

Company Number: 00101685
Charity Number: 248796

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

MHA MACINTYRE HUDSON
Chartered Accountants and Registered Auditors
Rutland House
148 Edmund Street
Birmingham
B3 2FD

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THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Contents

	Page
Annual Report	1 - 9
Independent Auditor's Report	10 - 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 30

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2016

Reference and Administrative Information

Registered Office

The Eastern Synod Office
The United Reformed Church
36 Duxford Road
Whittlesford
Cambridge CB22 4ND

Directors and Trustees

Revd P R Whittle
Mr G S Craig (to January 2016)
Mrs G Tilley (to December 2016)
Revd Prof D Thompson
Mr K Hounsome (from January 2016)
Mr I Hardie (to December 2016)
Mr A East
Mr C Patten
Mr G Heathcote (from January 2017)

Bankers

Barclays Bank Plc
5-7 Red Lion Street
Norwich NR1 3QH

Legal Advisors

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

Auditors

MHA MacIntyre Hudson
Rutland House
148 Edmund Street
Birmingham B3 2FD

Investment Manager

CCLA Investment Managers Limited
Epworth Investment Managers Limited

Synod Officers

Moderator – Revd P R Whittle
Synod Clerk – Mr K Hounsome
Synod Treasurer – Mr I Hardie (to December 2016) then Mr G Heathcote
Finance Officer – Mr A J Perkins
Resources Officer – Mrs P Davies-Brown

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2016

The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2016. The Trustees have adopted the provisions of Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities 2015" (FRS102) in preparing the annual report and financial statements of the charity.

The Trustees

The Trustees of the charity are also company directors for the purposes of company law.

All Trustees give their time voluntarily and receive no benefits from the charity apart from those honoraria and reimbursed expenses set out in note 6.

The Trustees serving during the year and to the date of this report were as follows:-

Revd P Whittle
Mr G S Craig (to January 2016)
Mrs G Tilley (to December 2016)
Revd Prof D Thompson
Mr K Hounsborne (from January 2016)
Mr I Hardie (to December 2016)
Mr A East
Mr C Patten
Mr G Heathcote (from January 2017)

Aims and Objectives

The charitable company's purpose as set out in the objects contained in the company's memorandum of association is the advancement of the Christian religion especially by the means of, and in accordance with, the principles of the United Reformed Church as set out for the time being in 'The Manual'.

The aims of the charity are to support local churches in their outreach and mission and to share the vision of the URC's General Assembly with the local churches.

The United Reformed Church (Eastern Province) Trust has two distinct roles. The first is to act as the corporate trustee of local churches, manses and other local church land. The second is to act as the holding trustee of the collective financial assets of the Eastern Synod.

In relation to the first role, the Trust acts according to the United Reformed Church Acts 1972, 1981 and 2000: particularly the 1981 Act. Local URC churches operating in the Eastern Synod area are separate and independent charities. There is no common control or unity of administration with any of these bodies and they are not deemed to be connected charities within the understanding of the Charities SORP 2015 (FRS 102). None of the financial assets or liabilities of these bodies are incorporated in the Trust's financial statements as the Trust is not the beneficial owner and there is neither parent nor subsidiary relationships.

In relation to the second role, the Trust's responsibility is to exercise ultimate oversight over the finances of the Synod (including its budget and accounts), as set out below. The Trust is also responsible for employment of most remunerated Synod staff.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2016

Achieving delivery of the Trust's aims and public benefit

The strategy for achieving the Trust's aims and objectives is to provide pastoral, educational and mission, technical and financial support. All these forms of support are designed to promote and share the Christian faith and, in particular, the principles of the URC in each area where a local congregation operates. The Trustees review the aims, objectives and proposed future activities on a regular basis. The Trustees follow the general guidance issued by the Charity Commission on public benefit when doing so and the following sections of this report describe how the Trustees have carried out the purposes of the Trust for the public benefit.

It is important to note that the Trust's functions are generally exercised through the Eastern Synod of the United Reformed Church and its committees (see section headed "Structure, Governance and Management").

Pastoral Support

The Pastoral Committee works with and through the Synod Moderator and others to provide spiritual, pastoral and strategic leadership, care and challenge to local churches and their ministers. They have a particular role in encouraging conversations about pastorates' needs, ensuring effective but sympathetic deployment of ministerial resources as well as overseeing churches during ministerial vacancies. They also monitor the progress of those applying for, and undertaking, various types of ministerial training and work to develop ecumenical relations in the area covered by the Synod as well as encouraging local churches to "think ecumenically" when planning all their initiatives.

Educational and Mission Support

The Mission Committee works with and through the Moderator, Mission and Training Officer and Children and Youth Development Officer to provide or encourage training and development for ordained and lay people; organise and support activities for, and work with, children and young people; and encourage mission and outreach activities to be undertaken primarily by local churches in their own towns or villages. The Synod is also undertaking directly a five-year Pioneer Ministry experiment with primary emphasis on reaching out to people in the newly redeveloped Ipswich Waterfront area. During 2014 a second Pioneer Ministry project began on an ecumenical basis on a new housing estate at St. Neots. Through the Faith in Action sub-committee of the Mission Committee, the Synod and local churches are made aware of need and injustice locally, nationally and internationally and challenged to respond in ways which make a difference.

Technical Support

Synod officials are a resource available to help local churches understand and keep up to date with their obligations as charities, employers, providers of services to the public and occupiers of buildings. Where necessary, Trustees and Synod officials also help local churches through the process of considering the acquisition, modification or disposal of premises and issues of trust, property and charity law. The Listed Buildings Advisory Committee (as constituted by the Ecclesiastical Exemption (Listed Buildings and Conservation Areas) (England) Order 2010) offers independent advice to the Synod Property Committee, together with assisting local churches occupying "Listed" buildings through the complexities of the legal processes governing these types of buildings, including offering advice on their care and maintenance.

Financial Support

A range of grants (and, more rarely, loans – constituting much of Programme Related Investments) is made available to local churches and ministers to assist with children and young people engagement, mission and outreach, maintenance and improvement of properties to enhance interaction with their communities and ministerial and lay training and development. In most cases this support is provided through the Resources/Property Committee, which meets four times a year and oversees financial and property-related matters for the Synod. The delegated powers of the Resources Committee and its interaction with the Trust and Trustees are set out in the Synod Financial Policy which is revised periodically by Synod. The Finance Policy sets out the charity's investment policy and ethical constraints under which it operates. For further details see the section headed 'Investment Policy' (below).

