

Registered charity number: 1147067

**Light & Life Free Methodist Church West
Cornwall**

Trustees' Annual Report and Financial Statements

For the year ended

31st December 2021

Light & Life Free Methodist Church West Cornwall
Trustees' annual report and accounts for the year ended 31 December 2021

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Information

Registered charity number	1147067
Other names charity is known by	Light and Life Free Methodist Church
Principal address	Light & Life Centre Water-ma-Trout Industrial Estate Helston Cornwall TR13 0LW
Chair of the Trustees & Lead Pastor	Michael Bretton
Bankers	Lloyds Bank Market Place Penzance Cornwall TR18 2TN
Accountants	Lang Bennetts Chartered Accountants The Old Carriage Works Moresk Road Truro TR1 1DG

Trustees' Annual Report for the year ended 31st December 2021

The Board of Trustees of Light & Life Free Methodist Church West Cornwall present their report together with the financial statements for the charity for 2021.

Members of the Board of Trustees during the year were:

Pastor Michael Bretton	Lead Pastor (chair)
Simon Vanderplank	Hayle
Timothy Giles	Falmouth
David Parker	Penzance
James Little	Hayle (resigned 29 th November 2021)
Colin Simmons	Helston

Structure, Governance and Management

Light & Life Free Methodist Church West Cornwall is part of the Free Methodist Church UK Conference. The main governing document of the charity is set out in the Declaration of Trust dated 30th April 2012. Trustees who are elected by the members meet regularly through the year to review management, financial and operational risk matters.

Objectives and Activities

The Trustees are aware that the charity has an obligation to operate for an identifiable and public benefit. When reviewing the life of the charity the Trustees consider the Commission guidance on public benefit; and in particular the specific guidance on charities for the advancement of religion. The objectives of Light and Life Free Methodist Church West Cornwall are:

- The furtherance of the religious and other charitable works of the Free Methodist Church in accordance with the doctrines, disciplines and usages of that Church, and in accordance with the statement of beliefs for the time being of the Free Methodist Church.
- To relieve sickness and financial hardship and to promote and preserve good health by provision of funds, goods or services of any kind, including through the provision of counselling and support.
- To advance education.

The Trustees must use the income and may use the capital of the Church in promoting these objects.

Achievements and Performance

The pandemic of COVID-19 has had an impact on the life of the charity. The work of the charity has continued in creative and innovative ways in each of our churches.

Each of our churches have continued to provide worship services, pastoral care and encouragement for the many who attend our churches. These services have included pre-recorded services, live broadcasts, in person gatherings, whether in one of our buildings or in a field owned by one of our

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members. Government guidelines have always been followed and risk assessments produced to ensure as much as possible these have been conducted COVID safe.

Notwithstanding Covid, the work of the church to serve the community has continued. Some of the highlights are recorded here.

Hayle

The year for the church at Hayle has to be split into two. Up until the end of July, we were unable to meet in our normal setting on Sundays at Hayle Academy. We continued with on-line church and helping the community as best we could. We held fully COVID compliant services at our facility, The Bridge, during that time, watching the on-line services, which was appreciated for those who needed some community involvement.

We did a number of public outdoor 'Drive-In Services' in April, July and December, when the Govt. Guidelines allowed, with attendances around the 180 to 250 mark. We raised £700+ at the December one, in aid of St Julia's Hospice.

Once we could open our services up again, when the school granted permission, we began with two services at 9.30am and at 11am. It soon built to up to 50 coming to the first service which was fully masked, and the 11am (masked were a choice at people's discretion), with 100 coming. We were able to run childrens' work at this service.

We also opened up The Bridge again holding the Play and Pray Group on a Tuesday morning, Open Door on a Thursday (Open for anyone to drop in for a chat and coffee between 10am and 12 noon), with the Friendship Group and Daytime Growth Group alternating on Friday mornings for the slightly older members of our church. We have also been involved in the community, helping with 'Hayle in Bloom' and have begun a regular 'Litter Pick Saturday' ongoing. We are involved in the local Food Bank and at Christmas, we provided gifts for the elderly attending Hayle Day Centre, items for Foodbank Christmas Hampers, and a coffee morning for MacMillan Cancer Care.

