



Fareham Methodist Church

TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2023

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 2022 with the news that a long hire by the Trinity Pre-School would cease as the Pre-School was closed by its Trustees due to its non-viability. Although this outcome was expected it had a major effect on letting income during the financial year 2022-2023. It has not been possible to find an equivalent replacement hire resulting in income from lettings being £5,600 lower than the previous year.

Attendance at Sunday services normalised at an average of approximately 65 per week. The majority of regular church attendees now donate by standing order which has meant that income from giving is now more predictable. Church services are normally streamed onto Facebook enabling a number of people who were unable to get back to church to enjoy feeling part of the service through the live stream.

Various weekday activities continue to take place in the life of the church with many offering outreach opportunities to the local community.

Faced with increasing energy costs the Managing Trustees approved the installation of a heating management system. The system was installed in May 2023 so there has been no data available during this financial year to demonstrate its effectiveness. Benefits have been seen, however, in the management of hall hire and control of use of the various rooms.

It has become apparent that the current audio system is not fit for purpose and is starting to fail. A grant of £5,000 towards a new system was made by the Circuit. The property group has identified two potential suppliers and there is an anticipation that the installation of a new system will take place early in the next financial year.

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

Fareham Methodist Church Year ended 31 August 2023

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 £102,387 (2021-22: £85,757) and made payments of £88,267 (2021-22: £82,498). A grant of £5,000 was received from Circuit to support the new AV system to be installed in 2023-2024. Bequests were received in the year totalling £9,700 and these are held in the church accounts. Funds held at TMCP in Trust Number 21694 stands at £8,807. Total restricted reserves held in endowment funds at TMCP amount to £15,965. The interest from these funds is paid into the General Fund as it is received.

Unrestricted reserves carried forward were £105,939 (2021-22: £91,089). £65,031 of these reserves are designated: £500 for benevolence payments; £8,024 in the Organ and Keyboard Fund; £31,000 in the Major Property Repair Fund; £11,700 bequests held within church accounts, £5000 grant from Circuit (restricted to AV equipment) and £8,807 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. The proportion of income that is from lettings has reduced from previous years 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 continued 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. In 2022-2023 the pay review date was brought forward to November 2022 to reflect the challenges of the cost-of-living crises. It is expected to revert to the usual pay review date in future years.

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.

Fareham Methodist Church Year ended 31 August 2023

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.

- ❖ 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. An energy management system was installed during 2022-2023 and there is a plan to significantly upgrade the AV system during 2023-2024.
- ❖ Bequests were received in 2022-2023 totalling £9,700 and these are currently held in the Church Accounts.

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	£ 8,024
Major Property Repair (target £40k)	£31,000
Unrestricted bequests@ TMCP	£ 8,807
Unrestricted bequests held in accounts	£ 11,700
Grants from circuit not yet expended (restricted for AV equipment)	£ 5,000

Free Reserve:	£40,908 - 50% operating costs [forecast operating costs 2023/24 = £81,650]
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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

Fareham Methodist Church Year ended 31 August 2023

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 Tavistock Place, London WC1H 9SF to provide guidance on changes that could affect the Church.

Fareham Methodist Church
Year ended 31 August 2023

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 Pauline Crispin

Church Treasurer

Mr Michael Petter

Names of trustees

The following served as trustees throughout part or all of the year 2022-23 or were trustees at the time of this report being approved:

Mrs	Brenda	Bennett	
Mrs	Sally	Bland	
Mr	Mark	Brooks	
Mr	Nigel	Cox	
Revd	Pauline	Crispin	From Sept 2023
Mrs	Patricia	Croker	
Mrs	Linda	Foster	
Mr	Kevin	Foster	
Mrs	Jill	Groom	
Mrs	Shirley	Henderson	
Mrs	Julie	Kettle	
Mrs	Edith	Livingstone	
Mrs	Audrey	Mann	
Mr	Peter	Moody	
Mrs	Jean	Petter	
Mr	Michael	Petter	
Mrs	Jill	Race	
Mrs	Margaret	Shepherd	
Mr	Michael	Shepherd	
Revd.	Claire	Simpson	Left Aug 2023
Mrs	Catherine	Stevenson	
Mrs	Roberta	Watson	
Mrs	Margaret	Wheeler	