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2016

Churches are encouraged to retain and invest capital whenever possible and to fund new building works, redevelopments, maintenance works and pastoral assistance from their investment income. Where there are insufficient funds, grants or loans may be made available to Churches and Synod Committees, in the case of loans for periods normally not exceeding five years.

Strategic Report

Achievements and Performance

In 2016 Mission Committee oversaw the challenging ongoing work of the 2 Pioneer Ministers funded from the Pioneer Fund. The Ipswich project is due to come to an end in 2017 and the possibility of setting up a Pioneer Hub to inspire future outreach in the area is being explored. During 2016 an ecumenical mission project involving the buildings at Cambourne Church LEP was awarded £250,000 towards the next phase of its outreach to the new community in which it is set. Continuing concern was expressed on behalf of the Synod re how the refugee situation was being addressed in the UK and some time was spent at March Synod discussing and agreeing a resolution relating to the Palestine/Israel Situation which was passed later in 2016 in amended form at General Assembly. Among other items relating to the work of Mission Committee emerging from General Assembly and reported to October 2016 Synod were adoption of a new Environmental Policy by the URC and establishment of a group to monitor progress towards its achievement as well as URC participation in the Churches Mutual Credit Union. Consideration was given to how more local churches could feel a greater sense of belonging to the World Church and, in particular, Eastern Synod's growing links with Zimbabwe. The Synod's Rural Advocate has been invited to be part of a group revising a Methodist publication, 'Presence'. The CYDO continued to encourage our young people to be involved: at Youth Assembly; Children's Synod; other events arranged within the Synod or wider denomination; and local Holiday Clubs. Work is well underway to mark the 500th anniversary of Martin Luther posting his 95 theses and the 100th anniversary of Constance Coltman's ordination to Ministry (both in 2017) including Westminster College events and a Synod-wide day at the Suffolk Show Ground under a 'Feasts and Festivals' banner.

Much of Pastoral Committee's time in 2016 was devoted to supporting the Moderator as he considered various ministerial vacancy and deployment issues in the light of the forecast marked reduction in available ministerial resource over the next few years, as well as checking on the progress of student ministers. Ecumenical developments and progress towards new Constitutions and Sharing Agreements were monitored and recommendations were made to Synod regarding those authorised to preside at the Sacraments. With Synod approval, three Suffolk Area Partnerships merged with effect from January 2017 into one – South Suffolk – and South East Essex and South West Essex merged as South Essex. Committee representatives attended a Conference on Transitional Ministry since this is a helpful development being experimented with in Eastern Synod as well as more widely across the denomination. Consideration was given to developments eg lay training courses and suggestions re issues related to the Roll of URC ministers. The March Synod meeting briefly considered the issue of Same-Sex-Marriage again and did not object to the relevant resolution being presented to the 2016 General Assembly, at which it was agreed. As usual, various events were arranged throughout the year such as training for lay preachers (and two 'Gift' days providing them with training and fellowship in thanks for the service they offer the denomination); Retreats at Clare Priory; a Ministers' Spring School and a Ministers' Get Together in the autumn as well as a Biblical Day Conference and Theological Reflection Day. Pastoral Committee also received further good-quality Mission Manifestos arising from Local Ministry and Mission Reviews as the programme continues throughout the Synod. The Committee was represented at the services marking the closure of Castle Hedingham URC during June 2016 and Mattishall URC in December 2016.

In 2016 Resources Committee maintained its support for mission and outreach work among young people by making grants available. Funding support was also given for ministerial and lay training and work on improving or replacing church premises. A new Synod Property Policy was developed further and put out for consultation with local churches: its adoption being requested at one of the 2017 Synod meetings.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2016

Financial Review

Financial Statements

The financial statements, including the notes, have been prepared in compliance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" 2015 (FRS 102). The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration. The Synod and Trust Company do not sell goods or services, nor are there any other trading activities.

A financial review 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 12, with a more detailed analysis of income and expenditure on pages 18 to 21.

The total operating income for the year was £1,037,812 (2015: £736,835).

The total operating resources expended for the year is £912,411 (2015: £633,814). Church property grants are underspent by 59% (2015: 52%) which reflects the current economic climate as churches are unable to secure the other 90% of funding required to take a project forward.

Receipts from church and other property sales totalled £0.853m (2015: £1.204m). Donations of church manse and property sale proceeds amounted to £288,757 (2015: £949,375) and it is important that these capital receipts continue to be invested wisely.

Balance Sheet

The above result led to an increase of £1.958m (2015: £1.275m) which has resulted in a combined fund balance of £16.230m (2015: £14.342m) at the year-end. An analysis of the movement of funds can be found in note 9.

Programme Related Investments total £808,148 (2015: £342,015) comprising 7 loans and 8 property investments. These investments represent funds invested by Synod to assist local churches and retired ministers to purchase or update their properties.

Fundraising Sources

Synod meeting annually authorises a levy to be raised for Synod administration purposes from local churches together with their contributions to the denominational Ministry and Mission Fund. The other main sources of regular income are investment and rental income. In addition, in some years, substantial sums become available to the Trust as a result of church closures. No fundraising activities are carried out at Synod or Trust level.

Investment Policy

The policy seeks to achieve as high an income as possible, subject to protecting the capital value of the funds against inflation. The investments include sharing in some churches' property developments but are otherwise a mixture of fixed interest and equity marketable securities. The Synod seeks to ensure that none of its investments can be seen to support practices which are against the conscience of Christians following the Ethical Investment Guidelines approved by the URC General Assembly from time to time. The breakdown of percentage holdings is shown in note 11. These Common Investment Funds are governed by Charity Commission Schemes.

A number of local churches have asked the Synod to hold, and invest, certain funds on their behalf. Such funds are not Synod funds and are not included in the Trust financial statements.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2016

Reserves Policy

The Trust holds funds under a number of different terms. Funds which are restricted 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 18 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 18 to the financial statements.

The Synod seeks to recognise the needs of both the present generation and future generations within the Church by retaining those one-off capital receipts to which it from time to time becomes entitled under the provision of the URC Acts. It is the present policy that, normally, only the income on these reserves is expended upon charitable purposes but an exception is made in relation to money going into the Pioneer Fund or a small mission support budget.

The remaining general unrestricted funds are required to cover the support costs and grants awarded. The Synod Finance Policy specifies that, typically, sufficient cash should be held on short or medium term deposits to cover at least one full year's anticipated revenue expenditure and also allow for the capital purchase of a manse or similar building – though the exercise of discretion is permitted in deciding how much cash it would be advisable to hold at any particular time.

At the year end general unrestricted funds amounted to £1.386m, excluding designated amounts. The Trustees are satisfied this is sufficient to meet day to day objectives.

