

 <p>The United Reformed Church</p>	<p>Thames North Synod 19 October 2019 Report and Accounts 2018</p>	<p>Paper C2</p>
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UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
Registered Charity no 1135477

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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Trustees' Report

Synod Executive presents its report with the financial statements of the Synod 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 Information

Address

St. Paul's URC, Newton Road, London, W2 5LS

Synod Executive

The members of the Synod Executive who are the Charity Trustees for the Synod during the period 1 January 2018 to 15 September 2019 were as follows: -

Members Elected by Synod for a period of three years renewable for a second period of three years only.

Mr Anthony Alderman (re-elected 17 March 2018)	Revd John Danso (re-elected 17 March 2018; resigned 15 September 2019)
Mr Vic Russell (retired 17 March 2018)	Revd Ann Woodhurst (re-elected 17 March 2018)

Members appointed by Synod for a period of three years renewable for a second period of three years only.

Mrs Tina Ashitey (retired 20 October 2018)	Revd Hugh Graham (retired 17 March 2018)
Ms Bim Oniwinde (elected 12 March 2016)	Bridget Akinyombo (elected 31 October 2018)

Ex-officio members

The Treasurer and Assistant Treasurer are appointed by Synod normally for a period of three years renewable for a second period of three years only. The Moderator serves an initial term of seven years renewable for a further period of five years.

Revd Dr Andrew Prasad (Moderator and Convener)
Mr Michael Gould (Assistant Treasurer) (retired 17 March 2018)
Mr Brian Hosier (Assistant Treasurer) (appointed 17 March 2018)
Mr Anthony Obi-Ezekpazu (Treasurer) (re-elected 17 March 2018)

Bankers and Professional Advisers

CAF Bank Ltd. 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ
HSBC Bank plc, 165 Fleet Street, London, EC4A 2DY
Haysmacintyre, Registered Auditors, 10 Queen Street Place, London, EC4R 1AG
Cripps Law, Wallside House, Number 22, Mount Ephraim, Tunbridge Wells, Kent TN4 8AS
Rapleys, 51 Great Marlborough Street, London, W1F 7JT

Trustees' Report

Structure, Governance and Management

The United Reformed Church Thames North Synod Charities is an unincorporated association acting for and on behalf of 133 churches within the Thames North Province of the United Reformed Church.

Six charities were registered with the Charity Commission in April 2011. This was reduced to five in 2013 when the Religious Education Fund (assets less than £5,000) was absorbed into the General Purposes Fund.

- General Purposes Fund
- General Fund
- Church Buildings Fund
- Retired Ministers Housing Charity
- Welfare Fund

These charities continue to be administered under the umbrella of this one unincorporated association although they continue to be accounted for in their own funds and with their own identified assets as set out in Note 20 to the accounts.

The term Synod is commonly used to encompass the constituent URC churches within Thames North Province and also to denote the representative body comprising persons appointed by the constituent churches in the Province and others in accordance with the structure of the United Reformed Church (which is published as Section B of The Manual of the United Reformed Church). Synods were established under the provisions of the United Reformed Church Acts 1972, 1981 and 2000 to support the work of the local churches in their outreach and mission and to share the vision of the United Reformed Church's General Assembly with the local churches. Thames North Synod met two times in 2018 to give general oversight to work done on its behalf and by the constituent churches.

The activities of the Synod are overseen by the Synod Executive, the members of which are the charity trustees of the Synod's funds. Synod Executive meets at least five times a year and has received reports from its committees and personnel involved in discrete areas of its outreach to the churches and the wider world.

Legal ownership of the Synod's land and buildings, investments and other assets is vested in URC Thames North Trust. Day to day oversight of the properties, investments and other assets is the responsibility of the Synod Executive with some Powers delegated to the Resources Committee.

Appointment of members of Synod Executive

The Nominations Committee seeks members from the local churches who are willing to contribute to the work of the Synod Executive. Up to six members are identified this way and their appointment is confirmed by the Synod Meeting. The Nominations Committee also seeks to identify up to four members whose membership will ensure the Synod Executive fairly represents the membership of the local church congregations, these appointments are also confirmed by the Synod Meeting. The Moderator, the Treasurer and the Deputy Treasurer are ex officio members of the Executive by reason on their appointment.

There is an informal programme for the induction of Trustees and training is given at meetings to ensure they are aware of current practice and issues of charity law.

Principal risks and uncertainties

In order to gain an understanding of the risk exposure of the Synod we review each area of our operations annually and use a methodology that will assist the Synod in measuring, evaluating, documenting and monitoring its risks within all areas of its operations.

We use our risk management process to identify, monitor, evaluate and escalate risks as they emerge, enabling Officers to take appropriate action wherever possible in order to control them and also enabling the Synod Executive to keep risk management under review. The risk factors addressed below are those which we believe to be the most material to our business model, which could adversely affect the operations, revenue, cash flow or assets of the Synod and which may prevent us from achieving the Synod's strategic objectives. Additional risks and uncertainties currently unknown to us, or which we currently believe are immaterial, may also have an adverse effect on the Synod.

Trustees' Report (continued)