At The Bridge we also run a bi-weekly Youth Evening, and a 'Thursday Church' for those who find it hard to attend on Sunday. We have run an Alpha Course for those interested in the Christian Faith. We have monthly Craft Mornings on Saturdays so that we can meet more people from the town and provide social activities which help develop friendship and relieve loneliness.

We, as a church, support various overseas charities. We have given £1000 each to TearFund (Relief in DRC), Kolkata Mission (working with destitute children in Kolkata), Open Doors and Barnabas Fund. The last two organizations work with persecuted Christians across the world.

Though very active as a church in many ways, our priority is summed up in our statement of purpose – 'To Love like Jesus, To Live like Jesus, To Lead others to Jesus.' Our heart and our purpose remain to share the love of Jesus in our community. Our aim is to continue to do so into 2022.

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Penzance

It's been a difficult year for the Penzance Congregation. Covid restrictions have significantly impacted on the viability of the Church. Around the year end the decision was taken by the local leaders and endorsed by the Trustees to close the Penzance Church. Most of the families have joined either the Hayle or Helston congregations. Local Finances will be transferred to the central funds of the Charity.

Falmouth

2021 has been a year like no other - tail end of lockdowns with the relaunch mid-way through the year with our field gatherings and moving into the Barn for Sunday worship. It's been so great to regather as a community. Highlights include summer dedications and baptisms. We have continued to work with vulnerable families within our community through LoveFalmouth, to relaunch school chaplaincy, the neon light party, a back-to-school project with a rounding off highlight - the Love Christmas projected reaching around 3000 people.

Helston

In 2021, we have provided both in person and online services and encouraged everyone to connect with one of our Growth Groups for support and to grow in their faith. We have also continued to provide opportunities for friendship, fun and faith for Primary children and High School youth on Sunday and during the week. We have relaunched our monthly 'Time Out' services for those who are older again to explore faith, reduce isolation and build new friendships.

Our online prayer meetings have continued not only for local needs, but have also been greatly encouraged as we have been joined by different missions partners from around the world that we support financially and in prayer. These prayer connections have seen us connect with and encourage prison work in Sri Lanka, the Free Methodist Church in Colombia and Bulgaria and the Kira Farm Project in Uganda.

Pastor Raul Arana and his wife Abi left the church at the end of December 2021 for his new role to oversee the Free Methodist Church in Spain and they too will be a 'Missions Partner' for the church.

Finally, we remain grateful for our continued partnership with Mustard Seed, (another charity in the town) in the provision and organising of toys to accompany the Christmas hampers and we were involved in helping these to be delivered at Christmas to well over 100 families. Together in partnership with Mustard Seed, our Main Hall has become the venue for 'The Coffee Lounge' which is providing a café space that we aim to make as Covid safe as possible that is open to all as together we seek to reduce isolation and rebuild a sense of community following the impact of Covid-19.

Financial Review and the Charity's Policy on Reserves

The unrestricted income of the trust exceeded its expenditure by approximately £8k; Restricted fund income exceeded expenditure by £1k (net £7k) The previous year's total was a surplus of £77k.

The Trustees have agreed that reserves should not be excessive and remain positive. Any fund with a negative balance is reviewed as part of the regular Trustees meetings and relevant action taken to ensure that the situation is reversed.

The closing balance of funds is £1,643k which includes two endowment funds which have combined balances of £682k and the restricted reserves which total £530k. The Total of unrestricted funds is £431k of which £254k is represented by fixed assets and £177k which are "free" reserves available to the Charity. This is roughly equivalent to 7 months unrestricted fund expenditure, a level that the Trustees feel is prudent.

During the year Pool Chapel was sold at Auction for £135,000 (Net £129,884). The proceeds from the disposal will be applied to planting new churches, with the agreement of the original donors. Accordingly the funds are now shown as Expendable Endowment at note 10.1.

Risk Review

The premises owned by the charity have been maintained. Insurance cover on all properties is reviewed each year to ensure that details are accurate and up to date.

