

TRANSFORMING CHURCHES AND COMMUNITIES

England & Wales · Charity number 1150394

Details

Other names TRANSFORMING CHURCHES AND COMMUNITIES, TCC

Status Registered

Legal form CIO

Registered 2013-01-08

Register [View on the Charity Commission register](#)

Contact

Address The Wesley Centre
Royce Road
Manchester
M15 5BP

Phone 07883339698

Email admin@churchandcommunity.org.uk

Website www.churchandcommunity.org.uk

Activities

Objects: 1. TO PROMOTE ANY CHARITABLE PURPOSE FOR THE BENEFIT OF THE PUBLIC, PRINCIPALLY BUT NOT EXCLUSIVELY IN THE GEOGRAPHICAL AREA COVERED BY THE METHODIST CHURCH IN BRITAIN AND ITS ENVIRONS (HEREINAFTER CALLED THE "AREA OF BENEFIT") AND, IN PARTICULAR, BUILD THE CAPACITY OF THIRD SECTOR ORGANISATIONS BY PROVIDING THEM WITH THE NECESSARY SUPPORT, INFORMATION AND SERVICES TO ENABLE THEM TO PURSUE OR CONTRIBUTE TO ANY CHARITABLE PURPOSE WHERE: (A) "THIRD SECTOR" MEANS CHARITIES, VOLUNTARY ORGANISATIONS AND SOCIAL ENTERPRISE;(B) "CHARITIES" ARE ORGANISATIONS WHICH ARE ESTABLISHED FOR EXCLUSIVELY CHARITABLE PURPOSES IN ACCORDANCE WITH THE LAW OF ENGLAND AND WALES, INCLUDING METHODIST CHURCHES, OTHER CHRISTIAN DENOMINATIONS AND OTHER FAITH COMMUNITIES; AND(C) "VOLUNTARY ORGANISATIONS AND SOCIAL ENTERPRISES" ARE INDEPENDENT ORGANISATIONS, WHICH ARE ESTABLISHED FOR PURPOSES THAT ADD VALUE TO THE COMMUNITY AS A WHOLE, OR A SIGNIFICANT SECTION OF THE COMMUNITY, AND WHICH ARE NOT PERMITTED BY THEIR CONSTITUTION TO MAKE A PROFIT FOR PRIVATE DISTRIBUTION. VOLUNTARY ORGANISATIONS AND SOCIAL ENTERPRISES DO NOT INCLUDE LOCAL GOVERNMENT OR OTHER STATUTORY AUTHORITIES.2. TO PROMOTE, ORGANISE AND FACILITATE CO-OPERATION AND PARTNERSHIP WORKING BETWEEN THIRD SECTOR, STATUTORY AND OTHER RELEVANT BODIES IN THE ACHIEVEMENT OF THE ABOVE PURPOSES WITHIN THE AREA OF BENEFIT.

Activities: TCC's main activities are:1. Information Service: 2. Basic Service: 3. Consultancy Service: 4. Project Management:

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Throughout England And Wales

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|----------|-------------|--------|-----------|
| 2025-08-31 | £160,293 | £182,772 | - | - |
| 2024-08-31 | £148,099 | £111,945 | - | - |
| 2023-08-31 | £125,591 | £129,529 | - | - |
| 2022-08-31 | £112,528 | £110,645 | - | - |
| 2021-08-31 | £131,129 | £129,505 | - | - |

Trustees

| Name | Role | Appointed |
|-----------------------------|-------|------------|
| Rev Caroline Wickens | Chair | 2024-02-29 |
| Ian Peter Castledine | | 2025-06-11 |
| Rev IAN WILLIAM SMART | | 2025-06-11 |
| Rev Peter Edward Powers | | 2024-12-01 |
| Sandra Macaulay Waddington | | 2021-03-11 |
| Stephanie Louise Roux | | 2023-12-01 |

TRANSFORMING CHURCHES AND COMMUNITIES

England & Wales - Charity number 1150394

Accounts

**TRANSFORMING CHURCHES & COMMUNITIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 31 AUGUST 2025**

Transforming Churches and Communities
Contents of the Financial Statements
for the Year Ended 31 August 2025

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Transforming Churches and Communities
Administrative Information
for the Year Ended 31 August 2025

TRUSTEES

Revd Cathy Bird - resigned December 2024
Revd Peter Powers – appointed December 2024
Rev Caroline Wickens (chair)
Sandra Waddington
Rev Michael Tindsley – resigned January 2024
Ian Castledine (appointed June 2025)
Rev Ian Smart (appointed June 2025)
Stephanie Roux

KEY STAFF

Abigail Parr

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

Unit 16, Wesley Centre
Royce Road
Manchester
M15 5BP

INDEPENDENT EXAMINER

Leanne Nield ACA
Arc Accountancy Solutions Limited
51 Laverton Road
Lytham St. Annes
Lancashire
FY8 1EN

BANKERS

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2HB

Transforming Churches and Communities
Trustees' annual report
for the Year Ended 31 August 2025

The trustees present their annual report together with the financial statements of the charity for the year ended 31st August 2025.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, the CIO governing document, and 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 (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTIVES AND ACTIVITIES

Charitable objects

Charity's objectives are:

1. To promote any charitable purpose for the benefit of the public, principally but not exclusively in the geographical area covered by The Methodist Church in Britain and its environs (hereafter called the "area of benefit") and, in particular, build the capacity of third sector organisations including Methodist churches, other Christian denominations and other faith communities and provide them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose, where,
 - a. "third sector" means charities, voluntary organisations and social enterprises;
 - b. "charities" are organisations established for exclusively charitable purposes in accordance with the law of England and Wales, including Methodist Churches, other Christian denominations and other faith communities;
 - c. "voluntary organisations and social enterprises" are independent organisations, which are established for purposes that add value to the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary organisations and social enterprises do not include local government or other statutory authorities.
2. To promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in achievement of the above purposes within the area of benefit.

