

**Manchester District Association of Unitarian
And Free Christian Churches Incorporated**

A company limited by guarantee

Report and Financial Statements

Year ended 31st December 2008

Company number 1029607

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Manchester District Association of Unitarian
And Free Christian Churches Incorporated.

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Legal and administrative information

Status

The organisation is a charitable company limited by guarantee, incorporated on 3rd November 1971. It is registered as a charity. It was granted Trust Corporation status on 18th January 1973.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed by its Articles of Association.

Directors

Geoffrey Head
John Andrew Midgley (resigned 31st January 2008)
Kenneth James Johnson
Celia Midgley
Elsie Deas
Marion Nuttall
Ann Sonja Peart
Aled Wyn Jones
Penelope Frances Johnson
Alexander Bradley
Amanda Birchenough (resigned 28th April 2008)
Dennis Crompton
Francois Charles Melchoir VanDenBroeder
Robert Pounder (resigned 15th September 2008)
Michael Dadson

The directors are those members of the parallel, unincorporated association who are also members of the company.

Secretary

Rev. Penelope Frances Johnson, Fairfield, London Road, Adlington, Macclesfield, Cheshire SK10 4NA

Registered office

Cross Street Chapel, Cross Street, Manchester, M2 1NL

Bankers:

Royal Bank of Scotland plc, Manchester St. Ann Street Office, St. Ann Street, Manchester, M 60 2SS

Solicitors:

Mace and Jones, Pall Mall Court, 61 - 67 King Street, Manchester M2 4PD

Independent Examiner:

Hanleys Ltd., Chartered Accountant, Spring Court, Spring Road, Hale, Cheshire,
WA14 2UQ

Investment manager:

Newton Investment Management Limited, Mellon Financial Centre, 160 Queen Victoria Street, London
EC4V 4LA

Manchester District Association of Unitarian and Free Christian Churches Incorporated

Report of the Directors
for the year ended 31st December 2008

The directors present their report, with the financial statements of the company, for the year ended 31st December 2008.

1. Structure and objects of the company and its constituent trusts.

The company, which is limited by guarantee, whose registered number under the Companies Acts is 1029607, administers and accounts as sole trustee for four charities:

General Fund. (Charity Commission number 503753).

Manchester Unitarian Congregational Fund. (Charity Commission number 1032203)

Manchester Domestic Mission Society Fund. (Charity Commission number 253233)

Leech Fund. (Charity Commission reference L3 (E) 602094)

By virtue of its status as a Trust Corporation, it acts as sole trustee of seven churches in the Manchester District; of the Provincial Assembly of Lancashire and Cheshire; it is custodian trustee for another church, and with other trustees is a trustee of two further churches and is custodian trustee and administrator of the will of Sir C. C. Grundy dec'd.

2. Origin and objects of the funds

- (a) The General Fund is derived from legacies, sale of Unitarian properties in the Manchester District and other funds which have been vested in it.
- (b) The Manchester Unitarian Congregational Fund was created by the amalgamation of seven existing charities, the assets arising on the closure of a church and a grant from the Trustees of Flagg Chapel.

The clear income from both these funds is to be applied "towards the upkeep, repair and improvement of churches whose congregations are members of the Manchester District Association, and in and towards the maintenance of services and otherwise furthering the religious, educational and charitable work of the Association".

- (c) The object of the Manchester Domestic Mission Society Fund is "the diffusion of religious and other elevating influences, by Ministry among the poor in Manchester". In the 19th century the Society employed a missionary and set up schools. Nowadays grants are made to charities that operate in deprived parts of Greater Manchester.

- (d) The Leech Fund was set up for the benefit of Ministers in the counties of "Northumberland, Lancashire and Cheshire". In practice, it makes grants to ministers and students for the provision of books.

The company invests the financial assets of these Funds in stock exchange securities and deposits at interest. Its portfolio is managed by an investment manager, Newton Investment Management Limited, on a discretionary basis. The company also holds a plot of land, leased for car parking purposes, on behalf of the Manchester Unitarian Congregational Fund.

3. Organisational and decision-making structure.

The Executive Committee consists of the President, Vice-President, President Elect, Treasurer, General Secretary and eight other members. Members other than the officers serve for three years. They are elected at the Annual General Meeting of the Unincorporated Association and meet six times a year, to decide policy, receive reports, and authorise grants. All are unpaid.