The Policy and Procedure file to facilitate good practice including the vital area of Child Protection continue to be used to good effect. Safeguarding is regularly reviewed and training seminars initiated.

Conclusion

It's been great to emerge from the restrictions of Covid.

The life of the Church and its involvement in the Community have continued throughout a difficult period.

We move forward with renewed energy, aware of God's empowering presence, to fulfil our calling to present the Good News of Jesus in both word and deed to the people of West Cornwall and further afield.

Responsibilities of Trustees in relation to the Financial Statements

The Trustees 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).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources. In preparing these financial statements, the Trustees are required to:

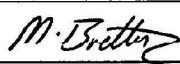

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature		
Full name	MICHAEL EDWARD DUTTON	Timothy David Riley
Position	CHAIR OF TRUSTEES	Trustee
Date	02.05.22	02.05.22

Independent Examiner's Report to the Trustees of Light & Life Free Methodist Church West Cornwall.

I report on the financial statements year ended 31st December 2021 which are set out on pages 11 to 20.

Responsibilities and basis of report

As the charity'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 charity'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 confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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


Jonathan Mashen (FCA)
Lang Bennetts Chartered Accountants
The Old Carriage Works
Moresk Road
Truro
Cornwall
TR1 1DG

Date

5/5/2022

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Statement of Financial Activities
for the year ended 31st December 2021

	Unrestricted Funds	Restricted Income Funds	Endowment Funds	Total 2021	Total 2020
	£	£	£	£	£
Income and Endowments from: (Note 3)					
Donations and Legacies	282,355	48,622	-	330,977	311,443
Other Trading activities	23,354	715	-	24,069	57,659
Investment income	171	6	-	177	47
Total	305,880	49,343	-	355,223	369,149
Expenditure on: (Notes 4 -6)					
Charitable activities	(282,173)	(41,710)	-	(323,883)	(270,073)
Governance costs	(7,441)	(7,720)	-	(15,161)	(15,260)
Other resources expended	(4,807)	(642)	-	(5,449)	(6,877)
Total before other recognised gains and losses	(294,421)	(50,072)	-	(344,493)	(292,210)
Loss on property disposal	(3,471)	-	(11,446)	(14,917)	-
Total	(297,892)	(50,072)	(11,446)	(359,410)	(292,210)
Net income/(expenditure)	7,988	(729)	(11,446)	(4,187)	76,939
Gross transfers between funds	(17,279)	17,279	-	-	-
Net movement in funds	(9,291)	16,550	(11,446)	(4,187)	76,939
Total funds brought forward (Note 11)	439,893	513,795	693,456	1,647,144	1,570,205
Total funds carried forward	430,602	530,345	682,010	1,642,957	1,647,144

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Balance Sheet as at 31st December 2021

	Unrestricted Funds	Restricted Income Funds	Endowment Funds	Total 2021	Total 2020
	£	£	£	£	£
Fixed assets					
Tangible assets (Note 7)	253,964	553,447	558,875	1,366,286	1,509,406
Current assets					
Debtors (Note 8)	41,995	1,083	-	43,078	25,338
Cash at bank and in hand	149,310	191,767	123,135	464,212	354,592
Total current assets	191,305	192,850	123,135	607,290	379,930
Creditors: amounts falling due within one year (Note 9)	(14,667)	(6,504)	-	(21,171)	(27,531)
Net current assets/(liabilities)	176,638	186,346	123,135	486,119	352,399
Total assets less current assets/(liabilities)	430,602	739,793	682,010	1,852,405	1,861,805
Creditors: amounts falling due after one year (Note 9)	-	(209,448)	-	(209,448)	(214,661)
Net assets	430,602	530,345	682,010	1,642,957	1,647,144
Funds of the Charity					
Unrestricted funds	430,602	-	-	430,602	439,893
Restricted income funds (Note 10)	-	530,345	-	530,345	513,795
Endowment funds	-	-	682,010	682,010	693,456
Total funds	430,602	530,345	682,010	1,642,957	1,647,144