Risk Management

The Trustees are responsible for the management of the risks faced by the charity. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management process is undertaken on an annual basis – in 2016 this began during the November Trust Directors' meeting but was completed in January 2017.

The most serious risk facing the charity would be the Synod failing to achieve its strategic and charitable objectives, either through resources being put into programmes which do not meet those objectives or through failure of Trustees and other Committees to consider the charity's objectives when making decisions. To manage and mitigate this risk, the Trustees consider the 'Aims and Objectives' section of their annual report each year to ensure this remains appropriate and, in so doing, are reminded of the objectives which they must constantly keep in mind. Also, having Convenors of Committees give an account of their Committee's decisions to the Synod Executive, on which three Trust Directors sit, ensures effective oversight of their day-to-day activity and decision making.

Another principal risk is business interruption: either through absent personnel or a disaster causing restricted or no access to the Synod office. A Business Continuity Plan was approved by Synod Trust Directors in the spring of 2013 and reviewed and updated in November 2015.

Among the key risk controls used by the charity are:

- a written financial policy subject to periodic review (an updated version was adopted by the March 2015 Synod meeting);
- clear financial authorisation and approval levels (reviewed and tightened in 2011);
- detailed summary accounts produced for scrutiny by Trust Directors and Resources Committee at every meeting during the year;
- financial statements presented at each Synod meeting; and
- Synod officers and others having been vetted through the DBS service, where appropriate and Synod operating a 'Safeguarding' policy.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2016

Through the risk management process established for the charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Future Plans

2017 will be a year for anniversaries to be celebrated and new paths to be taken. We will mark the 500 years since Luther initiated the Reformation and the 100 years since one of our predecessor denominations ordained its first female minister, one of whose pastorates was within our Synod area. The URC is planning to strengthen missional discipleship through a "Walking the Way" process which will provide a lot of resources for local churches to grow more committed in their faith and more able to reach out to help others discover their need for God. We anticipate that Mission Committee will have a prominent role to play in enthusing congregations and facilitating the provision of resources towards the end of the year. Efforts to reach out to children and young people within the Synod will be pursued and we hope to make progress in building greater awareness of, and commitment to, the World Church as well as promoting justice, peace and the integrity of creation.

The Committee will continue to support the pastoral work of the Moderator as appropriate, will oversee the process of declaring and filling vacancies, identifying and training candidates for ministry (both ordained and lay) and for promoting health, healing and spirituality.

The Resources Committee will continue to act in conjunction with and on behalf of the Synod Trustees in administering its various grant awarding processes and safeguard the Synod's finances and investments. They also aim to finalise a new Synod Property Policy for Synod approval during 2017.

Structure, Governance and Management

The United Reformed Church (Eastern Province) Trust ("the Trust") is a company limited by guarantee formed on 20 March 2007 and is a registered charity, number 248796. It is governed by its Memorandum and Articles of Association as revised in 2008. All of the financial assets and liabilities of the Eastern Synod of the United Reformed Church ("Synod") are shown in the Trust's Financial Statements.

However, while the Trust holds the assets and liabilities of Synod, it is the Synod which is the decision making body, except in relation to matters relating exclusively to the business of the Trust for which the Trust Directors are responsible. The Trust is corporate Trustee for most land and buildings utilised by local URC Churches.

The Finance & Trust Officer and the Resources Officer attend Trustee meetings but are not themselves Trustees.

Appointment of New Trustees

The Trustees nominate members to serve as Trustees of the Trust and Synod meeting ratifies the appointments.

There is an informal programme for the induction of Trustees.

Training is also organised for the Trustees (normally annually) to ensure they are aware of current practice and issues of charity law etc.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2016

Constitution of the Synod

Eastern Synod is one of 13 Synods of the United Reformed Church ("URC") within the United Kingdom. It is constituted in accordance with the Scheme of Union and the United Reformed Church Acts of 1972, 1981 and 2000 (see www.urc.org.uk). It has oversight of the URC in the East of England, covering Norfolk, Suffolk, most of Essex, most of Cambridgeshire and part of Hertfordshire.

In accordance with "the Structure of the United Reformed Church" it is responsible for:-

- Overseeing six area partnerships;
- Promoting church extension;
- Promoting ecumenical relations;
- Opening, closing and extending church buildings;
- Overseeing matters affecting the ordained ministry, including discipline;
- Dealing with matters referred from the general assembly and mission council;
- Undertaking such other things which promote the welfare of the United Reformed Church.

The Eastern Synod, which is made up of ministers and lay representatives of each local church together with Synod officers, meets to transact business routinely twice a year but has delegated various powers to a number of committees as well as the Trust. The following committees are responsible for specific elements in the life of the Synod:-

- Executive Committee
- Pastoral Committee
- Mission Committee
- Resources/Property Committee
- Listed Buildings Advisory Committee

Organisational Structure

Day-to-day financial and property activities are dealt with by the Finance and Resources Officers. In accordance with the URC Acts, many decisions need a Church Meeting resolution, a Synod approval (at present Synod has delegated its power of approval to Resources Committee) and a decision by the Trust Directors before actions can be taken by, or on behalf of, the Trust as trustee.

Related parties

During 2010 a subsidiary company - United Reformed Church (Eastern Province) Design & Build Limited - was established. This company has remained dormant throughout the year.

There have been no significant related party transactions between the Trust and any of its Trustees or Synod officials during the year.

Use of Volunteers

Most ministers of word and sacrament are paid directly from the Finance Office of the United Reformed Church in London. The URC Trust (acting at denominational level) is a separate charity, again not under common control. The Synod office staff, Finance and Trust Officer, Resources Officer and Youth and Children's Development Officer are paid by the Synod. Other than that, all members of Synod Committees and others supporting and enabling Synod activities are volunteers, almost all being members of their local URC or Local Ecumenical Partnership.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Annual Report

Year Ended 31 December 2016

Key Management Personnel

The key management group within the Synod structure is made up of the Synod Moderator, the Synod Clerk and the Synod Treasurer. The first of these is remunerated by the denomination centrally at the same rate as all stipendiary ministers of word and sacrament serving the denomination. Although the Clerk and Treasurer are entitled to claim a small honorarium both the current (2016) incumbents have declined this and offer their services in a purely voluntary capacity.

Directors' Responsibilities

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 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:-

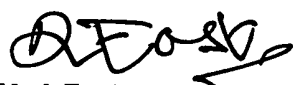
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Signed on behalf of the Trustees



Mr A East
Chairman

10/3/17

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

We have audited the financial statements of The United Reformed Church (Eastern Province) Trust for the year ended 31 December 2016 on pages 12 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Members of Council and Auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

- 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;
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.