	Principal risk	Impact	Mitigation
Strategic & Reputational			
1	<ul style="list-style-type: none"> Failure of the Synod to achieve its strategic objectives 	<ul style="list-style-type: none"> Poor stewardship of Synod resources; e.g. due to insufficient evaluation, Synod work does not represent value for money 	<ul style="list-style-type: none"> Regular review of work undertaken by Committees and staff
Financial			
2	<ul style="list-style-type: none"> Investment performance 	<ul style="list-style-type: none"> Loss of value because of poor investment performance. 	<ul style="list-style-type: none"> Monitoring
Compliance and legal			
3	<ul style="list-style-type: none"> Non-compliance 	<p>Failure to observe any of the relevant laws and regulations governing the work of charities and organisations, such as:</p> <ul style="list-style-type: none"> General Data Protection Regulations Children Act – 1989 & 2004 Health & Safety Criminal Records Bureau PAYE regulations Data Protection Employment legislation Gas Act Equal Opportunities Discrimination – Disability, sex, age, race Clash with proposed Incitement law Charity Law Planning regulations Ecclesiastical Exemption Human Rights Act 1998 Freedom of Information Act 2004 <p><i>Note: the list above is not exhaustive</i></p>	<ul style="list-style-type: none"> Monitor new legislation – ensure Synod policy complies. Need to monitor and check compliance Ensure procedures well & promptly administered The availability of good, nationally co-ordinated legal advice will greatly aid this process Good Practice guidelines issued to all churches reinforced by training courses* Clear definitions of responsibility should be agreed.
Operational			
4	<ul style="list-style-type: none"> Computer Systems 	<ul style="list-style-type: none"> Crash of system or individual stations, loss of data, loss of time when equipment down Loss of all computers 	<ul style="list-style-type: none"> Ensure adequate, off-site back-up including specialist data (graphic files, statistics, database). Daily back-up of network on site Spare/emergency equipment available
5	<ul style="list-style-type: none"> Staff succession, recruitment, complement and availability 	<ul style="list-style-type: none"> An inability to maintain an adequate pool of suitable resources could disrupt operations and potentially undermine the Synod's strategic objectives. 	<ul style="list-style-type: none"> Commissioned staffing review to assist with following areas Succession planning/appointments/ Staffing levels and cover

Trustees' Report *(continued)*

Objects and Activities

The objects of the Thames North Synod are to advance the Christian religion in accordance with the doctrines, principles and usages of the United Reformed Church, particularly in the Thames North area. The Synod also supports the work of the whole United Reformed Church through the Inter Synod sharing of financial resources

The Synod continued to carry out the following activities during 2018:

(i) Grant, loans and advisory services

Synod provided advisory services and funding across the Synod, which cover 133 local churches and projects in the Thames North region. It has given financial support to a great variety of projects run by these local churches alone and ecumenically.

The churches and members of their congregations are encouraged to apply for grants and loans to assist with children's and youth work, lay and ministerial training, mission and outreach to the community, spiritual and building development and maintenance. The application form for grants and loans and guidance notes are available from the Synod website www.urcthamesnorth.org.uk. These applications come with the support of the church meeting and Local Area Group.

(ii) United Reformed Church

The Synod also supports the work of the whole United Reformed Church through the Inter Synod sharing of financial resources and facilitating the collection of Ministry and Mission funding from the local church network.

(iii) Public Benefit

In all our activities we continue to remain mindful of the legal requirement for charities to provide public benefit and have had regard to the guidance published in this connection by the Charity Commission.

Thames North Synod gives high priority to the safeguarding of children and vulnerable adults. The Synod follows guidance received from URC headquarters, the Good Practice Policy 4 and the 'Safer Sacred Space' (SSS) programme facilitators. The Synod's Safeguarding Officer supports and encourages local churches and their Elders (local church trustees) to appoint Safeguarding Co-ordinators. The Synod arranges safeguarding and SSS training for ministers and lay people. An independent company thirtyone:eight is contracted to further advise and support the Synod and its local churches.

Achievements and Performance

The Synod fulfils its objectives through offering support to the churches by providing funding, programme staff and enabling-structures as churches attempt to fulfil their Christian calling. A detailed review of the work and activities of the Synod is reported at the March meeting of Synod annually.

The main work of the Synod is to support its constituent local churches and the ecumenical projects supported by the Synod or local churches through various funds at its disposal, and by the mutual co-operation and support of members. Our website continues to be developed for Thames North Synod, for the purpose of improving communication and advocacy of various programme activities. A weekly electronic newsletter was started in January 2018 to share information.

Support is given through personnel appointed to assist with a variety of training of lay and ordained leadership, property matters and work with children and young adults. Others assist with our urban churches, our work in universities, at Heathrow airport and Interfaith dialogue and inter-cultural habits. Synod also supports ecumenical projects and community services (for example, Grassroots, Luton; Chaplaincy at Luton Airport; and University Chaplaincy at Hertfordshire University).

Trustees' Report *(continued)*

Synod Structures

Committee Structure.

The streamlining of the Synod's central governance structures, completed in 2015 under the process of 'Re-Visioning the Synod', released volunteer time to be redeployed in local churches. Some of the services and operations have been centralised, which has proved to be a significant improvement in how the Synod fulfils its role. The joined-up thinking and action across the Synod's programmes and activities is quite central to the new way of working. The Conveners of all Synod Committees meet bimonthly with the Moderator and Synod Clerk. The programme staff hold regular team meetings. The Synod Officers (Moderator, Synod Clerk, Treasurer and Assistant Treasurer) meet regularly to monitor any major issues, review progress and reflect on improving Synod's administration.

The Synod has five Committees: Executive, Discipleship, Pastoral, Resources and Appointments Advisory. There is also a Listed Buildings Advisory Committee.

The purpose of the Executive Committee is to take such actions as will advance Synod decisions relating to the mission, welfare, good governance and well-being of the Thames North Synod of the United Reformed Church. The Executive has a co-ordinating and facilitating role in relation to the work of the other committees and is also the Trustee of Synod in relation to specified staffing, financial and property matters.

The purpose of the Discipleship Committee is to review and update strategies and plans for nurturing faith across all age ranges and for promoting new patterns of activity to further Synod's mission and growth objectives in the context of Vision 2020 (a URC Mission Programme); and to encourage and challenge diverse Local Area Groups across the Synod to identify local priorities for growth and service.

The purpose of the Pastoral Committee is, in conjunction with the Moderator as required, to support ordained ministers, lay ministry and develop deployment strategy in maintaining and developing the Church's mission and ministry, including supporting Local Area Groups to develop appropriate local responses to achieving Synod's mission and growth objectives.

The purpose of the Resources Committee is to ensure that Synod's financial and property resources are properly administered to best advance Synod's mission and growth objectives and support the ministry of Local Area Groups fairly and appropriately across the Synod area.

The purpose of the Appointments Advisory Committee is to ensure that the best possible candidates are found through an open and transparent process to fill vacancies in Synod committees and task groups and to represent Synod at the General Assembly - increasing the level and range of relevant skills available and providing a more balanced representation of the geographic spread, age, gender and ethnicity of church members where possible

The Listed Buildings Advisory Committee is a quasi-statutory body appointed by Synod in accordance with the Revised Procedure for Control of Works to Buildings agreed between the United Reformed Church and the Government under The Planning (Listed Buildings and Conservation Areas) Act 1990 & The Ecclesiastical Exemption (Listed Buildings and Conservation Areas) Order 1994. (SI 1994 No.1771). It is distinct from other Synod committees in that it largely operates under Planning Law and not the United Reformed Church legislation.