Activities

The Charity achieves its objectives by the delivery of information, advice and guidance (IAG), consultancy, project management and other activities.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for individuals and organisations with low income.

ACHIEVEMENTS AND PERFORMANCE

The activities of TCC are mainly based on outreach support provided for on a needs led basis. The mainstay of the service is organisational and community development. The fundamental belief is that TCC is an enabler and seeks to empower the people it works with to develop their skills, knowledge and experience to do their best for their members and communities. Sustainability and self-determination is always at the forefront of our support delivery.

TCC's main activities are:

1. Information, Advice and Guidance (IAG) Service:

The IAG service provides a range of, mainly, electronic based resources accessed through our website. This includes policy documents, fact sheets and useful information on current funding and other organisational development opportunities.

Transforming Churches and Communities
Trustees' annual report
for the Year Ended 31 August 2025

A regular, monthly, email bulletin is circulated to our contacts, sharing good practice, funding opportunities and training opportunities.

2. Consultancy Service:

The consultancy service provides a greater level of in-depth support. The needs that are identified through the first level process will often lead to an increased range of support and will almost certainly be a longer-term relationship. This service has a cost attributed to it, whether it is a direct payment to TCC, as the training or consultancy deliverer, or it may include engaging external consultants with the necessary skills, knowledge and experience that TCC may not have, to ensure the most appropriate level of support. In either case TCC will manage the support agreed with the beneficiary.

3. Project Management:

TCC provides a comprehensive project management service for organisations, churches and projects. The range of the services can be as small or as large as the organisation requires.

4. Service support

TCC provides business as usual support to churches, Methodist Districts and Circuits in matters of treasury, bookkeeping and property management.

We also continue to support our existing activities and ensure that as many people across the North West and beyond know of our work and services on offer. In order to achieve this, we constantly share our successes, attend numerous events such as Synods and Methodist Conference, share a monthly e-bulletin and constantly increase the mailing list.

As at 31st August 2025, following a decline in the level of consultancy service work, the trustees decided to end the provision of this service. Two staff engaged primarily in that work left the charity in August.

FINANCIAL REVIEW

Overview

The charity had a decrease for the year on unrestricted funds of £8,366, and decrease in restricted funds of £14,113, giving total reserves carried forward of £32,765.

Risk management

The Trustees have identified the major risks facing the Charity and have taken steps to mitigate those risks.

Reserves

The reserves policy is to hold at least three months of expenditure. This was met at 31st August 2025. At the year-end free reserves (unrestricted funds not invested in fixed assets or otherwise designated) were £26,320 and there was a designated fund of £1,849 for severance pay.

Going concern

The Trustees have considered whether the charity is entitled to prepare the accounts on the going concern basis, they have concluded that it is appropriate because free reserves are substantial and the charity's order book and prospects are good.

FUTURE PLANS

- Seek to develop our historic offerings to better suit the needs of our clients.
- Seek strategic development in a way that best serves the needs of our clients and the changing situation of the Methodist Church
- Form closer relationships with potential partner organisations such as the Learning Network to ensure an efficient use of time, and coverage for the needs of our clients.

Transforming Churches and Communities
Trustees' annual report
for the Year Ended 31 August 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a Charitable Incorporated Organisation (CIO), number 8193683, its CIO-Association conversion is dated 9 November 2018.

It was registered with the Charity Commission as a charity with effect from 8 January 2013 with the charity number 1150394.

Although membership of the charity is not restricted, the current membership comprises all members of the District Council of the North West England District, formerly Manchester and Stockport District of the Methodist Church of Great Britain, to whom the CIO is responsible by virtue of the Methodist Church Act 1976 and the Constitutional Practice and Discipline of the Methodist Church (as approved by its governing body, the Conference of the Methodist Church of Great Britain). This clarifies the statements made in earlier Trustees Reports regarding membership of the charity.

An individual ceases to be a member of the charity when they cease to be a member of the District Council.

Appointment of Trustees

The Trustees are appointed by the members in general meeting and are collectively known as the Board. At each AGM, one third of the trustees retire by rotation, being the longest in office and are eligible for re-election. The Board has the power to co-opt trustees, but such people only hold office until the next AGM, and do not count in determining those retiring by rotation but are eligible for election.

The Trustees who served during the year, together with any changes up to the date of approving this report are listed on page 1.

Trustee recruitment, induction and training

Trustees are recruited for their commitment and the skills and knowledge they can bring to the organisation. All trustees receive induction information and training as appropriate to their needs and there is an opportunity to access on-going training for personal development.

Register of interests

Trustees are required to complete a form on appointment, which is updated annually, registering their interests, including the membership of other voluntary organisations. The Board procedures ensure that Trustees do not participate in decisions in which they have an interest.

Organisation

The Board, which must not be less than three members but is not subject to any upper limit, administers the Charity and meets as necessary during the year.

The day-to-day operations of the Charity are the responsibility of the Manager to whom the Trustees delegate authority for operational matters including finance, employment and development, within the overall strategy agreed by the Board.

Co-operation with other organisations/charities

This is minimal as all of the Charity's income is derived from within the Methodist Church.

Transforming Churches and Communities
Trustees' annual report
for the Year Ended 31 August 2025

TRUSTEES' RESPONSIBILITIES 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).

