



Fareham Methodist Church

TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2022

Objectives and activities

In setting our objectives and planning our activities, the Church Council Meeting has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Our Mission as a local church of the East Solent and Downs Circuit is to pursue the mission of God through worship, learning and caring, service and evangelism.

This is done for as many people as possible within the Fareham area through the provision of Christian Worship, spiritual development and pastoral care both to church members and to the wider communities in which the church is located.

Fareham Methodist Church supports the advancement of the Christian Faith through ecumenical liaison with other Christian groups in Fareham.

Achievements and performance

Current year

The year started in September 2021 with fewer restrictions in place for church services. Although many members have returned to church there is a small group who continue to use Zoom to access the Sunday Service. During the year the posting of recorded services on the web site stopped reflecting the increased number of people in the building and the consequent challenges obtaining permissions under the data protection regulations.

Most user groups have returned to the building and income from lettings is more inline with pre 2020 levels. There is concerns that numbers returning to the Trinity Pre-school have not recovered and there is an ongoing concern regarding the viability of this group. (Post year note: Trinity Pre-school closed in September 2022) Some new user groups are now using the building with a great variety of events ranging from Yoga to Singing to the local Scout Marching Band!

Like many charities the Church has been subjected to significant increases in energy costs. Whilst we are currently protected from increases in gas prices by a current fixed price deal the increase in electricity has been significant. The property team are actively looking at measures to reduce consumption and make the heating system more efficient.

The Church continues to make donations to other charities and through social events raise money for various appeals.

Future years

- To continue to focus on mission activity that will lead new people into faith and so grow the number of Christians.
- To focus on worship and spiritual development and continue the use of technology to stream services to people who cannot access the premises

- To continue to work with Christians Together in Fareham to promote Christianity in the Borough.
- To provide pastoral support to those in need.

Financial review

Income and expense

During the year the Church received total income of £85,757 (2020-21: £70,279) and made payments of £82,498 (2020-21: £71,861). Bequests were received in the year totalling £1,000 and these are held in the church accounts. Funds held at TMCP in Trust Number 21694 stands at £8,803. Total restricted reserves held in endowment funds at TMCP amount to £15,667. The interest from these funds is paid into the General Fund as it is received.

Unrestricted reserves carried forward were £91,089` (2020-21: £87,830). £51,497 of these reserves are designated: £500 for benevolence payments; £7,194 in the Organ and Keyboard Fund; £33,000 in the Major Property Repair Fund; £2,000 bequests held within church accounts and £8,803 as bequests held at TMCP for longer term or specific use.

The trustees of the Church have every reason to believe that the Charity is a going concern, principally because the majority of the donated income is not reliant on attendance within the church building but is paid directly to the church accounts by standing order. There are no subsidiary undertakings. A significant proportion of income is from lettings and the Trustees are aware that this income cannot be relied on as fully secure, especially as the cost of living crisis potentially affects user groups. However the Trustees are confident that there are sufficient reserves to cover any reduction in lettings in the medium term.

Remuneration policy

The church currently has one employee, a cleaner working 11 hours per week. The cleaner post is paid at the Real Living Wage set annually by the Living Wage Foundation. Pay reviews are normally undertaken with effect from 1st April each year with rates set by the Managing Trustees at the Church Council prior to this date.

Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP).

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract interest. The Trustees are not minded to invest in higher risk funds.

Reserves level and policy

The General Fund contains three designated funds, the Benevolence Fund, a fund for Organ and Musical Instruments and a fund for Major Property Repair. It also contains unrestricted bequests held in Trust number 21694 at TMCP and in the church accounts.

Fareham Methodist Church
Year ended 31 August 2022

- ❖ Since in accordance with its stewardship policy, the church does not take separate collections for benevolence, a benevolence reserve is maintained in the General Fund for disbursement at the discretion of the minister.
- ❖ Church Council agreed that the church should start to build up a reserve to go towards replacement of the organ and other major musical instruments in the future. The designation of this fund is Organ and Keyboard with an ultimate target fund of £20,000.
- ❖ The major property reserve was re-assessed in October 2021 and a target property reserve has been set at £40,000 to cover major repair, renewals and improvements not included in the operating costs of the Church. This is designated CAPEX within the budget set each year. There is budgeted expenditure in the next 12 months of £20,000. The Quinquennial did not indicate any short-term major spend requirements however there is a requirement to undertake a major refurbishment of the Large Hall to improve it for letting. The Trustees are also looking to install an energy management system to help reduce the consumption of electricity and gas for heating purposes.
- ❖ Bequests were received in 2021-2022.

Withdrawal of money from the three Designated Funds and unrestricted bequests requires Managing Trustee approval.