The purpose of the Listed Buildings Advisory Committee is to receive notice of any work proposed within the curtilage of a Listed Church, currently in use for worship by the URC and held in URC Trusts within Thames North Synod, and after consulting with the local church and appropriate heritage bodies to advise the Synod (through the Synod Resources Committee) as to whether or not to grant Listed Buildings Consent and on what conditions.

Trustees' Report *(continued)*

Local Area Groups

The formation of Local Area Groups, as part of the 'Re-Visioning the Synod' process which began in November 2015 was completed in 2017. The Synod in total has 14 Local Area Groups. Every local church in the Synod is part of a Local Area Group.

Fulfilment of our vision – that churches would be stronger together benefitting from the mutual support that will assist them in fulfilling their obligations and achieving their missional goals more effectively – is already evident in varying degree in almost all Local Area Groups. The relationship and cooperation between the churches has led to a few amalgamations where two churches formally unite to form a single church, freeing a church building which often requires heavy maintenance cost, as a missional resource for community activities, or by realising funds to support other building or mission projects.

It is hoped that the strategies for training, mission and discipleship will be developed by churches jointly and delivered by the Synod staff and Committees in the context of the Local Area Groups.

Synod Staff

There were changes in the office staff in 2018. A new Synod Accountant began work in 2018. A new Office Manager stayed only for a few months. The job description of the PA to the Moderator and Synod Clerk has been revised to include key tasks of the Office Manager. A new post of Synod Administrator was created to assist the Synod as well as Thames North Trust in administrative work. The Office staff meets regularly to ensure smooth running of the office.

There is a 'Pastoral Consultants' team dedicated to offering conflict-mediation and pastoral care to churches and ministers when they go through a difficult period or are in transition. The team includes a part-time lay woman, a part-time ordained minister along with three trained volunteers, two of whom are from ethnic minorities.

The Synod also has field staff: Property Development Worker, Children & Youth Development Officer and Training Officer. They support various Synod programmes in the field of their specialisation. They have proper line-management and are accountable to the Synod Executive Committee.

i. Training & Development

An annual Gathering of Treasurers and Administrators is held (usually in February) to assist with the ever-increasing legislative and governance environment affecting churches. The Synod Treasurers, Resources Convenor, Trust Officer and Property Development Worker play a key role in planning the event.

The Synod Training Officer provides oversight and encouragement to various need-based training activities that directly assist in the mission and ministry of the local churches, including ministers in training. The Lay Preacher Co-ordinator facilitates and develops lay preachers in the Synod. We currently have 47 Assembly Accredited lay preachers. There is a full time Children's & Youth Development Officer, two Children's & Youth Advocates and a Regional Pilots Officer to support the churches' work among children and youth.

Ministers in the Synod come together annually for a 48 hours' residential. The theme for 2018 was "Conversations Worth Having", and together we explored issues of conflict and disagreement with our churches and reflected on how we respond in such situations. In 2018, we did not hold our usual Minister's Spring School as all Ministers of Word & Sacrament (MWS) and Church Related Community Workers (CRCWs) were invited to a denominational gathering.

The system of Church Life Reviews (CLR) (part of the wider programme, Local Mission and Ministry Review, LMMR), continues as part of the Synod's programme to give local churches an opportunity to express their mission and how best the Synod can assist in furthering it. Reviews in half of our churches have been completed. URC policy is to encourage churches to take up CLR as part of the requirement of declaring a vacancy to invite ministers to serve congregations. Churches are encouraged to link the review with Vision 2020, a ten-year framework exploring ten priorities for mission.

Trustees' Report (*continued*)

i. Training & Development (*continued*)

We continue to encourage our churches to be intentional about discipleship, deepening their own faith and sharing faith with confidence. 'Walking the Way', a national URC initiative, has been embraced to encourage churches to focus on discipleship. We have worked with the London Institute for Contemporary Christianity (LICC). 2018 saw the launch of Learning Hubs with the help of LICC. To date, 10 churches have experienced this learning together and resourced for using it in their church settings. We continue to work with the national Walking the Way team, the Methodist Church and 23 Anglican Diocese; this will add richness to our own journey as we draw on the experience of others. We are also contemplating how we respond to whole-life discipleship/Walking the Way in the context of children's ministry.

A programme for leadership development, *Aspire to More*, replacing our former programme, Training for Learning and Service (TLS), has been prepared to assist churches. There are around 30 course participants (young and old) from various churches, who are trained to lead Christian worship and offer local leadership. A small team facilitates the *Aspire to More* training programme.

ii. Wider Links

The Church is universal. The United Reformed Church in Thames North is aware of being part of the worldwide Church. Within Europe, the Evangelical Church of Czech Brethren (ECCB) in Czech Republic is linked with Thames North Synod. The relationship has been maintained by sharing news and information and the receiving of guests. The Moderator attended the celebration of the 100th Anniversary of ECCB in 2018.

Informal links continue with a good number of Ghanaian Presbyterians living in London, who are also members of United Reformed Churches in the Synod. The churches support one another through prayer and mutual learning. There were no formal activities during 2018.

The Moderator, assisted by the Synod Clerk, continues ecumenical links and wider participation with other denominations in the geographical regions connected to the Synod. This includes several formal and informal Churches Together organisations and various ecumenical projects jointly financed by ecumenical bodies. The Synod regularly reviews its ecumenical links to be effective in its participation.

Involvement in interfaith work is further developed through the work of one of our ministers as a Co-director of the London Inter-faith Centre. The Interfaith Centre, a registered charity, has decided to formally close in December 2018. However, key interfaith projects and other commitments will be met by our personnel for the next two years, working under the umbrella of the Joint-Council of St Andrew's (URC) and St Anne's (Church of England). The London Interfaith Centre is housed in this shared church building.