Charity 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 CIO and of the incoming resources and application of resources, including the income and expenditure, of the CIO for that period. 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) (second edition October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 CIO will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable incorporated organisation and enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees and signed on its behalf by:

Caroline Wickens

Rev. Caroline Wickens (Chair)

12/01/2026

Date:

Transforming Churches and Communities
Independent Examiner's Report
for the Year Ended 31 August 2025

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31st August 2025 which are set out on pages 7 – 16.

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 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.

Leanne Nield

[Leanne Nield \(Jan 15, 2026 16:53:44 GMT\)](#)

Leanne Nield ACA
Arc Accountancy Solutions Limited
51 Laverton Road
Lytham St. Annes
Lancashire
FY8 1EN

15/01/2026

Date:

Transforming Churches and Communities
Statement of Financial Activities
for the Year Ended 31 August 2025

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2025 £ | Total 2024 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming resources from generated funds: | | | | | |
| Donations and Legacies | 2 | - | - | - | 31,500 |
| Charitable activities | 3 | 160,043 | - | 160,043 | 137,540 |
| Other income | 4 | 250 | - | 250 | 10,559 |
| TOTAL INCOME | | 160,293 | - | 160,293 | 179,599 |
| EXPENDITURE | | | | | |
| Expenditure on charitable activities | 5 | 168,659 | 14,113 | 182,772 | 135,546 |
| TOTAL EXPENDITURE | | 168,659 | 14,113 | 182,772 | 135,546 |
| NET INCOME BEFORE TRANSFERS | | (8,366) | (14,113) | (22,479) | 44,053 |
| Transfers between funds | | - | - | - | - |
| NET MOVEMENT IN FUNDS | 14 | (8,366) | (14,113) | (22,479) | 44,053 |
| TOTAL FUNDS BROUGHT FORWARD | 14 | 36,535 | 18,709 | 55,244 | 11,191 |
| TOTAL FUNDS CARRIED FORWARD | 14 | 28,169 | 4,596 | 32,765 | 55,244 |

The notes on pages 9 to 16 form part of these financial statements.

Transforming Churches and Communities
Balance Sheet
for the Year Ended 31 August 2025

| | Notes | 2025 £ | 2025 £ | 2024 £ | 2024 £ |
|------------------------------------|--------|---------------|---------------|---------------|---------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 9 | | - | | - |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 4,474 | | 7,060 | |
| Cash at Bank and in Hand | 10 | 40,291 | | 75,957 | |
| | | <u>44,765</u> | | <u>83,017</u> | |
| CREDITORS | | | | | |
| Amounts falling due in one year | 12 | 12,000 | | 27,773 | |
| | | | | <u>32,765</u> | <u>55,244</u> |
| NET CURRENT ASSETS | | | | | |
| | | | | <u>32,765</u> | <u>55,244</u> |
| NET ASSETS | | | | | |
| | | | | <u>32,765</u> | <u>55,244</u> |
| FUNDS | | | | | |
| Unrestricted | 13, 14 | | 28,169 | | 36,535 |
| Restricted | | | 4,596 | | 18,709 |
| TOTAL FUNDS CARRIED FORWARD | | | <u>32,765</u> | | <u>55,244</u> |

These financial statements have been prepared in accordance with the provisions applicable to the current legislation.
For the year ending 31 August 2025, the CIO was entitled to exemption from audit and are as such have been independently examined.

Trustees' responsibility

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to the accounting records and the preparation of accounts.

The notes on pages 9 to 17 form part of these financial statements.

Approved by the Board and authorised for issue on: 12/01/2026

And signed on their behalf by:

Caroline Wickens
Rev. Caroline Wickens (Chair)

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2025

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities Act 2011 and 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 (FRS102) (effective 1 January 2019). The financial statements have been prepared under the historical cost convention.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the Charity has entitlement to the funds, any performance conditions have been met and it is probably that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

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 the 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 Including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.

Charitable activities Costs of undertaking the work of the charity.

The Charity is registered for VAT, with costs stated net of VAT.

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include office costs, depreciation, other support costs and governance costs as set out in note 4.

Tangible fixed assets and depreciation

Individual assets costing more than £1,000 are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as set out below.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2025

1. ACCOUNTING POLICIES (continued)

Depreciation rates are as follows:

| | |
|--------------------|-------------------|
| Computer equipment | 30% straight line |
| Other equipment | 20% straight line |

Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and 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.

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 provision are normally recognised at their settlement amount.

Financial instruments

The Charity has only basic financial instruments which are initially recorded at costs, and with the exception of investments (as set out above) subsequently measured at their settlement value.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

| | Unrestricted 2025 £ | Restricted 2025 £ | Total 2025 £ | Total 2024 £ |
|--|---------------------------|-------------------------|--------------------|--------------------|
| Core grant – The Methodist Church – North West Districts | - | - | - | 31,500 |
| | - | - | - | 31,500 |

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted 2025 £ | Restricted 2025 £ | Total 2025 £ | Total 2024 £ |
|--------------------------|---------------------------|-------------------------|--------------------|--------------------|
| Project fees and charges | 160,043 | - | 160,043 | 137,540 |
| | 160,043 | - | 160,043 | 137,540 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2025

4. OTHER INCOME

| | Unrestricted 2025 £ | Restricted 2025 £ | Total 2025 £ | Total 2024 £ |
|----------------------------|---------------------------|-------------------------|--------------------|--------------------|
| Other miscellaneous income | 250 | - | 250 | 10,559 |
| | <u>250</u> | <u>-</u> | <u>250</u> | <u>10,559</u> |

