

REGISTERED COMPANY NUMBER: 01555990 (England and Wales)
REGISTERED CHARITY NUMBER: 282729

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018
FOR

THE UNITED REFORMED CHURCH (WESSEX)
TRUST LIMITED

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THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011 and the revised Statement of Recommended Practice 'Accounting and Reporting by Charities 2015' (FRS 102).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
01555990 (England and Wales)

Registered Charity number
282729

Registered office
120 Alma Road
Southampton
Hampshire
SO14 6UW

Trustees

Revd Nigel J W Appleton
Mrs Susan A Brown
Mrs Margaret R Carrick Smith
Revd Clare Downing
Mr Raymond M Dunnett - Deputy Convener
Mr Andrew N Gibb
Mr Michael S Liddle
Revd Julian J Macro
Mr Colin F MacBean
Revd Dr Romilly W Micklem - Convener
Dr David R Page
Mr Peter M Pay
Mr Gerry Prosser
Mr Peter J Stevenson - Synod Treasurer
Revd Anthea J Wickens (appointed 10 May 2018)

All the Trustees give their time voluntarily and receive no benefits from the Company. Any expenses reclaimed from the Company are set out in note 11.

Company Secretary
Mr Stuart MacLean

Auditors
Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Bankers
CAF Bank Limited, Kings Hill, West Malling, Kent, ME19 4TA

Legal Advisers
Lester Aldridge LLP, Russell House, 31 Oxford Road, Bournemouth, Dorset, BH8 8EX

**THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES

The charitable purpose of the Company, as set out in the objects clause contained in the Company's Memorandum of Association, is:

- 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 Wessex Synod of that Church.

The aims of the Company are to support local churches in their outreach and mission, both directly through its staff, and indirectly through the Synod and its committees, groups and officers, and by the provision of resources, both financial and technical.

Ensuring delivery of the Company's aims

The Trustees review the aims, objectives and activities of the Company on a regular basis and determine which activities to resource on the basis of contribution to those agreed aims and objectives.

This is how we are accountable to the Wessex Synod:

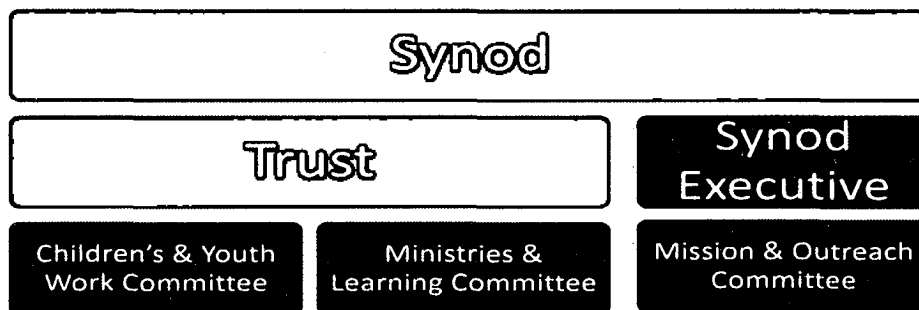


Figure 1: Synod/Trust governance relationship

Charity Objectives

The main purpose of the Unrestricted Funds is to meet the financial needs of the Wessex Synod and the wider church, and to support the constituent local churches in a wide range of activities which further generally the Wessex Synod strategy and the religious purposes of the United Reformed Church. With regard to the financial needs of the wider church, the Wessex Synod continues to make significant annual grants to Inter-Synod Resource Sharing as a step towards addressing the significant differences in wealth, and hence potential for funding mission, that exists between all 13 Synods of the United Reformed Church.

Principal Activities

The principal activities of the Company include:

- The short, medium and long-term management, as trustee, of the Unrestricted Funds of the Company, which consist primarily of investment property, managed funds, cash, and loans to local churches and ministers;
- The realisation of best value from the disposal of redundant church buildings and manses, and the letting of temporarily vacant manses, pursuant to the resolution of the local church meeting and the approval of the Synod Executive;
- Trusteeship of the other funds shown in the financial statements, whose assets consist almost exclusively of managed funds and cash;
- The oversight of functional charity property, consisting almost exclusively of church buildings and manses, in legal matters and in advice or the provision of professional advice;
- Acting as employer for staff of the Company and of the Synod;
- Various tasks, primarily related to finance and property, in support of the work of the Wessex Synod and local churches, including making grants and loans towards projects within agreed budgets;
- Supporting the development and implementation of the Wessex Synod strategy, especially as it relates to matters of finance and property;
- Developing and proposing overall plans, policies and procedures regarding finance and property for presentation to the Synod for approval;
- Implementing and monitoring the financial and property plans, policies and procedures agreed by the Synod;

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Principal Activities – continued

- Overseeing and proposing any changes to the Synod Ministry and Mission Fund formula and contributions and considering the Synod's annual offer to the Ministry and Mission Fund. Any change to the formula would require the approval of the Synod;
- Ensuring that local churches are kept fully aware of Synod financial and property policy and relevant legislation in whatever form is most appropriate;
- Enabling, supporting and overseeing the work of the Listed Buildings Advisory Committee, and taking any action arising therefrom; and
- Acting as the Provincial Property Committee, receiving advice from the Listed Buildings Advisory Committee under Ecclesiastical Exemption concerning developments and alterations to Listed Buildings and buildings in Conservation Areas, and giving or withholding permission for such works in accordance with the Planning (Listed Buildings and Conservation Areas) Act 1990, conducting and recording that part of its business in accordance with the statutory requirement.

This is where our efforts are focused:

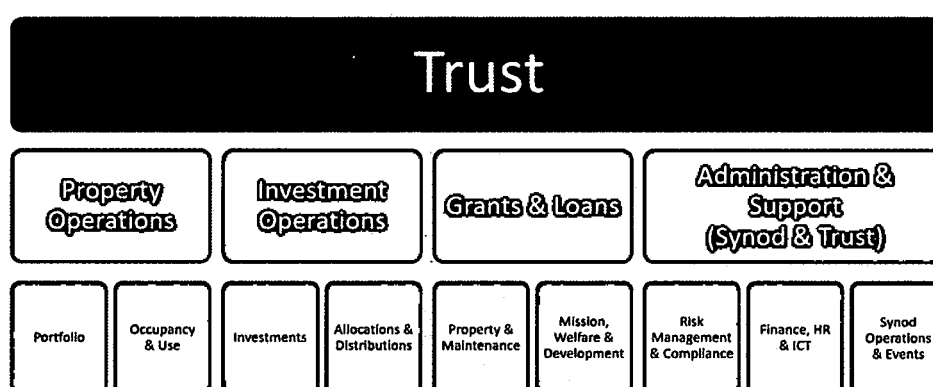


Figure 2: The Operational activities of the Trust

Grant-making Policy

Policies for grant-giving have been agreed by the Wessex Synod and application forms and procedures ensure the full production of supporting information for all grant applications. Grants can be categorised as follows:

- Annual grants to local churches which will be paid in accordance with existing agreements;
- Grants for work supported by the Wessex Synod;
- Grants for the maintenance, repair and / or improvement of manses to provide suitable housing for ministers;
- Grants for ministerial housing allowances;
- Grants to local churches for church mission;
- Grants to local churches for uniting congregations;
- Grants for work supported by the General Assembly of the United Reformed Church;
- Grants to other Synods of the United Reformed Church pursuant to Inter-Synod Resource Sharing; and
- Grants to chaplaincies in higher education, industrial missions and other ecumenical situations.

Grants to local churches are made to assist their ministry as they seek to fulfil all current mission initiatives in their own situation, through:

- Responding to the needs of the community in which the church works; and
- Meeting the challenges and claims of the gospel in today's church and the world.

Public Benefit

The Trustees confirm that they had due regard to the Charity Commission's guidance (PB1 to PB3) on public benefit when exercising any powers or duties to which the guidance is relevant. Examples of this are given in this report.

