

CARNFORTH FREE METHODIST CHURCH
REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

CARNFORTH FREE METHODIST CHURCH

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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CARNFORTH FREE METHODIST CHURCH

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees	Rev C Murgu Mr J Carter Mr J T Wightman (resigned 28/9/2023) Mr I Ellershaw Mrs C Duncan Mr D Kitchen Mr P Burt Mrs R Burt (resigned 28/9/2023) Mrs D M Fralick (resigned 28/9/2023) Mr M White Mr I Rothwell Mr J Davies Mr P Hayes Mr P Lumb (appointed 28/9/2023) Rev M Surrey (appointed 28/9/2023) Mrs S Wright (appointed 28/9/2023)
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 2023

The trustees present their report with the financial statements of the charity for the year ended 31 December 2023. 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 £30,881 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.

During 2023, the Church has continued to meet 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 2023. 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 2023, our Lead Pastor, Cristi Murgu has continued to lead the work of the Church in the local Community and surrounding areas, supported by our Community Pastor, Ian Ellershaw. 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 2023, the Church has continued to liaise with local 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 which we were pleased to open in March 2022. Since this time, the Centre has already been used to support the Charities objectives and hosting the community support ventures. During 2023, further funds were raised meaning that the Trustees agreed in December 2023 to make arrangements to repay all outstanding loans relating to the £1million plus build programme which will be transacted in early 2024. 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 2023. 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 new ministries and events run from the Centre. The Churches GDPR policy and its charitable data protection management processes are still in course of ongoing review but progress has been made.

CARNFORTH FREE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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 £61,705 (2022 - £73,043). No funds are 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 28/7/24 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 2023.

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

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: 29/1/24

CARNFORTH FREE METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
Income and endowments from					
Donations and legacies		168,167	49,984	218,151	271,157
Charitable activities					
Church activities		-	6,959	6,959	10,311
Investment income	2	233	-	233	41
Other income		1,040	-	1,040	52,179
Total		<u>169,440</u>	<u>56,943</u>	<u>226,383</u>	<u>333,688</u>
Expenditure on					
Charitable activities					
Church activities		137,902	8,977	146,879	149,413
Other		2,999	-	2,999	3,444
Total		<u>140,901</u>	<u>8,977</u>	<u>149,878</u>	<u>152,857</u>
NET INCOME		28,539	47,966	76,505	180,831
Reconciliation of funds					
Total funds brought forward		509,786	1,002,696	1,512,482	1,331,651
Total funds carried forward		<u>538,325</u>	<u>1,050,662</u>	<u>1,588,987</u>	<u>1,512,482</u>

The notes form part of these financial statements

CARNFORTH FREE METHODIST CHURCH

BALANCE SHEET 31 DECEMBER 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
Fixed assets					
Tangible assets	7	127,538	-	127,538	126,746
Investments	8	-	1	1	1
		<u>127,538</u>	<u>1</u>	<u>127,539</u>	<u>126,747</u>
Current assets					
Debtors	9	392,207	1,050,496	1,442,703	1,429,769
Cash at bank		58,676	165	58,841	174,160
		<u>450,883</u>	<u>1,050,661</u>	<u>1,501,544</u>	<u>1,603,929</u>
Creditors					
Amounts falling due within one year	10	(3,434)	-	(3,434)	(170,218)
		<u>447,449</u>	<u>1,050,661</u>	<u>1,498,110</u>	<u>1,433,711</u>
Net current assets					
		<u>447,449</u>	<u>1,050,661</u>	<u>1,498,110</u>	<u>1,433,711</u>
Total assets less current liabilities		<u>574,987</u>	<u>1,050,662</u>	<u>1,625,649</u>	<u>1,560,458</u>
Creditors					
Amounts falling due after more than one year	11	(36,662)	-	(36,662)	(47,976)
		<u>538,325</u>	<u>1,050,662</u>	<u>1,588,987</u>	<u>1,512,482</u>
NET ASSETS		<u>538,325</u>	<u>1,050,662</u>	<u>1,588,987</u>	<u>1,512,482</u>
Funds	14				
Unrestricted funds				538,325	509,786
Restricted funds				1,050,662	1,002,696
				<u>1,588,987</u>	<u>1,512,482</u>
Total funds				<u>1,588,987</u>	<u>1,512,482</u>