The Company is associated with fourteen Unitarian churches in the Manchester area which send delegates, two per church plus its minister, to meetings of the parallel Unincorporated Association which also meets six times a year. That body, to which the Executive Committee reports, discusses matters of general interest and aims to support the constituent churches in their religious and social activities. The Organisation also elects a Publicity Officer, and a Religious Education Co-ordinator, and appoints members to represent it on bodies with which it is associated. It publishes a monthly magazine, The Unitarian, which is distributed to Unitarian Churches throughout the Country. The manager and editor of the magazine receive small honoraria.

4. Association with related parties, charities etc.

The charity is associated with the General Assembly of Unitarian and Free Christian Churches, which is the national body, in the United Kingdom, for Unitarians. It is not financially connected, but the company's treasurer collects, on its behalf, cash quotas that are made on a voluntary basis by Congregations in the District. The Association is also represented on Greater Manchester Churches Together, Manchester Council of Christians and Jews, and the Manchester Inter-Faith Forum. The Oldham Congregation continues its work with Traidcraft and third-world concerns.

5. Review of activities

- (a) The General Fund provided for the administration costs and independent examination of the Company. It also paid for the services of a part-time receptionist/secretary who is skilled in information technology. She provides assistance to the Secretary and to the churches in the District. The Fund generated a net income of £13,434 (2007 - £10,712) and there was a loss in the value of investment assets of £98,830 (2007 - £14,768). The Fund decreased in value by £85,396 (2007 - £4,056) in the year.
- (b) The Manchester Unitarian Congregational Fund made a grant to one of its churches of £5,000 towards the repair and refurbishment of buildings. It has assisted, to the extent of £16,410, in the provision of support for the stipends, of five ministers and a student pastor. General subscriptions and donations amounted to £7,811. Income in the year exceeded expenditure by £3,396 (2007 - £4,128). After taking account of a loss on investment assets of £110,010 (2007 - £16,820) the Fund decreased in value by £106,614 (2007 - £12,692) in the year.
- (c) The Manchester Domestic Mission Society Fund provided grants of £11,500 (2007 - £8,000) to charities which assist and advise persons resident in deprived parts of the City. Expenditure exceeded income by £220 (2007 - gain of £2,717). The loss in the value of investment assets of £58,049 (2007 - £8,859) was the principal reason for a decrease in the value of the Fund of £58,269 (2007 - £6,142).
- (d) The Leech Fund made two grants in the year. There was a net deficit of £14 (2007 - surplus of £128). There was a loss in the value of investment assets of £1,233 (2007 - £191) leading to a decrease in the Fund of £1,247 (2007 - £63).
- (e) The Association is residual trustee for Swinton Unitarian Church, which was closed over twenty years ago and demolished. The site was sold to the local authority. Because of the existence of graves on the site, most of the area was grassed over. The then trustees inserted a covenant in the sale agreement that the land should not be used for building development. The trustees have appointed a surveyor to represent their interests should the present owners of the site wish to negotiate the removal of the covenant.
- (f) The Association does not undertake fund raising activities.

6. Policy relating to reserves

Over many years, income has accumulated which has been invested, in part, to become merged with the capital base from which the Association's income arises. At 31st December 2008 this accumulation amounted to £365,571, arising from income surpluses of most years. These resources, as with the Association's original capital, have been severely eroded by capital losses. In recent years cash surpluses have been placed on deposit to avoid these erosions and to be available for use should the need arise, to the extent of about £150,000.

7. Statement concerning major risks

The main risk to the assets of the charity derives from the uncertain world economic situation and any adverse effect this could have on the capital value of its investments and of the income derived from them. Up to 2008, and particularly in that year, capital erosion has been severe. However, income has not, so far, been affected.

8. Grant-making policy

The General Fund makes no monetary grants but allowed the use of a motor vehicle by the minister of Cross Street Chapel, showing the associated depreciation of the vehicle in its accounts as a grant. The vehicle was sold at the beginning of the accounting year and has not been replaced. The Manchester Unitarian Congregational Fund makes grants in aid of the stipends of ministers and for the repair and maintenance of church buildings. Donations are made, mainly to national Unitarian bodies. Grants are considered by the executive committee on their merits, and within the income of the Fund, taking one year with another.

Grants from the Manchester Domestic Mission Society Fund are recommended by a sub-committee of the council. Its members actively monitor and visit the charities to which the grants are made. Grants from this Fund are intended to improve the lot of the poorer and more disadvantaged residents of Greater Manchester.

The Leech Fund now makes grants to students or ministers for the purchase of books.

