

**CARNFORTH FREE METHODIST CHURCH
REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Scott & Wilkinson
Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

CARNFORTH FREE METHODIST CHURCH

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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CARNFORTH FREE METHODIST CHURCH

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Rev C Murgu Mr J Carter Mr J T Wightman Mrs E Threlfall (resigned 30/9/2021) Mr A Towers Mrs H Boardman (resigned 30/9/2021) Mr T Taylor Mr I Ellershaw Mrs C Duncan Mr D Kitchen Mr P Burt Mrs R Burt (appointed 30/9/2021) Mr K Smith (appointed 30/9/2021) Mrs D M Fralick (appointed 30/9/2021)
Principal address	The Manse 33 Dunkirk Avenue CARNFORTH LA5 9AP
Registered charity number	1059512
Independent examiner	Scott & Wilkinson 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 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. 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 £32,979 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. When permitted, limited in person services have been held initially, followed by a return to open services when restrictions were lifted, but still complimented by zoom and you tube for those who felt unable to return in person. During the year, the Church continued to support humanitarian work overseas, in particular, where two families continue to serve overseas in 2021 where Covid restrictions have permitted. The Church was able to resume work in the UK through schools work via sports outreach and the Church has continued to give compassionate gifts and help where needed in the local community.

In January 2021, our new Community Pastor, Ian Ellershaw commenced employment for the Church and has quickly settled to compliment the work of our Lead Pastor, Cristi Murgu. In the meantime, Carol-Ann Baker has continued to fulfil a part-time role to provide administrative support to the Lead Pastor, Community Pastor and wider Church.

The Pastors have 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 2021, 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.

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 2021, further funds were raised and local builders Piningtons have been hard at work completing the build which is due to be completed in January 2022 (a two month delay). During 2021, the Trustees have been considering the best ways to exit the Hunter Street building which is hoped to be concluded in 2022.

There were minor changes to the Charity's policies during 2021. 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 and the return to in person events. The Churches GDPR policy and its charitable data protection management processes are in course of ongoing review.

CARNFORTH FREE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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 £57,953. No funds are materially in deficit.

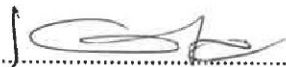
Future plans

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 24 June 2022 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 2021.

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
Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

Date: 27/06/2022

CARNFORTH FREE METHODIST CHURCH

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income and endowments from					
Donations and legacies		144,377	152,604	296,981	304,491
Charitable activities					
Church activities		-	3,380	3,380	166
Investment income	2	3	-	3	21
Total		144,380	155,984	300,364	304,678
Expenditure on					
Charitable activities					
Church activities		113,477	6,089	119,566	74,298
Other		31	-	31	-
Total		113,508	6,089	119,597	74,298
NET INCOME		30,872	149,895	180,767	230,380
Reconciliation of funds					
Total funds brought forward		409,246	741,638	1,150,884	920,504
Total funds carried forward		440,118	891,533	1,331,651	1,150,884


The notes form part of these financial statements

CARNFORTH FREE METHODIST CHURCH

BALANCE SHEET 31 DECEMBER 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets					
Tangible assets	7	168,288	-	168,288	167,079
Investments	8	-	1	1	1
		<u>168,288</u>	<u>1</u>	<u>168,289</u>	<u>167,080</u>
Current assets					
Debtors	9	362,725	891,309	1,254,034	929,868
Cash at bank		51,328	6,373	57,701	61,417
		<u>414,053</u>	<u>897,682</u>	<u>1,311,735</u>	<u>991,285</u>
Creditors					
Amounts falling due within one year	10	(2,723)	(6,150)	(8,873)	(7,481)
		<u>411,330</u>	<u>891,532</u>	<u>1,302,862</u>	<u>983,804</u>
Net current assets					
		<u>411,330</u>	<u>891,532</u>	<u>1,302,862</u>	<u>983,804</u>
Total assets less current liabilities		<u>579,618</u>	<u>891,533</u>	<u>1,471,151</u>	<u>1,150,884</u>
Creditors					
Amounts falling due after more than one year	11	(139,500)	-	(139,500)	-
NET ASSETS		<u>440,118</u>	<u>891,533</u>	<u>1,331,651</u>	<u>1,150,884</u>
Funds	14				
Unrestricted funds				440,118	409,246
Restricted funds				891,533	741,638
Total funds				<u>1,331,651</u>	<u>1,150,884</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24 June 2022 and were signed on its behalf by:


