

CARNFORTH FREE METHODIST CHURCH
REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Scott & Wilkinson LLP
Chartered Accountants
Dalton House
9 Dalton Square
LANCASTER
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CARNFORTH FREE METHODIST CHURCH

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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CARNFORTH FREE METHODIST CHURCH

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	Rev C Murgu Mrs D Blacklee (resigned 31/12/2020) Mr J Carter Mr J T Wightman Mrs E Threlfall Mr A Towers Mrs H Boardman Mr A Major (resigned 24/9/2020) Mr T Taylor Ms C Caudwell (resigned 24/9/2020) Mr I Ellershaw Mrs C Duncan (appointed 24/9/2020) Mr D Kitchen (appointed 24/9/2020) Mr P Burt (appointed 24/9/2020)
Principal address	The Manse 33 Dunkirk Avenue CARNFORTH LA5 9AP
Registered charity number	1059512
Independent examiner	Scott & Wilkinson LLP Chartered Accountants Dalton House 9 Dalton Square LANCASTER LA1 1WD
Bankers	Barclays Bank Plc 3 Market Street CARNFORTH LA5 9JX

CARNFORTH FREE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The object of the Carnforth Free Methodist Church is the furtherance of the religious and other charitable works of the Free Methodist Church of North America in accordance with the doctrines, disciplines and usages of that Church for the time being as set forth in the book of discipline. The Church benefits from many voluntary hours and unclaimed out of pocket expenses, contributed by a large number of people. It would be impossible to place a value on these gifts in kind, for which the Trustees are extremely grateful. The Trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives.

Achievement and performance

During the year further income was received by the Charity via Gift Aid resulting in a total of £37,135 tax being recovered from HM Revenue & Customs.

The Trustees are aware that the Charity has an obligation to operate for an identifiable and public benefit. When planning activities Trustees consider the Commission guidance on public benefit; in particular the specific guidance on charities for the advancement of religion.

Despite the Covid pandemic, the Church has continued to meet, albeit virtually using Zoom and YouTube. Where permitted, limited in person services have been held. During the year, the Church continued to support humanitarian work overseas, in particular, one family continues to serve overseas work in 2020 where Covid restrictions have permitted, and a second family have begun a season of overseas work, again with support from the Church. Usual evangelistic work in the UK through schools work, sports outreach were interrupted by Covid although the Church has continued to give compassionate gifts and help where needed in the local community.

The Pastor has been involved in visiting members of the Church and people in the local community who have had particular needs and may have asked the Church for assistance. In addition, the Church assisted community programmes have moved on line where possible, such as divorce and bereavement support. During 2020, the Church continued with a food bank and has liaised with local health and other agencies in identifying and then supporting individuals and families in the communities.

During 2020, the Trustees successfully concluded a search for a new Community Pastor, appointing Ian Ellershaw to commence employment as of 01 January 2021. In the meantime, they created a part-time role to provide administrative support to the Lead Pastor, and recruited Carol-Ann Baker to fulfil this role, which has been a great addition to the Lead Pastor and wider Church.

The Church premises, the manse at Dunkirk Avenue and the Church building in Hunter Street have been maintained. Insurance cover on all properties has been reviewed with the recommendations of the RICS and in consultation with the Church's Insurance Brokers. In 2016, the Church purchased a plot of land for further development as a Church Conference and Resource Centre. Once complete, this will enhance the churches capability in further supporting the local community, given the extra space it will provide. During 2020, further funds were raised and following tender, Piningtons were appointed as Contractor for the build which commenced in October 2020. The build is hoped to be concluded by November 2021. The Trustees will look at the best ways to exit the Hunter Street building in 2021.

There were minor changes to the Charity's policies during 2020. Further work was undertaken in respect of reviewing the Churches child protection (safe guarding) policy. The Health & Safety Policy has been reviewed with ongoing risk assessments drawn up, particularly focus being given to Covid. The Churches GDPR policy and its charitable data protection management processes were in review during 2020, and this will be concluded in 2021.

CARNFORTH FREE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The charity does not have a formal reserves policy however it is the policy of the charity to maintain balances at a level equivalent to approximately two months expenditure to cover church running costs, should income fall. There have been no occasions when credit balances have fallen beneath this level, and no need for the matter to be escalated by the Trustees to the members of the Church for their consideration. Free reserves as at the year end were £62,174. No funds are materially in deficit.