Fareham Methodist Church
Year ended 31 August 2023

Mr	Andrew	Wilcock	
Mrs	Elizabeth	Wilcock	
Mr	Christopher	Woodhams	
Mrs	Lin	Woodhams	
Mrs	Linda	Young	

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

Bankers

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

Central Finance Board of the Methodist Church
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 18th January 2024.

THE METHODIST CHURCH STANDARD FORM OF ACCOUNTS

Fareham Methodist	Church
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FOR THE YEAR ENDED

31 August 2023

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. Pauline Crispin

Church Stewards:

Mrs Maggie Wheeler

Mrs Jill Groom

Mrs Brenda Bennett

Mr Mike Shepherd

Mr Chris Woodhams

Mrs Jean Petter

Mrs Audrey Mann

Treasurer:

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		59,619		59,619	57,806
a3	Bank and CFB interest and Investment income		2,308		2,308	236
a4	Lettings		13,564		13,564	19,147
a5	Other receipts	2	26,891	4	26,895	8,568
a6	TOTAL RECEIPTS		102,383	4	102,387 (a7)	85,757

SECTION B						
b1	PAYMENTS					
b2	Circuit Assessment or Share		46,815		46,815	47,306
b3	Donations	3	3,019		3,019	10,805
b4	Repairs and Maintenance	4	12,316		12,316	2,361
b5	Utilities (Insurances, water charges, heating & lighting)	5	11,808		11,808	9,052
b6	Caretaking & Cleaning	6	9,457		9,457	10,155
b7	Other payments	2	4,852		4,852	2,819
b8	TOTAL PAYMENTS		88,267		88,267 (b9)	82,498

SECTION C						
c1	NET RECEIPTS/PAYMENTS FOR THE YEAR	(a6-b8)	14,116	4	14,120	3,259
c2	Total funds brought forward from last year		83,016	8,803	91,819 (c6)	87,830
c3	Sub total	(c1+c2)	97,132	8,807	105,939	91,089
c4	Transfers and adjustments		4		4 (c7)	730
c5	TOTAL FUNDS AT END OF YEAR	(c3+c4)	97,136	8,807	105,943 (c8)	91,819 (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				
d2	Offerings/Gifts - received for external organisations		2,436		1,967
d3	Offerings/Gifts - passed to external organisations		2,436		1,967
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 2023 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	95	25	70		179	249
e2 Friday Lunches	1,415	1,419	(4)		23	19
e3 Junior Church	100	88	12		18	30
e4 Mini Market	1,657	2,663	(1,006)		1,194	188
e5 Parent & Toddlers	372	420	(48)		201	153
e6						
e7						
e8 Sub total of Internal Organisations funds	3,639	4,615	(976)		1,615 (e11)	639 (e12)
e9 Church accounts (totals brought forward from page 2 - totals column)	102,387 (a7)	88,267 (b9)	14,120	4 (c7)	91,819 (c6)	105,943 (c8)
e10 TOTAL CASH FUNDS HELD BY CHURCH	106,025	92,882	13,144	4	93,434 (x)	106,582 (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 2023**

	OPENING BALANCES	CLOSING BALANCES
f1 Cash in hand		
f2 Bank Current Account	30,828	52,798
f3 Bank Deposit Account		
f4 Central Finance Board	52,188	44,338
f5 Trustees for Methodist Church Purposes	8,803	8,807
f6 Other funds		
f7 SUB TOTAL - Church accounts	91,819 (c6)	105,943 (c8)
f8 Total funds held by Internal Organisations (the closing balance total from above) (e12)	1,615 (e11)	639 (e12)
f9 TOTAL CASH FUNDS HELD BY CHURCH	93,434 (x)	106,582 (y)