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ACHIEVEMENT AND PERFORMANCE

Property Operations

The regular activities of the Company include:

- Fielding and responding to enquiries from ministers and church officers, agents and tenants;
- Managing residential property occupancy: safety certifications, agreements, inventories and deposits;
- Effecting residential property repairs, maintenance and refurbishments, planned and unplanned;
- Managing rents, collections, delinquency and - occasionally - evictions;
- Capital enhancements and extensions;
- Exceptional acquisitions and disposals for best value;
- Managing major church building contracts, contractors and professional advisors; and
- Providing specialist legal and property management advice and guidance.

Church Congregations and Manses

At the end of the year there were 125 (2017: 126) local church congregations. Finchdean United Reformed Church resolved on 29 September 2018 to cease its services of worship and closed with effect from 12 January 2019. When a church elects to close, any remaining assets following closure are, subject to receipt of all necessary approvals, transferred to the Company.

The sale of any church building normally involves:

- Retaining expert advice;
- Developing options for realising best value in a manner consistent with Charity Commission requirements; and
- Managing the approvals process, marketing and disposal in a safe and exemplary manner.

So far in 2019 a church closure resolution has been passed by Freemantle United Reformed Church, Southampton.

The Company manages the portfolio of residential and investment properties on behalf of the Synod.

At the end of the year there were 41 (2017: 36) manses occupied by ministers and 14 (2017: 20) further manses held pending possible future occupation by a minister, of which 12 (2017: 17) were let to tenants, 1 (2017: 1) was vacant and available for let to tenants, and 1 (2017: 2) was vacant pending refurbishment and occupation by a minister.

Some of the manses do not conform to the agreed Synod manse standard and so they will be let and sold in due course. Additional manses will only be purchased if and when necessary to house ministers.

Property Disposals

The redundant manse at 35 Ratcliffe Avenue, Ryde, Isle of Wight, PO33 3DW was sold during the year (2017: 4) and the redundant church site at Oxford (Temple Cowley) was sold during the year (2017: 0).

At the end of the year 6 redundant church sites at Gosport (Bury Road), Lytchett Minster, Maiden Bradley, Newbury, Pheasant's Hill and Stanford-in-the Vale (2017: 7), and 1 redundant former Student Hall of Residence, known as Trinity Hall, were at different stages of disposal and 17 (2017: 17) manses had been identified by the Company as redundant, of which 5 (2017: 5) were on church sites and let to tenants, 10 were let to tenants (2017: 9) and 2 (2017: 3) were vacant and being marketed for sale.

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Grants and Grant Commitments

Our ability to make grants depends on churches initiating projects to support!

Grants paid out in the year amounted to £1,470,278 (2017: £625,822). When grants are offered by the Company they are recorded as future commitments and drawn down as projects continue, sometimes over several years. In the year additional grant commitments of £1,509,420 (2017: £1,160,228) were made and £33,374 (2017: £228,911) of previous grant commitments were written back into the funds as a result of projects not proceeding or not requiring the committed funds. At the end of the year the total grant commitments outstanding were £1,341,184 (2017: £1,335,416).

Grants for church mission projects are made from the Church Mission Fund and the Special Reserve Fund in support of building projects, the costs of church workers and other smaller projects. At the end of the year, the Church Mission Fund and the Special Reserve Fund had £312,633 (2017: £295,380) and £Nil (2017: £700,809) respectively of unallocated grant funding available. The Synod meeting on 16 March 2019 agreed that a further £1 million should be allocated by the Company from the General Fund to the Special Reserve Fund. Other grants to churches may be made from the General Fund, for example to assist with the cost of urgent repairs due to storm damage. The Company also supports from its General Fund several ecumenical projects, Inter-Synod Resource Sharing and General Assembly's Commitment for Life programme.

	Note Ref.	Total Grants No.	£
Current liabilities	19	22	1,052,521
Amounts falling due after one year	20	7	288,663
TOTAL			1,341,184

Church Mission Fund

Grants greater than £10,000 which have been committed during the year from the Church Mission Fund are as follows:

Church	Project	£ Committed
Abingdon: Trinity Church	'Trinity Learning' ecumenical programme	24,000
Andover	Refurbishment and upgrading of the church hall and kitchen	10,000
Guildford: Portsmouth Road	Vestibule refurbishment works	42,500
Guildford: Portsmouth Road	Employment of a Community Outreach Worker	21,000
Henley-on-Thames: Christ Church	Employment of a Community Worker	23,000
Rowlands Castle	Refurbishment and upgrading of the chapel	18,500
Southampton: Avenue St. Andrew's	Detailed survey and costings work for a major phased building project	20,000
Southampton: Avenue St. Andrew's and Freemantle	Employment of a Community Development Worker by Training for Work in Communities	18,000
	TOTAL	£177,000
	2017 comparative	£277,422

Grants less than £10,000 which have been committed during the year from the Church Mission Fund are as follows:

Church	Project	Committed
Various churches	Various projects	£38,163
	2017 comparative	£7,660

Special Reserve Fund

Church	Project	£ Committed
Banbury: The Haven	Relocation to new leased premises	100,000
Farnham	Detailed design work for a major phased building project called 'The Pilgrim Project'	25,000
Farnham	Phases 1 and 2 of 3 of 'The Pilgrim Project'	425,000
Oxford: Wheatley	Detailed planning and design for a major building project called 'The Cogwheel Project'	18,000
Oxford: Wheatley	The Cogwheel Project' building works	98,000
Southampton: Avenue St. Andrew's	Phase 1 refurbishment and improvements	120,000
	TOTAL	£786,000
	2017 comparative	£606,150

Church	Project	Committed
Southampton: Avenue St. Andrew's	Detailed survey and costings work for a major phased building project	£5,000
	2017 comparative	-

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Company is limited by guarantee as defined by the Companies Act 2006 and is a charity and a trust corporation within the terms of the Law of Property (Amendment) Act 1926.

The Company's objects and powers are declared in its Memorandum of Association dated 15 December 1980, as amended by special resolutions dated 25 June 1998, 22 September 2005 and 27 April 2017, and provision for its governance and administration is made in its Articles of Association. The Company was incorporated on 14 April 1981.

The Wessex Synod is one of the 13 Synods of the United Reformed Church and has the sole power of electing Trustees to the Company. The Synod has given the Trustees' Meeting authority to appoint new Trustees, but any Trustee so appointed may not serve for more than 1 year without being elected by the Synod. The maximum registrable membership of the Company is 24, with the members also being Trustees of the Company. At least 75% of the Trustees must be members of the United Reformed Church.

Once in each calendar year 1/3 of the Trustees for the time being, or, if their number is not a multiple of 3, then the number nearest to but not exceeding 1/3 shall retire from office. The Trustees to retire on each occasion include, so far as necessary to obtain the number required, any Trustee who wishes to retire and not offer themselves for re-election, and any further Trustees to retire shall be those who have been the longest in office since their last election. A retiring Trustee shall be eligible for re-election.

The applicable elections and re-elections were considered and agreed at the Synod meeting on 16 March 2019 and were considered at the Annual General Meeting of the Company on 9 May 2019.

Risk Assessment and Management

The Trustees have a duty to identify and review the risks to which the Company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Company and the Synod have undertaken and documented an annual joint Risk Assessment and have undertaken or are going to undertake the necessary actions arising from their review of the outcomes of those assessments.

The Trustees have identified that the nature of the Company's operations is such that the greatest principal risk to the Company's operations is its small number of staff and the risk of their absence, for example because of prolonged illness. The Trustees manage the risks associated with the health and well-being of its staff through existing line management systems, practical support from volunteers, and the Human Resources and Facilities Committee, and guard against fraud and error by undertaking periodic reviews with staff of all internal controls and operating procedures of the Company. The resulting documented procedures are annually reviewed by the Auditors against current best practice and are well understood by the Trustees and the staff and are rigorously enforced.

