

**CARNFORTH FREE METHODIST CHURCH**  
**REPORT OF THE TRUSTEES AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**CARNFORTH FREE METHODIST CHURCH**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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# CARNFORTH FREE METHODIST CHURCH

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2022

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<b>Trustees</b>	Rev C Murgu Mr J Carter Mr J T Wightman Mr A Towers (resigned 29/9/2022) Mr T Taylor (resigned 29/9/2022) Mr I Ellershaw Mrs C Duncan Mr D Kitchen Mr P Burt Mrs R Burt Mr K Smith (resigned 29/9/2022) Mrs D M Fralick Mr M White (appointed 29/9/2022) Mr I Rothwell (appointed 29/9/2022) Mr J Davies (appointed 29/9/2022) Mr P Hayes (appointed 29/9/2022)
<b>Principal address</b>	The Manse 33 Dunkirk Avenue CARNFORTH LA5 9AP
<b>Registered charity number</b>	1059512
<b>Independent examiner</b>	Scott & Wilkinson Dalton House 9 Dalton Square LANCASTER LA1 1WD
<b>Bankers</b>	Barclays Bank Plc 3 Market Street CARNFORTH LA5 9JX

# **CARNFORTH FREE METHODIST CHURCH**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022**

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The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. 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 £30,915 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.

Since the Covid pandemic, the Church has returned to in-person meetings predominantly, albeit virtually using Zoom and YouTube to compliment face to face meetings, particularly for those who are vulnerable or elderly. During the year, the Church continued to support humanitarian work overseas, in particular, where two families continue to serve overseas in 2022. The Church has continued with 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.

During 2022, our Community Pastor, Ian Ellershaw has settled into his employment for the Church, complementing 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 continued in person, such as divorce and bereavement support. During 2022, 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.

As for assets, the Church manse at Dunkirk Avenue has been maintained. In 2016, the Church purchased a plot of land for further development as a Church Conference and Resource Centre. We were pleased to open this in March 2022 and already this has been used to support the Charities objectives and hosting the community support ventures. During 2022, further funds were raised meaning around 90% of the cost has been found leaving the remaining 10% outstanding on a mixture of interest free loans and long term mortgage finance. During 2022, the Trustees considered the best way to exit the Hunter Street building which as hoped was concluded in 2022, by way of a sale, subjected to due diligence and valuations. Insurance cover on all properties has been reviewed with the recommendations of the RICS and in consultation with the Church's Insurance Brokers

There were minor changes to the Charity's policies during 2022. 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 2022

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### 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 £73,043. 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 making more use of its new 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 ..... and signed on its behalf by:

.....  
Mr J Carter - Trustee

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

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## **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 2022.

### **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 member of the 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

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

Date: .....

# CARNFORTH FREE METHODIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
<b>Income and endowments from</b>					
Donations and legacies		156,823	114,334	271,157	296,981
<b>Charitable activities</b>					
Church activities		658	9,653	10,311	3,380
Investment income	2	41	-	41	3
Other income		52,179	-	52,179	-
<b>Total</b>		<u>209,701</u>	<u>123,987</u>	<u>333,688</u>	<u>300,364</u>
<b>Expenditure on</b>					
<b>Charitable activities</b>					
Church activities		136,589	12,824	149,413	119,566
Other		<u>3,444</u>	<u>-</u>	<u>3,444</u>	<u>31</u>
<b>Total</b>		<u>140,033</u>	<u>12,824</u>	<u>152,857</u>	<u>119,597</u>
<b>NET INCOME</b>		69,668	111,163	180,831	180,767
<b>Reconciliation of funds</b>					
Total funds brought forward		440,118	891,533	1,331,651	1,150,884
<b>Total funds carried forward</b>		<u><u>509,786</u></u>	<u><u>1,002,696</u></u>	<u><u>1,512,482</u></u>	<u><u>1,331,651</u></u>