Future plans

The charity plans to continue with its core objectives within its immediate vicinity and the surrounding regions, in addition to which it continues to explore the available options in developing additional premises to support its charitable objectives.

Structure, governance and management

The main governing document of the Charity is set out in the Declaration of Trust dated 30 October 1996 as amended by scheme dated 9 March 2000. New Trustees are appointed on an annual basis at the Annual General Meeting and meet regularly to review management, financial and operational risk matters.

Approved by order of the board of trustees on ²¹ June 2021 and signed on its behalf by:


.....
Mr J Carter - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CARNFORTH FREE METHODIST CHURCH

Independent examiner's report to the trustees of Carnforth Free Methodist Church

I report to the charity trustees on my examination of the accounts of Carnforth Free Methodist Church (the Trust) for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Association of Chartered Certified Accountants which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



T M Preece FCCA
Association of Chartered Certified Accountants
Scott & Wilkinson LLP
Chartered Accountants
Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

Date: ~~30~~ June 2021

CARNFORTH FREE METHODIST CHURCH

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
Income and endowments from	Notes				
Donations and legacies		143,395	161,096	304,491	200,379
Charitable activities					
Church activities		166	-	166	7,955
Investment income	2	21	-	21	52
Total		<u>143,582</u>	<u>161,096</u>	<u>304,678</u>	<u>208,386</u>
Expenditure on					
Charitable activities					
Church activities		72,093	2,205	74,298	111,879
NET INCOME		<u>71,489</u>	<u>158,891</u>	<u>230,380</u>	<u>96,507</u>
Reconciliation of funds					
Total funds brought forward		337,757	582,747	920,504	823,997
Total funds carried forward		<u><u>409,246</u></u>	<u><u>741,638</u></u>	<u><u>1,150,884</u></u>	<u><u>920,504</u></u>

The notes form part of these financial statements

CARNFORTH FREE METHODIST CHURCH

BALANCE SHEET 31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fixed assets					
Tangible assets	7	167,079	-	167,079	167,277
Investments	8	-	1	1	1
		<u>167,079</u>	<u>1</u>	<u>167,080</u>	<u>167,278</u>
Current assets					
Debtors	9	188,231	741,637	929,868	685,418
Cash at bank		<u>55,267</u>	<u>6,150</u>	<u>61,417</u>	<u>75,504</u>
		<u>243,498</u>	<u>747,787</u>	<u>991,285</u>	<u>760,922</u>
Creditors					
Amounts falling due within one year	10	(1,331)	(6,150)	(7,481)	(7,696)
Net current assets		<u>242,167</u>	<u>741,637</u>	<u>983,804</u>	<u>753,226</u>
Total assets less current liabilities		<u>409,246</u>	<u>741,638</u>	<u>1,150,884</u>	<u>920,504</u>
NET ASSETS		<u>409,246</u>	<u>741,638</u>	<u>1,150,884</u>	<u>920,504</u>
Funds	11				
Unrestricted funds				409,246	337,757
Restricted funds				<u>741,638</u>	<u>582,747</u>
Total funds				<u>1,150,884</u>	<u>920,504</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 June 2021 and were signed on its behalf by:


Mr J Carter - Trustee


Mrs E Threlfall - Trustee

The notes form part of these financial statements

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Furniture and equipment	- 25% Reducing balance
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Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

There are no material uncertainties regarding the charity's ability to continue as a going concern.

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

2. Investment income

	2020	2019
	£	£
Deposit account interest	21	52

3. Grants payable

	2020	2019
	£	£
Church activities	15,422	16,608

The total grants paid to institutions during the year was as follows:

	2020	2019
	£	£
Education for Life	1,199	1,200
WEC	3,000	3,000
Sportsreach	600	600
Royal British Legion	-	25
NISCU	600	600
United Christian Broadcasters	240	240
Free Methodist Church	-	1,000
Creation Ministries	-	200
CRMI Children of Hope	-	1,000
Gateway Church	500	-
Teaching Aid	728	-
West End Impact	728	-
	<u>7,595</u>	<u>7,865</u>

The total grants paid to individuals during the year was as follows:

	2020	2019
	£	£
Individuals	<u>7,827</u>	<u>8,743</u>

4. Trustees' remuneration and benefits

The lead pastor, who is also a trustee, received remuneration for ministerial work done during the year. Rev C Murgu received gross pay of £26,538 (2019 - £25,595) and pension contributions of £1,860 (2019 - £1,860).