Additionally as the Company's long term grant-making capacity is dependent on the sporadic income from sales of redundant church property, a financial cap has been placed on its grant-making to local churches that is reviewed annually and fixed so as to smooth the changing level and availability of such grants, whilst still enabling the Company to continue to meet its other priorities, such as the purchase and renovation of manse for ministers and its grants towards meeting the financial needs of the wider church. In 2018 that review process led to the Synod meeting on 13 October 2018 agreeing that a further £200,000 should be allocated by the Company from the General Fund to the Church Mission Fund.

The future requests arising from commitments from General Assembly are currently under actuarial and strategic review and at present, there seems little doubt that requests for contributions will increase. The quantum estimates are not yet available.

Recruitment, Appointment and Training of Trustees

The most important qualification for appointment to the Company as a Trustee is a thorough awareness of the workings of the United Reformed Church and of the Wessex Synod in particular. Ideally, this should have been gained through an active role in the life of the Synod and / or the wider church. Expertise and experience in such areas as law, finance and property are particularly useful if gained in the context of the councils and operations of the United Reformed Church. The combined expertise and experience of the Trustees has so far proved very adequate for the full range of the Company's activities.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
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Recruitment, Appointment and Training of Trustees – continued

The current Trustees who also hold or have in the year to 31 December 2018 held significant posts either on behalf of the Synod or on behalf of General Assembly are:

Name	Synod	Synod Executive	Other
Revd Clare Downing	Moderator	Member	General Assembly Ministerial Moderator-elect 2020-22
Mrs Susan Brown	Clerk	Member	-
Mr Raymond Dunnett (Trust Deputy Convener)	-	Observer	-
Revd Dr Romilly Micklem (Trust Convener)	-	Observer	-
Mr Peter Pay	Ministry and Mission Fund Secretary	-	General Assembly Elder Moderator-elect 2020-22
Mr Peter Stevenson	Treasurer	Member	-

Prospective Trustees are proposed by the Synod Nominations Group and then usually meet with the Chair of the Company, Executive Officer and one other Trustee who explain and discuss the responsibilities of the task and the ways of working of the Trustees. A copy of the latest Annual Report and Accounts is provided to aid understanding, but prospective Trustees are also invited to attend a Trustees' Meeting before making any decision. An appointment would normally then be made by the Trustees' Meeting on the recommendation of the group that met the prospective Trustee and would be subject to the new Trustee signing a declaration indicating his or her eligibility to act. A new Trustee is also provided with electronic copies of the Charity Commission publications CC3 and CC3a and an electronic copy of the Synod's Information Centre which details all the minutes and associated documents of the Trustees' Meetings and of the former Synod Finance and Property Committee from September 1982.

Training for new and existing Trustees is largely limited to that which is gained in the course of service. Many matters are discussed in some detail at Trustees' Meetings and the style of the meetings is such as to encourage sharing of knowledge and provide an opportunity for exploration of relevant regulations and legal requirements. Annual visits by the Company's two main Investment Managers provide an excellent opportunity for in-depth appreciation of this important aspect of the Company's activities. The Trustees are encouraged to attend the seminars offered by the Company's professional advisers and report back to the Trustees on their thoughts and findings. The Trustees also have in-house training on topical issues when necessary.

Relationship with the Wessex Synod of the United Reformed Church

The Company holds the financial assets of the Wessex Synod of the United Reformed Church in trust. The different categories of trusteeship are as follows:

- The church buildings and manses of local churches are held on the Statutory Trusts of the United Reformed Church Acts 1972, 1981 and 2000 ('the Statutory Trusts') and decisions concerning such property are governed by Schedule 2 of the United Reformed Church Act 1972 (as amended) ('the 1972 Act'), under which approval of both the local church meeting and the Synod is required in order for the Company to let or dispose of any such property.
- The Unrestricted Funds have arisen almost entirely as a result of the disposal of interests in redundant property. Under the terms of the Statutory Trusts, under which such property was formerly held, the Unrestricted Funds may be used for other charitable purposes connected with the work of the United Reformed Church. In accordance with Synod policy, local churches in the Synod normally resolve that such proceeds of sale will be added to the Unrestricted Funds of the Company.
- There are several Restricted and Endowment Funds for which the Company is Charity Trustee, and which are governed by Trust Instruments other than the United Reformed Church Acts. The Company acts in its sole discretion within the terms of such Trust Instruments and in response to the needs of the beneficiaries.

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Wessex Synod

The Synod Officers and the appointed representatives of the constituent local churches in the Wessex Synod meet twice a year as the Wessex Synod to support, enable and co-ordinate the work of the Synod and its local churches.

Synod Executive

The Synod Executive acts on behalf of the Wessex Synod in overseeing and co-ordinating the work of the Synod.

The Synod Executive oversees and supports the various Synod committees and Synod groups, particularly as regards Safeguarding. It receives and acts upon reports, requests and resolutions from all Synod committees, groups and officers, and the Trust Company, and submits and progresses reports, requests and resolutions to those bodies and individuals from the Synod. Its Nominations Group also oversees the nominations process for membership of all committees and groups and for the Company.

The Synod Executive also has the delegated power to give or withhold approval on behalf of the Synod in matters concerned with the Synod's powers under Schedule 2 of the 1972 Act.

Synod Committees and Synod Groups

The Synod has 3 standing committees which report initially to the Synod Executive but are ultimately accountable to Synod. The other Synod groups and committees report initially to their relevant standing committee and through them to Synod. Each committee manages its own budget. Brief details of each standing committee are provided below:

The **Children and Youth Work Committee** supports and enables the Synod's work related to children and young people and is serviced by 2 full-time Children and Youth Development Officers. In particular, it supports the Synod Youth Executive which runs Synod wide events for all young people linked to the Synod aged between 14 and 25 years old, such as the Synod Youth Day and annual summer camp.

The **Ministries and Learning Committee** is serviced by 2 full-time Development and Support Officers who are ministers of the United Reformed Church. Particular responsibilities extend to overseeing and enabling the development and deployment of ministers, and supporting candidate ministers, lay-preachers and local churches in their development. The committee also oversees the 4 Synod Pastoral Committees and the Silence and Retreats Group.

The **Mission and Outreach Committee** acts as an umbrella committee for the work of the Church and Society Group, the Mission Development Group and the World Church Group.

Further information about the responsibilities of the Synod Executive and the further Synod committees and groups described above are available on the Synod website.

Organisational Structure of the Company

The Trustees normally meet 5 times a year, or as often as is necessary to effectively discharge their terms of reference. The business includes policy making, receiving and acting upon reports from its Committees, the Ministry and Mission Fund Secretary, the Synod Treasurer and the Executive Officer, meeting Investment Managers and considering and approving matters relevant to churches and manses, and grants and loans towards projects within agreed budgets. The business of the Trustees in their capacity as the Synod Provincial Property Committee also includes receiving and acting upon reports from the Listed Buildings Advisory Committee.

The Company has 4 standing committees which have delegated authority to deal with certain areas of the Company's work and meet as often as is necessary to effectively discharge their terms of reference. Each committee provides reports to the Company on their work and, where applicable, the decisions taken on behalf of the Company. The committees are the: Human Resources and Facilities Committee; Investment Committee; Property Disposals Committee; and Welfare Committee.

Indemnity Insurance

Indemnity insurance is in place to cover, up to £1,000,000, the liability of the Trustees in relation to negligence, default, breach of duty or breach of trust. This cover has been arranged through Ansvar Insurance Company Limited.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
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Staffing (including Key Management Personnel)

The Company currently employs 11 (2017: 9) members of staff. The two new members of staff both started during quarter 4 and were appointed as a part-time Synod Safeguarding Officer (2.5 days per week) and a part-time Trust Finance and Operations Manager (2.5 days per week). These were two new roles within the Company. The preparation of the Company's management accounts was previously outsourced but has now been brought back in-house with the appointment of the Finance and Operations Manager. The full-time equivalent resources are now therefore 8.6 (2017: 7.6).