Helen Blundell LLB, FCA, FCIE, DChA (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson (Statutory Auditor)
Chartered Accountants and Registered Auditors
Rutland House
148 Edmund Street
Birmingham
B3 2FD

10 March 2017

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Statement of Financial Activities (including the Income and Expenditure Account)

Year Ended 31 December 2016

2015 Total Funds £		Notes	2016 Total Funds £	Unrestricted £	Designated £	Restricted £
	Income					
	<i>Donations and legacies</i>					
161,928	Grants received	2	419,430	139,800	279,630	-
	<i>Charitable activities:</i>					
2,547	Rent and loan interest	2	530	51	423	56
3,749	Other incoming resources	2	4,528	996	3,423	109
103,705	Other activities		117,099	-	13,398	103,701
464,906	Investment	2	496,225	40,542	402,035	53,648
736,835	Total Operating Income	2	1,037,812	181,389	698,909	157,514
1,204,423	Profit on sale of property	4	852,930	-	428,242	424,688
1,941,258	Total Income		1,890,742	181,389	1,127,151	582,202
	Expenditure on:					
120,749	Raising funds	2	129,579	54,653	16,649	58,277
513,065	Charitable expenditure	2	782,832	126,617	654,687	1,528
633,814	Total Expenditure	2	912,411	181,270	671,336	59,805
103,021	Net Income/(Expenditure) on Operating account	2	125,401	119	27,573	97,709
	Net income/(expenditure) for the year before transfers		978,331	119	455,815	522,397
-	Transfers between funds		-	20,000	11,972	(31,972)
1,307,444	Net income/(expenditure) for the year after transfers		978,331	20,119	467,787	490,425
(453)	Realised (loss)/gain on investments		7,558	2,207	3,237	2,114
(31,578)	Unrealised (loss)/gain on investments		972,316	116,945	688,408	166,963
1,275,413	Net Movements in Funds for the year		1,958,205	139,271	1,159,432	659,502
13,066,338	Fund Balances b/forward		14,341,751	1,246,760	7,563,102	5,531,889
14,341,751	Fund Balances c/forward	9	16,299,956	1,386,031	8,722,534	6,191,391

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

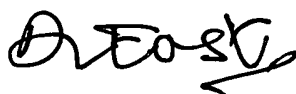
THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST
COMPANY NUMBER 00101685
Balance Sheet

As at 31 December 2016

2015 £		Notes	2016 £
	Fixed Assets		
4,616,352	Tangible assets	10	4,612,728
7,781,446	Investments	11	9,921,644
<u>342,015</u>	Programme related investments	12	<u>808,148</u>
12,739,813			15,342,520
	Current Assets		
35,590	Debtors	13	54,542
<u>1,811,555</u>	Cash and short term deposits	14	<u>1,412,543</u>
1,847,145			1,467,085
(226,043)	Creditors: Amounts falling due within one year	15	(464,983)
<u>1,621,102</u>	Net Current Assets		<u>1,002,102</u>
14,360,915	Total Assets less Current Liabilities		16,344,622
	Creditors: Amounts falling due after more than one year	16	
<u>(19,164)</u>			<u>(44,666)</u>
<u>14,341,751</u>	Total Assets	18	<u>16,299,956</u>
	Funds:		
	Unrestricted funds:		
1,246,760	General		1,386,031
<u>7,563,102</u>	Designated		<u>8,722,534</u>
8,809,862	Total unrestricted funds		10,108,565
<u>5,531,889</u>	Restricted funds		<u>6,191,391</u>
<u>14,341,751</u>	Total Funds	18	<u>16,299,956</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 Synod Trust Directors on 10/3/2017 and signed on their behalf by



- Chairman – Mr A East

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Statement of Cash Flows

Year ended 31 December 2016

	Notes	2016 £	2015 £
Cash flow from operating activities:			
Net cash provided/used in operating activities	A	390,795	542,300
Cash flows from investing activities:			
Dividends, interest and rents from investments		613,324	568,611
Proceeds from the sale of fixed assets		-	283,725
Proceeds from the sale of programme related investments		6,360	22,155
Purchase of fixed assets		(854)	(572,674)
Purchase of programme related investments		(10,514)	(133,700)
Purchase of investments		(1,232,002)	(236,980)
Proceeds from sale of investments		295,328	244,543
Issue of programme related loans		(495,692)	(883,274)
Repayment of programme related loans		<u>34,243</u>	<u>860,620</u>
Net cash provided by/used in investing activities		<u>(789,807)</u>	<u>153,026</u>
 Change in cash and cash equivalents in the reporting period		 (399,012)	 695,326
 Cash and cash equivalents at the beginning of the reporting period	B	 <u>1,811,555</u>	 <u>1,116,229</u>
Cash and cash equivalents at the end of the reporting period	B	<u>1,412,543</u>	<u>1,811,555</u>

Notes to the statement of cash flows

A) Reconciliation of net income/expenditure to net cash flow from operating activities

Net income/expenditure for the reporting period (as per the statement of financial activities)	1,958,205	1,275,413
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Adjustments for:

Depreciation charges	4,478	4,235
(Gains) and losses on investments	(979,874)	32,031
Dividends, interest and rents from investments	(613,324)	(568,611)
Loan interest	(530)	(2,278)
Loss/(profit) on the sale of fixed assets	-	(253,725)
Loss/(profit) on sale of programme related investments	-	(12,171)
Donations in kind	(223,650)	(13,975)
(Increase)/decrease in debtors	(18,952)	89,673
Increase/(decrease) in creditors	<u>264,442</u>	<u>(8,292)</u>
Net cash provided by operating activities	<u>390,795</u>	<u>542,300</u>

B) Analysis of cash and cash equivalents

Cash at bank and in hand	<u>1,412,543</u>	<u>1,811,555</u>
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THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

1. Accounting Policies

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) issued on 16 July 2014, 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 as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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 Eastern Synod :-

Synod Administration Fund
Church Life and Mission Fund
Retired Ministers Housing Fund
Retired Ministers Holiday Fund
Manse Fund
Pioneer Fund
Heritage 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 Eastern Province. The main fund in this category is the Church Life & Mission Fund. Certain funds have been allocated by the Resources Committee but the committee retains authority to re-allocate such funds and so they are treated as Designated Funds within Unrestricted Income Funds.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

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.

Individual church property

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.

