

Company number: 7028764

Charity Number: 1133336

# Church of the Nazarene British Isles South District

Report and financial statements  
For the year ended 30 September 2023

Church of the Nazarene British Isles South District

Reference and administrative information

for the year ended 30 September 2023

**Company number** 7028764

**Charity number** 1133336

**Registered office and operational address**

Church of the Nazarene British Isles South District  
112 Cranbourne Road  
Ashton-under-Lyne  
OL7 9BW

**Trustees**

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Rev Carl McCann Chair

Mr Steven Francis Leach Secretary

Rev Erica Tuxworth

Sophie Peel Yates (Resigned 11 March 2023)

Revd Deirdre Brower-Latz (appointed 12 March 2022)

Rev Svetlana Khobnya (appointed 11 March 2023)

Grace Ogbewi (appointed 11 March 2023)

Clare McMullen (appointed 11 March 2023)

No Trustees held title to property belonging to the charity during the reporting period or at the date of approval.

**Bankers**

Reliance Bank  
Faith House  
23-24 Lovat Lane  
London  
EC3R 8EB

**Auditors**

Slade & Cooper Limited  
Beehive Mill, Jersey St, Ancoats, Manchester, M4 6JG

# Church of the Nazarene British Isles South District

## Trustees' annual report

for the year ended 30 September 2023

The trustees present their report and the audited financial statements for the year ended 30 September 2023. Included within the trustees' report is the directors' report as required by company law.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

The principal object of the charity is the advancement of Christian faith and its practice, especially by the means of and in accordance with the principles of the International church of the Nazarene.

The basis of our Christian faith as portrayed through the Bible is that we can come to know God personally, in Jesus Christ, who is both human and divine, and is the person in whom all that is lost and broken can be redeemed and who inspires his followers to work for a world that is a better place for all.

Within the covenant relationship of the Church of the Nazarene we value the freedom of the local church to discern for itself its practices and policies within the broad scope of Nazarene belief, in making Christ-like disciples. We stress the importance of individual response in faith, and we understand that each Christian is to play their part in advancing Christian faith and witness. Because of our emphasis on personal faith and the freedom of the local church we are committed to religious freedom for people of all Christian traditions and other faiths.

The District's overriding function is to provide encouragement, advice and support to member churches so that they too may maximise their ability to achieve their own charitable objective of making Jesus Christ known to particular individuals and to society in general

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

## Volunteers

In the wider context, the District is substantially dependent for its work on the contribution of volunteers. At church level, the work of stipendiary and paid staff is supported at all levels by volunteers both in terms of governance and management and in the practical delivery. Such is the magnitude of the contribution made by volunteers that it is impossible to quantify.

# Church of the Nazarene British Isles South District

## Trustees' annual report

for the year ended 30 September 2023

This pattern is reflected throughout the District where many people commit significant time to help with the outworking of the District's objectives. In the District itself, volunteers provide valuable support mainly through membership of standing committees, unpaid office holders, and the officers responsible for Nazarene Youth International, Nazarene Missions International, Breakthru holidays, the Ladies weekend, and other conferences for training as and when required.

## **Achievements and performance**

The charity's main activities and who it tries to help are described below. All its charitable activities focus on the support and encouragement of the local Churches of the Nazarene which form the District, and are undertaken to further Church of the Nazarene British Isles South District's charitable purposes for the public benefit.

- The District operates as an umbrella resource body for its member churches, which are all separate charities.
- Throughout 2022-23 the District continued to support its member churches, regional association, and college by providing grants, practical support, guidance, and expertise.
- Appropriate provision and support for Ministers of Religion, and other church leaders within our denomination.
- Support for local churches in the form of grants for pastoral aid, maintenance of buildings, or missional activities.
- Training for Ministers of Religion in the form of a Pastors summer school and Minister's Fellowship
- Pastoral and church reviews where churches are encouraged to review their work and their relationship with Pastoral leadership.
- Organisation of District holiday, Ladies retreat, and Youth Holiday where the church comes together for encouragement, fellowship, teaching and prayer.
- Financial support to Nazarene Theological College, Nazarene Missions International, Nazarene Youth International, which support youth, mission, education, outreach and fellowship within the church.

## **Beneficiaries of our services**

The District operates as an umbrella resource body for its member churches, which are all separate charities. Consequently, our beneficiaries are largely Pastors, local churches, Nazarene Theological College, Nazarene Missions International, and Nazarene Youth International.