The day-to-day administration of the Company is undertaken by the Executive Officer, Mr Stuart MacLean, supported by 5 members of staff, 3 of whom are based at the Registered Office and 2 of whom work from home. All staff are required to act within the policies and specific resolutions of the Trustees, but are given considerable discretion in the day-to-day operations of the Company, such as in the appointment of professional advisers and the negotiation of approved leases and tenancies, the management of cash flow, and the selection of the professional advisers and contractors for approved large buildings works.

The day-to-day administration of the Synod and its work related to children and young people is undertaken by 5 other members of staff, 2 of whom are based at the Registered Office and 3 of whom, the 2 Children and Youth Development Officers and the Safeguarding Officer, work from home.

In addition, 2 Development and Support Officers work for the Synod but, as ministers of the United Reformed Church, they are deployed by the central church. The services of the Synod Employment Adviser are bought in from the Southampton District of the Methodist Church.

Pay and conditions for all staff are initially considered by the Human Resources and Facilities Committee and the final decisions are made by the Trustees. The committee recommends to the Trustees any salary changes following an external assessment of job size and after due consideration of appropriate market salary comparisons, including those within the United Reformed Church. The committee also recommends to the Trustees appropriate salary ranges for new staff appointments following a similar assessment and will appoint new staff within the approved range. Annual cost of living salary increases in line with that adopted by the United Reformed Church Trust for lay staff at Church House are also confirmed by the committee.

FINANCIAL REVIEW

Reserves Policy

The total amount of reserves held in the unrestricted funds at the end of the year were £39,180,288 (2017: £41,751,687), the decrease being due to the losses on investment assets totalling £1,094,792 and net expenditure on supporting the Wessex Synod of £1,476,607. If these are considered to be in the nature of one-off items, any remaining additions to the unrestricted reserves mean that the Company continues to achieve its stated policy of holding sufficient assets to allow the Company to operate from its income without having to impose a cost on the local churches of the Wessex Synod to contribute towards the costs of sustaining its charitable objectives. The need to hold any funds in excess of that level will be regularly reviewed and justified, or alternatively plans will be developed and implemented for those funds to be used in furtherance of the Company's stated charitable objectives.

The Church Mission and Special Reserve Designated Funds are held to fund grants to churches and the Trinity Hall Designated Fund represents the value of the property held within investment properties. At the end of the year all designated funds totalled £15,467,638 (2017: £16,888,915). The Church Mission and Special Reserve Designated Funds are used to fund grants to churches every year and examples of such grants are detailed in the Grants and Grant Commitments section of this report. The Trinity Hall Designated Fund will be undesignated following the sale of the Trinity Hall building, which is currently expected to be sold in 2020.

The Company is presently concentrating its resources on progressing several difficult sales of redundant church property and following those disposals will again review the level of reserves that are required to allow the Company to operate from its investment income. The surplus will be allocated to its grant-making policy which will seek to at least maintain for the foreseeable future a sufficient regular allocation to the Church Mission Fund and also allocate additional funds to the Special Reserve Fund. The Company will then also review its grant-making policy again with the aim of releasing all the increased Special Reserve Fund over up to 10 years.

There have been no significant events which have had a financial effect on the Company.

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Investment Policy

The Company is Trustee of a wide range of charities for differing purposes as categorised below:

1. **Unrestricted funds for the benefit of the United Reformed Church, with particular preference for the Wessex Synod of the United Reformed Church**
The investment objective for these funds is to maximise total return with a view to a steady increase in both income and underlying asset value by investing for the longer term.
2. **Restricted and endowment funds for the benefit of local churches**
The beneficiaries of these funds fall into 2 distinct sub-categories: those who wish to maximise income regardless of the consequential effect on capital and those who are willing to limit short-term income in order to improve the prospect of long-term growth in both income and underlying asset value. The Company recommends that the first category, in current market conditions with low interest rates, consider also adopting a policy of maximising long-term income and capital growth, but will follow the wishes of the beneficiaries.
3. **Endowment funds for specific purposes generally connected with the United Reformed Church**
The Company has decided that the investment objective for these funds should be to achieve a rising income with the prospect of growth in underlying asset value.

Social Investment Policy

The Company has not made any programme related investments but supports those made by CCLA Investment Management Limited through its COIF Charities Ethical Investment Fund, by its continued investment in that fund.

Investment Management Strategy

The Company has formulated the following elements of investment strategy:

1. **Diversification of investments**
As a matter of prudence, the Company's investments in equities will be diversified over as wide a range of equities as is commensurate with the size of its portfolio.
2. **Common Investment Funds and Unit Trusts**
In order to minimise administration and consequential costs and to fulfil most effectively the above diversification strategy, common investment funds and unit trusts ('pooled funds') will be used in preference to direct equity holdings.
3. **Diversification of fund management**
In view of the size of the Company's assets and the differing investment objectives for the various funds that it holds, it is deemed appropriate to use more than one fund manager, but the Company agreed at its meeting on 28 January 2016 that the stated policy of manager diversification should no longer take precedence over other factors.

Ethical considerations

In response to the wishes of the Wessex Synod, and after taking professional advice, the Company has resolved that its investments should be consistent with the moral stance and teachings of the United Reformed Church. The Company is satisfied that limited exclusions from the full range of equities need not significantly impair investment performance over the longer term and at the same time benefits in performance are likely to accrue from a policy that supports companies which take their social responsibilities seriously.

The United Reformed Church offers guidance, from time to time, on ethical investment which the Company seeks to follow where practicable and consistent with the strategy described above.

In furtherance of these ethical considerations the Company is a member of the Church Investors Group and has adopted a set of statements in line with the UK Stewardship Code.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Investment Asset Allocation

The allocation of investments at the end of the year was follows:

- The Unrestricted General Funds are mainly invested in 3 pooled funds:
 - Charifund, managed by M&G Securities Limited ('M&G');
 - The COIF Charities Ethical Investment Fund, managed by CCLA Investment Management Limited ('CCLA'); and
 - The Charities Property Fund, managed by Cordea Savills Investment Management Limited.

The Company keeps under review the extent to which the ethical and corporate governance criteria of the funds are in line with the policy set out under 'Ethical considerations'.

- Designated, Restricted and Endowment Funds are mainly invested with the same Investment Managers as the Unrestricted General Funds.

In addition to these pooled fund investments, the Company owns several properties from which it receives income. The Company will not normally purchase property as an investment. The property holdings arise from retaining an interest in land or buildings which are no longer useful for their functional charitable purpose. Decisions on whether to retain such an interest or to dispose of it are made by the Trustees and the Synod Executive in the light of circumstances prevailing at that time.

Investment Performance of Pooled Funds

The Trustees in consultation with the Company's Investment Managers are content that the Company's medium to long term strategy remains sound. The investment performance of the Unrestricted General Funds of the Company's portfolio, which has been in line with relevant indices, is summarised in the table below.

	Holding at 31 December 2018	Total Return over 2018 (2017)	Income yield at 31 December 2018 (2017)
	£	%	%
CCLA COIF Charities Ethical Investment Fund	7,153,842	+1.09 (+12.55)	3.62 (3.44)
M&G Charifund	6,900,264	-8.87 (+12.13)	5.53 (4.60)
Charities Property Fund	1,084,017	+7.20 (+10.00)	4.02 (4.60)

Own comparative benchmarks:

CCLA COIF Composite Comparator Index	-3.51 (+10.72)
FTSE All-Share Index	- 9.47 (+13.10)
AREF/MSCI All Balanced Property Funds Index	+6.5 (+10.20)

Cash

The cash level has been managed down during the year to £704,621 (2017: £1,278,802). The Company always aims to maximise its managed investment income by seeking to limit the level of cash held, with any excess over short term cash flow requirements, being invested in managed investment income units until required. However, the Company's income and expenditure is often sporadic and significant with large sums being realised from property disposals and being required for grant payments or manse purchases. This can lead to substantial cash balances from time to time.

Fundraising approach and performance

The charity does not undertake any fundraising activity but does occasionally receive some unsolicited donations and legacies.

**THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

FUTURE PLANS

One of the challenges that the Company faces is responding to its broad remit as a facilitating, sharing and enabling body for the Wessex Synod, its individual local churches and the wider United Reformed Church. The Company therefore seeks to encourage grant applications for projects with a significant mission focus but is aware of the need to release funds on a steady basis within the available resources.

The Company's short and medium range plans draw upon the Wessex Synod strategy in order to establish the areas and activities that require special focus and ensure that the Company's grants and loans resources are available to meet prioritised objectives.

The Company has further strengthened its safeguarding work and its finance related work with the employment of a Safeguarding Officer and a Finance and Operations Manager Officer respectively.

CUSTODIAN TRUSTEESHIP

At the beginning of the year, assets with a market value of £1,105 (2017: £1,039) were held by the Company as custodian trustee for the Willats' Almshouse Charity. During the year, the incoming resources of this fund were £42 (2017: £42) and this sum was distributed to the Charity in 2019. The market value of the Charity's investments at the end of the year were £987 (2017: £1,105). As the assets of the Charity consist entirely of income shares of The National Associations of Almshouses Common Investment Fund, and as the Company holds no other shares in this fund, there is no concern over safe custody and segregation from the Company's own assets.

At 31 December 2018 the Company also held as custodian trustee for Mere United Reformed Church investments valued at £336,076 (2017: £334,387) and cash of £249,151 (2017: £249,151).

**THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also the directors of The United Reformed Church (Wessex) Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity Statement Of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company 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 auditors are 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 auditors are aware of that information.

Approved by order of the Board of Trustees on 27 June 2019 and signed on its behalf by:



Revd Dr Romilly Wakefield Micklem – Trust Convener

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

Opinion

We have audited the financial statements of The United Reformed Church (Wessex) Trust Limited for the year ended 31 December 2018 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 2018 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of trustees for the financial statements

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.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Report of the Trustees (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

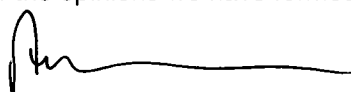
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic 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 opinions we have formed.



Adam Halsey (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP (Statutory Auditor)

10 Queen Street Place
London
EC4R 1AG

27 September 2019

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	-	-	-	-	826,861
Charitable activities	4					
Supporting the Wessex Synod		1,606	-	-	1,606	2,973
Trinity Hall		3,600	-	-	3,600	3,600
Investment income	3	1,247,351	38,377	-	1,285,728	1,255,269
Sale of fixed assets		-	-	-	-	901,719
Total		1,252,557	38,377	-	1,290,934	2,990,422
EXPENDITURE ON						
Raising funds	5	281,854	-	-	281,854	314,625
Charitable activities	6					
Supporting the Wessex Synod		2,436,293	31,343	-	2,467,636	1,861,923
Trinity Hall		11,017	-	-	11,017	6,663
Total		2,729,164	31,343	-	2,760,507	2,183,211
		(1,476,607)	7,034	-	(1,469,573)	807,211
Gains/(losses) on investment assets		(1,094,792)	(43,403)	(5,253)	(1,143,448)	1,978,807
Net income		(2,571,399)	(36,369)	(5,253)	(2,613,021)	2,786,018
Transfers between funds	23	-	-	-	-	-
Net movement in funds		(2,571,399)	(36,369)	(5,253)	(2,613,021)	2,786,018
RECONCILIATION OF FUNDS						
Funds brought forward as previously stated		-	-	-	-	23,220,394
Prior Year Adjustment	27	-	-	-	-	17,034,660
Funds brought forward as restated		41,751,687	1,058,922	230,463	43,041,072	40,255,054
TOTAL FUNDS CARRIED FORWARD		39,180,288	1,022,553	225,210	40,428,051	43,041,072

All income and expenditure derive from continuing activities.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED
COMPANY NUMBER: 01555990

BALANCE SHEET
AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	14	14,664,476	15,336,599
Investments			
Investments	15	16,581,885	17,579,804
Investment property	16	<u>8,357,600</u>	<u>8,357,600</u>
		39,603,961	41,274,003
 CURRENT ASSETS			
Debtors	17	393,369	463,282
Investments	18	1,230,000	1,557,000
Cash at bank		<u>704,621</u>	<u>1,278,802</u>
		2,327,990	3,299,084
 CREDITORS			
Amounts falling due within one year	19	<u>(1,215,237)</u>	<u>(1,382,065)</u>
 NET CURRENT ASSETS		<u>1,112,753</u>	<u>1,917,019</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		40,716,714	43,191,022
 CREDITORS			
Amounts falling due after more than one year	20	<u>(288,663)</u>	<u>(149,950)</u>
 NET ASSETS		<u>40,428,051</u>	<u>43,041,072</u>
 FUNDS	23		
General fund		23,712,650	24,862,772
Designated funds		<u>15,467,638</u>	<u>16,888,915</u>
Total unrestricted funds		39,180,288	41,751,687
Restricted funds		1,022,553	1,058,922
Endowment funds		<u>225,210</u>	<u>230,463</u>
 TOTAL FUNDS		<u>40,428,051</u>	<u>43,041,072</u>

The financial statements were approved by the Board of Trustees on 27 June 2019 and were signed on its behalf by:



Revd Dr Romilly Wakefield Micklem – Trust Convener

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

**CASH FLOW STATEMENT
AT 31 DECEMBER 2018**

	2018	2017
	£	£
Reconciliation of Net Incoming Resources to Cash		
Inflow from Operating Activities		
Changes in resources before revaluations	(1,469,573)	807,211
Returns on investment	(1,285,728)	(1,255,269)
Depreciation	2,443	2,149
Loss on disposal of Tangible Fixed Assets	16,886	(901,719)
Donation from closed church	-	(802,000)
Decrease in debtors	157,035	(100,941)
(Decrease)/increase in creditors	(28,115)	(65,595)
	<u>(2,607,052)</u>	<u>(2,316,164)</u>
 Net cash inflow from operating activities		
Cash flows from investing activities	(2,607,052)	(2,316,164)
Returns on investment	1,280,050	1,248,708
Payments to acquire tangible fixed assets	(8,734)	(257,628)
Receipts from sale of tangible fixed assets	365,000	999,766
Payments to acquire investments	(376,270)	-
Receipts from sales of investments	52,269	-
Receipts from sale of investment properties	-	386,571
Receipts from sale of current asset investments	802,000	373,971
Repayment of loans from ministers and churches	83,251	47,746
New loans to ministers and churches	(164,695)	(20,316)
	<u>(574,181)</u>	<u>462,654</u>
Change in cash and cash equivalents in the year	(574,181)	462,654
Cash and cash equivalents at the beginning of the year	1,278,802	816,148
	<u>704,621</u>	<u>1,278,802</u>
Cash and cash equivalents at the end of the year	<u>704,621</u>	<u>1,278,802</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investment assets. The format of the financial statements has been presented to comply with the Companies Act 2006, the Charities Act 2011, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* and the Statement of Recommended Practice *Accounting and Reporting by Charities* ("SORP 2015"). The charity is a Public Benefit Entity as defined by FRS102. Figures are presented in sterling and rounded to the nearest pound.

General information

The charity is a company limited by guarantee, incorporated in England and Wales (company number: 01555990) and a charity registered in England and Wales (charity number: 282729). The charity's registered office address is 120 Alma Road, Southampton, Hampshire, SO14 6UW.

Going concern

The Trustees consider that there are no material uncertainties which would cast doubt on the charity's ability to continue as a going concern.

Significant judgements

In preparing these financial statements the Trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no key areas subject to judgement where adjustments would have a material effect on the accounts.

Income

All income and endowments are recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

Donations, including closed churches, are recognised when the conditions of entitlement and probability are met, and the economic benefit can be measured reliably. Legacies are recognised on a receivable basis, when the conditions of entitlement, probability and measurement are met. Where the measurement criteria for legacies and donations are not satisfied as at the balance sheet date but subsequent events resolve the uncertainty such that the criteria are met, an adjustment is made to recognise the income.