Mr J Carter - Trustee


Mr A Towers - Trustee

The notes form part of these financial statements

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	- 15% Reducing balance
Computer equipment	- 25% on cost

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 2021

2. Investment income

	2021	2020
	£	£
Deposit account interest	3	21

3. Grants payable

	2021	2020
	£	£
Church activities	16,533	15,422

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

	2021	2020
	£	£
Education for Life	1,200	1,199
WEC	2,000	3,000
Sportsreach	600	600
Royal British Legion	20	-
NISCU	600	600
United Christian Broadcasters	240	240
Gateway Church	-	500
Teaching Aid	-	728
West End Impact	-	728
The Way Church	200	-
Our Daily Bread Ministries	50	-
	4,910	7,595

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

	2021	2020
	£	£
Individuals	11,623	7,827

4. Trustees' remuneration and benefits

Both the Lead Pastor and Community Pastor (who are also Trustees) received remuneration for ministerial work done during the year. Rev C Murgu received gross pay of £27,113 (2020 - £26,538) and pension contributions of £1,900 (2020 - £1,860). I Ellershaw received gross pay of £29,899 (2020 - £nil) and pension contributions of £1,980 (2020 - £nil).

The total donations made by the Trustees to the charity during the year amounted to £34,805 (2020 - £35,936).

CARNFORTH FREE METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****4. Trustees' remuneration and benefits - continued****Trustees' expenses**

The Trustees were reimbursed expenses of £237 (2020 - £73).

5. Staff costs

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

	2021	2020
Charitable activities	<u>3</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	143,395	161,096	304,491
Charitable activities			
Church activities	166	-	166
Investment income	21	-	21
Total	<u>143,582</u>	<u>161,096</u>	<u>304,678</u>
Expenditure on			
Charitable activities			
Church activities	72,093	2,205	74,298
NET INCOME	<u>71,489</u>	<u>158,891</u>	<u>230,380</u>
Reconciliation of funds			
Total funds brought forward	337,757	582,747	920,504
Total funds carried forward	<u>409,246</u>	<u>741,638</u>	<u>1,150,884</u>

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Totals £
Cost				
At 1 January 2021	164,260	25,645	-	189,905
Additions	-	740	1,339	2,079
At 31 December 2021	164,260	26,385	1,339	191,984
Depreciation				
At 1 January 2021	-	22,826	-	22,826
Charge for year	-	535	335	870
At 31 December 2021	-	23,361	335	23,696
Net book value				
At 31 December 2021	164,260	3,024	1,004	168,288
At 31 December 2020	164,260	2,819	-	167,079

8. Fixed asset investments

	Shares in group undertakings £
Market value	
At 1 January 2021 and 31 December 2021	1
Net book value	
At 31 December 2021	1
At 31 December 2020	1

There were no investment assets outside the UK.

9. Debtors: amounts falling due within one year

	2021 £	2020 £
Other debtors	1,254,034	929,868

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

10. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts (see note 12)	531	-
Taxation and social security	999	-
Other creditors	7,343	7,481
	<u>8,873</u>	<u>7,481</u>

11. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans (see note 12)	9,500	-
Other creditors	130,000	-
	<u>139,500</u>	<u>-</u>

12. Loans

The bank loan was advanced in December 2021 and is repayable in installments over twenty years.