# Church of the Nazarene British Isles South District

## Trustees' annual report

for the year ended 30 September 2023

### Financial review

The Statement of Financial Activities shows a net increase in funds for the year ending 30th September 2023 of £885,779 excluding unrealised gains and losses on investments (2022: Decrease £2,068,536). Expenditure has been kept under careful control because of the continuing difficult economic climate.

The consolidated incoming resources of the ordinary activities of the Church of the Nazarene British Isles South District including NMI, Events/SS Ministries, NYI and the work at Salford totalled £1,520,653 (2022: £912,154) with resources expended of £634,874 (2022: £2,980,690).

Our principal sources of income remain that of rental income from our investment properties and budgets received from our member churches. These properties are rented out at market rates, except for the Fresh Ground manse. It is hoped that the income from this manse will move towards market rent over a period of time.

Decreased tithes and offerings in local churches, resulted in lower budgets received.

Strategy is to invest in developing new churches, strengthening existing churches, and to develop a strong property rental income stream.

During the year the charity were donated property at Weston Super Mare, Ilkeston and Oldham following closure of those Churches. In addition, 1 property at Sheffield, was donated to the local Church (see note 3). Land at Queensbury was sold in the year.

We do not conduct significant fundraising activities from the general public.

### Grants

Each Nazarene church is self-financing; the District provides additional investment into local churches to help develop and promote mission innovation and risk taking to achieve our strategic goals. Church grants are assessed annually, and emphasis is placed not just on each church's finances but also its plans and achievements in making Jesus known in its locality.

### Going concern

The charity does not rely on donations from the public, and we have sufficient cash reserves to fund our activities for at least a further year, without the need for loans or overdrafts. Our investment portfolio of properties is also strong.

The trustees are fully aware of the movement in value of its investments but consider that the balance sheet will remain strong in the long-term, with positive net current assets.

### Reserves policy

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission and have a reserves policy which will be reviewed annually. The Trustees believe that, in addition to known commitments, the charity needs to hold at least six months (26 weeks) running costs in free reserves, given the anticipated flow of funding, to ensure that the charity can run efficiently.

The total reserves of the charity at the end of the year were £6,191,986 (2022 £5,271,346) of which some were restricted. The Capital Fund in note 19 relates to fixed assets used to support the ongoing

# Church of the Nazarene British Isles South District

## Trustees' annual report

for the year ended 30 September 2023

work of the charity and is not a readily liquid asset.

### Plans for the future

- The trustees of the charity will continue to hold consultations with local church boards to enable the charity to dialogue more effectively with our main stakeholders.
- The District Treasurer will continue to encourage churches to submit their budgets on a monthly basis to enable us to be less dependent toward the year end for finance.
- The District Advisory Board will encourage more sale of surplus properties and reinvestment in income generating assets.
- The trustees will continue to look to support compassionate ministries at home and abroad.

### Structure, governance and management

The Church of the Nazarene British Isles South District (the District) is an association, consisting of the Nazarene churches within the majority of England and Wales. As a membership organisation, the District holds an annual Assembly at which member churches are represented through their delegates, alongside ministers and the members of the Assembly.

The District acts through an Advisory Board which meets a minimum of four times a year and is made up of elected members, office holders and persons co-opted for particular skills. The Advisory Board helps to set the broad strategic direction of the District.

Recent years had seen disruption to standard working practises due to Covid 19. However, this past year has seen a return to standard practise, including a normal nomination procedure, followed by an in-person District Assembly, including voting for all leadership positions.

All necessary reports were collated as per normal procedure, and were communicated digitally both in advance, and available at the Assembly.

The District charity is administered and managed by the Advisory Board as Charity Trustees.

The Governing Document of the District is a memorandum of association which may be amended by a Resolution of the Assembly approved by not less than two thirds of the Representative Members, as defined in the memorandum of association, present and voting. The memorandum of association was last revised in June 2017 and a copy is available from the registered office.

### Recruitment and Training of Trustees

Trustees are elected by the District Assembly from a list of suitable nominations provided by the Nomination Committee and are usually familiar with many aspects of the District's work prior to appointment. All Trustees receive an induction into the work of the District by meeting the District Superintendent and being advised of the general nature of their work.

They receive financial statements and other relevant documentation including a copy of the Charity Commission's publication CC3, The Essential Trustee. Formal training on financial matters is provided as

# Church of the Nazarene British Isles South District

## Trustees' annual report

for the year ended 30 September 2023

appropriate. The organisation is a charitable company limited by guarantee, incorporated on 24<sup>th</sup> September 2009 and registered as a charity on 17<sup>th</sup> December 2010.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30<sup>th</sup> September 2023 was 129 (2022:129). The members of the charity are entitled to voting rights and have no beneficial interest in the charity.