Investment income, including interest receivable, and other miscellaneous income are accounted for on a receivable basis.

Expenditure

Expenditure is recognised as soon as the related liability is incurred and has been classified under headings that aggregate all costs relating to that category. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. Irrecoverable VAT is included with the category of expenses to which it relates.

Costs of charitable activities consist of all expenditure directly relating to the objects of the charity. Support costs which cannot be directly allocated are apportioned between charitable activities and governance costs on the basis of an estimate of the time spent on the relevant functions.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Grants are accrued for when approved, the recipient has been notified and any condition attached to the grant is outside the control of the Synod. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure. Grants from the Church Mission Fund must be claimed within 1 year of the date of the grant commitment unless an extension of time is given.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

1. ACCOUNTING POLICIES – continued

Tangible fixed assets

Tangible fixed assets are initially recognised at cost. Items of furniture, apparatus and equipment, other than computers, costing less than £500 are charged against income in the year of purchase.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- Straight Line over 10 years
Fixtures and fittings	- 10% to 25% on cost
Computer and equipment	- 25% on cost

Freehold property is not being depreciated on the basis that it would be immaterial due to all properties having high residual values. The carrying values of tangible fixed assets are reviewed for impairment in accordance with the requirements of FRS102.

Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Investments

Investments are valued at fair value on the balance sheet date. Investment properties are stated at a valuation carried out by a qualified Chartered Surveyor. Gains/losses on investments are calculated as the difference between opening market value and closing market value after adjusting for additions and disposals during the period. No distinction is made between realised and unrealised gains in the financial statements.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

The charity is exempt from corporation tax on its charitable activities.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

1. ACCOUNTING POLICIES – continued

Fund accounting

Unrestricted funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds comprise funds that have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated unrestricted funds are set out in the notes to the accounts.

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

Endowment Funds are permanent endowments which are required to be retained, but the income from these funds can be used for the benefit of the Company, subject in certain cases to specific restrictions contained in the original endowment.

Operating lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Company contributes into staff personal pension plans. Contributions payable to the plans are charged to the Statement of Financial Activities in the period to which they relate.

The Company has previously offered a defined benefit scheme, the United Reformed Church Final Salary Scheme (now administered by TPT Retirement Solutions (formerly The Pensions Trust)) which is a multi-employer scheme where the underlying assets and liabilities are not separately identifiable on a consistent and reasonable basis. In accordance with FRS 102 it is accounted for as a defined contribution scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

2. DONATIONS AND LEGACIES

	2018 £	2017 £
Donations	-	12,125
Donations from closed churches	-	<u>814,736</u>
	<u>-</u>	<u>826,861</u>

3. INVESTMENT INCOME

	2018 £	2017 £
Property income	500,610	507,903
Commercial property income	45,250	39,000
Investment income - managed	734,730	706,764
Investment income - interest	<u>5,138</u>	<u>1,602</u>
	<u>1,285,728</u>	<u>1,255,269</u>

Analysis of Commercial property income:

	£
436 / 442 Bitterne Road, Bitterne, Southampton, SO18 5EF	<u>45,250</u>

Property income includes income derived from manses let on the open market pending occupation by a minister. All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2018 £	2017 £
Interest from loans	Supporting the Wessex Synod	1,606	2,973
Trinity Hall	Trinity Hall	<u>3,600</u>	<u>3,600</u>
		<u>5,206</u>	<u>6,573</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

5. RAISING FUNDS

Investment management costs

	2018 £	2017 £
Staff costs	39,012	38,356
Property - maintenance and utilities	159,432	227,490
Property management fees	27,005	11,795
Professional fees re disposals	34,271	25,454
Premises insurance	22,134	11,530
	<hr/>	<hr/>
	<u>281,854</u>	<u>314,625</u>

Analysis of Property - maintenance and utilities, only costs per property totalling over £7,500 in the year stated

	£
69 Victoria Road, Oxford	29,072
54 Littleworth, Wheatley, Oxford	12,191
Nicholson Memorial Garden Trust	10,377
1 Colemore Road, Bournemouth	9,648
Former Bury Road URC, Gosport	7,975
Former Newbury URC	7,756
Other (40 churches and manses)	<hr/> 82,413
Total	<hr/> <u>159,432</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 7) £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals 2018 £
Supporting the Wessex Synod	624,774	1,476,046	366,816	2,467,636
Trinity Hall	11,017	-	-	11,017
	<hr/> 635,791	<hr/> 1,476,046	<hr/> 366,816	<hr/> <u>2,478,653</u>
Comparative analysis:				
	Direct costs (see note 7) £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals 2017 £
Supporting the Wessex Synod	556,471	931,317	374,135	1,861,923
Trinity Hall	6,663	-	-	6,663
	<hr/> 563,134	<hr/> 931,317	<hr/> 374,135	<hr/> <u>1,868,586</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2018	2017
	£	£
URC Retired Ministers' Housing Society Limited	5,130	1,106
Ministerial and lay training	16,736	5,328
Manse policy	373,356	345,816
Manse maintenance allowance	12,933	14,071
Closed Temple Cowley URC Ministry and Mission Fund contribution	8,217	-
Children and Youth Development Officer (South)	59,217	57,907
Events and activities	12,179	4,676
Sundry expenses	2,338	2,292
Ordained Synod staff – Stipends	86,448	76,275
Housing allowance	2,588	3,430
Insurance for manses	37,287	31,640
Development and support activities	8,345	13,930
Trinity Hall	<u>11,017</u>	<u>6,663</u>
	<u>635,791</u>	<u>563,134</u>

8. GRANTS PAYABLE

	2018	2017
	£	£
Supporting the Wessex Synod	<u>1,476,046</u>	<u>931,317</u>

The total grants committed to institutions during the year was as follows:

	2018	2017
	£	£
Ecumenical grants	41,748	59,550
URC Inter-Synod Resource Sharing grants	100,000	100,000
Commitment for Life grants	40,829	62,725
Church Mission Fund grants	272,725	762,916
Church Mission Fund grants written back	(33,374)	(176,727)
Annual church grants	680	725
Local church grants	1,005,332	39,344
Synod General Fund grants	30,620	113,380
Synod General Fund grants written back	-	(52,184)
Other grants	<u>6,786</u>	<u>12,268</u>
Total institutional grants	1,465,346	921,997
Welfare grants	<u>10,700</u>	<u>9,320</u>
	<u>1,476,046</u>	<u>931,317</u>

9. SUPPORT COSTS

	Management	Governance	Totals
	£	costs	£
Supporting the Wessex Synod - 2018	<u>339,499</u>	<u>27,317</u>	<u>366,816</u>
Supporting the Wessex Synod - 2017	<u>338,405</u>	<u>35,730</u>	<u>374,135</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

9. SUPPORT COSTS – continued

Management

	2018 Supporting the Wessex Synod £	2017 Supporting the Wessex Synod £
Wages	168,968	159,068
Social security	17,656	16,752
Pensions	36,531	64,387
Car lease	14,862	13,634
Office utilities	7,072	6,427
Office costs	34,239	33,529
Staff recruitment and training	8,329	1,869
Staff travel costs	23,838	30,190
Subscriptions	1,933	1,569
Resources	3,073	1,585
Honoraria and gifts	561	163
Bank charges	52	257
Accountancy fees	2,804	3,660
Depreciation	2,443	2,149
Bad debts	-	2,886
Other	252	280
Loss on sale of fixed assets	<u>16,886</u>	<u>-</u>
	<u><u>339,499</u></u>	<u><u>338,405</u></u>

Governance costs

	2018 Supporting the Wessex Synod £	2017 Supporting the Wessex Synod £
Wages	9,753	9,589
Auditors' remuneration (including underprovision 2017 £6,660)	11,790	18,494
Meeting expenses	5,774	7,647
Legal and professional fees	<u>-</u>	<u>-</u>
	<u><u>27,317</u></u>	<u><u>35,730</u></u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018 £	2017 £
Auditors' remuneration	9,100	8,800
Depreciation - owned assets	2,443	2,149
Other operating leases	12,259	13,634
Auditors' remuneration for non-audit	<u>725</u>	<u>1,950</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

Trustees received no emoluments during the year (2017: £Nil). During the year 13 Trustees (2017: 11) were reimbursed out of pocket expenses mainly for travelling expenses totalling £2,909 (2017: £3,054).