13. Secured debts

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	<u>10,031</u>	<u>-</u>

14. Movement in funds

	At 1/1/21	Net movement	At
	£	in funds	31/12/21
		£	£
Unrestricted funds			
General fund	409,246	30,872	440,118
Restricted funds			
Building	741,638	149,672	891,310
Food bank	-	223	223
	<u>741,638</u>	<u>149,895</u>	<u>891,533</u>
TOTAL FUNDS	<u>1,150,884</u>	<u>180,767</u>	<u>1,331,651</u>

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	144,380	(113,508)	30,872
Restricted funds			
Gifts for specific purposes	2,172	(2,172)	-
Building	149,672	-	149,672
Soccer school	3,380	(3,380)	-
Food bank	310	(87)	223
Lyrics and Laughter	450	(450)	-
	<u>155,984</u>	<u>(6,089)</u>	<u>149,895</u>
TOTAL FUNDS	<u><u>300,364</u></u>	<u><u>(119,597)</u></u>	<u><u>180,767</u></u>

Comparatives for 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><u>920,504</u></u>	<u><u>230,380</u></u>	<u><u>1,150,884</u></u>

Comparative 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><u>304,678</u></u>	<u><u>(74,298)</u></u>	<u><u>230,380</u></u>

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

14. Movement in funds - continued

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

	At 1/1/20 £	Net movement in funds £	At 31/12/21 £
Unrestricted funds			
General fund	337,757	102,361	440,118
Restricted funds			
Building	582,747	308,563	891,310
Food bank	-	223	223
	<u>582,747</u>	<u>308,786</u>	<u>891,533</u>
TOTAL FUNDS	<u>920,504</u>	<u>411,147</u>	<u>1,331,651</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	287,962	(185,601)	102,361
Restricted funds			
Gifts for specific purposes	4,377	(4,377)	-
Building	308,563	-	308,563
Soccer school	3,380	(3,380)	-
Food bank	310	(87)	223
Lyrics and Laughter	450	(450)	-
	<u>317,080</u>	<u>(8,294)</u>	<u>308,786</u>
TOTAL FUNDS	<u>605,042</u>	<u>(193,895)</u>	<u>411,147</u>

15. 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 £1,244,687 (2020 - £921,630).

CARNFORTH FREE METHODIST CHURCH**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Income and endowments		
Donations and legacies		
Gifts	264,002	267,356
Gift aid	32,979	37,135
	<u>296,981</u>	<u>304,491</u>
Investment income		
Deposit account interest	3	21
Charitable activities		
Soccer school	3,380	166
	<u>300,364</u>	<u>304,678</u>
Total incoming resources		
Expenditure		
Charitable activities		
Wages	61,827	30,221
Social security	78	-
Pensions	3,880	1,860
Telephone	770	616
Postage and stationery	34	444
Computer costs	413	90
Soccer school	5,333	500
Divorce Care ministry	-	454
Lyrics and Laughter expenses	456	-
Children and Youth expenses	140	-
Property rental	8,252	4,606
Staff training	75	53
Manse expenses	5,058	2,047
Church expenses	2,819	5,101
Free Methodist Church levy	6,336	6,216
Visiting speaker expenses	450	800
Subscriptions	1,565	1,510
Depreciation of fixtures and fittings	535	498
Computer equipment	335	-
Grants to institutions	4,910	7,595
Grants to individuals	11,623	7,827
	<u>114,889</u>	<u>70,438</u>
Other		
Bank loan interest	31	-
Support costs		

This page does not form part of the statutory financial statements

CARNFORTH FREE METHODIST CHURCH**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Support costs		
Finance		
Bank charges	2,228	510
Governance costs		
Legal and professional fees	600	1,725
Accountancy fees	1,849	1,625
	<u>2,449</u>	<u>3,350</u>
Total resources expended	<u>119,597</u>	<u>74,298</u>
Net income	<u><u>180,767</u></u>	<u><u>230,380</u></u>

This page does not form part of the statutory financial statements