Financial Review

The Statement of Financial Activities on page 11 discloses that there was a net surplus in resources on all funds totalling £1.1 million for the year (2017: £345,000). Our total funds now stand at £25.5 million with £7.4 million in Capital and Restricted Funds. However, as explained in the Reserves Note below only £8.4 million of this is readily realisable. The Cash Flow Statement demonstrates that the Synod benefited from significant increases in our cash reserves during the year resulting from loan repayments and additional surplus funds from the sale of Queens Park.

Investment Review

The investment powers of the Synod are those generally applicable to Trustees and are now found in the Trustee Act 2000.

(i) Investment policy

The Synod seeks to achieve as high an income as possible, subject to protecting the capital value of the funds against inflation. Investments consist of fixed interest and equity marketable securities and property, inherited from closed churches, which are let commercially. 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. In 2019 we are looking to review our investment policies and investment portfolio particularly in the context of ethical investments and impact on climate change.

Trustees' Report (*continued*)

(ii) Additions and dispositions

The Trustees have not made any major changes to the investments during the year. £23,673 was added to cash and £16,722 was added to investments arising from the closure of Feltham. During the year two Programme Properties were transferred to Investment Properties at a value of £1,075,000. Investment properties were professionally valued at £6,270,000 in the current year.

(iii) Portfolio performance

The performance of our investment holdings during the year have been measured by comparison of total returns against the FTSE All share index, FTSE Actuaries UK Gilts and the UK HPI London All property index on an annual, 3-year and 5-year average basis. The results are outlined below:

	Holding as 31 December 2018	1-year Return	3-year Return	5-year Return
Investments	£ '000			
CCLA ethical Inv. Fund	9,240	0.0%	8.9%	7.9%
CCLA Global Equity Fund	650	0.2%	9.3%	7.7%
CCLA Fixed Interest Fund	16	(0.5%)	4.0%	5.0%
M&G Charifund	2,348	(9.1%)	4.8%	4.7%
Blackrock Charinco (income)	76	(1.3%)	1.4%	3.3%
Blackrock Charinco (accum)	240	(0.3%)	3.8%	5.6%
Property	6,270	7.76%	10.4%	10.3%
Benchmarks				
FTSE All Share (Total Return)		(9.4%)	6.1%	4.1%
FTSE Actuaries UK Gilts All Stocks		0.6%	4.1%	5.2%
UK HPI London All Property		(1.2%)	1.8%	6.1%

(iii) Portfolio performance

The end of 2018 was a particularly bad for the financial markets. That is reflected in the 9.4% negative return of the FTSE All Share Index over 2018 and most other global equity markets. In this context the 1-year returns are acceptable with the flat returns of the CCLA Ethical Investment Fund and Global Equity Fund looking very good in comparison. The 3-year and 5-year returns are equally favourable in comparison. The M&G Equity Investment Fund (Charifund) returns are comparable on a 1-year basis, down on 3-year and up on the 5-year indices. Our property investments continue to outperform the property index. On this basis, the Trustees are happy with their current investment allocations, however will continue to monitor the situation.

Reserves Policy

Total reserves at 31 December 2018 were £25.5 million. Endowment funds were £4.3 million, Restricted funds £3.1 million and Unrestricted funds £18.1 million. The trustees would like to retain reserves sufficient to produce enough income to meet the basic running costs of the Synod.

The Balance Sheet on page 11 indicates the amount in the Unrestricted fund and when adjusted for fixed assets and investment properties it is calculated that the easily realisable reserves amount to over £8.4 million.

The Synod does not raise funds from appeals or from member churches and therefore relies entirely on income from investments and the sale proceeds of closed church buildings to fund the work of the Synod.

The average basic costs, excluding voluntary grants, amount to £628k pa and it is calculated that reserves of £17.4m would be needed to produce sufficient income to pay all these costs. On that basis, the Synod holds sufficient reserves.

Following the revision in 2015 of the Synods spending commitments to that of half the average exceptional income arising over a 10-year period from investment gains and sale of redundant buildings to support work of local churches by part funding major projects from time to time. We can report that during the year the Synod spent in excess of this revised commitment. The Trustees continue to monitor this benchmark and continue to encourage projects that further the Synods Christian objectives.

Trustees' Report *(continued)*

Plans for the future

The principal tasks of the in 2019 will be to:

1. strengthen the Local Area Groups and support their efforts
2. strengthen the link of the Synod discipleship activities with the denominational 'Walking the Way' programme which is being developed and has the same ethos. The Synod seeks to appoint a Discipleship Enabler, a full time Minister who is dedicated to the work of discipleship.
3. gradually merge 'Aspire to More' with the upcoming denominational 'Stepwise' training programme. They have the same ethos but Stepwise will offer more resources, flexibility and a wider network
4. distribute limited ordained ministry resources in a more strategic way, seeking to make ministerial deployment more within the remit of the Local Area Groups. The Synod has 14 Local Area Groups
5. provide more support to churches to understand and observe recent legislative changes, such as Safeguarding and GDPR
6. continue to monitor and improve our staffing needs
7. support the Synod Committee Conveners to recognise and develop a holistic approach to respond to the needs of churches
8. continue to monitor and provide support to improve the efficiency of the Committees in fulfilling their role
9. the Synod, particularly the Trustees, will work towards a greater understanding of and commitment to the concept of inter-synod funding, whereby those synods with higher reserves assist the essential work of synods with limited funding.
10. ensure that drawn-down funds are administered by URC Thames North Trust and maintain an application process separate from the Synod Resource Committee, in response to the requirement from the Denomination.
11. Fill any remaining synod staff posts and maintain adequate staff management, appraisal and support.

Use of Volunteers

Most Ministers of Word and Sacrament receive stipends directly from the United Reformed Church. The United Reformed Church Trust (acting at denominational level) is a separate charity, not under common control. The Synod office staff, Children's & Youth Development Officer, Property Development Worker, Synod Clerk and Trust Officer are paid by the Synod. Other than these, all members of Synod Committees and others supporting and enabling Synod activities are volunteers, almost all being members of their local United Reformed Church or Local Ecumenical Partnership church.