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

12. STAFF COSTS

	2018 £	2017 £
Gross salaries	341,873	320,242
Employers NIC	21,313	20,345
Employers pension costs	<u>48,818</u>	<u>76,434</u>
	<u>412,004</u>	<u>417,021</u>

The average number of employees was 9 (2017: 9).

Key management personnel payments for salary, benefits, pension and employer NIC contributions amounted to £67,865 (2017: £65,897) during the year.

No employee received emoluments in excess of £60,000 (2017: none).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	826,861	-	-	826,861
Charitable activities				
Supporting the Wessex Synod	2,973	-	-	2,973
Trinity Hall	3,600	-	-	3,600
Investment income	1,217,928	37,341	-	1,255,269
Sale of fixed assets	<u>901,719</u>	<u>-</u>	<u>-</u>	<u>901,719</u>
Total	2,953,081	37,341	-	2,990,422
EXPENDITURE ON				
Raising funds	314,625	-	-	314,625
Charitable activities				
Supporting the Wessex Synod	1,830,807	31,116	-	1,861,923
Trinity Hall	<u>6,663</u>	<u>-</u>	<u>-</u>	<u>6,663</u>
Total	2,152,095	31,116	-	2,183,211
	800,986	6,225	-	807,211
Gains/(losses) on investment assets	<u>1,882,895</u>	<u>82,731</u>	<u>13,181</u>	<u>1,978,807</u>
	2,683,881	88,956	13,181	2,786,018
Transfers between funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	2,683,881	88,956	13,181	2,786,018
Reconciliation of funds				
Total funds brought forward	<u>39,067,806</u>	<u>969,966</u>	<u>217,282</u>	<u>40,255,054</u>
TOTAL FUNDS CARRIED FORWARD	<u>41,751,687</u>	<u>1,058,922</u>	<u>230,463</u>	<u>43,041,072</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

14. TANGIBLE FIXED ASSETS

	Freehold property £	Manses £	Computers & equipment £	Fixtures and fittings £	Totals £
COST					
At 1 January 2018	964,101	14,368,073	23,678	3,235	15,359,087
Additions	-	-	8,734	-	8,734
Transfer to investments	-	(296,528)	-	-	(296,528)
Disposals	-	(381,886)	(3,168)	-	(385,054)
At 31 December 2018	<u>964,101</u>	<u>13,689,659</u>	<u>29,244</u>	<u>3,235</u>	<u>14,686,239</u>
DEPRECIATION					
At 1 January 2018	-	-	19,253	3,235	22,488
Charge for year	-	-	2,443	-	2,443
Disposals	-	-	(3,168)	-	(3,168)
At 31 December 2018	<u>-</u>	<u>-</u>	<u>18,528</u>	<u>3,235</u>	<u>21,763</u>
NET BOOK VALUE					
At 31 December 2018	<u>964,101</u>	<u>13,689,659</u>	<u>10,716</u>	<u>-</u>	<u>14,664,476</u>
At 31 December 2017	<u>964,101</u>	<u>14,368,073</u>	<u>4,425</u>	<u>-</u>	<u>15,336,599</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2018	17,579,804
Additions	376,270
Disposals	(52,269)
Net gain on revaluation	<u>(1,321,920)</u>
At 31 December 2018	<u>16,581,885</u>

Analysis of investments by type:

	2018 £	2017 £
Equities	16,453,027	17,445,882
Fixed interest securities	128,858	133,922
Cash held within the investment portfolio	<u>-</u>	<u>-</u>
	<u>16,581,885</u>	<u>17,579,804</u>

Geographical analysis of investments:

	2018 £	2017 £
Held inside the United Kingdom	16,581,885	17,579,804
Held outside the United Kingdom	<u>-</u>	<u>-</u>
	<u>16,581,885</u>	<u>17,579,804</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

16. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 January 2018	8,357,600
Disposals	-
Revaluation	-
	<u>-</u>
At 31 December 2018	<u>8,357,600</u>

The investment properties have been revalued by Landmark Chartered Surveyors and Primmer Olds BAS Chartered Surveyors at 31 December 2017.

17. DEBTORS

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	27,620	23,965
Other debtors	1,788	168,846
Loans to employees	1,645	-
Loans to ministers	4,986	3,176
Loans to churches	37,102	35,932
Prepayments and accrued income	<u>110,307</u>	<u>98,261</u>
	<u>183,448</u>	<u>330,180</u>
Amounts falling due after more than one year:		
Loan to employees	2,417	-
Loans to ministers	5,515	10,730
Loans to churches	<u>201,989</u>	<u>122,372</u>
	<u>209,921</u>	<u>133,102</u>
Aggregate amounts	<u>393,369</u>	<u>463,282</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

17. DEBTORS – continued

Loans to Churches, Ministers and Employees	2018	2017
	£	£
Opening balance	172,210	199,640
New loan advances	164,695	20,316
Repayments	(33,251)	(47,746)
Converted to grants	(50,000)	-
Closing balance	<u>253,654</u>	<u>172,210</u>

Analysed as follows:

	£	£
Loans repayable within one year	43,733	39,108
Loans repayable after one year	<u>209,921</u>	<u>133,102</u>
Closing balance	<u>253,654</u>	<u>172,210</u>

The normal rate of interest on loans to churches, ministers and employees is 3% per annum.

18. CURRENT ASSET INVESTMENTS

Properties held for sale

At 1 January 2018	1,557,000
Additions	-
Transfer from tangible fixed assets	296,528
Disposals	(802,000)
Gains on revaluation	<u>178,472</u>
At 31 December 2018	<u>1,230,000</u>

The Manse, 209 Broadway Lane, Throop, Bournemouth, BH8 0AE	550,000
Maiden Bradley URC, Church Street, Maiden Bradley, Warminster, BA12 7HL	80,000
Tara Cottage, 29 Marsh Street, Warminster, BA12 9PG	125,000
14 Oviat Close, Totton, Southampton, SO40 8EX	475,000
	<u>1,230,000</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	19,380	34,025
PAYE and NIC	5,604	4,487
Grant commitments	1,052,521	1,185,466
Accrued expenses	<u>137,732</u>	<u>158,087</u>
	<u><u>1,215,237</u></u>	<u><u>1,382,065</u></u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Grant commitments	<u>288,663</u>	<u>149,950</u>

Analysis of Grant Commitments

	£
Grant commitments brought forward	1,335,416
Grants paid during the year	(1,470,278)
Grant commitments less those written back during the year (note 8)	<u>1,476,046</u>
	<u><u>1,341,184</u></u>

Amounts falling due within one year (note 19)	1,052,521
Amounts falling due after more than one year	288,663

21. OPERATING LEASE COMMITMENTS

The Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than one year	4,204	6,588
Later than one year but not later than five years	<u>4,410</u>	<u>8,334</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
Fixed assets	14,664,476	-	-	14,664,476	15,336,599
Investments	23,753,701	1,014,837	170,947	24,939,485	25,937,404
Current assets	2,266,011	7,716	54,263	2,327,990	3,299,084
Current liabilities	(1,215,237)	-	-	(1,215,237)	(1,382,065)
Long term liabilities	<u>(288,663)</u>	<u>-</u>	<u>-</u>	<u>(288,663)</u>	<u>(149,950)</u>
	<u><u>39,180,288</u></u>	<u><u>1,022,553</u></u>	<u><u>225,210</u></u>	<u><u>40,428,051</u></u>	<u><u>43,041,072</u></u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS – Comparative figures