Approved by the trustees and signed on their behalf

Signature

Print Name

Date of approval

Notes to the accounts for the year ended 31st December 2021

1 Basis of accounting

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

2 Accounting policies

INCOME and ENDOWMENTS

Recognition of Resources	These are included in the Statement of Financial Activities (SoFA) when: <ul style="list-style-type: none">• the charity becomes entitled to the resources;• the trustees are virtually certain they will receive the resources; and• the monetary value can be measured with sufficient reliability.
Incoming resources with related expenditure	Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.
Tax reclaims on donations and gifts	Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
Gifts in kind, donated services and facilities and volunteer help	The church benefits from many voluntary hours and unclaimed out of pocket expenses contributed by a large number of people. It would be impossible to place a value on these gifts in kind for which we are extremely grateful.
Investment income	This is included in the accounts when receivable.
Endowment funds	All incoming resources from endowment funds are restricted.

EXPENDITURE AND LIABILITIES

Liability recognition	Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.
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Governance costs Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

ASSETS

Tangible fixed assets for use by charity Tangible fixed assets are included at cost, being purchase price, less accumulated depreciation. Fixed assets under £500 are not capitalised and are written off in the period to which they relate.

Depreciation of fixed assets Depreciation is provided at rates calculated to write off the cost less, estimated residual value, of the asset over its expected useful economic life, as follows:

Fixtures and fittings 20% - 25% straight line

Depreciation has not been charged for assets owned for only part of a year.

ACCUMULATED FUNDS

Unrestricted funds Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds Restricted funds are subject to specific conditions by donors as to how they are to be used. The purposes of the restricted funds are set out in the notes to the accounts.

3 Analysis of income and endowments from:

	Analysis	2021 £	2020 £
Donations and legacies	Donations	281,916	256,795
	Tax refunded through gift aid	46,061	41,416
	Grants received	3,000	6,160
	Bequests and legacies	-	7,072
	Total	330,977	311,443
Other trading activities	Other income	17,676	52,545
	Letting/hire income	6,393	5,114
	Total	24,069	57,659
Investment income	Interest receivable	177	47
	Total	177	47

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4 Analysis of expenditure on:

Charitable activities	Analysis			
	Activities Undertaken directly	Support Costs	Total 2021	Total 2020
	£	£	£	£
Church activities	46,716	277,167	323,883	270,073

Support Costs		2021	2020
		£	£
	Capitation (affiliation cost)	9,681	9,216
	Salaries (note 6)	198,564	148,043
	Travelling expenses	2,576	2,007
	Hire of halls	2,908	3,467
	Telephone	1,182	1,340
	Insurance	2,650	4,759
	Rent	20,700	20,600
	Rates	4,323	3,955
	Repairs and maintenance	8,573	6,791
	Light, heat and water	8,427	10,422
	Office and administration expenses	13,519	11,962
	Website	737	380
	Licences	3,327	2,512
	Total	277,167	225,454

Total expenditure:

Charitable activities	323,883	270,073
Governance costs	15,161	15,260
Other -depreciation	5,449	6,877
Total	344,493	292,210

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5 Details of certain items of expenditure

5.1 Trustees' expenses

	2021	2020
Number of trustees who were paid expenses	-	-
Travelling expenses	-	-
Total amount paid	-	-

5.2 Fees for examination of the accounts

	2021 £	2020 £
Independent examiner's or auditors' fees for reporting on the accounts	1,000	1,000
Other fees (for example: advice, consultancy, accountancy services) paid to the independent examiner	5,080	5,011

6 Staff

6.1 Staff Costs

	2021 £	2020 £
Gross wages, salaries	177,367	138,571
Employer's National Insurance costs	10,713	2,990
Pension costs	10,484	6,482
Total staff costs	198,564	148,043

No employee received remuneration in excess of £60,000 for either the current or preceding period.

6.2 Average number of full-time equivalent employees in the year

2021	2020
14	8

6.3 Defined contribution pension scheme

Brief details of the scheme

The charity operated a defined contribution scheme for employees. The assets of the scheme are held separately from those of the charity.