Key Personnel

The key management group within the Synod structure is made up of the Synod Moderator, the Synod Clerk and the Treasurer and the Assistant Treasurer. The Moderator is remunerated by the United Reformed Church at the same rate as all stipendiary ministers of word and sacrament serving the denomination. The two treasurers are volunteers. The Synod Clerk is remunerated from Synod Funds. His salary was set in line with Level 1 Local Authority pay scales and since that date he has received the agreed annual increments made to all Synod staff.

Statement of Trustees' Responsibilities

The Synod Executive is responsible for ensuring that accounts are prepared each financial year which give a true and fair view of the state of those trusts and other funds which are administered for the benefit of the Thames North Synod of the United Reformed Church, under the overall control of the Synod, as at the end of the year and of their income and expenditure for that year. In preparing those accounts, the Synod Executive is responsible for ensuring that:

- suitable accounting policies are selected and applied consistently;
- observe the methods and principles in the Charities SORP;
- judgements and estimates made are reasonable and prudent;
- applicable accounting standards are followed; subject to any material departures being disclosed and explained in the financial statements;
- the accounts are prepared on a going concern basis unless it is inappropriate to assume that the Synod will continue its activities.

The Synod Executive is responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Synod and to enable them to ensure that the accounts comply with generally accepted accounting practice. They are also responsible for safeguarding the assets of the Synod and hence for taking steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of Synod Executive
Revd Dr A Prasad – Moderator

**STATEMENT OF FINANCIAL
ACTIVITIES
FOR THE YEAR ENDED 31
DECEMBER 2018**

		2017			
	Unrestricted	Restricted	Capital	Total	Total
notes	Funds	funds	funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and legacies	3	971	–	–	971
Charitable activities	4	–	19	–	19
Investment Income	5	686	76	–	762
Other	6	–	–	–	–
Total		<u>1,657</u>	<u>95</u>	<u>–</u>	<u>1,752</u>
Expenditure on:					
Raising funds	7	171	–	–	171
Charitable activities	9	1,738	42	–	1,780
Total		<u>1,909</u>	<u>42</u>	<u>–</u>	<u>1,951</u>
Net gains on investments	11	791	605	(90)	1,306
Net gains on assets held for resale	11	–	–	–	–
Total		<u>791</u>	<u>605</u>	<u>(90)</u>	<u>1,306</u>
Income/Expenditure		<u>539</u>	<u>658</u>	<u>(90)</u>	<u>1,107</u>
Reconciliation of Funds					
Total funds brought forward		17,607	2,414	4,403	24,424
Period Income/Expenditure		539	658	(90)	1,107
Total funds carried forward		<u>18,146</u>	<u>3,072</u>	<u>4,313</u>	<u>25,531</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended are derived from continuing activities. Comparative figures for 2017 are shown in note 12.

**BALANCE SHEET
AS AT 31 DECEMBER 2018**

	notes	2018 £'000	2017 £'000
FIXED ASSETS			
Tangible Assets	13	3,518	3,950
Long Term Investments	14	18,833	17,060
Loans and Advances	15	1,588	2,178
Total Fixed Assets		<u>23,939</u>	<u>23,188</u>
Current Assets			
Asset held for re-sale	16	–	1,988
Debtors	17	51	23
Cash and short-term deposits	18	3,088	472
Total current assets		<u>3,139</u>	<u>2,483</u>
Liabilities:			
Amounts falling due within one year	19	<u>(895)</u>	<u>(1,158)</u>
Net current assets		<u>2,244</u>	<u>1,325</u>
Amounts falling due after one year	19	<u>(652)</u>	<u>(89)</u>
		<u>25,531</u>	<u>24,424</u>
Represented by:			
Endowment funds	20	4,313	4,403
Restricted income funds	20	3,072	2,414
Unrestricted Funds	20	18,146	17,607
		<u>25,531</u>	<u>24,424</u>

Approved by the Synod Executive on 15 October 2019 and signed on their behalf by

Revd Dr Andrew Prasad
Moderator

Anthony Obi-Ezekpazu
Synod Treasurer

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
Registered Charity No. 1135477
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£'000	£'000
Net income/expenditure for the reporting period (as per SOFA)	1,107	345
Adjustments for :		
Depreciation	4	5
Gains/losses on investments	(1,307)	(946)
Dividends, interest and rents from investments	(726)	(684)
Loan Interest	(55)	(51)
Surplus on sale of fixed assets	(823)	(468)
Increase in debtors	(27)	(10)
Increase in creditors	300	644
Net cash inflow(outflow) from operating activities	<u>(1,527)</u>	<u>(1,165)</u>
Cash Flow from investment activities		
Dividends, interest and rents from investments	742	735
Purchase of fixed assets	–	(264)
Proceeds from the sale of fixed assets	2,811	360
Purchase of investments	–	(31)
Proceeds from the sale of investments	–	116
Issue of loans	2,067	(276)
Repayment of loans	(1,477)	441
Net cash provided by/used in investing activities	<u>4,143</u>	<u>1,081</u>
Net change in cash and cash equivalents in the reporting period	2,616	(84)
Cash and cash equivalents at the beginning of the reporting period	472	556
Cash and cash equivalents at the end of the reporting period.	<u><u>3,088</u></u>	<u><u>472</u></u>

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018
Registered Charity No. 1135477

1 Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with the Statement of Recommended Practice – “Accounting and Reporting by Charities” applicable in the United Kingdom and Republic of Ireland (SORP FRS 102) issued on 16 July 2014 and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards other than the policy for valuing investment properties, see note below. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1,000. No significant payments were made in other currencies during the year.

General Information.

The Charity is registered in England and Wales (charity number 1135477). The Charity’s registered office address is St Paul’s URC, Newton Road, London, W2 5LS.

The Synod meets the definition of a public benefit entity under FRS102.

Preparation of the accounts on a going concern basis

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

The particular accounting policies are described below.

Scope

The accounts show the combined income, expenditure, assets and liabilities of the funds, which are administered for the benefit of the Synod.

Classification of funds

Capital funds are permanent endowments, which are required to be retained. The income from these funds is spent in accordance with the terms of the original endowment.

Unrestricted funds are those which may be spent generally for furthering the religious and charitable work of the Synod.

Restricted funds as the name implies are those which may only be spent in accordance with the terms of the original restriction.

Incoming Recognition

All incoming resources are recognised once the Synod has entitlement to the resources, it is probable the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Fixed and current assets inherited from closed churches and legacies are recognised when receivable and are included at fair value.