The total donations made by the trustees to the charity during the year amounted to £35,936 (2019 - £24,337).

No trustees expenses were paid during the current year, nor in the previous year.

CARNFORTH FREE METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****4. Trustees' remuneration and benefits - continued****Trustees' expenses**

The trustees were reimbursed expenses of £73 (2019 - £1,155).

5. Staff costs

The average monthly number of employees during the year was as follows:

	2020	2019
Charitable activities	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

6. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	139,408	60,971	200,379
Charitable activities			
Church activities	1,283	6,672	7,955
Investment income	<u>52</u>	<u>-</u>	<u>52</u>
Total	140,743	67,643	208,386
Expenditure on			
Charitable activities			
Church activities	104,601	7,278	111,879
NET INCOME	<u>36,142</u>	<u>60,365</u>	<u>96,507</u>
Reconciliation of funds			
Total funds brought forward	301,615	522,382	823,997
Total funds carried forward	<u>337,757</u>	<u>582,747</u>	<u>920,504</u>

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

7. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Totals £
Cost			
At 1 January 2020	164,260	25,345	189,605
Additions	-	300	300
At 31 December 2020	164,260	25,645	189,905
Depreciation			
At 1 January 2020	-	22,328	22,328
Charge for year	-	498	498
At 31 December 2020	-	22,826	22,826
Net book value			
At 31 December 2020	164,260	2,819	167,079
At 31 December 2019	164,260	3,017	167,277

8. Fixed asset investments

	Shares in group undertakings £
Market value	
At 1 January 2020 and 31 December 2020	1
Net book value	
At 31 December 2020	1
At 31 December 2019	1

There were no investment assets outside the UK.

CARNFORTH FREE METHODIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Debtors: amounts falling due within one year

	2020	2019
	£	£
Other debtors	929,868	685,418

10. Creditors: amounts falling due within one year

	2020	2019
	£	£
Other creditors	7,481	7,696

11. Movement in funds

	At 1/1/20	Net movement in funds	At 31/12/20
	£	£	£
Unrestricted funds			
General fund	337,757	71,489	409,246
Restricted funds			
Building	582,747	158,891	741,638
TOTAL FUNDS	<u>920,504</u>	<u>230,380</u>	<u>1,150,884</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	143,582	(72,093)	71,489
Restricted funds			
Gifts for specific purposes	2,205	(2,205)	-
Building	158,891	-	158,891
	<u>161,096</u>	<u>(2,205)</u>	<u>158,891</u>
TOTAL FUNDS	<u>304,678</u>	<u>(74,298)</u>	<u>230,380</u>

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

11. Movement in funds - continued

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	301,615	36,142	337,757
Restricted funds			
Building	522,382	60,365	582,747
TOTAL FUNDS	<u>823,997</u>	<u>96,507</u>	<u>920,504</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	140,743	(104,601)	36,142
Restricted funds			
Gifts for specific purposes	550	(550)	-
Building	60,365	-	60,365
Soccer school	2,435	(2,435)	-
Food bank	56	(56)	-
Men's ministry	4,077	(4,077)	-
Ladies ministry	160	(160)	-
	<u>67,643</u>	<u>(7,278)</u>	<u>60,365</u>
TOTAL FUNDS	<u>208,386</u>	<u>(111,879)</u>	<u>96,507</u>

CARNFORTH FREE METHODIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Movement in funds - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/19 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	301,615	107,631	409,246
Restricted funds			
Building	522,382	219,256	741,638
TOTAL FUNDS	<u>823,997</u>	<u>326,887</u>	<u>1,150,884</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	284,325	(176,694)	107,631
Restricted funds			
Gifts for specific purposes	2,755	(2,755)	-
Building	219,256	-	219,256
Soccer school	2,435	(2,435)	-
Food bank	56	(56)	-
Men's ministry	4,077	(4,077)	-
Ladies ministry	160	(160)	-
	<u>228,739</u>	<u>(9,483)</u>	<u>219,256</u>
TOTAL FUNDS	<u>513,064</u>	<u>(186,177)</u>	<u>326,887</u>

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

12. Related party disclosures

The charity provided a loan to CFMC Development Company Limited, a company of which the charity is the sole shareholder, to enable the company to undertake a building development. At the balance sheet date the amount due from CFMC Development Company Limited was £921,630 (2019 - £679,179).