9. Directors' responsibility for financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgments and estimates that are reasonable and prudent; prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding of the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

10. Independent Examiner

The Independent Examiner, Hanleys Ltd., will be proposed for reappointment at the annual general meeting.

On behalf of the board,

27th January 2009

 DIRECTOR

Independent Examiner's Report to the members of the
Manchester District Association of Unitarian and Free
Christian Churches Incorporated

We report on the Financial Statements of the company set out on pages 6 to 10 which have been prepared on the basis of the policies set out on page 8.

Respective responsibilities of trustees and the examiner.

As the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is our responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43 (7)(b) of the Act, whether particular matters have come to our attention.

Basis of the independent examiner's report.

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

Independent examiner's statement.

In connection with our examination, no matter has come to our attention:

- (1) which gives us reasonable cause to believe that in any material respect the requirements
 - (a) to keep accounting records in accordance with section 41 of the Act; and
 - (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act have not been met; or
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Hanleys Ltd.
Registered Auditor
Chartered Accountant
Spring Court
Spring Road
Hale
Cheshire
WA14 2UQ



28 April 2009.

**Manchester District Association of Unitarian
and Free Christian Churches Incorporated**

**Statement of Financial Activities (including Income and
Expenditure Account) for the year ended 31st December 2008**

	<u>General Fund</u>	<u>MUC Fund</u>	<u>MDMS Fund</u>	<u>Leech Fund</u>	<u>Total 2008</u>	<u>Total 2007</u>
Incoming Resources						
Subscriptions from member churches	1,150	-	-	-	1,150	1,145
Investment income	20,007	34,144	11,661	248	66,060	62,542
Total incoming resources	21,157	34,144	11,661	248	67,210	63,687
Resources expended						
Investment manager's fee	648	722	381	8	1,759	2,190
Grants	76	30,026	11,500	254	41,856	35,936
Clerical/Computer services	3,827	-	-	-	3,827	3,994
Administration	3,172	-	-	-	3,172	3,882
Total resources expended	7,723	30,748	11,881	262	50,614	46,002
Net incoming resources- net income for the year	13,434	3,396	-220	-14	16,596	17,685
Gain (loss-) on investment assets	-98,830	-110,010	-58,049	-1,233	-268,122	-40,638
Net movement in Funds	-85,396	-106,614	-58,269	-1,247	-251,526	-22,953
Funds 1st January 2008	453,901	560,756	258,999	5,537	1,279,193	1,302,147
Funds 31st December 2008	£368,505	£454,142	£200,730	£4,290	£1,027,667	£1,279,194

**Manchester District Association of
Unitarian and Free Christian Churches Incorporated**

Balance Sheet 31st December 2008

	<u>Note</u>	<u>2008</u> £	<u>2007</u> £
<u>Fixed Assets</u>			
Tangible fixed assets - Investment Land		70,000	70,000
Held for use by the charity	2	845	2,557
Investments	3	785,519	1,055,501
Loans	3	2,996	1,832
		<u>859,360</u>	<u>1,129,890</u>
<u>Current Assets</u>			
Debtors	4	13,679	9,993
Short term deposits		126,081	95,167
Cash at bank		29,557	45,524
		<u>169,317</u>	<u>150,684</u>
Less liabilities falling due within one year	5	-1,010	-1,380
<u>Net current assets</u>		<u>168,307</u>	<u>149,304</u>
<u>Total net assets</u>		<u>£1,027,667</u>	<u>£1,279,194</u>
<u>Unrestricted Funds</u>			
General Fund		368,505	453,902
Manchester Unitarian Congregational Fund		454,142	560,756
Manchester Domestic Mission Society Fund		200,730	258,999
Leech Fund		4,290	5,537
		<u>£1,027,667</u>	<u>£1,279,194</u>

For the year ended 31st December 2008 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibility for:

(1) Ensuring the company keeps accounting records which comply with section 221; and (2) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of and its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the Directors
on 27th January 2009 and were signed on their
behalf by:

Marion Nuttall - President
Kenneth James Johnson - Treasurer

M. Nuttall
K. Johnson

Notes forming part of the financial statements for the year ended 31st December 2008

1. Accounting Policies

(a) The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2005), the Companies Act 1985 and follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in October 2000.

(b) Investment land is included in the balance sheet at Professional Valuer's estimate of market value at 31st December 1997. It is the Directors' opinion that there has been no material change in value since that date.

(c) Office equipment and computing equipment are valued at cost less depreciation.

(d) Listed investments are included in the balance sheet at their middle market value at the accounting date.

