Manchester District Association of Unitarian And Free Christian Churches Incorporated

A company limited by guarantee

Report and Financial Statements

Year ended 31st December 2009

Company number 1029607

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Manchester District Association of Unitarian
And Free Christian Churches Incorporated

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

Alexander Bradley
Dennis Crompton
Michael Dadson
Elsie Deas
Geoffrey Head
Kenneth James Johnson
Penelope Frances Johnson
Aled Wyn Jones
Vernon Marshall (Appointed 15 09 09)
Celia Midgley
Marion Nuttall
Ann Sonja Peart
Francois Charles Melchoir VanDenBroeder
Martin Graham West (Appointed 25 11 09)

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

Secretary
Revd 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 2009

The directors present their report, with the financial statements of the company, for the year ended 31st December 2009

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 number1032203)
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 Public Benefit Statement

The Trustees take into account the Charity Commission guidance on public benefit and believe that the activities of the Trusts are in line with that guidance

3 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 missioner 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

4 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

5 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 Standing Advisory Council on Religious Education (SACRE) for East Cheshire and Manchester The Oldham Congregation continues its work with Traidcraft and third-world concerns

6 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 until her retirement in March 2009 She provides assistance to the Secretary and to the churches in the District The Fund generated a net income of £13,591 (2008 - £13,434) and there was a gain in the value of investment assets of £24,474 (2008 –loss- £98,830) The Fund increased in value by £38,065 (2008 – decrease - £85,396) in the year

(b) The Manchester Unitarian Congregational Fund made grants to two of its churches of £6,575 towards the repair and refurbishment of buildings It has assisted, to the extent of £16,651, in the provision of support for the stipends, of five ministers and a student pastor General subscriptions and donations amounted to £7,326 (2008 - £7,811) Income in the year exceeded expenditure by £131 (2008 - £3,396) After taking account of a gain on investment assets of £26,712 (2008 – loss £110,010) the Fund increased in value by £26,843 (2008 – decrease £106,614) in the year

(c) The Manchester Domestic Mission Society Fund provided grants of £9,000 (2007 - £11,500) to charities which assist and advise persons resident in deprived parts of the City Income exceeded Expenditure by £1,202 (2008 - deficit of £220) The gain in the value of investment assets of £13,958 (2008 – loss £58,049) was the principal reason for the increase in the value of the Fund of £15,160 (2008 – reduction £58,269)

(d) The Leech Fund made two grants in the year There was a net surplus of £86 (2008 - loss of £14) There was an increase in the value of investment assets of £295 (2008 -reduction £1,233) leading to an increase in the Fund of £381 (2008 -decrease £1,247)

(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

7 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 2009 this accumulation amounted to £406,570, 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

8 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 greatly affected

9 Grant-making policy

The General Fund makes no monetary grants
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

10 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

11 Independent Examiner

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

On behalf of the board, 26th January 2010

A Bradley

Independent Examiner's Report to the Members of Manchester District Association of Unitarian and Free Christian Churches Inc.

We report on the Financial Statements of the company for the year ended 31st December 2009

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

Hanleys Ltd

16 February 2010

Manchester District Association of Unitarian and Free Christian Churches Incorporated

Financial Activities (Including Income and Expenditure Account) for the Year ended 31st December 2009

	Notes	General Fund	MUC Fund	MDMS Fund	Leech Fund	Total 2,009	Total 2,008
		£	£	£	£	£	£
Incoming Resources							
Subscriptions from member churches		1,175	0	0	0	1,175	1,150
Investment Income	6	18,453	31,302	10,525	222	60,502	66,060
Total Incoming Resources		19,628	31,302	10,525	222	61,677	67,210
Resources Expended							
Investment manager's Fee		567	619	323	7	1,516	1,759
Grants		0	30,552	9,000	129	39,681	41,856
Clerical/Computer Services		1,977	0	0	0	1,977	3,827
Administration		3,493	0	0	0	3,493	3,172
Total Resources Expended		6,037	31,171	9,323	136	46,667	50,614
Net Incoming Resources	7	13,591	131	1,202	86	15,010	16,596
Profit/(Loss) on Investment Assets		24,474	26,712	13,958	295	65,439	(268,122)
Net Movement in Funds		38,065	26,843	15,160	381	80,449	(251,526)
Funds 1st January 2009		368,505	454,142	200,730	4,290	1,027,667	1,279,193
Funds 31st December 2009		406,570	480,985	215,890	4,671	1,108,116	1,027,667