The notes form part of these financial statements

# CARNFORTH FREE METHODIST CHURCH

## BALANCE SHEET 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>Fixed assets</b>					
Tangible assets	7	126,746	-	126,746	168,288
Investments	8	-	1	1	1
		<u>126,746</u>	<u>1</u>	<u>126,747</u>	<u>168,289</u>
<b>Current assets</b>					
Debtors	9	427,311	1,002,458	1,429,769	1,254,034
Cash at bank		167,773	6,387	174,160	57,701
		<u>595,084</u>	<u>1,008,845</u>	<u>1,603,929</u>	<u>1,311,735</u>
<b>Creditors</b>					
Amounts falling due within one year	10	(164,068)	(6,150)	(170,218)	(8,873)
		<u>431,016</u>	<u>1,002,695</u>	<u>1,433,711</u>	<u>1,302,862</u>
<b>Net current assets</b>					
		<u>431,016</u>	<u>1,002,695</u>	<u>1,433,711</u>	<u>1,302,862</u>
<b>Total assets less current liabilities</b>		557,762	1,002,696	1,560,458	1,471,151
<b>Creditors</b>					
Amounts falling due after more than one year	11	(47,976)	-	(47,976)	(139,500)
		<u>509,786</u>	<u>1,002,696</u>	<u>1,512,482</u>	<u>1,331,651</u>
<b>NET ASSETS</b>					
		<u>509,786</u>	<u>1,002,696</u>	<u>1,512,482</u>	<u>1,331,651</u>
<b>Funds</b>	14				
Unrestricted funds				509,786	440,118
Restricted funds				1,002,696	891,533
				<u>1,512,482</u>	<u>1,331,651</u>
<b>Total funds</b>				<u>1,512,482</u>	<u>1,331,651</u>

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

.....  
Mr J Carter - Trustee

.....  
Mr J T Wightman - Trustee

The notes form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**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 2022

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#### 2. Investment income

	2022	2021
	£	£
Deposit account interest	41	3
	<u>41</u>	<u>3</u>

#### 3. Grants payable

	2022	2021
	£	£
Church activities	16,880	16,533
	<u>16,880</u>	<u>16,533</u>

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

	2022	2021
	£	£
Education for Life	1,200	1,200
WEC	-	2,000
Sportsreach	600	600
Royal British Legion	-	20
NISCU	600	600
United Christian Broadcasters	240	240
Lancaster and Morecambe Debt Centre	1,640	-
The Way Church	200	200
Our Daily Bread Ministries	250	50
Lancaster Baptist Church	150	-
Heart Church Morecambe	500	-
Capernwray Hall	1,000	-
Ukraine Appeal	650	-
	<u>7,030</u>	<u>4,910</u>

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

	2022	2021
	£	£
Individuals	9,850	11,623
	<u>9,850</u>	<u>11,623</u>

#### 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 £27,902 (2021 - £27,113) and pension contributions of £1,980 (2021 - £1,900). I Ellershaw received gross pay of £30,549 (2021 - £29,899) and pension contributions of £1,980 (2021 - £1,980).

The total donations made by the Trustees to the charity during the year amounted to £43,660 (2021 - £34,805).

**CARNFORTH FREE METHODIST CHURCH****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022****4. Trustees' remuneration and benefits - continued****Trustees' expenses**

The Trustees were reimbursed expenses of £811 (2021 - £237).

**5. Staff costs**

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

	<b>2022</b>	<b>2021</b>
Charitable activities	3	3

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

**6. Comparatives for the statement of financial activities**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
<b>Income and endowments from</b>			
Donations and legacies	144,377	152,604	296,981
<b>Charitable activities</b>			
Church activities	-	3,380	3,380
Investment income	3	-	3
<b>Total</b>	<b>144,380</b>	<b>155,984</b>	<b>300,364</b>
<b>Expenditure on Charitable activities</b>			
Church activities	113,477	6,089	119,566
Other	31	-	31
<b>Total</b>	<b>113,508</b>	<b>6,089</b>	<b>119,597</b>
<b>NET INCOME</b>	<b>30,872</b>	<b>149,895</b>	<b>180,767</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	409,246	741,638	1,150,884
<b>Total funds carried forward</b>	<b>440,118</b>	<b>891,533</b>	<b>1,331,651</b>