The remainder of the funds are held as Free Reserves. The target is for free reserves to cover approximately 6 months of operating costs with a target range of 40%-60%

Designated Funds:

Benevolence	£ 500
Organ and Keyboard	£ 7,194
Major Property Repair (target £40k)	£33,000
Unrestricted bequests @ TMCP	£ 8,803
Unrestricted bequests held in accounts	£ 2,000

Free Reserve: £39,592 - 51%
operating costs [forecast operating costs 2022/23 = £78,650]

Trustees' responsibilities

For each financial year ending on 31st August the Trustees are required to prepare financial statements that give a true and fair view of the Church's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Church and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Church and

hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Safeguarding children and vulnerable adults. The Church's policy is to adhere to the Methodist Church's policy on Safeguarding Children and Vulnerable Adults. A Safeguarding Officer is appointed. The Circuit provides regular safeguarding training that can be accessed by the church as required. The Safeguarding Officer keeps records of training and ensures that this is up to date.

The Church does not hold any funds as custodian trustees on behalf of others.

Structure, governance and management

The Church is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 2 February 2009. Prior to this the charity had an excepted registration.

Structure

The Church is one of a number that make up the East Solent and Downs Circuit.

The Circuit is the coordinating charity and pay the stipends of the ministers and employ lay staff to serve the Churches in the Circuit; most decisions are made at or ratified by the Circuit Meeting.

The Circuit is part of the Southampton District which is the coordinating charity for a group of contiguous Circuits. District decisions are made at the half yearly synod to which the Circuit appoints both lay and ordained representatives. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

1. Overall regulatory authority rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits.
3. Connexional decisions are passed via Districts to Circuits for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
4. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

Governance

The Church operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the Church.

Reference and Administrative Details

Name of the charity

Fareham Methodist Church.

Charity registration number

1127814, registered in England and Wales

Principal Office

Fareham Methodist Church
Kings Road
Fareham
PO16 0NU

Minister with pastoral oversight

Revd Claire Simpson

Church Treasurer

Mr Michael Petter

Names of trustees

The following served as trustees throughout part or all of the year 2021-2 or were trustees at the time of this report being approved:

Mrs	Brenda	Bennett	
Mrs	Sally	Bland	
Mr	Mark	Brooks	
Mr	Nigel	Cox	
Mrs	Patricia	Croker	
Mrs	Linda	Foster	
Mr	Kevin	Foster	
Mrs	Jill	Groom	
Mrs	Shirley	Henderson	
Mr	Anthony	Jackson	
Mrs	Edith	Livingstone	
Mr	Peter	Moody	
Mrs	Jean	Petter	
Mr	Michael	Petter	
Mrs	Jillian	Race	
Mrs	Margaret	Shepherd	
Mr	Michael	Shepherd	
Revd.	Claire	Simpson	
Mrs	Catherine	Stevenson	
Mrs	Roberta	Watson	
Mrs	Margaret	Wheeler	
Mr	Andrew	Wilcock	
Mrs	Elizabeth	Wilcock	
Mr	Christopher	Woodhams	

No trustee claims exemption from disclosure of his or her name here.

Bankers

CAF Bank Ltd
Church
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Central Finance Board of the Methodist
9 Bonhill Street
London
EC2A 4PE

Investment managers and custodian trustees

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

Independent Examiner

Mrs Joanne Gregory
19/21 High Street
Emsworth
Hants
PO10 7AQ

Approvals

The Trustees' Report and the Financial Statements were approved by the Church Council Meeting on 19th January 2023.

THE METHODIST CHURCH STANDARD FORM OF ACCOUNTS

Fareham Methodist

Church

FOR THE YEAR ENDED

31 August 2022

East Solent & Downs	Circuit	Circuit no.	26/07
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Registered Charity - Charity Registration number

1127814

**If not a registered charity Her Majesty's Revenue and
Customs Gift Aid number**

(The HMRC number is equivalent to a registered charity number in terms of evidence of charitable status and may be used to give to donors or grant funders wishing to see evidence of the organisation's charitable status. Methodist charities in England and Wales that are not registered charities are excepted from registration under Statutory Instrument 2014 No.242)

Minister:

Revd Claire Simpson

Church Stewards:

Mrs Maggie Wheeler

Mrs Jill Groom

Mrs Brenda Bennett

Mr Mike Shepherd

Mr Chris Woodhams

Treasurer:

Mr Mike Petter

SECTION A			Unrestricted Funds	Restricted funds incl Trust No 21694	Totals this year	Totals last year
	Note	£	£	£	£	£
a1	RECEIPTS	1				
a2	Offerings and Tax recovered		57,806		57,806	56,029
a3	Bank and CFB interest and Investment income		227	9	236	113
a4	Lettings		19,147		19,147	12,589
a5	Other receipts	2	8,568		8,568	1,548
a6	TOTAL RECEIPTS		85,748	9	85,757 (a7)	70,279