Expenditure recognition

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 of 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 (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

1. Accounting Policies *(continued)*

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, less the estimated residual value on a straight line basis over their estimated useful economic lives as follows:-

Property	- over fifty years
Office Equipment (including computers)	- over five years
Fixtures and Fittings	- ten years
Motor Vehicle	- five years

No amounts under £50 are capitalised. The trustees conduct an annual impairment review.

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 COIF rate of interest, being the rate of interest the Trust would otherwise have earned.

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.

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.

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

1. Accounting Policies *(continued)*

Contribution to Pension Funds

The charity participates in a defined benefit scheme, The Pensions Trust Defined Benefit Scheme, which is a multi employer scheme where the underlying assets and liabilities are not separately identifiable. In accordance with the SORP, 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 charity also operates a defined contribution scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Analysis of Total Operating Income and Expenditure

2015 Total Funds £	2016 Total Funds £	Unrestricted £	Designated £	Restricted £
Income from Donations and legacies:				
5,700	4,200	-	4,200	-
139,800	139,800	139,800	-	-
16,428	275,430	-	275,430	-
<u>161,928</u>	<u>419,430</u>	<u>139,800</u>	<u>279,630</u>	<u>-</u>
Income from other activities:				
103,705	117,099	-	13,398	103,701
Income from charitable activities:				
<i>Rent and loan interest</i>				
2,547	530	51	423	56
<i>Other income</i>				
411	236	-	236	-
120	891	891	-	-
574	30	30	-	-
-	75	75	-	-
2,000	3,000	-	3,000	-
644	296	-	187	109
<u>3,749</u>	<u>4,528</u>	<u>996</u>	<u>3,423</u>	<u>109</u>
Income from investments				
288,109	320,791	40,131	228,637	52,023
5,808	5,892	411	3,856	1,625
170,989	169,542	-	169,542	-
<u>464,906</u>	<u>496,225</u>	<u>40,542</u>	<u>402,035</u>	<u>53,648</u>
<u>736,835</u>	<u>1,037,812</u>	<u>181,389</u>	<u>698,909</u>	<u>157,514</u>
Total Operating Income				

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

2. Analysis of Total Operating Income and Expenditure (Continued)

2015 Total Funds £		2016 Total Funds £	Unrestricted £	Designated £	Restricted £
Expenditure on raising funds					
2,933	Legal and professional	-	-	-	-
47,617	Synod manse scheme	58,022	-	47	57,975
5,231	Property expenses	12,957	-	12,957	-
4,600	Leasing of premises	-	-	-	-
1,396	Investment manager charges	1,332	388	642	302
58,972	Shared indirect costs (note 3)	57,268	54,265	3,003	-
120,749	Total Cost of Generating Funds	129,579	54,653	16,649	58,277
Expenditure on Charitable Activities					
Ministry & Mission:-					
75,860	Grants (note 5)	91,423	-	91,145	278
99,827	Pioneer development officer	100,918	-	100,918	-
13,370	Minister pension contributions	-	-	-	-
44,254	Retired ministers housing society	1,250	-	-	1,250
34,555	Shared indirect costs (note 3)	35,251	18,088	17,163	-
267,866		228,842	18,088	209,226	1,528
Training:-					
4,797	Ministers (note 5)	5,299	-	5,299	-
900	Students (note 5)	750	-	750	-
163	Lay training (note 5)	(89)	-	(89)	-
5,123	Synod organised events	(211)	-	(211)	-
12,059	Mission and development officer	11,671	-	11,671	-
52,693	Children and youth development officer	55,797	-	55,797	-
116	Training team support	-	-	-	-
34,555	Shared indirect costs (note 3)	35,250	18,087	17,163	-
110,406		108,467	18,087	90,380	-
Property:-					
32,020	Church building grants (note 5)	336,600	-	336,600	-
(1,149)	Property facelift (note 5)	12,600	-	12,600	-
8,139	Quinquennial survey grants (note 5)	303	-	303	-
95,783	Shared indirect costs (note 3)	96,020	90,442	5,578	-
134,793		445,523	90,442	355,081	-
513,065	Total Charitable Expenditure	782,832	126,617	654,687	1,528

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

2. Analysis of Total Operating Income and Expenditure (Continued)

2015 Total Funds £		2016 Total Funds £	Unrestricted £	Designated £	Restricted £
<u>633,814</u>	Total Operating Expenditure	<u>912,411</u>	<u>181,270</u>	<u>671,336</u>	<u>59,805</u>
<u>103,021</u>	Net Income/(Expenditure) on Operating Account	<u>125,401</u>	<u>119</u>	<u>27,573</u>	<u>97,709</u>

3. Indirect Costs

2015 Total Funds £		2016 Total Funds £	Unrestricted £	Designated £	Restricted £
	Premises Costs:-				
12,240	Rent	12,240	12,240	-	-
2,552	Insurance	2,713	2,713	-	-
1,106	Gas and electricity	1,288	1,288	-	-
1,930	Repairs and cleaning	1,924	1,924	-	-
1,115	Property repairs	375	375	-	-
<u>179</u>	Water charges	<u>179</u>	<u>179</u>	<u>-</u>	<u>-</u>
<u>19,122</u>		<u>18,719</u>	<u>18,719</u>	<u>-</u>	<u>-</u>
	Office Costs				
3,220	Telephone, internet and website	3,167	3,167	-	-
1,224	Postage and stationery	1,321	1,302	19	-
1,833	Depreciation	2,074	1,098	976	-
493	Computer costs	486	467	19	-
242	Consumables	335	335	-	-
1,832	Loan interest	-	-	-	-
634	Equipment repairs	319	319	-	-
2,192	Insurance	2,372	2,372	-	-
3,322	Staff travel, subsistence and training	2,017	1,957	60	-
573	Staff events	292	292	-	-
117	Year book and communications	149	149	-	-
3,202	Photocopier lease and copy costs	2,940	2,940	-	-
1,496	Moderator expenses	2,459	-	2,459	-
<u>774</u>	Sundries	<u>425</u>	<u>425</u>	<u>-</u>	<u>-</u>
<u>21,154</u>		<u>18,356</u>	<u>14,823</u>	<u>3,533</u>	<u>-</u>
<u>157,339</u>	Employment costs	<u>164,262</u>	<u>127,674</u>	<u>36,588</u>	<u>-</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

3. Indirect Costs (continued)

2015 Total Funds £		2016 Total Funds £	Unrestricted £	Designated £	Restricted £
	Synod Related Costs:-				
3,399	Synod Council	5,230	3,590	1,640	-
2,144	Synod treasurer and clerk costs	2,285	2,285	-	-
1,250	Honoraria	-	-	-	-
7,025	Audit	6,564	6,564	-	-
6,505	Legal and professional	1,429	1,129	300	-
5,926	Committee costs	6,944	6,098	846	-
<u>26,249</u>		<u>22,452</u>	<u>19,666</u>	<u>2,786</u>	<u>-</u>