(e) Grants and donations receivable and payable are accounted for when received or paid by the charity. Rent from investment land is brought into account on a day-to-day basis as earned. Dividends and interest on securities and bank deposits are brought into account when received by the charity or its investment manager.

(f) Fixed Assets are depreciated:

- (i) Computer equipment and filing cabinets by equal amounts over five years.
- (ii) Office equipment by equal amounts over three years.

2. Tangible Fixed Assets held for use by the Charity.

	<u>Motor Vehicle</u>	<u>Office Equipment</u>
	£	£
Cost at 1st January 2008	<u>7,065</u>	4,908
Additions in the year		<u>1,057</u>
		<u>£ 5,965</u>
Depreciation at 1 st January 2008	5,489	3,927
Depreciation charged in the year	<u>76</u>	<u>1,193</u>
Accumulated depreciation	<u>5,565</u>	<u>£ 5,120</u>
Net value of vehicle and proceeds of sale	<u>£1,500</u>	
Net value at 31 st December 2008		<u>£ 845</u>

3 Investments

(a) Quoted investments.	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Balance at 1st January 2008	1,018,974	1,094,152
Add acquisitions in the year, at cost	<u>(1,427)</u> (equalisations)	<u>353,716</u>
	1,017,547	1,447,868
Less sales	-	<u>397,157</u>
		1,050,711
Less unrealised loss in the year	<u>268,122</u>	<u>31,737</u>
	749,425	1,018,974
Add cash held within the Portfolio	<u>36,094</u>	<u>36,527</u>
	<u>£785,519</u>	<u>£1,055,501</u>

The Portfolio is managed on a discretionary basis by Newton Investment Management Limited. The custodian of the stocks and shares is The Bank of New York Inc. Its Cost value at 31st December 2008 was £988,367 (2007 £990,226)

(b) Unsecured loans

	<u>Urmston</u>	<u>Charles</u>
	<u>Unitarian Church</u>	<u>VanDenBroeder</u>
	<u>£</u>	<u>£</u>
Balance outstanding at 1 st January 2008	1,832	-
Loan advanced in the year	-	3,000
Add interest	<u>64</u>	<u>90</u>
	1,896	3,090
Less repayments	<u>960</u>	<u>1,030</u>
	<u>£2,996</u>	<u>£2,060</u>

4. Debtors

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Dividends and interest	7,123	7,224
Rents due re King Street / Queen Street site	6,556	2,409
Cost of delegate at 2008 General Assembly		<u>360</u>
	<u>£13,679</u>	<u>£9,993</u>

5. Liabilities falling due within one year.

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Creditor for salary	-	301
Creditor for accountancy	560	529
Creditor for Investment Manager's fee	<u>450</u>	<u>550</u>
	<u>£1,010</u>	<u>£1,380</u>

6. Investment Income

	<u>Income from</u>	<u>Rents etc</u>	<u>Total</u>	<u>Total</u>
	<u>Investments</u>	<u>less charges</u>	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
General Fund	20,007	-	20,007	18,661
MUC Fund	22,099	12,045	34,144	32,343
MDMS Fund	11,661	-	11,661	11,194
Leech Fund	<u>248</u>	<u>-</u>	<u>248</u>	<u>241</u>
	<u>£54,015</u>	<u>£12,045</u>	<u>£66,060</u>	<u>£59,681</u>

7. Net Incoming Resources for the year are stated after charging:

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Depreciation	1,269	1,507
Management committee remuneration	-	-
Independent examiner's fee.	589	529

8. Staff costs and numbers

Staff costs were as follows:	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Salary	3,770	3,639
Social security costs	57	54
	<u>£3,827</u>	<u>£3,693</u>

The average weekly number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	<u>2008</u>	<u>2007</u>
Administration and support	0.4	0.4

9. Taxation

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

10. Analysis of net assets between funds:

	<u>General</u>	<u>MUC</u>	<u>MDMS</u>	<u>Leech</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible fixed assets	845	70,000	-	-	70,845
Investments	293,784	320,649	167,551	3,535	785,519
Loans	2,996	-	-	-	2,996
Short term deposit	47,154	51,466	26,894	567	126,081
Cash at bank	11,057	12,027	6,285	188	29,557
Current assets (debtors)	13,679	-	-	-	13,679
Current liabilities	(1,010)	-	-	-	(1,010)
	<u>£ 368,505</u>	<u>£454,142</u>	<u>£200,730</u>	<u>£4,290</u>	<u>£1,027,667</u>