Manchester District Association of
Unitarian and Free Christian Churches Incorporated

Balance Sheet 31st December 2009

	Notes	2009 £	2008 £
Fixed Assets			
Tangible fixed assets - Investment Land		70,000	70,000
Held for use by the charity	2	0	845
Investments	3	849,364	785,519
Loans	3	1,115	2,996
		920,479	859,360
Current Assets			
Debtors	4	13,770	13,679
Short term deposits		127,624	126,081
Cash at bank		48,122	29,557
		189,516	169,317
Less liabilities falling due within one year	5	-1,879	-1,010
Net current assets		187 637	168,307
Total net assets		1,108,116	1,027,667
Unrestricted Funds			
General Fund		406,570	368,505
Manchester Unitarian Congregational Fund		480,985	454,142
Manchester Domestic Mission Society Fund		215,890	200,730
Leech Fund		4,671	4,290
		1,108,116	1,027,667

For the year ended 31st December 2009 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476of the Companies Act 2006) The directors acknowledge their responsibility for complying with the requirements of the Act with respect to (1) accounting records

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 26th January 2010 and were signed on their behalf by

A Bradley

M G West

Alexander Bradley- President
Martin Graham West – Treasurer

Notes forming part of the financial statements for the year ended 31st December 2009

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

(f) Rent from investment land is brought into account on a day-to-day basis as earned

(g) Dividends and interest on securities and bank deposits are brought into account when received by the charity or its investment manager

(h) 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

	Office Equipment
	£
Cost at 1st January 2009	5,965
Proceeds of sale	135
	£ 5,830
Depreciation at 1st January 2009	5,120
Depreciation charged in the year	710
Accumulated depreciation	£ 5,830
Net value at 31st December 2009	NIL

3 Investments

(a) Quoted investments	2009 £		2008 £
Balance at 1st January 2009	749,425		1,018,974
Add acquisitions in the year, at cost	105,500	(equalisations)	(1,427)
	854,925		1,017,547
Less sales	106,449		0
	748,476		1,017,547
Add unrealised profit/(loss in the year)	66,388		268,122
	814,864		749,425
Add cash held within the Portfolio	34,628		36,094
	£849,492		£ 785,519

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 2009 was £957,625 (2008 £988,367)

(b) Unsecured loans	Total Loans £	Urmston Unitarian Church £	Charles VanDenBroeder £
Balance outstanding at 1st January 2009	2,996	936	2,060
Add interest	111	31	80
	3,107	967	2,140
Less repayments	1,992	912	1,080
Balance outstanding at 31st December 2009	£1,115	£ 55	£1,060

4 Debtors

	2009 £	2008 £
Dividends and interest	3,386	7,123
Rents due re King Street / Queen Street site	10,384	6,556
	£13,770	£13,679

5 Liabilities falling due within one year

	2009 £	2008 £
Creditor for Portfolio Management Fee	500	450
Creditor for Independent Examiner's fee	600	560
Creditor for Agents fee	779	-
	£1,879	£1,010

6 Investment Income

	Income from Investments £	Rents etc less charges £	Total 2009 £	Total 2008 £
General Fund	18,453	-	18,453	20,007
MUC Fund	20,141	11,161	31,302	34,144
MDMS Fund	10,525	-	10,525	11,661
Leech Fund	222	-	222	248
	£49,341	£11,161	£60,502	£66,060

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

	2009 £	2008 £
Depreciation	710	1,269
Management committee remuneration	-	-
Independent examiner's fee	615	589

8 Staff costs and numbers

Staff costs were as follows	2009	2008
	£	£
Salary	1,267	3,770
Social security costs	0	57
	£1,267	£3,827

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

	2009	2008
Administration and support	0 1	0 4

9 Taxation

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

10 Analysis of net assets between funds

	General Fund	MUC Fund	MDMS Fund	Leech Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	-	70,000	-	-	70,000
Investments	328,194	339,151	178,197	3,822	849,364
Loans	1,115	-	-	-	1,115
Short term deposit	49,314	50,960	26,776	574	127,624
Cash at bank	16,056	20,874	10,917	275	48,122
Current assets (debtors)	13,770	-	-	-	13 770
Current liabilities	(1,879)	-	-	-	(1,879)
	£406,570	£480,985	£215,890	£4,671	£1108,116