<u>223,865</u>	Total Indirect Costs	<u>223,789</u>	<u>180,882</u>	<u>42,907</u>	<u>-</u>
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	Total £	Unrestricted £	Designated £	Restricted £
Synod related costs	22,452	19,666	2,786	-
Premises costs	18,719	18,719	-	-
Office costs	18,356	14,823	3,533	-
Employment costs	164,262	127,674	36,588	-
Total Indirect Costs	<u>223,788</u>	<u>180,882</u>	<u>42,907</u>	<u>-</u>

	% Unrestr.	% Desig.	Total £	Unrestricted £	Designated £	Restricted £
Funds generated	30	7	57,268	54,265	3,003	-
Ministry & Mission	10	40	35,251	18,088	17,163	-
Training	10	40	35,250	18,087	17,163	-
Property	50	13	96,020	90,442	5,578	-
Total	<u>100</u>	<u>100</u>	<u>223,789</u>	<u>180,882</u>	<u>42,907</u>	<u>-</u>

4. Profit on Sale of Property

2015 Total Funds £		2016 Total Funds £	Unrestricted £	Designated £	Restricted £
253,725	Gains on disposal of fixed asset property	-	-	-	-
12,171	Gains on disposal of programme related investment	-	-	-	-
938,527	Proceeds from church closures	852,930	-	428,242	424,688
<u>1,204,423</u>		<u>852,930</u>	<u>-</u>	<u>428,242</u>	<u>424,688</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

5. Grants

The following grants have been charged during the year:-

	Institutions		Individuals	
	Number	Amount £	Number	Amount £
Mission:				
Churches Together in Suffolk	1	681		
Cambridge Ecumenical Council	1	2,590		
Youth and Children's work			10	1,545
Youth work grants	1	5,967		
Norfolk and Waveney Industrial Mission	1	4,744		
Cambridge Works Relations Group	1	1,750		
University of East Anglia	1	5,000		
Churches Together in Essex and London	1	1,381		
Resource sharing	1	50,000		
Sundry mission grants	2	200		
Sundry grants	1	3,627		
Colchester mission house	1	12,000		
Belonging to the world church			2	200
Sundry minister grants			1	120
Ministry:				
Moderator's benevolent fund	1	1,618		-
		<u>89,558</u>		<u>1,865</u>
Training:				
Continual Minister Education		-	44	5,139
Minister Spring School		-	2	99
Local Ministry and Mission Review		-	1	61
Student grants		-	3	750
Lay training		-	15	(89)
		<u>-</u>		<u>5,960</u>
Property:				
Local churches	6	336,600		
Project facelift	1	12,600		
Quinquennial survey grants	7	303		
		<u>349,503</u>		
Total Grants Charged		<u>439,061</u>		<u>7,825</u>

6. Payments to Trustees

Reimbursed expenses were paid to Trustees of the Synod in aggregate of £2,465 (2015: £2,330). No other remuneration or expenses were paid to the Trustees or members of the Resources Committee, other than reimbursement of travel expenses and a payment for property consultancy services as highlighted in the Trustees' Report.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

7. Employment Emoluments	2016 £	2015 £
Wages and salaries	160,758	154,725
Employers national insurance	15,226	15,513
Pension costs	<u>35,674</u>	<u>35,122</u>
	<u>211,658</u>	<u>205,360</u>

The average number of employees was 5 5

No employee received £60,000 per annum or more (2015: None). All staff are employed by the Synod other than the moderator and Mission Training Officer whose contracts of employment are held with Church House.

The charity participates in both a defined benefit pension scheme and a defined contribution scheme and contributions are charged as expenditure as they become payable (note 19).

8. Gains/(Losses) on Investments	2016 £	2015 £
Realised (losses)/gains on investments sold	7,558	(453)
Unrealised (losses)/gain on fair value movement of investments for the year	<u>972,316</u>	<u>(31,578)</u>
Net (Loss)/Gain on Investments for the Year	<u>979,874</u>	<u>(32,031)</u>

9. Movement in Funds

	1.1.2016 £	Incoming £	Outgoing £	Transfers £	Change in investment value £	31.12.2016 £
Unrestricted						
Synod administration	<u>1,246,760</u>	<u>181,389</u>	<u>(181,270)</u>	<u>20,000</u>	<u>119,152</u>	<u>1,386,031</u>
Unrestricted Designated						
Church Life & Mission	6,495,589	382,019	(239,371)	11,972	629,133	7,279,342
Heritage Fund	521,020	25,969	(81,047)		48,494	514,436
Pioneer St Neots	209,916	-	(49,978)		-	159,938
Pioneer Ipswich	96,234	-	(50,940)		-	45,294
Manse Fund	-	266,987	-		-	266,987
Pioneer Fund	<u>240,343</u>	<u>452,176</u>	<u>(250,000)</u>	<u>-</u>	<u>14,018</u>	<u>456,537</u>
Total Designated Funds	<u>7,563,102</u>	<u>1,127,151</u>	<u>(671,336)</u>	<u>11,972</u>	<u>691,645</u>	<u>8,722,534</u>
Total Unrestricted Funds	<u>8,809,862</u>	<u>1,308,540</u>	<u>(852,606)</u>	<u>31,972</u>	<u>810,797</u>	<u>10,108,565</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

9. Movement on Funds (continued)

	1.1.2016 £	Incoming £	Outgoing £	Transfers £	Change in investment value £	31.12.2016 £
Restricted						
Church Life & Mission	882,368	30,578	(211)	(31,972)	87,943	968,706
Retired Ministers Housing	718,451	20,889	(1,338)	-	49,071	787,073
Retired Ministers Holiday	8,908	269	(281)	-	753	9,649
Manse fund	<u>3,922,162</u>	<u>530,466</u>	<u>(57,975)</u>	<u>-</u>	<u>31,310</u>	<u>4,425,963</u>
Total Restricted Funds	<u>5,531,889</u>	<u>582,202</u>	<u>(59,805)</u>	<u>(31,972)</u>	<u>169,077</u>	<u>6,191,391</u>
Total Funds	<u>14,341,751</u>	<u>1,890,742</u>	<u>(912,411)</u>	<u>-</u>	<u>979,874</u>	<u>16,299,956</u>