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 income is reported net of costs. It is included when the amount can be measured reliably. Dividend and rental income are recognised as the Synod’s right to receive payment is established.

Expenditure Recognition

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Synod to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category.

1 Accounting Policies (*continued*)

Expenditure Recognition (*continued*)

Grants payable are payments made to churches, individuals and the wider church in the furtherance of the Synod's objectives. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive the grant and the Executive or its Committees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attached to the grant is outside the control of the Synod.

Provision for grants are made when the Spending Committee have approved the grants and this intention has been communicated to the recipient. This includes grants payable over more than one year.

Support costs allocation

Support costs are those that assist the work of the Synod but do not directly represent charitable activities and include premises, office, governance 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 the cost of raising funds and expenditure on charitable activities on a basis consistent with use of resources.

Tangible Fixed Assets and depreciation

(i) Land and Buildings

Programme Assets are carried at cost. Depreciation of programme related freehold land and buildings ceased in 2005 on the basis that it is immaterial since all properties have high residual values. The Finance Committee carries out an impairment review on behalf of Synod Executive to reassure them that the policy of non-depreciation still remains appropriate.

(ii) Motor Cars and Office Equipment

Depreciation is only provided for assets costing over £1,000 and is provided at 25% of the written down value unless the life of the asset is expected to be shorter.

(iii) Office Furniture and Fittings

Depreciation has been provided at 25% of the written down value unless the life of the asset is expected to be shorter.

Investments

Quoted Investments are included at market value at the Balance Sheet date. The Investment properties were valued at market value at 31 December 2018 by the Synod's surveyors – Rapleys. It is the Synod's intention that Investment properties will be valued at "fair value" in future years.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains or losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Pensions

The Synod contributes to a multi-employer defined benefit pension scheme for some employees who were employed before 2010 (see note 21). The assets of the scheme are managed independently of the Synod. Pension costs are assessed in accordance with the advice of an independent qualified actuary. Contributions for the regular ongoing cost of pensions are such that the regular pension cost is a substantially level percentage of the current and expected future pensionable payroll. The Synod also operated two defined contribution schemes which were closed in 2017 and replaced with an Auto Enrolment Scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the schemes.

Recognition of liabilities

Expenditure is included in the Statement of Financial Activities in accordance with the concept that liabilities are recognised as soon as there is a legal or constructive obligation committing the Synod.

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018
Registered Charity No. 1135477

1 Accounting Policies (continued)

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 penalty on 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.

Financial instruments

The Synod only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans to related parties and investments in stocks and share. The measurement basis used for these financial instruments is detailed in note 20 of the accounts.

2 Related Party Transactions and Trustees' Remuneration

Trustees received no emoluments (2017 nil). Travelling, computer and stationery expenses reimbursed in the year totalled £340.30 (2016 £1,224). During 2018 the spouse of one trustee received remuneration of £17,004 as a Synod Pastoral Consultant.

3 Donations and Legacies

	2018	2017
	£'000	£'000
Receipts from closed churches	823	–
Legacy	87	–
Trust	61	–
	<u>971</u>	<u>–</u>

4 Charitable Activities

	2018	2017
	£'000	£'000
Income from retirement properties	19	19
	<u>19</u>	<u>19</u>

The Synod asked a less than commercial rent on properties owned by the Synod's Homes for Retired Ministers' Fund. These are let to ministers and their widows who had not amassed sufficient years' service to qualify for the URC Retired Ministers Housing Scheme.

5 Investments

	2018	2017
	£'000	£'000
Dividends – investment units	491	472
Dividends – fixed interest units	–	4
Interest on deposit accounts	–	6
Interest on loans to churches and ministers	55	25
Rents from Investment Properties	216	216
Notional gain on equity loan	–	22
	<u>762</u>	<u>745</u>

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018
Registered Charity No. 1135477

5 Investments (continued)

Interest on deposit accounts is either paid direct to the Synod or via URC Thames North Trust. The notional gain on the equity loan reflects the increased value of the loan to Mission Housing. This is a requirement for FRS 102.

6 Other Incoming Resources

	2018	2017
	£'000	£'000
Net gain on disposal of properties	–	202

7 Cost of Raising Funds

	2018	2017
	£'000	£'000
Rented Property Costs - Investment Properties	171	47
	<u>171</u>	<u>47</u>

Rented property costs consist of insurance, professional fees, repairs, statutory surveys etc as required on the Synod's housing stock.

8 Allocation of Support Costs and Overheads

Where costs are specifically attributable to Programme Staff these have been included in direct Support costs. Following a re-evaluation of our costs, it is now considered that all Administration costs can be classed as charitable.

	2018	2017
	£'000	£'000
Inter Synod Sharing	180	180
Newham Grant	–	325
Contribution to National Church (Ministry and Mission Fund)	107	60
Ongoing committed mission costs	60	42
Salaries and costs of Programme staff	171	138
Resources Grants	622	299
Welfare grants	1	2
Costs of retirement and Synod properties	61	110
Salaries and associated costs for Office Staff	100	354
Synod Office running Costs	89	65
Trust Officer Salary and associated costs	81	74
Synod Clerk's salary and costs, Committee and Synod events	24	55
Pastoral Consultants costs	–	19
Legal and Valuers' fees	84	20
Audit fee	–	10
Contribution to URC pensions deficit	200	29
	<u>1,780</u>	<u>1,782</u>

9 Charitable Activities

Under the new committee structure all grants are made by the Resources Committee after consulting with the Discipleship and Pastoral Committees.

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018
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10 Emoluments of Employees

The total emoluments of employees of the Synod were £315,000 (2017 £384,000). The average number of employees was 10 (2017:10). During the year, the following salary costs were incurred:

	2018	2017
	£'000	£'000
Salaries for programme staff		
Gross Salaries	94	102
Social Security costs	9	9
Pension contributions	25	18
	<u>128</u>	<u>129</u>
Salaries of the Synod Clerk, Office and Trust staff		
Gross Salaries	156	219
Social Security costs	22	14
Pension contributions	8	22
	<u>187</u>	<u>255</u>

One employee receives a salary of £60,000 - £70,000 (2017: 1). The Synod's Key Personnel are considered to be, other than the Trustees, the Moderator whose stipend is paid by the United Reformed Church. The Treasurer and Deputy Treasurer who receive no remuneration and the Synod Clerk whose salary for his part time employment was £22,000.