5. CHARITABLE EXPENDITURE

| | Unrestricted 2025 £ | Restricted 2025 £ | Total 2025 £ | Total 2024 £ |
|---------------------------------------|---------------------------|-------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Salaries | 151,919 | 14,113 | 166,032 | 122,727 |
| Project and travel costs | 4,595 | - | 4,595 | 3,038 |
| Support costs & governance | | | | |
| Premises & insurance | 1,156 | - | 1,156 | 866 |
| Advertising | 197 | - | 197 | 271 |
| Recruitment | 412 | - | 412 | 229 |
| Staff training | - | - | - | 1,509 |
| Office costs | 6,457 | - | 6,457 | 5,581 |
| Depreciation | - | - | - | - |
| Other support costs | 123 | - | 123 | 75 |
| Governance costs | 3,800 | - | 3,800 | 1,250 |
| | <u>168,659</u> | <u>14,113</u> | <u>182,772</u> | <u>135,546</u> |
| | Unrestricted 2025 £ | Restricted 2025 £ | Total 2025 £ | Total 2024 £ |
| Governance costs comprise: | | | | |
| Accountancy, legal & professional | 3,800 | - | 3,800 | 1,250 |
| | <u>3,800</u> | <u>-</u> | <u>3,800</u> | <u>1,250</u> |

6. DETAILS OF CERTAIN TYPES OF EXPENDITURE

| | 2025 £ | 2024 £ |
|--|--------------|--------------|
| Fees for the examination of the accounts: | | |
| Independent examiner's fees | | |
| - Report | 1,250 | 1,250 |
| - Other accountancy services | 350 | - |
| | <u>1,600</u> | <u>1,250</u> |

7. STAFF INFORMATION

| | Unrestricted 2025 £ | Restricted 2025 £ | Total 2025 £ | Total 2024 £ |
|----------------------------------|---------------------------|-------------------------|--------------------|--------------------|
| a) Employees | | | | |
| Salaries and wages | 135,681 | 12,603 | 148,284 | 116,261 |
| Employer's pension contributions | 8,414 | 776 | 9,190 | 4,654 |
| Employer's NI contributions | 7,824 | 734 | 8,558 | 1,812 |
| | <u>151,919</u> | <u>14,113</u> | <u>166,032</u> | <u>122,727</u> |

No employees earned more than £60,000 p.a. in either year.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2025

7. STAFF INFORMATION (continued)

b) Key management personnel

The key management of the charity comprise the trustees and senior staff (as set out on page 1)

The trustees do not receive any remuneration for their services.

The total employee benefits of other key management were as follows:

| 2025 | 2024 |
|---------------|---------------|
| £ | £ |
| 42,879 | 39,450 |

c) Average staff numbers

The average number of employees was as follows:

| | 2025 | 2024 |
|---|-------------------|-------------------|
| | Average number | Average number |
| Employed solely within the charity | 7 | 6 |
| Employed on joint contracts of employment | 0 | 1 |
| | 7 | 7 |

The salary costs of the employees who are on a joint contract of employment are paid in full by the other party and the monies received are included as income as well as the salary costs in this charity.

8. TRUSTEE REMUNERATION AND BENEFITS

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related party.

No trustee expenses have been incurred.

9. TANGIBLE FIXED ASSETS

| | Equipment & fittings £ | Total £ |
|--------------------------|------------------------------|--------------|
| Cost or valuation | | |
| As at 1 September 2024 | 6,682 | 6,682 |
| As at 31 August 2025 | 6,682 | 6,682 |
| Depreciation | | |
| As at 1 September 2024 | 6,682 | 6,682 |
| Charge for the year | - | - |
| As at 31 August 2025 | 6,682 | 6,682 |
| Net Book Value | | |
| As at 31 August 2025 | - | - |
| As at 31 August 2024 | - | - |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2025

10. CASH AT BANK AND AT HAND

| | 2025 £ | 2024 £ |
|--------------------------|-----------|-----------|
| Cash at bank and on hand | 40,291 | 75,957 |
| | 40,291 | 75,957 |

11. DEBTORS

| | 2025 £ | 2024 £ |
|---------------------------|-----------|-----------|
| Grant and fees receivable | 3,375 | 6,200 |
| Prepayments | 1,099 | 860 |
| | 4,474 | 7,060 |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 £ | 2024 £ |
|-----------------|-----------|-----------|
| Trade creditors | 4,139 | 1,930 |
| Accruals | 1,250 | 2,725 |
| VAT creditor | 3,911 | 23,118 |
| Other creditors | 2,700 | - |
| | 12,000 | 27,773 |

13. MOVEMENT IN FUNDS

| | 01/09/2024 £ | Income £ | Expenditure £ | Transfers £ | 31/08/2025 £ |
|---------------------------------|-----------------|-------------|------------------|----------------|-----------------|
| Unrestricted funds: | | | | | |
| General fund | 32,397 | 160,293 | (168,659) | 2,289 | 26,320 |
| Designated – severance pay | 4,138 | - | - | (2,289) | 1,849 |
| Total unrestricted funds | 36,535 | 160,293 | (168,659) | - | 28,169 |

| | 01/09/2024 £ | Incoming resources £ | Resources expended £ | Transfers £ | 31/08/2025 £ |
|---|-----------------|----------------------------|----------------------------|----------------|-----------------|
| Restricted funds: | | | | | |
| Core grant – The Methodist Church – North West Districts | 18,709 | - | (14,113) | - | 4,596 |
| Total restricted funds | 18,709 | - | (14,113) | - | 4,596 |

The purpose of the designated fund is for the funding of severance pay if the situation arises where redundancies are necessary to make.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2025