# CARNFORTH FREE METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 7. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Totals £
<b>Cost</b>				
At 1 January 2022	164,260	26,385	1,339	191,984
Additions	2,320	2,550	1,364	6,234
Disposals	(46,760)	-	-	(46,760)
At 31 December 2022	119,820	28,935	2,703	151,458
<b>Depreciation</b>				
At 1 January 2022	-	23,361	335	23,696
Charge for year	-	339	677	1,016
At 31 December 2022	-	23,700	1,012	24,712
<b>Net book value</b>				
At 31 December 2022	119,820	5,235	1,691	126,746
At 31 December 2021	164,260	3,024	1,004	168,288

### 8. Fixed asset investments

	Shares in group undertakings £
<b>Market value</b>	
At 1 January 2022 and 31 December 2022	1
<b>Net book value</b>	
At 31 December 2022	1
At 31 December 2021	1

There were no investment assets outside the UK.

### 9. Debtors: amounts falling due within one year

	2022 £	2021 £
Other debtors	1,429,769	1,254,034

# CARNFORTH FREE METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts (see note 12)	1,049	531
Trade creditors	2,106	-
Taxation and social security	915	999
Other creditors	166,148	7,343
	<u>170,218</u>	<u>8,873</u>

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

	2022	2021
	£	£
Bank loans (see note 12)	47,976	9,500
Other creditors	-	130,000
	<u>47,976</u>	<u>139,500</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:

	2022	2021
	£	£
Bank loans	<u>49,025</u>	<u>10,031</u>

### 14. Movement in funds

	At 1/1/22	Net movement	At
	£	in funds	31/12/22
		£	£
<b>Unrestricted funds</b>			
General fund	440,118	69,668	509,786
<b>Restricted funds</b>			
Gifts for specific purposes	-	20	20
Building	891,310	111,129	1,002,439
Food bank	223	14	237
	<u>891,533</u>	<u>111,163</u>	<u>1,002,696</u>
<b>TOTAL FUNDS</b>	<u>1,331,651</u>	<u>180,831</u>	<u>1,512,482</u>

# CARNFORTH FREE METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 14. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	209,701	(140,033)	69,668
<b>Restricted funds</b>			
Gifts for specific purposes	3,105	(3,085)	20
Building	111,129	-	111,129
Soccer school	4,765	(4,765)	-
Food bank	100	(86)	14
Men's ministry	4,888	(4,888)	-
	<u>123,987</u>	<u>(12,824)</u>	<u>111,163</u>
<b>TOTAL FUNDS</b>	<u><u>333,688</u></u>	<u><u>(152,857)</u></u>	<u><u>180,831</u></u>

### Comparatives for movement in funds

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

# CARNFORTH FREE METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 14. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	144,380	(113,508)	30,872
<b>Restricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<u><u>300,364</u></u>	<u><u>(119,597)</u></u>	<u><u>180,767</u></u>

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

	At 1/1/21 £	Net movement in funds £	At 31/12/22 £
<b>Unrestricted funds</b>			
General fund	409,246	100,540	509,786
<b>Restricted funds</b>			
Gifts for specific purposes	-	20	20
Building	741,638	260,801	1,002,439
Food bank	-	237	237
	<u>741,638</u>	<u>261,058</u>	<u>1,002,696</u>
<b>TOTAL FUNDS</b>	<u><u>1,150,884</u></u>	<u><u>361,598</u></u>	<u><u>1,512,482</u></u>

## CARNFORTH FREE METHODIST CHURCH

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 14. Movement in funds - continued

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 £
<b>Unrestricted funds</b>			
General fund	354,081	(253,541)	100,540
<b>Restricted funds</b>			
Gifts for specific purposes	5,277	(5,257)	20
Building	260,801	-	260,801
Soccer school	8,145	(8,145)	-
Food bank	410	(173)	237
Men's ministry	4,888	(4,888)	-
Lyrics and Laughter	450	(450)	-
	<u>279,971</u>	<u>(18,913)</u>	<u>261,058</u>
<b>TOTAL FUNDS</b>	<u>634,052</u>	<u>(272,454)</u>	<u>361,598</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 £1,420,432 (2021 - £1,244,687).