10. Tangible Fixed Assets

	Audio Visual £	Fixtures & Fittings £	Office Equip- ment £	Computer Equip- ment £	Motor Vehicle £	Property £	Total £
Cost							
At 1 January 2016	5,652	17,008	4,412	13,212	12,008	4,604,420	4,656,712
Additions	-	854	-	-	-	-	854
Disposals	(422)	(1,098)	(248)	(206)	-	-	(1,974)
At 31 December 2016	<u>5,230</u>	<u>16,764</u>	<u>4,164</u>	<u>13,006</u>	<u>12,008</u>	<u>4,604,420</u>	<u>4,655,592</u>
Depreciation							
At 1 January 2016	5,552	15,505	3,713	9,385	6,205	-	40,360
Charged during the year	50	554	269	1,204	2,401	-	4,478
Written back	(422)	(1,098)	(248)	(206)	-	-	(1,974)
At 31 December 2016	<u>5,180</u>	<u>14,961</u>	<u>3,734</u>	<u>10,383</u>	<u>8,606</u>	<u>-</u>	<u>42,864</u>
Net Book Value							
At 31 December 2016	<u>50</u>	<u>1,803</u>	<u>430</u>	<u>2,623</u>	<u>3,402</u>	<u>4,604,420</u>	<u>4,612,728</u>
At 31 December 2015	<u>100</u>	<u>1,503</u>	<u>699</u>	<u>3,827</u>	<u>5,803</u>	<u>4,604,420</u>	<u>4,616,352</u>

There are no capital commitments at the year end.

At the year end, the Synod Manse Scheme had beneficial ownership of 20 properties valued at approximately £6.585 million registered in the name of the URC (Eastern Province) Trust. Of this value £3.76million is included within note 10.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

11. Investments	Equities £	Bonds and Stock £	Total £
At 1 January 2016	7,205,802	575,644	7,781,446
Purchases	1,061,002	171,000	1,232,002
Disposals	(207,616)	(80,154)	(287,770)
Donations	223,650	-	223,650
Unrealised gains on revaluation	<u>938,689</u>	<u>33,627</u>	<u>972,316</u>
At 31 December 2016	<u>9,221,527</u>	<u>700,117</u>	<u>9,921,644</u>
Historical cost at year end	<u>6,702,603</u>	<u>660,352</u>	<u>7,362,955</u>

The investments are invested within a number of Charity Investment Funds, managed by CCLA and Epworth.

Material investments

Material investments in excess of 5% of the portfolio value are as follows:-

Fund	Percentage holding
Epworth Affirmative Corporate bonds	7%
Epworth Affirmative Equity Units	31%
CCLA Global Equity Fund Units	6%
CCLA Ethical Investment Fund Units	49%
Property income trust for charities	6%

All investments are held in UK based funds.

12. Programme Related Investments

All loans are subject to the COIF rate of interest that the Trust would have received.

	Loans £	Property £	Total £
At 1 January 2016	48,614	293,401	342,015
Property disposals	495,692	10,514	506,206
Repayments received	(34,243)	(6,360)	(40,603)
Interest charged	<u>530</u>	<u>-</u>	<u>530</u>
At 31 December 2016	<u>510,593</u>	<u>297,555</u>	<u>808,148</u>

By decision of the Resources Committee, the Trust is committed to loans, not yet made, totalling £380,000 (2015: £11,697).

The Trust has no contingent liability arising from any undertaking to guarantee the repayment of loans made by the General Assembly of the URC to congregations in the Synod.

In relation to the Residential property, no interest is charged on the initial value of the investment. A proportion of the costs of repair are met by the Trust during the period of investment but the benefit should arise on disposal of the properties when the Trust receives a proportion of the proceeds relating to the investment proportion of the total original cost.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

13. Debtors	2016	2015
	£	£
Prepayments	18,331	9,475
Other debtors	34,389	18,552
CME and lay training payments recoverable	<u>1,822</u>	<u>7,563</u>
	<u>54,542</u>	<u>35,590</u>
14. Cash on Deposit, at Bank and in Hand	2016	2015
	£	£
CCLA Charities Deposit Fund	207,840	349,611
Barclays Bank current account	111,362	315,396
Epworth Affirmative Deposit Fund	1,093,313	1,146,326
Petty cash	<u>28</u>	<u>222</u>
	<u>1,412,543</u>	<u>1,811,555</u>
15. Creditors: Amounts falling due within one year	2016	2015
	£	£
Grants approved awaiting payment	374,678	46,686
Receipts in advanced	48,073	2,875
Accrued expenses	8,924	16,071
Other creditors	8,447	115,567
Ministry and mission fund	20,000	40,239
Pension, PAYE and NIC	<u>4,861</u>	<u>4,605</u>
	<u>464,983</u>	<u>226,043</u>
16. Creditors: Amounts falling after more than one year	2016	2015
	£	£
Grants approved awaiting payment	14,209	17,164
Ministry and mission fund	28,457	-
Other creditors	<u>2,000</u>	<u>2,000</u>
	<u>44,666</u>	<u>19,164</u>
17. Operating Lease Commitments	2016	2015
	£	£
At 31 December 2016 there were commitments on non-cancellable lease agreements as follows:-		
Equipment expiring within 2 – 5 years	<u>7,940</u>	<u>10,322</u>

The office is situated on land that is registered in the name of The United Reformed Church (Eastern Province) Trust and held on statutory trust in favour of Whittlesford United Reformed Church. Under an agreement, the Trust pays a sum of £1,020 per month to the Church for use of the building.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

18. Disposition of Funds as at 31 December 2016

The Church Life & Mission Fund has been created from the asset apportionments of former Trustee bodies and is augmented by part of the sale proceeds of redundant churches. Income only is used for grants and training support but the capital can be loaned to churches in accordance with the Synod Finance Policy. Included within these funds is Project Facelift which is used to make property grants of up to £12,000 for the benefit of smaller churches.

In October 2005 Synod established a Synod Manse Fund which is used to provide, improve, or replace manses of churches within the Synod Manse Scheme with a view to satisfying the URC standards applicable to such dwellings at the relevant time.

The Retired Ministers' Housing Fund is available to help in housing ministers in retirement.

The Retired Ministers' Holiday Fund was established from the investment of the sale proceeds of the Synod caravan and is used to benefit ministers experiencing difficulties.

The Heritage Fund has been set up specifically to support those churches who have the responsibility of maintaining buildings who are listed on the National Register. Grants of up to 50% of the cost will be awarded up to a maximum of £25,000 providing churches can demonstrate that they have regularly maintained their properties up to a reasonable standard. The money to support such grants comes from part of the proceeds of sales of redundant Listed buildings.