The Trustees give their time voluntarily and only the District Superintendent receives benefits from the Charity

### **Related parties and relationships with other organisations**

Any and all related parties are clearly identified in the notes to the Accounts.

### **Remuneration policy for key management personnel**

Remuneration for the District Superintendent, Secretary, Treasurer and Assistant Treasurer is guided by the Finance Committee. Other Key management personnel are guided by the Trustee Advisory Board.

### **Risk management**

The Trustees are aware of the recommendations to examine the major strategic, business, operational and reputational risks which the Charity faces and have procedures in place to identify and manage them.

### **Funds held as custodian trustee on behalf of others**

The District acts as property trustees for 39 churches. Arrangements are made for the safe custody of deeds and documents, with each set stored in a labelled packet, and included in an index system. The names of the churches and other charities for whom the Company acts as a Custodian Trustee are available at: [www.nazarene.org.uk](http://www.nazarene.org.uk) The organisations are all Church of the Nazarene congregations and therefore, have objects that are compatible with the charitable objects of the Company

### **Statement of responsibilities of the trustees**

The trustees (who are also directors of Church of the Nazarene British Isles South District for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

# Church of the Nazarene British Isles South District

## Trustees' annual report

for the year ended 30 September 2023

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Auditors

Slade & Cooper Ltd were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

The trustees' annual report has been approved by the trustees on 08/03/2024 and signed on their behalf by

Rev Carl McCann  
District Superintendent

Independent auditors' report  
to the members of  
Church of the Nazarene British Isles South District

## Opinion

We have audited the financial statements of Church of the Nazarene British Isles South District (the 'charitable company') for the year ended 30 September 2023, which comprise the Statement of Financial Activities (including the income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we

## **Independent Auditor's Report (continued)**

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

## **Independent Auditor's Report (continued)**

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management and those charged with governance around actual and potential litigation and claims.
- enquiry of the charity's staff, management and those charged with governance to identify any instances of non-compliance with laws and regulations.
- reviewing minutes of meetings of those charged with governance.
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

## **Independent Auditor's Report (continued)**

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chinwe Jennifer Daniel FCCA DChA

**Senior Statutory Auditor**  
*for and on behalf of*  
Slade & Cooper Limited  
Statutory Auditors  
Beehive Mill  
Jersey Street  
Manchester  
M4 6JG

Date: 31<sup>st</sup> March 2024

Church of the Nazarene British Isles South District

Statement of Financial Activities  
(including Income and Expenditure account)  
for the year ended 30 September 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>					
Donations and legacies	3	1,181,674	112,298	1,293,972	733,894
Charitable activities:	4	15,241	51,658	66,899	62,916
Investments	5	159,782	-	159,782	115,344
<b>Total income</b>		<b>1,356,697</b>	<b>163,956</b>	<b>1,520,653</b>	<b>912,154</b>
<b>Expenditure on:</b>					
Raising funds	6	52,726	-	52,726	55,121
Charitable activities:	7	373,019	209,129	582,148	2,925,569
<b>Total expenditure</b>		<b>425,745</b>	<b>209,129</b>	<b>634,874</b>	<b>2,980,690</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>		<b>930,952</b>	<b>(45,173)</b>	<b>885,779</b>	<b>(2,068,536)</b>
Gains/(losses) on investments		34,861	-	34,861	(25,388)
<b>Net income/(expenditure) for the year</b>	8	<b>965,813</b>	<b>(45,173)</b>	<b>920,640</b>	<b>(2,093,924)</b>
Transfer between funds		-	-	-	-
<b>Other recognised gains/(losses):</b>					
Gains/(losses) on revaluation of fixed assets		-	-	-	421,900
<b>Net movement in funds for the year</b>		<b>965,813</b>	<b>(45,173)</b>	<b>920,640</b>	<b>(1,672,024)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward as previously reported		5,178,262	93,084	5,271,346	6,943,370
Total funds brought forward		5,178,262	93,084	5,271,346	6,943,370
<b>Total funds carried forward</b>		<b>6,144,075</b>	<b>47,911</b>	<b>6,191,986</b>	<b>5,271,346</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

