



Dear Members,

I have great pleasure in attaching the annual accounts for the year to September 2025.

I hope you find it useful to have the accounts in advance of the AGM, where I will be happy to do my best to answer any questions you have.

To assist me in that task I'd be most grateful if you could let me have your questions in writing in advance by email to jbates@london.edu. I will give priority on the day to answering those questions in related groups. I will reply by email for more technical queries.

I know reading accounts is not everyone's favourite activity, so I'll just highlight and expand on key passages of text and a few numbers that you may find helpful. The accounts are much simpler and certainly shorter this year (37 pages v 52 pages last year) as we no longer consolidate the Nightingale Centre (TNC) into our accounts. However, the remaining presence of some TNC data in previous years (2024) figures can make some comparisons tricky.

Highlights

Our current focus as Trustees is on supporting the change that's needed as our movement finds a path to rejuvenation.

For those congregations that are at a point of very low capacity, or are finding themselves at a crossroads, we have been collaborating with the Decelerator, an organization that helps charities and civic organizations approach endings well. We have also found the need to support congregations on governance, and in addressing the challenges that arise from having low capacity.

At the other end of the scale, our work is investing in leadership and ministry development. As always, the GA works with Unitarian College and Harris Manchester College Oxford to support ministry training. Our thanks to Simon Bland and the Interview Panel for their work in supporting ministry training in partnership with the colleges. We are glad to see such a high calibre of new ministers joining the GA Roll, as well as a growing number of people taking part in Unitarian College's lay worship leader training.



For those training to be ministers, the GA holds the Ministry Students Fund which allows us to provide maintenance grants for students, without which training would be inaccessible for many potential ministers. In 2024–25 we granted £78,491 to students, leaving a negative balance in the fund of £3,899 for this year. While the GA can continue making grants for a short while on a deficit basis, this will not be sustainable beyond this year. We look to the membership as beneficiaries of new Ministers training to raise £200,000, which the GA would match pound for pound (less any deficit carried forward from this year) to create a £400,000 fund to cover the next five years.

This year the Innovation Fund opened, with the objective of deploying £1.25m in collaborative projects with Congregations and Districts to enable capacity building, innovation and rejuvenation across the movement over the next five years. Nick Butler–Watts joined the GA team as Programme Manager in early 2025. Initial development grants began to be awarded in 2025, enabling congregations to pilot and explore ideas for more extensive bids. We are grateful to our Assessment Panel, a thoughtful group of Unitarians and allies with experience in grant–making, community development work, and congregational innovation. By the end of January 2026, £197,640 had been committed to 18 projects. Fifteen of these awards are development grants of £5,000 or less, totalling £64,640.

CIO Transfer

Following extensive consultation with the denomination, and the resolutions passed in the 2025 and 2024 annual meetings, the GA have been continuing work to become a Charitable Incorporated Organization (CIO). The process will complete at the year–end in September 2026, with the new *General Assembly of Unitarian and Free Christian Churches CIO* (GAUFCC CIO) commencing operations on October 1st 2026. Although the accounts are prepared on a ‘going concern’ basis, in practice the old GAUFCC will cease to operate from October 2026. Under the relevant accounting rules for Charities (SORP) the Charity has to be reported as ‘other than a going concern’, even though the activities will continue seamlessly in the new CIO. This technical procedure should not cause any issues but, if anyone is concerned, our Auditors would be happy to talk to you and explain it in more depth.



We have incurred a one off legal cost of *ca* £48,000 (including irrecoverable VAT) for the drafting of the new constitution and by-laws, several rounds of consultation, and preparation of the transfer deed. The transfer has involved significant advice on the transfer of staff contracts, pension funds and properties as well as creating a new Guarantee of Last resort for the Ministers' Pension Fund, and negotiating with the Charity Commission and HMRC. We anticipate around £24,000 of further legal costs in the coming year to complete the transfer. In addition, there were one off legal costs of £13,860 for advice regarding the election of trustees in early 2025. Once complete, we believe the benefits of a more streamlined structure and governance will enable GAUFCC CIO to serve the members more effectively and efficiently in the future.

Funds and Income

In 2024 we were moved to receive £205,321 in unrestricted legacies to the GA. We know that each gift we receive tells the story of someone's Unitarian life. It is a privilege to know that the movement has had such an impact on people's lives that they wish to remember us in their will. In 2025 we received £10,000 for which we are very grateful.

It is worth noting that the bulk of our reserves have been built up by legacies from previous generations and are a very important part of our funding mix. We urge all members to consider a gift to the GA when making their will. Given the considerable tax benefits of making gifts, particularly in the light of increasing Inheritance Tax claims on estates due to increasing property prices, it also makes for prudent estate planning.

Unfortunately, congregational contributions (quota payments) fell by 11.4% in the year to £68,180, while programme and support costs rose by 15.5% including the programme management cost of the Innovation Fund, but excluding one off legal costs and historic Nightingale Centre costs. While it is not our largest source of income, the quota payment of £40 per subscribing member is an important measure of commitment and source of unrestricted funds to pay for programmes and support that all congregations benefit from. From now on, the quota will move in line with inflation, starting with a rise to £41.50 in 2026



Reserves



As at 30th September 2025, the value of unrestricted reserves was £3,521,440 (2024: £3,513,181). As with all charities, we are dependent on maintaining a healthy level of unrestricted reserves to cover our annual operating costs.

The General Assembly's reserves policy is to hold sufficient free reserves, (i.e. reserves not restricted in their purpose or by virtue of endowment), to ensure that it is able to service the annual budgeted expenditure and to ensure that risks in relation to pension obligations are mitigated.

The Executive Committee has adopted the following guidelines in implementing the reserves policy, looking at unrestricted funds and at budgeted annual operating costs (£749,242 – 40% programme costs and 60% support costs).

- Green light: if we hold more than 2 times our one-year budgeted costs, use some reserves to invest in new or additional programmes to achieve our charitable objects; carry out routine fundraising.
- Amber light: if we hold between 1 and 2 times our one-year budgeted costs, maintain existing programmes but don't launch new programmes until we reach the 2-times threshold; activate fundraising campaigns.
- Red light: if our unrestricted reserves are less than our one-year budgeted costs, start to trim costs and accelerate fundraising.

We are currently operating with 4.7 times the annual budgeted costs in unrestricted funds, so we are comfortably in the green light zone above. However, unless legacies or donations significantly increase, we expect this ratio to fall to 4 times or less in the coming year, as reserves are drawn down for the Innovation Fund and the Ministry Students Fund

<p>John Bates</p>  <p>Honorary Treasurer</p>	 <p>March 2026</p>
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