11 Gain/Losses on Investments and Assets Held for Resale

	2018	2017
	£'000	£'000
Investments		
Realised gains (losses) on disposal of investments	648	-
Gains on revaluation of investments held	659	946
- see note 14	<u>1,306</u>	<u>946</u>
Assets Held for Resale		
Gains on revaluation of Closed churches	-	267

12 Statement of Financial Activities for Previous Year 2017

	notes	Unrestricted	Restricted	Capital	Total
		Funds	funds	funds	Funds
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and legacies	3	-	-	-	-
Charitable activities	4	-	19	-	19
Investment Income	5	667	73	-	740
Other	6	202	-	-	202
Total		<u>869</u>	<u>92</u>	<u>-</u>	<u>961</u>
Expenditure on:					
Raising funds	7	47	-	-	47
Charitable activities	9	1,709	73	-	1,782
Total		<u>1,756</u>	<u>73</u>	<u>-</u>	<u>1,829</u>
Net gains on investments	11	612	103	231	946
Net gains on assets held for resale	11	267	-	-	267
Net Income		<u>(8)</u>	<u>122</u>	<u>231</u>	<u>345</u>
Reconciliation of Funds					
Total funds brought forward		17,615	2,292	4,172	24,079
Total funds carried forward		<u>17,607</u>	<u>2,414</u>	<u>4,403</u>	<u>24,424</u>

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018
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13 TANGIBLE FIXED ASSETS

	Homes for Retired Ministers £'000	Programme & other Property £'000	Office Equipment, furniture and cars £'000	Total £'000
Cost				
At 1 January 2018	1,608	2,384	59	4,051
Transfers to investment properties	–	(427)	–	(427)
At 31 December 2018	1,608	1,957	59	3,624
Depreciation				
At 1 January 2018	45	13	43	101
Charge for year	–	–	5	5
Depreciation on disposals	–	–	–	–
At 31 December 2018	45	13	48	106
Net Book Value at 31 December 2018	1,562	1,944	12	3,518
Net Book Value at 31 December 2017	1,562	2,371	17	3,949

Homes for Retired Ministers include freehold and leasehold property wholly or substantially owned by the Synod and occupied by retired ministers or their former partners. A less than commercial rent is paid by these tenants.

Other Property comprises in the main, houses occupied by ministers serving in the area of the Synod where they are not accommodated in houses owned by individual churches. During the year one property was sold.

14 Investments

	CCLA Funds £'000	COIF Deposits £'000	Chari- Fund £'000	Others £'000	Investment Properties £'000	Total £'000
At 1 January 2018	10,190	51	2,708	240	3,871	17,060
Additions	17	24	–	–	–	41
Transfers from Programme Property	–	–	–	–	427	427
Net gains / (losses)	(302)	–	(360)	(5)	1,972	1,305
At 31 December 2018	9,905	75	2,348	235	6,270	18,833

15 Loans

	2018 £'000	2017 £'000
Interest bearing loans	114	127
Non-interest-bearing loans – churches	148	146
Non-interest-bearing loans – staff	–	2
Equity loan to Mission Homes	210	209
Adeyfield Free Church – 10year loan	268	260
Adeyfield Free Church – bridging loan	646	1,232
Fair Value Adjustment to Mission Homes loan (see note 5)	202	202
	1,588	2,178

£35,000 of the loans outstanding are due for repayment within one year, the remainder within the following four years except the loan to Adeyfield Free Church which is repayable over 10 years.

Non-interest-bearing loans are made to churches on an emergency basis. Non-interest-bearing loans to individuals have been made to assist with the purchase of computers and to staff for season tickets and cars used substantially for Synod purposes. New loans of £1,477,000 (2017: £276,000) were made during the year and £2,067,000 (2017: £441,000) repaid.

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018
Registered Charity No. 1135477

16 Assets held for resale

	2018	2017
	£'000	£'000
Former Queens Park URC premises as valued	–	1,700
Net value of former Chigwell Row URC premises	–	288
	<u>–</u>	<u>1,988</u>

17 Debtors

	2018	2017
	£'000	£'000
Debtors & Accrued Income	36	12
Payments in advance	15	11
	<u>51</u>	<u>23</u>

18 Cash and Short-term Deposits

	2018	2017
	£'000	£'000
COIF Deposit Accounts	2,989	283
Cash at Bank	99	189
	<u>3,088</u>	<u>472</u>

19 Creditors

	2018	2017
	£'000	£'000
Creditors	303	327
Accrued expenses	52	23
Accrued grants due within one year	541	808
	<u>895</u>	<u>1,158</u>
Accrued grants due in more than one year	<u>652</u>	<u>89</u>

The accrued grants due in more than one year consist of residual Mission Initiatives Group liabilities only and have been discounted to comply with FRS102. The expectation is that grants made by the Resources Committee made in 2018 will be accessed in 2019.

20 Funds

Six charities were registered with the Charity Commission in April 2011. The Religious Education Fund was absorbed into the General Purposes Funds in 2013.

General Purposes Fund

	Capital Fund	Unrestricted Fund	Property Maintenance Unrestricted	Mission Fund	Ethnic Minorities Capital	Ethnic Minorities Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2018	2,827	992	328	9	62	27	4,244
Income	–	620	5	–	–	3	628
Outgoings	–	(1,422)	–	–	–	–	(1,422)
Investment gains	(71)	867	(4)	–	(2)	(1)	789
Balance at 31 December 2018	2,756	1,057	329	9	60	29	4,240

The Fund was established in 1982 for the purpose of furthering the religious and other charitable work of the United Reformed Church in the area now of the Thames North Synod of the United Reformed Church by providing information, advice and support and grants. It is used to purchase or assist with purchasing property in support of the Synod or local church activities. It is also used to provide and promote lay and ministerial training, develop and promote ecumenical relations, work making a difference in the local communities and supporting other charities as an expression of the Christian faith.