The financial statements were approved by the Board of Trustees and authorised for issue on28.17./24..... and were signed on its behalf by:



Mr J Carter - Trustee



Mr P Burt - Trustee

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023

2. Investment income

	2023	2022
	£	£
Deposit account interest	233	41

3. Grants payable

	2023	2022
	£	£
Church activities	14,618	16,880

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

	2023	2022
	£	£
Education for Life	600	1,200
Sportsreach	600	600
Royal British Legion	40	-
NISCU	700	600
United Christian Broadcasters	40	240
Lancaster and Morecambe Debt Centre	-	1,640
The Way Church	-	200
Our Daily Bread Ministries	-	250
Lancaster Baptist Church	-	150
Heart Church Morecambe	-	500
Capernwray Hall	-	1,000
Ukraine Appeal	-	650
United Servants	111	-
	2,091	7,030

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

	2023	2022
	£	£
Individuals	11,035	9,850

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 £30,141 (2022 - £27,902) and pension contributions of £2,070 (2022 - £1,980). I Ellershaw received gross pay of £32,526 (2022 - £30,549) and pension contributions of £2,070 (2022 - £1,980).

The total donations made by the Trustees to the charity during the year amounted to £42,260 (2022 - £43,660).

CARNFORTH FREE METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****4. Trustees' remuneration and benefits - continued****Trustees' expenses**

The Trustees were reimbursed expenses of £282 (2022 - £811).

5. Staff costs

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

	2023	2022
Charitable activities	3	3

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	156,823	114,334	271,157
Charitable activities			
Church activities	658	9,653	10,311
Investment income	41	-	41
Other income	52,179	-	52,179
Total	<u>209,701</u>	<u>123,987</u>	<u>333,688</u>
Expenditure on			
Charitable activities			
Church activities	136,589	12,824	149,413
Other	3,444	-	3,444
Total	<u>140,033</u>	<u>12,824</u>	<u>152,857</u>
NET INCOME	69,668	111,163	180,831
Reconciliation of funds			
Total funds brought forward	440,118	891,533	1,331,651
Total funds carried forward	<u>509,786</u>	<u>1,002,696</u>	<u>1,512,482</u>

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

7. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Totals £
Cost				
At 1 January 2023	119,820	28,935	2,703	151,458
Additions	-	-	2,906	2,906
At 31 December 2023	119,820	28,935	5,609	154,364
Depreciation				
At 1 January 2023	-	23,700	1,012	24,712
Charge for year	-	1,047	1,067	2,114
At 31 December 2023	-	24,747	2,079	26,826
Net book value				
At 31 December 2023	119,820	4,188	3,530	127,538
At 31 December 2022	119,820	5,235	1,691	126,746

8. Fixed asset investments

	Shares in group undertakings £
Market value	
At 1 January 2023 and 31 December 2023	1
Net book value	
At 31 December 2023	1
At 31 December 2022	1

There were no investment assets outside the UK.

9. Debtors: amounts falling due within one year

	2023 £	2022 £
Other debtors	1,442,703	1,429,769

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

10. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts (see note 12)	1,107	1,049
Trade creditors	1,342	2,104
Taxation and social security	985	915
Other creditors	-	166,150
	<u>3,434</u>	<u>170,218</u>

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

	2023	2022
	£	£
Bank loans (see note 12)	<u>36,662</u>	<u>47,976</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:

	2023	2022
	£	£
Bank loans	<u>37,769</u>	<u>49,025</u>

14. Movement in funds

	At 1/1/23	Net movement in funds	At 31/12/23
	£	£	£
Unrestricted funds			
General fund	509,786	28,539	538,325
Restricted funds			
Gifts for specific purposes	20	(5)	15
Building	1,002,439	48,043	1,050,482
Food bank	237	(97)	140
Ladies ministry	-	25	25
	<u>1,002,696</u>	<u>47,966</u>	<u>1,050,662</u>
TOTAL FUNDS	<u>1,512,482</u>	<u>76,505</u>	<u>1,588,987</u>