Church of the Nazarene British Isles South District  
Company number 7028764

Balance sheet as at 30 September 2023

	Note	£	2023	£	£	2022	£
<b>Fixed assets</b>							
Tangible assets	12			393,079			422,170
Investments	13			4,665,279			3,904,227
<b>Total fixed assets</b>				<b>5,058,358</b>			<b>4,326,397</b>
<b>Current assets</b>							
Debtors	14	142,114			23,447		
Cash at bank and in hand	15	1,051,569			952,162		
<b>Total current assets</b>		<b>1,193,683</b>			<b>975,609</b>		
<b>Liabilities</b>							
Creditors: amounts falling due in less than one year	16	(60,055)			(30,660)		
<b>Net current assets</b>				<b>1,133,628</b>			<b>944,949</b>
<b>Net assets</b>				<b>6,191,986</b>			<b>5,271,346</b>
<b>The funds of the charity:</b>							
Restricted income funds	18			47,911			93,084
Designated income funds	19	4,095,246			4,036,671		
Unrestricted income funds	19	2,048,829			1,141,591		
<b>Total unrestricted funds</b>	19			<b>6,144,075</b>			<b>5,178,262</b>
<b>Total charity funds</b>				<b>6,191,986</b>			<b>5,271,346</b>

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 15 to 29 form part of these accounts.

Approved by the trustees on 08/03/2024 and signed on their behalf by:

Rev Carl McCann (Trustee)

Church of the Nazarene British Isles South District

Statement of Cash Flows  
for the year ending 30 September 2023

	Note	2023 £	2022 £
<b>Cash provided by/(used in) operating activities</b>	21	<b>665,816</b>	<b>389,562</b>
<i>Cash flows from investing activities:</i>			
Dividends, interest, and rents from investments		159,782	115,344
Purchase of tangible fixed assets		-	(311,645)
Proceeds from sale of investments		163,809	136,343
Donation of investment assets		(890,000)	(300,000)
<b>Cash provided by/(used in) investing activities</b>		<b>(566,409)</b>	<b>(359,958)</b>
Increase/(decrease) in cash and cash equivalents in the year		99,407	29,604
Cash and cash equivalents at the beginning of the year		952,162	922,554
<b>Cash and cash equivalents at the end of the year</b>		<b>1,051,569</b>	<b>952,158</b>

# Church of the Nazarene British Isles South District

## Notes to the accounts for the year ended 30 September 2023

### 1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Corresponding amounts for the preceding year are drawn from unaudited accounts.

#### a Basis of preparation

The financial statements have been prepared in accordance with 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), second edition - October 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Church of the Nazarene British Isles South District meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### b Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees have made no key judgments which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

#### c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

# Church of the Nazarene British Isles South District

## Notes to the accounts for the year ended 30 September 2023 (continued)

### **d Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

### **e Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

### **f Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

### **g Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of renting out property.
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### **h Tangible fixed assets**

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Land and buildings	1%
Office fixtures and equipment	25%
Motor Vehicle	25%

## Church of the Nazarene British Isles South District

### Notes to the accounts for the year ended 30 September 2023 (continued)

#### **i Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

#### **j Investment property**

Investment properties are initially recorded at cost, which includes purchase price and any directly attributable expenditure. They are reviewed by the charity trustees on a yearly basis, and this will be supplemented by a 3 yearly evaluation of residential properties using AVM tool, and 5 yearly rolling evaluation of non-residential properties by a Chartered Surveyor. Any material changes in fair value are recognised in profit or loss.

#### **k Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **l Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **m Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **n Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

# Church of the Nazarene British Isles South District

## Notes to the accounts for the year ended 30 September 2023 (continued)

### o Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note 9. Contributions outstanding at the year end was £nil (2022: £nil)

## 2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office address is disclosed on page 1.

## 3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2023 £
District Budget	54,751	-	54,751
Nazarene Youth International	-	5,469	5,469
Other Income	8,050	-	8,050
Nazarene Missions International	-	54,953	54,953
Salford	-	51,876	51,876
Donated investment properties	890,000	-	890,000
Donations	228,873	-	228,873
<b>Total</b>	<b>1,181,674</b>	<b>112,298</b>	<b>1,293,972</b>

### *Income from donations and legacies (previous reporting period)*

	Unrestricted £	Restricted £	Total 2022 £
<i>District Budget</i>	<i>53,545</i>	<i>-</i>	<i>53,545</i>
<i>Nazarene Youth International</i>	<i>-</i>	<i>5,658</i>	<i>5,658</i>
<i>Other Income</i>	<i>8,652</i>	<i>-</i>	<i>8,652</i>
<i>Nazarene Missions International</i>	<i>-</i>	<i>89,311</i>	<i>89,311</i>
<i>Salford</i>	<i>-</i>	<i>45,988</i>	<i>45,988</i>
<i>Funds transferred from sale of Gillingham</i>	<i>200,000</i>	<i>-</i>	<i>200,000</i>
<i>Donations</i>	<i>-</i>	<i>30,740</i>	<i>30,740</i>
<i>Donated investment properties</i>	<i>300,000</i>	<i>-</i>	<i>300,000</i>
<b>Total</b>	<b>562,197</b>	<b>171,697</b>	<b>733,894</b>