	Unrestricted funds £	Restricted funds £	Endowment funds £	As restated 2017 Total funds £
Fixed assets	15,336,599	-	-	15,336,599
Investments	24,702,965	1,058,240	176,199	25,937,404
Current assets	3,244,138	682	54,264	3,299,084
Current liabilities	(1,382,065)	-	-	(1,382,065)
Long term liabilities	(149,950)	-	-	(149,950)
	<u>41,751,687</u>	<u>1,058,922</u>	<u>230,463</u>	<u>43,041,072</u>

23. MOVEMENT IN FUNDS

	As restated At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.18 £
Unrestricted funds				
General Fund	24,862,772	(1,583,199)	433,077	23,712,650
Church Mission Designated Fund	295,380	(182,747)	200,000	312,633
Special Reserve Designated Fund	700,809	(791,000)	90,191	-
Wessex Synod Designated Fund	109,642	2,027	(52,270)	59,399
Local Churches Designated Fund	115,011	(9,064)	-	105,947
Manse Designated Fund	14,368,073	-	(678,414)	13,689,659
Trinity Hall Designated Fund	<u>1,300,000</u>	<u>(7,416)</u>	<u>7,416</u>	<u>1,300,000</u>
	41,751,687	(2,571,399)	-	39,180,288
Restricted funds				
Wessex Synod Restricted Fund	14,350	224	-	14,574
Local Churches Restricted Fund	1,042,413	(36,593)	-	1,005,820
Cromwell Place Roadway Restricted Fund	<u>2,159</u>	<u>-</u>	<u>-</u>	<u>2,159</u>
	1,058,922	(36,369)	-	1,022,553
Endowment funds				
Local Churches Endowment Fund	23,463	(639)	-	22,824
Specific Purposes Endowment Fund	<u>207,000</u>	<u>(4,614)</u>	<u>-</u>	<u>202,386</u>
	230,463	(5,253)	-	225,210
TOTAL FUNDS	<u>43,041,072</u>	<u>(2,613,021)</u>	<u>-</u>	<u>40,428,051</u>

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

23. MOVEMENT IN FUNDS – Comparative figures

	As restated At 1.1.17 £	Net movement in funds £	Transfers between funds £	At 31.12.17 £
Unrestricted funds				
General Fund	21,797,343	3,346,905	(281,476)	24,862,772
Church Mission Designated Fund	227,930	(132,550)	200,000	295,380
Special Reserve Designated Fund	1,247,050	(546,241)	-	700,809
Wessex Synod Designated Fund	98,324	11,318	-	109,642
Local Churches Designated Fund	107,499	7,512	-	115,011
Manse Designated Fund	14,289,660	-	78,413	14,368,073
Trinity Hall Designated Fund	1,300,000	(3,063)	3,063	1,300,000
	39,067,806	2,683,881	-	41,751,687
Restricted funds				
Wessex Synod Restricted Fund	9,963	4,387	-	14,350
Local Churches Restricted Fund	957,844	84,569	-	1,042,413
Cromwell Place Roadway Restricted Fund	2,159	-	-	2,159
	969,966	88,956	-	1,058,922
Endowment funds				
Local Churches Endowment Fund	22,191	1,272	-	23,463
Specific Purposes Endowment Fund	195,091	11,909	-	207,000
	217,282	13,181	-	230,463
TOTAL FUNDS	<u>40,255,054</u>	<u>2,786,018</u>	<u>-</u>	<u>43,041,072</u>

Designated Funds

The Church Mission Designated Fund was established in 2008 to give grants to churches on the single criterion of the potential effectiveness of the project for church mission opportunity to the wider community.

The Special Reserve Designated Fund was established in 2013 so that the Company would be able to give larger grants to churches for major projects that cannot be funded from the Church Mission Designated Fund.

The Wessex Synod Designated Fund (also known as the Macro Fund) was established in 1990 to provide financial assistance to ministers of the United Reformed Church (which has also been interpreted to include Church Related Community Workers) who are being ordained and inducted to their first pastorate, and are consequently facing the costs of furnishing their first manse.

The Local Churches Designated Fund consists of several designated funds held for the benefit of particular local churches and have usually arisen from bequests or self-imposed income obligations.

Transfers are made to and from the Manse Designated Fund, so the balance equals the net book value of manses held per note 14 of the accounts.

The Trinity Hall Designated Fund represents the value of the property held within investment properties. This fund will be undesignated following the sale of the Trinity Hall building.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

Restricted Funds

The Wessex Synod Restricted Fund consists of several restricted funds for which the Company is Charity Trustee, and which are governed by Trust Instruments other than the United Reformed Church Acts. The Company acts in its sole discretion within the terms of such Trust Instruments and in response to the needs of the beneficiaries.

The Local Churches Restricted Fund consists of several restricted funds held for the benefit of particular local churches and have usually arisen from past transactions such as the proceeds of the sale of redundant manses.

The Cromwell Place Roadway Restricted Fund holds the accumulated service charges collected by its former Trustees from the owners of the properties known as 6-12 Cromwell Place, Newbury, RG14 1AF, and has to be used to fund any ongoing costs associated with maintaining the right of way those properties enjoy over the car park of the former Newbury United Reformed Church.

Endowment Funds

The Local Churches Endowment Fund consists of several endowment funds held for the benefit of particular local churches and have usually arisen from Charity Commission orders or schemes.

The Specific Purposes Endowment Fund consists of several endowment funds held for specific purposes such as the promotion of education of children who are in need of financial assistance, and one or both of whose parents are members of a congregation meeting for religious worship at any central United Reformed Church in the Borough of Reading or the provision of grants towards the cost of a holiday for ministers and missionaries in particular need.

24. PENSION COMMITMENTS

The Company contributes to a lay staff defined benefit pension scheme known as the 'Final Salary' scheme, which is administered by TPT Retirement Solutions Trust (formerly The Pensions Trust) on behalf of the United Reformed Church. The United Reformed Church is the principal employer in the scheme, and eleven Synods (including the Company on behalf of the Wessex Synod) and Northern College are participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities since each employer in the scheme pays a common contribution rate.

Triennial actuarial valuations of the whole Final Salary scheme are performed by a qualified independent actuary. The most recent formal actuarial review of the scheme was at 30 September 2016, when the scheme had a deficit of £5,445k.

The assumptions underlying that valuation include:

Discount rate: pre-retirement 4.9% per annum, post-retirement 1.8% per annum
Pensionable earnings growth: 2.45% for 3 years, 2.7% thereafter
Price inflation and pension increases: 2.2%
Retirement age (active members): 65, with maximum commutation

During 2018, the Company contributed 25.1% of basic salary (2017: 25.1%) in respect of a member of the Final Salary scheme, amounting to £12,288 (2017: £12,047), a sum not material to the Company's overall pension cost. At 31 December 2018 nil contributions were outstanding. The member contributed at the rate of 7.5% (2017: 7.5%) of pensionable salary throughout the accounting period. As a result of the actuary's recommendations, contributions by participating employers will continue to be paid at the rate of 25.1% of basic salary until 31 December 2025.

The Company also made a one-off contribution of £28,220 to the Final Salary scheme in 2018. This non-repeating contribution is the Company's share of a total contribution from all employers of £3,400k being made by the URC Trust and the participating employers towards reducing the deficit of £5,445k. These contributions have allowed the contribution rates of both the employers and the members to remain unchanged.

THE UNITED REFORMED CHURCH (WESSEX) TRUST LIMITED

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

25. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2018.

26. ULTIMATE CONTROLLING PARTY

The Company is not under the control of another entity or any one individual.

27. PRIOR YEAR ADJUSTMENT

Since 1 January 1996, properties purchased by the Company for use as manses by local ministers have been shown as grants payable to the local churches. These should have been treated as tangible fixed assets or investment properties of the Company. In 2017, these were included in the financial statements as fixed assets at their original cost of £13,794,660 and investment properties at a valuation of £3,240,000 by way of a prior year adjustment (total £17,034,660).