CARNFORTH FREE METHODIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	169,440	(140,901)	28,539
Restricted funds			
Gifts for specific purposes	1,940	(1,945)	(5)
Building	48,043	-	48,043
Soccer school	6,814	(6,814)	-
Food bank	1	(98)	(97)
Ladies ministry	145	(120)	25
	<u>56,943</u>	<u>(8,977)</u>	<u>47,966</u>
TOTAL FUNDS	<u><u>226,383</u></u>	<u><u>(149,878)</u></u>	<u><u>76,505</u></u>

Comparatives for movement in funds

	At 1/1/22 £	Net movement in funds £	At 31/12/22 £
Unrestricted funds			
General fund	440,118	69,668	509,786
Restricted funds			
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>
TOTAL FUNDS	<u><u>1,331,651</u></u>	<u><u>180,831</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 2023****14. Movement in funds - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	209,701	(140,033)	69,668
Restricted funds			
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>
TOTAL FUNDS	<u>333,688</u>	<u>(152,857)</u>	<u>180,831</u>

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

	At 1/1/22 £	Net movement in funds £	At 31/12/23 £
Unrestricted funds			
General fund	440,118	98,207	538,325
Restricted funds			
Gifts for specific purposes	-	15	15
Building	891,310	159,172	1,050,482
Food bank	223	(83)	140
Ladies ministry	-	25	25
	<u>891,533</u>	<u>159,129</u>	<u>1,050,662</u>
TOTAL FUNDS	<u>1,331,651</u>	<u>257,336</u>	<u>1,588,987</u>

CARNFORTH FREE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

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 £
Unrestricted funds			
General fund	379,141	(280,934)	98,207
Restricted funds			
Gifts for specific purposes	5,045	(5,030)	15
Building	159,172	-	159,172
Soccer school	11,579	(11,579)	-
Food bank	101	(184)	(83)
Men's ministry	4,888	(4,888)	-
Ladies ministry	145	(120)	25
	<u>180,930</u>	<u>(21,801)</u>	<u>159,129</u>
TOTAL FUNDS	<u>560,071</u>	<u>(302,735)</u>	<u>257,336</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 £1,436,240 (2022 - £1,420,432).

CARNFORTH FREE METHODIST CHURCH**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Gifts	185,885	213,874
Gift aid	30,881	30,915
Grants	-	25,600
Hire of centre	1,385	768
	<u>218,151</u>	<u>271,157</u>
Investment income		
Deposit account interest	233	41
Charitable activities		
Soccer school	6,814	5,423
Mens ministry	-	4,888
Ladies ministry	145	-
	<u>6,959</u>	<u>10,311</u>
Other income		
Other income	1,040	-
Gain on sale of tangible fixed assets	-	52,179
	<u>1,040</u>	<u>52,179</u>
Total incoming resources	<u>226,383</u>	<u>333,688</u>
Expenditure		
Charitable activities		
Wages	68,483	63,574
Social security	1,126	1,372
Pensions	4,140	3,960
Telephone	1,528	1,604
Postage and stationery	959	121
Computer costs	419	460
Soccer school	10,853	7,279
Mens ministry	200	5,300
Ladies ministry	120	100
Lyrics and Laughter expenses	43	240
Children and Youth expenses	1,752	949
Property rental	9,250	10,277
Manse expenses	2,352	2,676
Church expenses	12,364	15,335
Free Methodist Church levy	6,492	6,456
Carried forward	120,081	119,703

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 2023**

	2023	2022
	£	£
Charitable activities		
Brought forward	120,081	119,703
Travel expenses	438	1,048
Visiting speaker expenses	850	550
Subscriptions	1,953	1,819
Depreciation of fixtures and fittings	1,047	339
Computer equipment	1,067	676
Grants to institutions	3,583	7,030
Grants to individuals	11,035	9,850
	<u>140,054</u>	<u>141,015</u>
Other		
Bank loan interest	2,999	3,444
Support costs		
Management		
Insurance	4,046	4,968
Finance		
Bank charges	589	981
Governance costs		
Legal and professional fees	-	734
Accountancy fees	2,190	1,715
	<u>2,190</u>	<u>2,449</u>
Total resources expended	<u>149,878</u>	<u>152,857</u>
Net income	<u><u>76,505</u></u>	<u><u>180,831</u></u>

This page does not form part of the statutory financial statements