13. MOVEMENT IN FUNDS (continued)

Comparatives for movement in funds

| | 01/09/2023 | Income | Expenditure | Transfers | 31/08/2024 |
|--|---------------|--------------------|--------------------|-----------|---------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General fund | (1,872) | 148,099 | (111,945) | (1,885) | 32,397 |
| Designated – severance pay | 2,253 | - | - | 1,885 | 4,138 |
| Total unrestricted funds | 381 | 148,099 | (111,945) | - | 36,535 |
| | | | | | |
| | 01/09/2023 | Incoming resources | Resources expended | Transfers | 31/08/2024 |
| | £ | £ | £ | £ | £ |
| Restricted funds: | | | | | |
| Core grant – The Methodist Church – North West Districts | 10,810 | 31,500 | (23,601) | - | 18,709 |
| Total restricted funds | 10,810 | 31,500 | (23,601) | - | 18,709 |

14. ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds | Restricted Funds | Total |
|--|--------------------|------------------|---------------|
| | £ | £ | £ |
| Fund balances at 31st August 2025 are represented by:- | | | |
| Tangible fixed assets | - | - | - |
| Net current assets | 28,169 | 4,596 | 32,765 |
| | 28,169 | 4,596 | 32,765 |
| | | | |
| | Unrestricted Funds | Restricted Funds | Total |
| | £ | £ | £ |
| Fund balances at 31st August 2024 are represented by:- | | | |
| Tangible fixed assets | - | - | - |
| Net current assets | 36,535 | 18,709 | 55,244 |
| | 36,535 | 18,709 | 55,244 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2025

15. FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

| | 2025 | 2024 |
|--|-----------------|-----------------|
| | £ | £ |
| Financial assets | | |
| That are debt instruments measured at amortised cost | 44,765 | 83,017 |
| | 2025 | 2024 |
| | £ | £ |
| Financial liabilities | | |
| Measured at amortised cost | (12,000) | (27,773) |

Financial assets measured at amortised cost comprise: cash at bank and in hand; income receivable and other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise; trade creditors; other taxes and social security; accruals; and deferred income.

16. CONSTITUTION

The organisation is a Charitable Incorporated Organisation regulated by the Charity Commission in the event of it being wound up the members are committed to contributing £1 each.

17. TAXATION

The Charity is a registered charity and is entitled to claim annual exemption from UK corporation tax.

18. CAPITAL COMMITMENTS

There were no capital commitments authorised and contacted for at the end of the year (2024 £Nil).

19. RELATED PARTY TRANSACTIONS

The trustees are unrelated to each other and the charity is not under the control of one individual or entity.

There are no related party transactions to disclose in either year.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2025

21. NON-ADJUSTING POST BALANCE SHEET EVENT

The trustees of TCC have approached the trustees of NWED to determine whether it makes strategic sense to be absorbed into the NWED charity as a sub-organisation rather than TCC to continue as a separate charity. Talks are ongoing, with due diligence currently being performed. A decision is expected to be made in January 2026, and if successful, the transfer to take place on 1st April 2026. At this point TCC the charitable entity would become dormant.

22. CONTINGENT LIABILITY

As a result of the late VAT registration, the charity may be subject to penalties and interest from HMRC. The charity is in the process of submitting an appeal against all these penalties on the grounds that a dispute over a VAT repayment was ongoing during the period in question.

Based on HMRC's penalty rules, the potential penalties and interest could be approximately £5,000 for the year ended 31 August 2024 and £3,000 for the year ending 31 August 2025. However, as the appeal is ongoing, the actual liability remains uncertain, and no provision has been made in these financial statements.








TCC annual accounts 24-25 FINAL

Final Audit Report

2026-01-12

| | |
|-----------------|--|
| Created: | 2025-12-10 |
| By: | Leanne Nield (leanne@arc-accountancy.co.uk) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAA4_0bmg3ymA3alqHNFLGup9sIPGUjjZ4t |

"TCC annual accounts 24-25 FINAL" History

-  Document created by Leanne Nield (leanne@arc-accountancy.co.uk)
2025-12-10 - 1:10:48 PM GMT
-  Document emailed to cwickens@manchestermethodists.org.uk for signature
2025-12-10 - 1:10:55 PM GMT
-  Leanne Nield (leanne@arc-accountancy.co.uk) replaced signer cwickens@manchestermethodists.org.uk with Caroline (caroline.wickens@gmail.com)
2026-01-12 - 6:08:05 AM GMT
-  Document emailed to Caroline (caroline.wickens@gmail.com) for signature
2026-01-12 - 6:08:06 AM GMT
-  Email viewed by Caroline (caroline.wickens@gmail.com)
2026-01-12 - 10:00:55 PM GMT
-  Document e-signed by Caroline (caroline.wickens@gmail.com)
Signature Date: 2026-01-12 - 10:02:55 PM GMT - Time Source: server
-  Agreement completed.
2026-01-12 - 10:02:55 PM GMT






TCC annual accounts 24-25 FINAL - signed by Caroline

Final Audit Report

2026-01-15

| | |
|-----------------|--|
| Created: | 2026-01-15 |
| By: | Leanne Nield (leanne@arc-accountancy.co.uk) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAH0TDK3HW3EFOZ9wxxmadtW5XhKpkSg9h |

"TCC annual accounts 24-25 FINAL - signed by Caroline" History

-  Document created by Leanne Nield (leanne@arc-accountancy.co.uk)
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2026-01-15 - 4:53:19 PM GMT
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Signature Date: 2026-01-15 - 4:53:44 PM GMT - Time Source: server
-  Agreement completed.
2026-01-15 - 4:53:44 PM GMT

TRANSFORMING CHURCHES AND COMMUNITIES

England & Wales - Charity number 1150394

Accounts

**TRANSFORMING CHURCHES & COMMUNITIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 31 AUGUST 2024**

Transforming Churches and Communities
Contents of the Financial Statements
for the Year Ended 31 August 2024