Church of the Nazarene British Isles South District

Notes to the accounts for the year ended 30 September 2023 (continued)

**4 Income from charitable activities**

	Unrestricted £	Restricted £	Total 2023 £
Conference Fees etc	15,241	-	15,241
Events Committee income	-	51,658	51,658
<b>Total</b>	<b>15,241</b>	<b>51,658</b>	<b>66,899</b>

***Income from charitable activities (previous reporting period)***

	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>Total 2022 £</i>
<i>Conference Fees etc</i>	<i>15,274</i>	<i>-</i>	<i>15,274</i>
<i>Events Committee income</i>	<i>-</i>	<i>47,642</i>	<i>47,642</i>
<b><i>Total</i></b>	<b><i>15,274</i></b>	<b><i>47,642</i></b>	<b><i>62,916</i></b>

**5 Investment income**

	Unrestricted £	Restricted £	2023 £	2022 £
Dividends	11,407	-	11,407	7,167
Bank Interest	9,575	-	9,575	715
Rent and property income	133,800	-	133,800	107,449
Loan interest	5,000	-	5,000	13
<b>Total</b>	<b>159,782</b>	<b>-</b>	<b>159,782</b>	<b>115,344</b>

All investment income is unrestricted.

**6 Cost of raising funds**

	Unrestricted £	Restricted £	2023 £	2022 £
Property Costs	52,726	-	52,726	55,121
	<b>52,726</b>	<b>-</b>	<b>52,726</b>	<b>55,121</b>

Church of the Nazarene British Isles South District

Notes to the accounts for the year ended 30 September 2023 (continued)

**7 Analysis of expenditure on charitable activities**

	Staff Costs £	Support Costs £	Other Direct Costs £	Total 2023 £	Total 2022 £
<b>Unrestricted Funds</b>					
Staff costs	60,985	15,563	-	76,548	68,928
District Office	-	17,934	-	17,934	9,375
District Board	-	2,826	-	2,826	2,262
District Assembly	-	19,651	-	19,651	13,272
Evangelism and Promotion	-	13,418	-	13,418	12,275
Support Grants:					
Local Mission		209,409		209,409	32,898
Donated Assets		-		-	2,560,672
Insurance	-	1,032	-	1,032	557
Legal Fees	-	7,653	-	7,653	8,858
Buildings Depreciation	-	4,066	-	4,066	5,135
Audit Fees	-	6,000	-	6,000	5,400
<b>Unrestricted Total</b>	60,985	297,552	-	358,537	2,719,632
<b>Designated Funds</b>					
Ladies Retreat Fund	-	14,482	-	14,482	13,532
<b>Designated Total</b>	-	14,482	-	14,482	13,532
<b>Restricted Funds</b>					
NYI Expenses	-	14,203	-	14,203	1,188
NMI Council & Convention	-	84,422	-	84,422	65,500
Events Committee Expenses	-	49,263	-	49,263	48,247
Salford	-	61,241	-	61,241	46,730
Worldwide Missions	-	-	-	-	30,740
<b>Restricted Total</b>	-	209,129	-	209,129	192,405
<b>Total</b>	60,985	521,163	-	582,148	2,925,569

Church of the Nazarene British Isles South District

Notes to the accounts for the year ended 30 September 2023 (continued)

**Analysis of expenditure on charitable activities previous reporting period**

	Staff Costs £	Support Costs £	Other Direct Costs £	Total 2022 £	Total 2021 £
<b>Unrestricted Funds</b>					
Staff costs	54,858	14,070	-	68,928	71,759
District Office	-	9,375	-	9,375	5,950
District Board	-	2,262	-	2,262	546
District Assembly	-	13,272	-	13,272	5,369
Evangelism and Promotion	-	12,275	-	12,275	1,514
Support Grants:					
Local Mission		32,898		32,898	57,375
Donated Assets		2,560,672		2,560,672	-
Insurance	-	557	-	557	564
Legal Fees	-	8,858	-	8,858	843
Buildings Depreciation	-	5,135	-	5,135	13,116
Audit Fees	-	5,400	-	5,400	5,400
Bad debt	-	-	-	-	2,267
<b>Unrestricted Total</b>	<b>54,858</b>	<b>2,664,774</b>	<b>-</b>	<b>2,719,632</b>	<b>164,703</b>
<b>Designated Funds</b>					
Depreciation	-	-	-	-	2,752
Ladies Retreat Fund	-	13,532	-	13,532	871
<b>Designated Total</b>	<b>-</b>	<b>13,532</b>	<b>-</b>	<b>13,532</b>	<b>3,623</b>
<b>Restricted Funds</b>					
NYI Expenses	-	1,188	-	1,188	4,842
NMI Council & Convention	-	65,500	-	65,500	46,605
Events Committee Expenses	-	48,247	-	48,247	35,146
Salford	-	46,730	-	46,730	26,887
Worldwide Missions	-	30,740	-	30,740	-
<b>Restricted Total</b>	<b>-</b>	<b>192,405</b>	<b>-</b>	<b>192,405</b>	<b>113,480</b>