SECTION G**OTHER ASSETS and LIABILITIES**

	At 1 September 2022	At 31 August 2023
g1 Investments (include Endowments)	15,947	15,965
g2 Land & Buildings (see notes re Insurance value)	3,242,246	3,339,511
g3 Other Assets	166,136	168,106
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)

FAREHAM METHODIST CHURCH

Notes accompanying Accounts for Year ended 31st August 2023

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

<u>Receipts</u>	Weekday activity	6,535
	Mini market: £2609	
	Messy Church: £123	
	Holiday at Home: £127	
	Shirley's Stall: £600	
	Coffee Centre: £545	
	Friday lunch: £710	
	Fashion show: £759	
	Film night: £245	
	Bazaar: £775	
	Organ & Keyboard fund donations	830
	Sunday lunch donations	792
	Sunday coffee donations	215
	Bequests(Long, Bright, Wheeler, Bashforth)	9,700
	Grants from circuit	6,094
	Hampshire Historic Churches	215
	Asylum support	567
	Other	208
	Claire Gift donation	1,620
	Claire party donations	115
		26,891
<u>Payments</u>		
	Messy Church	343
	Copying, Copyright & Website	1,709
	Bank fees	78
	Benevolence payments	295
	Claire gift	1,620
	Claire party	470
	Other incl expenses	337
		4,852

3 Donations

Advance payment Gift Aid	208
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	50
Fareham Masonic Club (for use of car park)	120
	3,018

4 Repairs

Boiler service	177
Fire extinguishers	100
Fire alarm service	321
General electrical	142
Decorate Large Hall	1,158
Computer upgrade	364
Defib pads	68
New heater control system	9,874
General expenses <£110	109
	12,315

FAREHAM METHODIST CHURCH
Notes accompanying Accounts for Year ended 31st August 2023 continued

5	Utilities	Broadband	298	
		Gas	796	
		Electricity (now on quarterly paymer	6,914	
		BT	65	
		Insurance	3,733	11,807
6	Caretaking and cleaning			
		Wages	7,759	
		Janitorial supplies	534	
		PHS	785	
		Window clean	220	
		Trade Waste	159	
				9,457
7.	General Fund at 31st August 2023			
		Restricted grant from circuit	5,000	
		Running Costs Reserve	40908	
		Benevolence Reserve	500	
		Major Repairs Reserve	31000	
		Organ & Keyboard reserve	8024	
		Unrestricted bequests @ TMCP	8807	
		Unrestricted bequests in account	11700	105939
8.	Appeals for External Organisations			
		Action for Children	461.25	
		All We Can	691.10	
		Ukraine Christians	563.00	
		Christian Aid Week	205.15	
		Children in Need	241.00	
		Step by Step	247.50	
		World Mission Fund JMA	26.87	
				2435.87
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.			

**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 2023 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.

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.

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.

I have 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 of the 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 ... 11 West 19/21 High Street Emsworth

..... Hants Post Code PO10 7AQ

Date ... 7/01/2024

Charity Number 1127814

Declaration by Treasurer

I confirm that these Receipt and Payment based accounts for the year to 31 August 2023 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  Date 7th Dec 2023

Name and address of treasurer Mike Petter
4 Romyns Court Fareham PO14 1NB

Presentation to the Church trustees

I confirm that the annual report and accounts for the year ended 31 August 2023 were presented to the meeting of the Church trustees held on 18th January 2024

Signature of the Chair of the meeting  Date 18-01-2024

Name of the Chair of the meeting Revd Pauline Crispin

**Independent Examiner's Report to the Trustees of the
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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 11 West 19/21 High Street Emsworth

..... Hants Post Code PO10 7AQ

Date 7/01/2024