Income recognition..... 11

Transforming Churches and Communities
Administrative Information
for the Year Ended 31 August 2024

TRUSTEES

Revd Cathy Bird - resigned December 2024
Revd Peter Powers - appointed December 2024
Kristian Main (chair) - resigned September 2023
Rev Caroline Wickens (chair) - appointed December 2023
Sandra Waddington
Rev Michael Tindsley - resigned January 2024
Stephanie Roux - appointed December 2023

KEY STAFF

Abigail Parr

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

Unit 16, Wesley Centre
Royce Road
Manchester
M15 5BP

INDEPENDENT EXAMINER

Leanne Nield ACA
Arc Accountancy Solutions Limited
51 Laverton Road
Lytham St. Annes
Lancashire
FY8 1EN

BANKERS

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2HB

Transforming Churches and Communities
Trustees' annual report
for the Year Ended 31 August 2024

The trustees present their annual report together with the financial statements of the charity for the year ended 31st August 2024.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, the CIO governing document, and 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 (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTIVES AND ACTIVITIES

Charitable objects

Charity's objectives are:

1. To promote any charitable purpose for the benefit of the public, principally but not exclusively in the geographical area covered by The Methodist Church in Britain and its environs (hereafter called the "area of benefit") and, in particular, build the capacity of third sector organisations including Methodist churches, other Christian denominations and other faith communities and provide them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose, where,
 - a. "third sector" means charities, voluntary organisations and social enterprises;
 - b. "charities" are organisations established for exclusively charitable purposes in accordance with the law of England and Wales, including Methodist Churches, other Christian denominations and other faith communities;
 - c. "voluntary organisations and social enterprises" are independent organisations, which are established for purposes that add value to the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary organisations and social enterprises do not include local government or other statutory authorities.
2. To promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in achievement of the above purposes within the area of benefit.

Activities

The Charity achieves its objectives by the delivery of information, advice and guidance (IAG), consultancy, project management and other activities.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for individuals and organisations with low income.

ACHIEVEMENTS AND PERFORMANCE

The activities of TCC are mainly based on outreach support provided for on a needs led basis. The mainstay of the service is organisational and community development. The fundamental belief is that TCC is an enabler and seeks to empower the people it works with to develop their skills, knowledge and experience to do their best for their members and communities. Sustainability and self-determination is always at the forefront of our support delivery.

TCC's main activities are:

1. Information, Advice and Guidance (IAG) Service:

The IAG service provides a range of, mainly, electronic based resources accessed through our website. This includes policy documents, fact sheets and useful information on current funding and other organisational development opportunities.

Transforming Churches and Communities
Trustees' annual report
for the Year Ended 31 August 2024

A regular, monthly, email bulletin is circulated to our contacts, sharing good practice, funding opportunities and training opportunities.

2. Consultancy Service:

The consultancy service provides a greater level of in-depth support. The needs that are identified through the first level process will often lead to an increased range of support and will almost certainly be a longer-term relationship. This service has a cost attributed to it, whether it is a direct payment to TCC, as the training or consultancy deliverer, or it may include engaging external consultants with the necessary skills, knowledge and experience that TCC may not have, to ensure the most appropriate level of support. In either case TCC will manage the support agreed with the beneficiary.

3. Project Management:

TCC provides a comprehensive project management service for organisations, churches and projects. The range of the services can be as small or as large as the organisation requires.

4. Service support

TCC provides business as usual support to churches, Methodist Districts and Circuits in matters of treasury, bookkeeping and property management.

We also continue to support our existing activities and ensure that as many people across the North West and beyond know of our work and services on offer. In order to achieve this, we constantly share our successes, attend numerous events such as Synods and Methodist Conference, share a monthly e-bulletin and constantly increase the mailing list.

FINANCIAL REVIEW

Overview

The charity had an increase for the year on unrestricted funds of £59,653, and increase in restricted funds of £7,899, giving total reserves carried forward of £78,362.

Risk management

The Trustees have identified the major risks facing the Charity and have taken steps to mitigate those risks.

Reserves

The reserves policy is to hold at least three months of expenditure. This was met at 31st August 2024. At the year-end our free reserves (unrestricted funds not invested in fixed assets or otherwise designated) was £32,297 and there was a designated fund of £4,138 for severance pay.

Going concern

The Trustees have considered whether the charity is entitled to prepare the accounts on the going concern basis, they have concluded that it is appropriate because free reserves are substantial and the charity's order book and prospects are good.

FUTURE PLANS

- To continue to increase our profile to Methodist Church Districts outside the North West
- Seek to develop our historic offerings to better suit the needs of our clients.
- Seek strategic development in a way that best serves the needs of our clients and the changing situation of the Methodist Church
- Form closer relationships with potential partner organisations such as the Learning Network to ensure an efficient use of time, and coverage for the needs of our clients.

Transforming Churches and Communities
Trustees' annual report
for the Year Ended 31 August 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a Charitable Incorporated Organisation (CIO), number 8193683, its CIO-Association conversion is dated 9 November 2018.

It was registered with the Charity Commission as a charity with effect from 8 January 2013 with the charity number 1150394.

Although membership of the charity is not restricted, the current membership comprises all members of the District Council of the Manchester and Stockport District of the Methodist Church of Great Britain, to whom the CIO is responsible by virtue of the Methodist Church Act 1976 and the Constitutional Practice and Discipline of the Methodist Church (as approved by its governing body, the Conference of the Methodist Church of Great Britain). This clarifies the statements made in earlier Trustees Reports regarding membership of the charity.