# Church of the Nazarene British Isles South District

## Notes to the accounts for the year ended 30 September 2023 (continued)

### 8 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2023 £	2022 £
Depreciation	4,066	5,135
Loss/(profit) on disposal of fixed assets	25,025	50,600
Auditor's remuneration - audit fees	6,000	5,400
	<u>          </u>	<u>          </u>

### 9 Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	55,665	49,991
Social security costs	2,495	718
Pension costs	2,372	2,209
	<u>          </u>	<u>          </u>
Total	60,532	52,918
	<u>          </u>	<u>          </u>

No employees has employee benefits in excess of £60,000 (2022: Nil).

The average number of staff employed during the period was 6 (2022: 6).

The average full time equivalent number of staff employed during the period was 3 (2022: 2.6).

### 10 Trustee remuneration and expenses, and related party transactions

One (one) trustee, Revd. C. McCann, was paid remuneration of £33,518 (2022: £30,275), rent of £9,600 (2022: £9,600) and utility costs of £5,048 (2022: £3,556) for use of their home as the District Manse and pension contributions of £1,623 (2022: £1,514) during the year. Rev C McCann had the use of a car owned by the District from his appointment; the net book value of this car was £nil at the year end. P11D for NI paid on benefits to Rev McCann amounted to £1,231 (2022: £1,870). Two trustees (2022: four) were reimbursed expenses of £9,572 (2022: £25,527) during the year. The remuneration and expenses are paid to trustees in accordance with the authority given by the Articles of Association.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2022: nil).

# Church of the Nazarene British Isles South District

## Notes to the accounts for the year ended 30 September 2023 (continued)

### 11 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

### 12 Fixed assets: tangible assets

	Land & Buildings £	Motor Vehicles £	Total £
<b>Cost</b>			
At 1 October 2022	435,409	10,995	446,404
Additions	-	-	-
Disposal	(28,764)	-	(28,764)
	<hr/>	<hr/>	<hr/>
At 30 September 2023	406,645	10,995	417,640
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 October 2022	13,239	10,995	24,234
Charge for the year	4,066	-	4,066
Disposal	(3,739)	-	(3,739)
	<hr/>	<hr/>	<hr/>
At 30 September 2023	13,566	10,995	24,561
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 September 2023	393,079	-	393,079
	<hr/>	<hr/>	<hr/>
<i>At 30 September 2022</i>	<i>422,170</i>	<i>-</i>	<i>422,170</i>
	<hr/>	<hr/>	<hr/>

The land and buildings are churches or manses owned (or partly owned) by the District, but used by the following churches: Salford and Portsmouth.

# Church of the Nazarene British Isles South District

## Notes to the accounts for the year ended 30 September 2023 (continued)

### 13 Investments

	Listed investments £	Investment properties £	Total
Market value at the start of the year	303,947	3,600,280	3,904,227
Add: additions to investments at cost	-	890,000	890,000
Less: disposal of investments at carrying value	(65,525)	(98,284)	(163,809)
Transfer of property from fixed asset to investment	-	-	-
Add net gain/(loss) on revaluation	6,577	28,284	34,861
	<hr/>	<hr/>	<hr/>
Carrying amount at 30 September 2023	244,999	4,420,280	4,665,279
	<hr/>	<hr/>	<hr/>
Investments at fair value comprised:			
	2023 £	2022 £	
Investment Properties	4,420,280	3,600,280	
CAF UK Equity Growth Fund	-	62,183	
COIF Income Units	244,999	241,764	
	<hr/>	<hr/>	
	4,665,279	3,904,227	
	<hr/>	<hr/>	

All investments shown above are held at fair value.

The Investment properties are reviewed on a rolling basis and the trustees are satisfied that there is no material change in the market value of these properties from that of the previous accounting year.