Manchester District Association

Portfolio movements in the twelve months to 31st December 2009

Stock	Quantity	Cost Value £	Market Value 31 12 08 £	Market Value 31 12 09 £	Unrealised Gain/-Loss £	Income
Equities						
Charifund	16,933	178,772	166,741	181,558	14,817	9,655
Rathbone Income	19,116	147,953	95,158	111,544	16,386	7,371
Newton Higher Income Fund	159,425	114,977	87,700	91,670	3,970	7,705
		441,702	349,599	384,772	35,173	24,731
Fixed Interest						
M&G Securities	274,576			90,226	226	939
Newton Offshore Sterling Fixed Interest	116,337	232,461	175,565	89,673	2,455	9,217
		232,461	175,565	179,899	2,681	10,156
Property						
Charities Property, Property Fund	19,009	24,700	18,645	17,436	-1,209	1,494
UK Commercial Property Trust Ltd	5,650	4,752	3,009	4,435	1,426	320
		29,452	21,654	21,871	217	1,814
Overseas						
Global Growth & Income Fd	160,639	199,584	153,211	192,526	24,315	8,624
Newton Global Higher Inc Inst Fund	29,770	49,074	49,396	35,796	4,002	1,911
		248,658	202,607	228,322	28,317	10,535
Cash Funds						
Universal Liquidity Funds	34,500			34,500	0	121
		0	0	34,500	0	121
		952,273	749,425	849,364	66,388	47,357
Cash		36,094	36,094	128	0	121
		988,367	785,519	849,492	66,388	47,478
Loan Interest						111
COIF deposit						1,543
Interest on bank deposit						208
						49,340

Manchester District Association of Unitarian and Free Christian Churches Incorporated

Manchester Domestic Mission Grants

	2009	2008
Barlow Moor Community Assoc	2,250	3,500
Broomhouse Centre	250	250
Lifeshare	1,000	1,000
Advice and Community Resources	1,000	2,000
Oldham destitution Centre	1,000	500
Oldham Unity Refugee Support	1,000	500
Trinity House	250	250
Mustard Tree	1,500	2,000
Wythenshawe Community Initiative	250	1,250
ICA UK	0	250
Tree of Life	500	0
	9,000	11,500

Manchester District Association of Unitarian and Free Christian Churches Incorporated

Subscriptions from member churches	2009	2008
Altrincham	200	175
Brookfield	50	50
Chorlton	50	50
Cross Street	115	115
Dean Row	100	100
Dob Lane	30	30
Hale	50	50
Knutsford	100	100
Macclesfield	50	50
Monton	50	50
Oldham	100	100
Rivington	30	30
Styal	150	150
Urmston	100	100
	1175	1150

Manchester District Association of Unitarian and Free Christian Churches Incorporated

Manchester Unitarian Congregational Fund

	2009	2008
Stipend Grants		
Bank Street Knutsford	1,820	3,030
Monton	3,590	3,030
Macclesfield	5,150	5,050
Dob lane	3,500	3,000
Queens Road	250	500
Styal	885	0
	15,195	14,610
Bursary		
Bob Pounder	1,456	1,800
Other Grants		
Greater Manchester Churches Togethe	221	213
IARF British Chapter	15	15
Unitarian College Manchester	1,750	1,500
GA Ministry Students Fund	1,750	1,750
Manchester Academy Fund	600	500
GA General Fund	500	500
Nightingale Centre	250	200
The Inquirer	1,000	1,000
Send a Child to Hucklow	200	200
Gaskell House	100	-
Provincial Assembly	25	25
GA One World Week	50	50
Council for Christians and Jews	60	60
Faith and Freedom	30	15
Gay Pride Parade	50	-
Indian Council of Churches	500	500
Cash for India	200	200
Five Days Away	-	500
Gellionen	-	200
Miscellaneous	25	383
	7,326	7,811
Building Improvements		
Brook Street Chapel	5,000	-
Monton Building	1,500	-
Monton Survey	75	-
Oldham	-	5,000
Kidderminster	-	200
Hale Survey	-	587
	6,575	5,787
Leech Fund Grants		
C harles VanDenBroeder	-	125
Jane Barraclough	-	129
Vernon Marshall	128	-
	128	254
Total Grants	30,680	30,262