SECTION B						
b1	PAYMENTS					
b2	Circuit Assessment or Share		47,306		47,306	47,328
b3	Donations	3	10,805		10,805	2,722
b4	Repairs and Maintenance	4	2,361		2,361	2,073
b5	Utilities (Insurances, water charges, heating & lighting)	5	9,052		9,052	10,502
b6	Caretaking & Cleaaning	6	10,155		10,155	6,852
b7	Other payments	2	2,805	14	2,819	2,384
b8	TOTAL PAYMENTS		82,484	14	82,498 (b9)	71,861

SECTION C						
c1	NET RECEIPTS/PAYMENTS FOR THE YEAR	(a6-b8)	3,264	(5)	3,259	(1,582)
c2	Total funds brought forward from last year		79,022	8,808	87,830 (c6)	89,332
c3	Sub total	(c1+c2)	82,286	8,803	91,089	87,750
c4	Transfers and adjustments		730		730 (c7)	80
c5	TOTAL FUNDS AT END OF YEAR	(c3+c4)	83,016	8,803	91,819 (c8)	87,830 (c6)

SECTION D					
FOR INFORMATION ONLY: MONEY RECEIVED AND PASSED ON TO EXTERNAL ORGANISATIONS					
d	(these amounts are not to be included in total receipts/payments figures)		£		£
d1	Balance brought forward from last year				36
d2	Offerings/Gifts - received for external organisations		1,967		4
d3	Offerings/Gifts - passed to external organisations		1,967		40
d4	BALANCE STILL TO BE PAID	(d1+d2-d3)			

SUMMARY OF CHURCH ACCOUNTS AND INTERNAL ORGANISATIONS REPORTING TO THE CHURCH COUNCIL**SECTION E**

Please follow the Guidance Notes to complete this page

Summary of the Church accounts for the year ended 31 August 2022 and Internal Organisations reporting to the Church Council/Church Meeting. Note that the funds of an Internal Organisation would normally be Restricted funds unless it could be clearly shown that they could be used for any Methodist purpose. This section must be completed to arrive at the gross income and expenditure totals of the Church. If gross income exceeds the Accruals threshold, then the Accruals method of accounting AND A DIFFERENT FORM must be used to report the accounts (see Methodist website). Please refer to the guidance notes regarding transfers between the District and connected District Organisations.

INTERNAL ORGANISATIONS		Receipts	Payments	Net Receipts/ Payments	Adjustments	Opening balances	Closing balances
e1	Flower Fund	146	31	115		64	179
e2	Friday Lunches	464	565	(101)		124	23
e3	Junior Church		74	(74)		92	18
e4	Tuesday Ladies Club (included in church accounts)						
e5	Mini Market	1,243	1,630	(387)		1,581	1,194
e6	Parents & Toddlers	407	594	(187)		398	201
e7							
e8	Sub total of Internal Organisations funds	2,260	2,894	(634)		2,249 (e11)	1,615 (e12)
e9	Church accounts (totals brought forward from page 2 - totals column)	85,757 (a7)	82,498 (b9)	3,259	730 (c7)	87,830 (c6)	91,819 (c8)
e10	TOTAL CASH FUNDS HELD BY CHURCH	88,017	85,392	2,625	730	90,079 (x)	93,434 (y)
Continue on a separate sheet if necessary and bring the totals forward		TOTAL RECEIPTS	TOTAL PAYMENTS				

SECTION F**STATEMENT OF ASSETS AND LIABILITIES****CHURCH - CASH FUNDS HELD at 31 August 2022**

	OPENING BALANCES	CLOSING BALANCES
f1 Cash in hand		
f2 Bank Current Account	21,035	30,828
f3 Bank Deposit Account		
f4 Central Finance Board	57,987	52,188
f5 Trustees for Methodist Church Purposes	8,808	8,803
f6 Other funds		
f7 SUB TOTAL - Church accounts	87,830 (c6)	91,819 (c8)
Total funds held by Internal Organisations (the closing balance total from above) (e12)	2,249 (e11)	1,615 (e12)
f9 TOTAL CASH FUNDS HELD BY CHURCH	90,079 (x)	93,434 (y)

SECTION G**OTHER ASSETS and LIABILITIES**

	At 1 September 2021	At 31 August 2022
g1 Investments (include Endowments) Note 9	15,967	15,947
g2 Land & Buildings (see notes re Insurance value) Note 10	2,839,117	3,242,246
g3 Other Assets	145,480	166,136
g4 Loan(s) - show amount outstanding at year end		
g5 Other Liabilities		

f4 Include only Funds held at the Central Finance Board

f5 Include only Funds held at Trustees for Methodist Church Purposes

g1 Include any other investments (not the cash element of TMCP trusts accounts this is included in line f5)

Name of Church FAREHAM METHODIST No 1127814

Declarations and Scrutiny

I confirm that these Receipt and Payment based accounts for the year to 31 August 2022 have been prepared from the records of the Church and that they include all funds under the control of the Church trustees.