An individual ceases to be a member of the charity when they cease to be a member of the District Council.

Appointment of Trustees

The Trustees are appointed by the members in general meeting and are collectively known as the Board. At each AGM, one third of the trustees retire by rotation, being the longest in office and are eligible for re-election. The Board has the power to co-opt trustees, but such people only hold office until the next AGM, and do not count in determining those retiring by rotation but are eligible for election.

The Trustees who served during the year, together with any changes up to the date of approving this report are listed on page 1.

Trustee recruitment, induction and training

Trustees are recruited for their commitment and the skills and knowledge they can bring to the organisation. All trustees receive induction information and training as appropriate to their needs and there is an opportunity to access on-going training for personal development.

Register of interests

Trustees are required to complete a form on appointment, which is updated annually, registering their interests, including the membership of other voluntary organisations. The Board procedures ensure that Trustees do not participate in decisions in which they have an interest.

Organisation

The Board, which must not be less than three members but is not subject to any upper limit, administers the Charity and meets as necessary during the year.

The day-to-day operations of the Charity are the responsibility of the Senior Development Manager to whom the Trustees delegate authority for operational matters including finance, employment and development, within the overall strategy agreed by the Board.

Co-operation with other organisations/charities

Whilst the Charity's income derives almost exclusively from the Methodist Church, we have a number of operational and strategic links with other Charities and charitable projects who share our commitment to public benefit. We also work with churches from other Christian denominations, and in the past year have done some small projects for the United Reform Church and the Church of England. These are however very much in the minority.

Transforming Churches and Communities
Trustees' annual report
for the Year Ended 31 August 2024

TRUSTEES' RESPONSIBILITIES 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).

Charity 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 CIO and of the incoming resources and application of resources, including the income and expenditure, of the CIO for that period. 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) (second edition October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 CIO will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable incorporated organisation and enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees and signed on its behalf by:

Caroline Wickens

May 23, 2025

Rev. Caroline Wickens (Chair)

Date:

Transforming Churches and Communities
Independent Examiner's Report
for the Year Ended 31 August 2024

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31st August 2024 which are set out on pages 7 – 17.

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 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.



Leanne Nield ACA
Arc Accountancy Solutions Limited
51 Laverton Road
Lytham St. Annes
Lancashire
FY8 1EN

May 27, 2025

Date:

Transforming Churches and Communities
Statement of Financial Activities
for the Year Ended 31 August 2024

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2024 £ | Restated Total 2023* £ |
|---|-------|----------------------------|--------------------------|--------------------|---------------------------------|
| Incoming resources from generated funds: | | | | | |
| Donations and Legacies | 2 | - | 31,500 | 31,500 | 30,760 |
| Charitable activities | 3 | 137,540 | - | 137,540 | 73,791 |
| Other income | 4 | 10,559 | - | 10,559 | 21,925 |
| TOTAL INCOME | | 148,099 | 31,500 | 179,599 | 126,476 |
| EXPENDITURE | | | | | |
| Expenditure on charitable activities | 5 | 111,945 | 23,601 | 135,546 | 129,529 |
| TOTAL EXPENDITURE | | 111,945 | 23,601 | 135,546 | 129,529 |
| NET INCOME BEFORE TRANSFERS | | 36,154 | 7,899 | 44,053 | (3,053) |
| Transfers between funds | | - | - | - | - |
| NET MOVEMENT IN FUNDS | 14 | 36,154 | 7,899 | 44,053 | (3,053) |
| TOTAL FUNDS BROUGHT FORWARD | 14 | 381 | 10,810 | 11,191 | 14,244 |
| TOTAL FUNDS CARRIED FORWARD | 14 | 36,535 | 18,709 | 55,244 | 11,191 |

* see note 20 for prior year adjustment details

The notes on pages 9 to 16 form part of these financial statements.

Transforming Churches and Communities
Balance Sheet
for the Year Ended 31 August 2024

| | Notes | 2024 £ | 2024 £ | Restated 2023* £ | Restated 2023* £ |
|------------------------------------|--------|---------------|---------------|------------------------|------------------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 9 | | - | | - |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 7,060 | | 7,916 | |
| Cash at Bank and in Hand | 10 | 75,957 | | 7,059 | |
| | | <u>83,017</u> | | <u>14,975</u> | |
| CREDITORS | | | | | |
| Amounts falling due in one year | 12 | 27,773 | | 3,784 | |
| | | | <u>55,244</u> | | <u>11,191</u> |
| NET CURRENT ASSETS | | | | | |
| | | | <u>55,244</u> | | <u>11,191</u> |
| NET ASSETS | | | | | |
| | | | <u>55,244</u> | | <u>11,191</u> |
| FUNDS | | | | | |
| Unrestricted | 13, 14 | | 36,535 | | 381 |
| Restricted | | | 18,709 | | 10,810 |
| | | | <u>55,244</u> | | <u>11,191</u> |
| TOTAL FUNDS CARRIED FORWARD | | | | | |
| | | | <u>55,244</u> | | <u>11,191</u> |

* see note 20 for prior year adjustment details

These financial statements have been prepared in accordance with the provisions applicable to the current legislation.

For the year ending 31 August 2024, the CIO was entitled to exemption from audit and are as such have been independently examined.

Trustees' responsibility

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to the accounting records and the preparation of accounts.

The notes on pages 9 to 17 form part of these financial statements.

Approved by the Board and authorised for issue on: **May 23, 2025**

And signed on their behalf by:

Caroline Wickens

Rev. Caroline Wickens (Chair)

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2024

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities Act 2011 and 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 (FRS102) (effective 1 January 2019). The financial statements have been prepared under the historical cost convention.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the Charity has entitlement to the funds, any performance conditions have been met and it is probably that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

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 the 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 Including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.