One investment property was sold during the year, land at Queensbury at a surplus as disclosed in the Statement of Financial Activities.

Four additions to Investment properties during the year, Oldham House, Ilkeston Church and House and flat at Weston Super Mare, and all brought in at market value totalling £567,000.

Most of the investment properties are rented out at market rates to provide income, with the exception of the property at Fresh Ground, which remains at nominal rate to give the Fresh Ground Church time to move to financial stability.

Investment COIF is stated at their market value at the balance sheet date.

# Church of the Nazarene British Isles South District

## Notes to the accounts for the year ended 30 September 2023 (continued)

### 14 Debtors

	2023 £	2022 £
Church Loans	115,470	5,100
Other debtors	17,848	10,771
Prepayments and accrued income	8,796	7,576
	<hr/>	<hr/>
	142,114	23,447
	<hr/>	<hr/>

Church loan recoverable after more than one year is £104,070 (2022: 4,070).

### Church Loans

	Ashton	Bristol	Clapham £	Total £
<b>Cost</b>				
At 1 October 2022	-	5,100	-	5,100
Advances	135,000	-	50,000	185,000
Interest	7,573	-	-	7,573
Repaid	(80,713)	(1,489)	-	(82,202)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2023	61,860	3,611	50,000	115,471
	<hr/>	<hr/>	<hr/>	<hr/>

### 15 Cash at bank and in hand

	2023 £	2022 £
Cash at bank and on hand	1,051,569	952,162
	<hr/>	<hr/>
	1,051,569	952,162
	<hr/>	<hr/>

Church of the Nazarene British Isles South District

Notes to the accounts for the year ended 30 September 2023 (continued)

**16 Creditors: amounts falling due within one year**

	2023 £	2022 £
Funds held as an intermediary agent	30,087	9,080
Other creditors and accruals	29,968	20,982
Deferred income	-	598
	<hr/>	<hr/>
	60,055	30,660
	<hr/>	<hr/>

**17 Analysis of funds received as agent**

	Balance held at 1 October 2022	Funds received	Funds paid out £	Balance held at 30 September 2023 £
Nazarene Missions International	12,182	102,600	(103,803)	10,979
NMBF	(1,933)	12,002	(8,000)	2,069
NTC	3,099	21,006	(17,500)	6,605
Salford	(10,778)	25,204	(16,916)	(2,490)
Standard Life	4,500	38,365	(34,304)	8,561
Sundry	1,514	2,225	(673)	3,066
Youth Ministry	496	3,001	(2,200)	1,297
	<hr/>	<hr/>	<hr/>	<hr/>
	9,080	204,403	(183,396)	30,087
	<hr/>	<hr/>	<hr/>	<hr/>

**Deferred income**

	2023 £	2022 £
Deferred grant brought forward	598	-
Grant received	-	598
Released to income from charitable activities	(598)	-
	<hr/>	<hr/>
Deferred grant carried forward	-	598
	<hr/>	<hr/>

# Church of the Nazarene British Isles South District

## Notes to the accounts for the year ended 30 September 2023 (continued)

### 18 Analysis of movements in restricted funds

	Balance at 1 October 2022 £	Income £	Expenditure £	Transfers £	Balance at 30 September 2023 £
BISD Events/ Sunday School Ministries Fund	7,299	51,658	(49,263)	-	9,694
BISD NMI Fund	32,905	54,953	(84,422)	-	3,436
BISD NYI Fund	25,996	5,469	(14,203)	-	17,262
Salford Church	26,884	51,876	(61,241)	-	17,519
<b>Total</b>	<b>93,084</b>	<b>163,956</b>	<b>(209,129)</b>	<b>-</b>	<b>47,911</b>
<b><i>Previous reporting period</i></b>	<b><i>Balance at 1 October 2021 £</i></b>	<b><i>Income £</i></b>	<b><i>Expenditure £</i></b>	<b><i>Transfers £</i></b>	<b><i>Balance at 30 September 2022 £</i></b>
<i>BISD Events/ Sunday School Ministries Fund</i>	<i>7,904</i>	<i>47,642</i>	<i>(48,247)</i>	<i>-</i>	<i>7,299</i>
<i>BISD NMI Fund</i>	<i>9,094</i>	<i>89,311</i>	<i>(65,500)</i>	<i>-</i>	<i>32,905</i>
<i>BISD NYI Fund</i>	<i>21,526</i>	<i>5,658</i>	<i>(1,188)</i>	<i>-</i>	<i>25,996</i>
<i>Salford Church</i>	<i>27,626</i>	<i>45,988</i>	<i>(46,730)</i>	<i>-</i>	<i>26,884</i>
<i>Donations</i>	<i>-</i>	<i>30,740</i>	<i>(30,740)</i>	<i>-</i>	<i>-</i>
	<b>66,150</b>	<b>219,339</b>	<b>(192,405)</b>	<b>-</b>	<b>93,084</b>
<b>Name of</b>	<b>Description, nature and purposes of the fund</b>				
BISD Events/ Sunday School Ministries Fund	Consolidated account funds of British Isles South District Sunday School Ministries/Events.				
BISD NMI Fund	Consolidated account funds of British Isles South District Nazarene Missions International.				
BISD NYI Fund	Consolidated account funds of British Isles South District Nazarene Youth International.				
Salford Church	Consolidated account funds of British Isles South District, held to record the financial records of the charitable activities of The Naz in Salford.				

