per manse which can be carried forward for up to two years. The commitment is non contractual. The balance is the total provision less sum of claims made.

	<b>2023</b>	2022
	£	£
Provision for charges	<u><b>26,536</b></u>	<u><b>26,536</b></u>

### 15. Disposition of Funds as at 31 December 2023

Fund	Fixed Assets £	Investments £	Programme Related Investments £	Debtors/ Creditors £	Cash and Deposits £	Total £
<b>Designated Funds</b>						
Retired Ministers Housing	-	-	6,024	(6,024)	-	-
Manse- General	-	3,307,480	3,606,146	27,566	910,000	7,851,192
- Churches	-	586,736	-	-	-	586,736
Ministers Pension Fund	-	2,114,000	-	(508,571)	818,000	2,423,429
Church Property	-	2,899,975	-	-	-	2,899,975
Major Buildings Development	-	2,271,634	-	-	-	2,271,634
Energy Efficiency Fund	-	558,481	-	100,767	-	659,248
M & M Support Fund	-	129,743	-	-	50,000	179,743
Mission Fund	-	673,045	-	(131,725)	77,242	618,562
Ministry Support Fund	-	455,963	-	(218,360)	44,037	281,640
<b>Unrestricted Funds</b>						
General Purposes	<u>213,034</u>	<u>9,963,583</u>	<u>-</u>	<u>(256,479)</u>	<u>(297,117)</u>	<u>9,623,021</u>
<b>Total Funds</b>	<u><b>213,034</b></u>	<u><b>22,960,640</b></u>	<u><b>3,612,170</b></u>	<u><b>(992,826)</b></u>	<u><b>1,602,162</b></u>	<u><b>27,395,180</b></u>

**THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 December 2023**

**2022 Comparative figures**

<b>Fund</b>	<b>Fixed Assets £</b>	<b>Investments £</b>	<b>Programme Related Investments £</b>	<b>Debtors/ Creditors £</b>	<b>Cash and Deposits £</b>	<b>Total £</b>
<b>Designated Funds</b>						
<i>Retired Ministers Housing</i>	-	-	6,024	(6,024)	-	-
<i>Manse- General</i>	-	2,508,837	2,688,865	27,564	910,000	6,135,266
<i>- Churches</i>	-	577,714	-	-	-	577,714
<i>Ministers Pension Fund</i>	-	3,750,000	-	(1,276,710)	-	2,473,290
<i>Church Property</i>	-	2,874,267	-	-	-	2,874,267
<i>Major Buildings Development</i>	-	1,629,907	-	-	-	1,629,907
<i>Energy Efficiency Fund</i>	-	910,000	-	-	90,000	1,000,000
<i>M &amp; M Support Fund</i>	-	104,941	-	-	45,000	149,941
<i>Mission Fund</i>	-	528,495	-	(131,725)	77,242	474,012
<i>Ministry Support Fund</i>	-	455,963	-	(218,360)	44,037	281,640
<b>Unrestricted Funds</b>						
<i>General Purposes</i>	223,766	7,810,534	-	(192,054)	416,153	8,258,399
<b>Restricted Funds</b>						
<i>Choyce Legacy</i>	-	8,343	-	-	642	8,985
<b>Total Funds</b>	<b>223,766</b>	<b>21,159,001</b>	<b>2,694,889</b>	<b>(1,797,309)</b>	<b>1,583,074</b>	<b>28,863,421</b>

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 16. Commitments

#### Property

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

#### Guarantees

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

#### Contingent Liability

The Trust has given a commitment to the national URC that, in the event that the actuarial valuation in 2024 of the URC Ministers Pension Fund demonstrates that it is necessary to provide additional financial support, they will contribute additional sums to the URC Trust totalling £1,400,500 or less over the period from 2025 to 2027.

A similar commitment has been given in the event that the actuarial valuation in 2027 shows that additional funding is required. In this case the commitment is a contribution of £997,500 or less over the period from 2028 to 2030.

### 17. Contingent Assets

At the year end, the properties of three churches and three manses, held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the company, were held. The proceeds will revert to Synod on sale in accordance with the Statutory Trusts on which the properties are held.

# THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2023

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### 18. Funds Held as Trustee

#### Local Churches

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

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

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

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

#### Inter-Synod Resources Sharing

In addition to the funds held for churches the Trust also holds funds on behalf of the URC Inter Synod Resource Sharing process which redistribute funds from wealthier Synods to those Synods in need of support. The funds totalling £388,279 at 31 December 2023 are held in separately identified deposit funds and investments. The funds are controlled by Resource Sharing Task Group drawn from amongst the Synod Treasurers. As a body the Trustees of the Trust play no part in directing the management of these funds.

## THE UNITED REFORMED CHURCH (WEST MIDLANDS) TRUST LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2023

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#### 19. Related Party Transaction

The Trust is the corporate Trustee of The James and Freeman Charity. During the year a charge of £2,000 (2022: £2,000) was made to The James and Freeman Charity for the administrative services provided by the Trust to the charity.

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

The following transactions arose in the year:-

Beneficiary	Purpose	Committee	Value £	Related Party	Relationship
CIGB	Ecumenical Grant	Missional Disciplineship	2,500	Rev S Faber	Trustee
Hodge Hill	Mission	Mission Fund	1,485	Mr D Walton	Trustee
Hodge Hill	Energy Efficiency	Energy Efficiency	16,499	Mr D Walton	Trustee
Sutton Coldfield	Buildings	RCC	5,655	Mr D Walton	Trustee
Sutton Coldfield	Energy Efficiency	Energy Efficiency	16,247	Mr D Walton	Trustee
Holyhead Road URC	Energy Efficiency	Energy Efficiency	1,380	Mr S Powell	Trustee
St Andrews Cheltenham	Energy Efficiency	Energy Efficiency	14,883	Mr D Black	Trustee
Shrewsbury URC	Energy Efficiency	Energy Efficiency	9,976	Mr M Davies	Finance Officer
Shrewsbury URC	Youth Ministry	Missional Disciplineship	486	Mr M Davies	Finance Officer
Shrewsbury URC	Youth Travel	Missional Disciplineship	500	Mr M Davies	Finance Officer
Shrewsbury URC	Interfaith	Mission Fund	1,000	Mr M Davies	Finance Officer
David Walton	RSS	Removal costs	4,525	Mr D Walton	Trustee

#### 20. Financial Instruments

Financial assets measured at fair value through net income comprise fixed asset investments with a value of £22,619,622 (2022: £20,969,378).