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018
Registered Charity No. 1135477

20 Funds (continued)

General Fund

	Unrestricted Fund
	£'000
Balance at 1 January 2017	16,277
Income	1,031
Outgoings	(487)
Investment gains	(71)
Balance at 31 December 2018	16,750

The Fund was established in 1998 for the purpose of supporting and enhancing the charitable work of local churches now within the Thames North Synod by providing information, advice and support to individuals and organisations, by providing grants or loans to local churches for the upkeep, repair and improvement of church buildings and manses, purchasing or assisting the purchase of property in support of the Synod or local church activities and by supporting and enhancing the charitable work of the wider United Reformed Church by providing grants. Income is from the proceeds of sale of former churches.

Church Buildings Fund

	Capital Fund £'000	Restricted £'000	Total £'000
Balance at 1 January 2018	574	714	1,288
Income	–	42	42
Outgoings	–	(42)	(42)
Investment gains	(14)	626	612
Balance at 31 December 2018	560	1,340	1,900

The Fund was established in 1982 for the purpose of making grants and loans to local churches now within the Thames North Synod for the upkeep and repair and improvement (including replacement) of their church premises and manses.

Retired Ministers Housing Charity

	Capital Fund £'000	Restricted £'000	Total £'000
Balance at 1 January 2018	827	1,546	2,373
Income	–	44	44
Outgoings	–	–	–
Investment gains	–	(18)	(18)
Balance at 31 December 2018	827	1,572	2,399

The Fund was established in 1982 for the purpose of purchasing suitable properties which would provide homes for retired ministers and their spouses or the widow(er)s of retired Ministers who do not qualify for assistance from the general United Reformed Church scheme and who formerly served within Thames North Synod. It may also make grants available towards sheltered housing costs.

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018
Registered Charity No. 1135477

20 Funds (continued)

Welfare Fund

	Capital Fund £'000	Restricted £'000	Total £'000
Balance at 1 January 2018	114	128	242
Income	–	7	7
Outgoings	–	–	–
Investment gains	(3)	(2)	(6)
Balance at 31 December 2018	111	132	243

The Fund was established in 1982 for the purpose of making grants to ministers in the area now of the Thames North Synod whether serving or retired and their spouses/ widow(er)s in times of need.

Summary

	Unrestricted £'000	Restricted £'000	Capital Fund £'000	Total £'000
Balance at 1 January 2017	17,606	2,414	4,403	24,424
Income	1,657	96	–	1,752
Outgoings	(1,909)	(42)	–	(1,951)
Investment gains	791	605	(90)	1,306
Balance at 31 December 2018	18,145	3,072	4,314	25,531

	Unrestricted £'000	Restricted £'000	Capital Fund £'000	Total £'000
General Purposes Fund	1,395	29	2,816	4,240
General Fund	16,750	–	–	16,750
Church Buildings Fund	0	1,340	560	1,900
Retired Ministers Housing Charity	0	1,572	827	2,399
Welfare Funds	0	132	111	243
Balance at 31 December 2018	18,145	3,072	4,314	25,531

Movement on these funds in 2017 are presented in our 2017 financial statements which are available on the Charity Commission website

21 Financial Instruments

	2018 £'000	2017 £'000
Financial Assets		
Financial assets measured at fair value	18,833	17,060
Financial assets that are debt instruments measured at amortised cost	1,639	2,201
Financial Liabilities		
Financial liabilities measured at amortised cost	303	327

Financial assets measured at fair value comprise listed investments. Financial assets measured at amortised cost comprise loans and debtors. Financial liabilities measured at amortised cost comprise creditors.

UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018
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22 Ministry and Mission Contributions

During 2018 the Synod's churches contributed £2,222,465 (2017: £2,159,505) directly to the national church's Ministry and Mission Fund and the Synod contributed £107,000 (2017: £60,000).

23 The United Reformed Church Final Salary Scheme

Synod employees whose employment commenced before 2010 are entitled to contribute to a staff pension scheme set up by The United Reformed Church known as the "Final Salary" scheme; this too is a defined benefit scheme, which is administered by TPT Retirement Solutions (formerly The Pensions Trust). The United Reformed Church is the principal employer in the scheme, and Thames North Synod is one of the participating employers. There is no agreement to charge the net defined benefit cost to participating employers, who are therefore unable to identify their share of the underlying assets and liabilities – each employer 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 £5,445,000.

During 2017 the United Reformed Church contributed 28.2% (2016: 28.2%) of basic salary in respect of members of the Final Salary scheme which includes 10.5% as deficit funding and 3.2% to meet expenses and levies.

Members contributed at the rate of 6% to September 2016 and then at 7.5% from October 2016 (2015: 6%) of pensionable salary throughout the accounting period.

Previous to the September 2016 valuation it was not possible to identify each Synod's share of the underlying assets and liabilities in the lay pension scheme. However, this year, due to the need to fund the large deficit identified at the September 2016 valuation, a one off and costly exercise was done to split the liabilities by employer. For Thames North the figures were as follows:

<i>Synod No.</i>	<i>Employer</i>	<i>Solvency Liability</i>	<i>TP Liability</i>	<i>%</i>	<i>Contribution Required by 30.06.2018</i>
10	Thames North	2,643,222	1,651,034	5.80	197,200
	Total for the URC	50,615,560	28,475,037	100	3,400,000

£197,200 was paid during the year.

For Staff employed after 2010, matched contributions of up to 10% of their gross earnings were offered in a "Stakeholder Scheme". From October 2017 staff were offered to opt in or opt out of a qualified earnings scheme from between 4% to 10% of their salary; this is a scheme operated through the People's Pension (B&CE).

INDEPENDENT AUDITOR'S REPORT TO THE UNITED REFORMED CHURCH THAMES NORTH SYNOD CHARITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Independent auditor's report to the trustees of United Reformed Church Thames North Synod Charities

Opinion

We have audited the financial statements of United Reformed Church Thames North Synod Charities for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of the charity's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 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 charity'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 charity 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.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITED REFORMED CHURCH THAMES
NORTH SYNOD CHARITIES FOR THE YEAR ENDED 31 DECEMBER 2018**

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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Haysmacintyre LLP
10 Queen Street Place
Statutory Auditors
London
EC4R 1AG
..... 2019

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