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7 Tangible fixed assets

	Freehold land & buildings	Fixtures, fittings and equipment	Total
	£	£	£
Cost Balance brought forward	1,496,237	60,512	1,556,749
Additions	7,133		7,133
Disposal	(144,805)	-	(144,805)
Cost Balance carried forward	1,358,565	60,512	1,419,077

Depreciation Balance brought forward	-	(47,342)	(47,342)
Depreciation charge for year	-	(5,449)	(5,449)
Depreciation Balance carried forward	-	(52,791)	(52,791)

Net Book Value Brought forward	1,496,237	13,170	1,509,407
Net Book Value Carried forward	1,358,565	7,721	1,366,286

8 Debtors and prepayments

Analysis of debtors

Amounts falling due within one year

Grant receivable
Rental deposit
Wages
Gift aid
Prepayments

2021	2020
£	£
-	1,000
1,300	1,300
10,501	8,035
26,157	9,573
5,120	5,430
Total	43,078

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9 Creditors and accruals

9.1 Analysis of creditors

Amounts falling due within one year

	2021	2020
	£	£
Creditors	1,101	1,811
PAYE/NI	3,159	1,903
Loans due less than one year	8,505	17,796
Accruals and deferred income	8,406	6,021
Total	21,171	27,531

9.2 Analysis of creditors

Amounts falling due over one year

	2021	2020
	£	£
Loans due after one year	209,448	214,661
Total	209,448	214,661

10 Funds

10.1 Details of funds

- Permanent endowment funds (PE) and Expendable Endowment (EE)
- Restricted income funds, including special trusts, of the charity (R)
- Unrestricted income funds (U)

Fund Name	Fund Type	Purpose and Restrictions
Building Fund - Helston	PE	Acquisition and conversion of church premises
Building Fund - Pool	EE	Acquisition and conversion of church premises
Helston Building Fund	R	Building and conversion of church premises
Hayle Church Development Fund	R	For development of the church in Hayle
Missionary Fund	R	To support church planting within Cornwall
Pastoral Support - Penzance	R	Support the pastor with additional training and mentoring
Penzance Building Fund	R	Funds to buy a building premises for the Church
Missionary – Church specific	R	Funds to support missionary work outside the local Churches
G Musser – study support	R	Supporting the study of G Musser
Other	R	Various donations for specific purposes

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10.2 Movements of major funds

Fund names	Fund balances brought forward	Incoming resources	Outgoing resources	Transfers	Fund balances carried forward
	£	£	£	£	£
Unrestricted – Other	173,273	305,880	(297,892)	(17,279)	163,982
Unrestricted – Buildings	266,620	-	-	-	266,620
Unrestricted – Total	439,893	305,880	(297,892)	(17,279)	430,602
Endowment					
Building Fund Helston	552,675	-	-	-	552,675
Building Fund Pool	140,781	-	(11,446)	-	129,335
Total Endowment	693,456	-	(11,446)	-	682,010
Restricted					
Helston Building	178,508	840	(8,362)	14,225	185,211
Hayle Church Development Fund	159,900	-	(2,370)	-	157,530
Changing Room Fund	927	-	-	-	927
Falmouth Acts 4 Fund	3,528	3,515	(1,150)	(320)	5,573
Falmouth Weekend Away	-	3,721	(5,121)	1,846	446
Missionary Fund	24,663	12,813	(7,000)	-	30,476
Pastoral Support – Penzance	1,171	-	-	-	1,171
Penzance Building Fund	125,285	5	-	-	125,290
Penzance Acts 435 Fund	-	150	-	-	150
Missionary – Church specific	18,948	13,987	(17,888)	1,325	16,372
The training centre Pool	263	-	-	-	263
Giddens Support fund	626	1,500	(1,875)	-	251
Other	(24)	12,812	(6,306)	203	6,685
Total Restricted	513,795	49,343	(50,072)	17,279	530,345

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Total Funds	1,647,144	355,225	(359,412)	-	1,642,957
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From Fund (Name)	To Fund (Name)	Reason	Amount £
Individual churches unrestricted funds (U)	General fund (U)	Support for the administration of the charity and to pay the affiliation fees for each church	18,858

Re classification of Endowment

The Pool Building Fund, as explained in the Trustee's report has been reclassified with the approval of the original donors as expendable endowment, allowing the funds realised from the sale of the Pool Chapel to be applied to planting of new churches.