Church of the Nazarene British Isles South District

Notes to the accounts for the year ended 30 September 2023 (continued)

19 Analysis of movement in unrestricted funds

	Balance at 1 October 2022 £	Income £	Expenditure £	Gains / (Losses) £	Transfers £	As at 30 September 2023 £
<b>Unrestricted Funds</b>						
General Fund	1,141,591	1,283,640	(411,263)	34,861	-	2,048,829
<b>Designated Funds</b>						
Capital Fund	2,850,699	-	-	-	-	2,850,699
Ladies Retreat Fund	3,569	15,241	(14,482)	-	-	4,328
Oldham Church Fund	-	57,816	-	-	-	57,816
Revaluation reserve	1,182,403	-	-	-	-	1,182,403
<b>Total Designated Funds</b>	<b>4,036,671</b>	<b>73,057</b>	<b>(14,482)</b>	<b>-</b>	<b>-</b>	<b>4,095,246</b>
<b>Total Unrestricted Funds</b>	<b>5,178,262</b>	<b>1,356,697</b>	<b>(425,745)</b>	<b>34,861</b>	<b>-</b>	<b>6,144,075</b>

*Previous reporting period*

	Balance at 1 October 2021 £	Income £	Expenditure £	Gains / (Losses) £	Transfers £	As at 30 September 2022 £
<b>Unrestricted Funds</b>						
General Fund	3,264,191	677,541	(2,774,753)	(25,388)	-	1,141,591
<b>Designated Funds</b>						
Capital Fund	2,850,699	-	-	-	-	2,850,699
Ladies Retreat Fund	1,827	15,274	(13,532)	-	-	3,569
Revaluation reserve	760,503	-	-	421,900	-	1,182,403
<b>Total Designated Funds</b>	<b>3,613,029</b>	<b>15,274</b>	<b>(13,532)</b>	<b>421,900</b>	<b>-</b>	<b>4,036,671</b>
<b>Total Unrestricted Funds</b>	<b>6,877,220</b>	<b>692,815</b>	<b>(2,788,285)</b>	<b>396,512</b>	<b>-</b>	<b>5,178,262</b>

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	The free reserves after allowing for all designated funds
Capital Fund	Property fund linked to fixed assets. Funds become liquid assets on sale of property
Ladies Retreat Fund	Designated funds belonging to the annual Ladies retreat – a weekend away for ladies.
Revaluation reserve	The increase in values of the investment properties.

Church of the Nazarene British Isles South District

Notes to the accounts for the year ended 30 September 2023 (continued)

**20 Analysis of net assets between funds**

	General funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	393,079	-	-	393,079
Fixed asset investments	4,665,279	-	-	4,665,279
Net current assets/(liabilities)	(3,009,529)	4,095,246	47,911	1,133,628
	<hr/>	<hr/>	<hr/>	<hr/>
Total	2,048,829	4,095,246	47,911	6,191,986
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**21 Reconciliation of net movement in funds to net cash flow from operating activities**

	2023 £	2022 £
<b>Net income/(expenditure) for the year</b>	920,640	(2,093,924)
<b>Adjustments for:</b>		
Depreciation charge	4,066	5,135
Loss/(profit) on sale of fixed assets	25,025	162,422
(Gains)/losses on investments	(34,861)	2,423,638
Dividends, interest and rents from investments	(159,782)	(115,344)
Decrease/(increase) in debtors	(118,667)	31,006
Increase/(decrease) in creditors	29,395	(23,371)
	<hr/>	<hr/>
<b>Net cash provided by/(used in) operating</b>	665,816	389,562
	<hr/> <hr/>	<hr/> <hr/>