Signature of treasurer My Petter Date 19th January 2023

Name and address of treasurer MIKE PETTER
4 ROMYNS COURT FAREHAM Post Code PO14 1NB

Presentation to the Church trustees

I confirm that the annual report and accounts for the year ended 31 August 2022 were/will be* presented to the meeting of the Church trustees held on 19th January 2023

Signature of the Chair of the meeting C. Simpson

Name of the Chair of the meeting Rev. CLARE SIMPSON Date 19/1/2023

Independent Examiner's Report to the Trustees of the

FAREHAM METHODIST Church

Charity Number 1127814

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the FAREHAM METHODIST Church for the year ended 31 August 2022 set out on pages 1 to 3. As the Church's trustees, 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 Church's accounts carried out under section 145 of the Act and, in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

* delete or circle as appropriate

Name of Church Fareham No 1127814

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 (other than that disclosed below*) which give me cause to believe that, in any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts do not accord with the accounting records.

[the [the

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

I have/have not* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature of independent examiner J Gregory

Name of independent examiner MRS. Joanne Gregory

Relevant professional qualification of independent examiner

Name of firm (where appropriate)

Address 19/21 High Street, Emsworth

..... Post Code PO10 7AQ

Date 7th January 2023

* delete or circle as appropriate

Sep-22

FAREHAM METHODIST CHURCH

Notes accompanying Accounts for Year ended 31st August 2022

1. Both the General Fund and Trust No. 21694 are unrestricted. Trust No. 21694 consists of Model Trust bequests.

2.	Other Receipts and Other Payments		
	Receipts	Weekday activity (Messy Ch, Coffee , Friday lunch)	2,968
		Organ & Keyboard fund donations	1,160
		Donations to Weddings/funerals	349
		Gift Day	2,122
		Sunday lunch donations	690
		Donation inmemory A Long	1,000
		Other	280
			8,569
	Payments	Messy Church	425
		Copying, Copyright & Website	1,902
		Bank fees	94
		Jubilee Tree	125
		Other	260
			2,805
3	Donations		
		Ministry Pension Reserve Fund	8,000
		World Missions	900
		Mission in Britain	550
		Property Fund	450
		Ministers' Housing Society	220
		Fund for the Support of Presbyters and Deacons	85
		Leaders of Worship and Preachers' Trust	85
		MWIB	250
		Christians Together in Fareham	0
		BRF Messy Church	146
		Fareham Masonic Club (for use of car park)	120
			10,806
4	Repairs		
		Boiler service	150
		Fire extinguishers	100
		Sound system	336
		Door auto entry system	434
		Decorate Welcome Area	140
		New heaters Welcome Area	643
		Electrical work	286
		General expenses <£100	272
			2,381
5	Utilities		
		Gas	716
		Electricity	4,957
		BT	62
		Insurance	3,318
			9,052
6	Caretaking and cleaning		
		Wages	8,960
		Janitorial supplies	731
		PHS	679
		Window clean	220
		Trade Waste	307
		Job retention scheme payments	-743
			10,154

FAREHAM METHODIST CHURCH

Notes accompanying Accounts for Year ended 31st August 2022 continued

- | | | | |
|-----|--|---------|-------|
| 7. | General Fund at 31st August 2022 | 39592 | |
| | Running Costs Reserve | 500 | |
| | Benevolence Reserve | 33000 | |
| | Major Repairs Reserve | 7194 | |
| | Organ & Keyboard reserve | 8803 | |
| | Unrestricted bequests @ TMCP | 2000 | 91089 |
| | Unrestricted bequests in account | | |
| | | | |
| 8. | Appeals for External Organisations | | |
| | Action for Children | 356.10 | |
| | All We Can | 1077.20 | |
| | British Heart Foundation | 75.00 | |
| | Christian Aid Week | 226.50 | |
| | Gift for Caretaker | 205.00 | |
| | World Mission Fund JMA | 27.27 | 1967 |
| | | | |
| 9. | The investment shown in Section G is Trust No. 17856 and Trust No. 22184 with the Trustees for Methodist Church Purposes (Charity No. 1136358). | | |
| | | | |
| 10. | The Buildings and "other assets" (contents and organ) are valued at the sums for which they are insured. The sums insured are increased annually according to appropriate indices. | | |

Name of Church Fareham No 1127814

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Signature of independent examiner J Gregory

Name of independent examiner MRS. Joanne Gregory

Relevant professional qualification of independent examiner

Name of firm (where appropriate)

Address 19/21 High Street, Emsworth

..... Post Code PO10 7AQ

Date 7th January 2023

* delete or circle as appropriate

Sep-22