The Pioneer Fund was approved by Synod in October 2008 with the sole purpose to support churches envisioned with a pioneer project costing in excess of £250,000. In March 2013, Synod meeting amended the normal minimum project cost to £100,000. The money in this fund comes from part of the proceeds of sales of redundant buildings which are not Listed.

The Pioneer Ipswich Fund and Pioneer St. Neots Fund are sub-funds of the Pioneer Fund set aside to support five year projects in the Ipswich Waterfront and Love's Farm, St Neots, areas.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

18. Disposition of Funds as at 31 December 2016(continued)

	Fixed Assets £	Investments £	Programme Related Investments £	Debtors £	Bank and Cash £	Liabilities £	Total 2015 £
Unrestricted							
Synod Administration	<u>2,767</u>	<u>1,261,299</u>	<u>90,051</u>	<u>1,116</u>	<u>39,042</u>	<u>(8,244)</u>	<u>1,386,031</u>
Unrestricted Designated							
Church Life & Mission Income	848,446	6,131,410	378,459	28,647	58,326	(165,948)	7,279,340
Heritage	-	499,781	-	3,977	91,677	(81,000)	514,435
Pioneer Ipswich	-	-	-	-	46,326	(1,031)	45,295
Pioneer St Neots	-	-	-	-	161,010	(1,072)	159,938
Manse fund	-	223,650	-	-	43,337	-	266,987
Pioneer	-	144,480	60,034	15,899	486,126	(250,000)	456,539
Total Unrestricted Designated Funds	<u>848,446</u>	<u>6,999,321</u>	<u>438,493</u>	<u>48,523</u>	<u>886,802</u>	<u>(499,051)</u>	<u>8,722,534</u>
Total Unrestricted Funds	<u>851,213</u>	<u>8,260,620</u>	<u>528,544</u>	<u>49,639</u>	<u>925,844</u>	<u>(507,295)</u>	<u>10,108,565</u>
Restricted							
Church Life & Mission Capital	-	941,044	-	-	27,662	-	968,706
Ret'd Ministers Housing	-	516,448	256,591	-	14,058	(24)	787,073
Ret'd Ministers Holiday	-	8,074	-	-	1,854	(279)	9,649
Manse fund	<u>3,761,515</u>	<u>195,458</u>	<u>23,013</u>	<u>4,903</u>	<u>443,125</u>	<u>(2,051)</u>	<u>4,425,963</u>
Total Restricted Funds	<u>3,761,515</u>	<u>1,661,024</u>	<u>279,604</u>	<u>4,903</u>	<u>486,699</u>	<u>(2,354)</u>	<u>6,191,391</u>
TOTAL FUNDS	<u>4,612,728</u>	<u>9,921,644</u>	<u>808,148</u>	<u>54,542</u>	<u>1,412,543</u>	<u>(509,649)</u>	<u>16,299,956</u>

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

19. Pension Scheme

During the year some staff participated in The Pensions Trust Defined Benefit Scheme. The pension cost for the period was £25,502 (2015: £25,810).

Under the definitions set out in the Charities SORP (FRS102), the pension scheme is a multi-employer pension scheme. The Synod is unable to identify its share of the underlying assets and liabilities of the scheme, accordingly it has accounted for its contributions as if it were a defined contribution scheme.

The pension cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:-

Latest actual valuation	30 September 2014
Actuarial method	Projected unit method with a one year control period
Investment returns per annum	4% per annum
Market value of assets at date of last valuation	£793.4 million

Proportion of members' accrued benefits covered by the actuarial value of the assets 81.8%.

The employer contribution rate is 26%.

A defined contribution scheme has also been opened for more recently appointed staff. Contributions for the year to this scheme were £17,746 (2015: £16,892).

20. Commitments to the URC Pension Scheme

The pension scheme for ministers run nationally as a central function of the United Reformed Church has been in deficit for some years despite several attempts to resolve the underfunding based on the valuation approach required of the scheme actuaries. After the most recent valuation, all Synods were requested to confirm an ongoing willingness to help reduce the underfunding. At the balance sheet date, no further commitments were requested from the contributing Synods and therefore no provision is included in the financial statements.

21. Contingent Assets

At the year end the properties of one church was held on Statutory Trusts in accordance with the United Reformed Church Acts of 1972, 1981 and 2000 by the Company following church closures. The proceeds will revert to the Trust on sale in accordance with the Statutory Trusts on which the properties are held.

THE UNITED REFORMED CHURCH (EASTERN PROVINCE) TRUST

Notes to the Financial Statements

Year Ended 31 December 2016

22. Financial Instruments

The carrying amounts of the charity's financial instruments are as follows:-

	2016 £	2015 £
Financial assets:		
Measured at fair value	9,921,644	7,781,446
Measured at amortised cost	2,256,902	2,179,685
	12,178,546	9,961,131
Financial liabilities:		
Measured at amortised cost	(456,715)	(237,727)

Financial assets measured at fair value through net income comprise fixed asset listed investments. Financial assets measured at amortised cost comprise programme related investment loans to churches, other debtors and cash.

Financial liabilities measured at amortised cost comprise amounts due to churches, other creditors and grants payable.

23. Comparative Analysis by Fund

The key components from the prior year figures are analysed below by fund:-

	Total	2015 Unrestricted	Designated	Restricted
	£	£	£	£
Income				
Grants received	161,928	139,800	8,154	13,974
Charitable activities	106,252	-	8,537	97,715
Other activities	3,749	1,137	2,519	93
Investments	<u>464,906</u>	<u>38,851</u>	<u>375,382</u>	<u>50,673</u>
Total operating income	736,835	179,788	394,592	162,455
Profits on sale of property	<u>1,204,423</u>	<u>-</u>	<u>242,877</u>	<u>961,546</u>
	<u>1,941,258</u>	<u>179,788</u>	<u>637,469</u>	<u>1,124,001</u>
Expenditure				
Raising funds	120,749	54,667	15,324	50,758
Charitable activities	<u>513,065</u>	<u>126,603</u>	<u>386,208</u>	<u>254</u>
	<u>633,814</u>	<u>181,270</u>	<u>401,532</u>	<u>51,012</u>
Net Income for the year	1,307,444	(1,482)	235,937	1,072,989
Transfers between funds	-	20,000	(20,000)	-
Realised gains on investments	(453)	(420)	(1,394)	1,361
Unrealised gains on investments	<u>(31,578)</u>	<u>(7,353)</u>	<u>(17,743)</u>	<u>(6,482)</u>
Net Movement in funds for the year	<u>1,275,513</u>	<u>10,745</u>	<u>196,800</u>	<u>1,067,868</u>