Charitable activities Costs of undertaking the work of the charity.

The Charity is currently not registered for VAT, however the trustees have determined they went over the VAT threshold during October 2023 and is therefore in the process of applying for late registration. Input tax charged is therefore recoverable on expenditure from October 2023 onwards, with costs after this date stated net of VAT.

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include office costs, depreciation, other support costs and governance costs as set out in note 4.

Tangible fixed assets and depreciation

Individual assets costing more than £1,000 are capitalized at cost and are depreciated over their estimated useful lives on a straight line basis as set out below.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2024

1. ACCOUNTING POLICIES (continued)

Depreciation rates are as follows:

| | |
|--------------------|-------------------|
| Computer equipment | 30% straight line |
| Other equipment | 20% straight line |

Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and 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.

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 provision are normally recognised at their settlement amount.

Financial instruments

The Charity has only basic financial instruments which are initially recorded at costs, and with the exception of investments (as set out above) subsequently measured at their settlement value.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

| | Unrestricted 2024 £ | Restricted 2024 £ | Total 2024 £ | Total 2023* £ |
|--|---------------------------|-------------------------|--------------------|---------------------|
| Core grant - The Methodist Church - North West Districts | - | 31,500 | 31,500 | 30,760 |
| | - | 31,500 | 31,500 | 30,760 |

* see note 20 for prior year adjustment details

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted 2024 £ | Restricted 2024 £ | Total 2024 £ | Total 2023 £ |
|--------------------------|---------------------------|-------------------------|--------------------|--------------------|
| Project fees and charges | 137,540 | - | 137,540 | 73,791 |
| | 137,540 | - | 137,540 | 73,791 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2024

4. OTHER INCOME

| | Unrestricted 2024 £ | Restricted 2024 £ | Total 2024 £ | Total 2023 £ |
|------------------------|---------------------------|-------------------------|--------------------|--------------------|
| Salary recharge income | 10,559 | - | 10,559 | 21,925 |
| | <u>10,559</u> | <u>-</u> | <u>10,559</u> | <u>21,925</u> |

5. CHARITABLE EXPENDITURE

| | Unrestricted 2024 £ | Restricted 2024 £ | Total 2024 £ | Total 2023 £ |
|---------------------------------------|---------------------------|-------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Salaries | 99,126 | 23,601 | 122,727 | 120,520 |
| Project and travel costs | 3,038 | - | 3,038 | 2,966 |
| Support costs & governance | | | | |
| Premises & insurance | 866 | - | 866 | 742 |
| Advertising | 271 | - | 271 | - |
| Recruitment | 229 | - | 229 | - |
| Staff training | 1,509 | - | 1,509 | - |
| Office costs | 5,581 | - | 5,581 | 3,547 |
| Depreciation | - | - | - | - |
| Other support costs | 75 | - | 75 | 104 |
| Governance costs | 1,250 | - | 1,250 | 1,650 |
| | <u>111,945</u> | <u>23,601</u> | <u>135,546</u> | <u>129,529</u> |
| | Unrestricted 2024 £ | Restricted 2024 £ | Total 2024 £ | Total 2023 £ |
| Governance costs comprise: | | | | |
| Accountancy, legal & professional | 1,250 | - | 1,250 | 1,650 |
| | <u>1,250</u> | <u>-</u> | <u>1,250</u> | <u>1,650</u> |

6. DETAILS OF CERTAIN TYPES OF EXPENDITURE

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Fees for the examination of the accounts: | | |
| Independent examiner's fees | | |
| - Report | 1,250 | 1,200 |
| - Other accountancy services | - | - |
| | <u>-</u> | <u>-</u> |

7. STAFF INFORMATION

| | Unrestricted 2024 £ | Restricted 2024 £ | Total 2024 £ | Total 2023 £ |
|----------------------------------|---------------------------|-------------------------|--------------------|--------------------|
| a) Employees | | | | |
| Salaries and wages | 93,903 | 22,358 | 116,261 | 113,109 |
| Employer's pension contributions | 3,759 | 895 | 4,654 | 2,337 |
| Employer's NI contributions | 1,464 | 348 | 1,812 | 5,074 |
| | <u>1,464</u> | <u>348</u> | <u>1,812</u> | <u>5,074</u> |

No employees earned more than £60,000 p.a. in either year.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2024

7. STAFF INFORMATION (continued)

b) Key management personnel

The key management of the charity comprise the trustees and senior staff (as set out on page 1)

The trustees do not receive any remuneration for their services.

The total employee benefits of other key management were as follows:

| | 2024 | 2023 |
|--|---------------|----------------|
| | £ | £ |
| | 39,450 | 25,993* |

** Last year the key management personnel figure was under-reported by £2,406 as it did not have included the employer NIC and employer pension contributions of £991 and £1,415 respectively. Therefore, the comparative figure in this year's accounts has been amended to reflect this correction.*

c) Average staff numbers

The average number of employees was as follows:

| | 2024 | 2023 |
|---|----------------|----------------|
| | Average number | Average number |
| Employed solely within the charity | 6 | 5 |
| Employed on joint contracts of employment | 1 | 1 |
| | 7 | 6 |

The salary costs of the employees who are on a joint contract of employment are paid in full by the other party and the monies received are included as income as well as the salary costs in this charity.

8. TRUSTEE REMUNERATION AND BENEFITS

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related party.

No trustee expenses have been incurred.

9. TANGIBLE FIXED ASSETS

| | Equipment & fittings £ | Total £ |
|--------------------------|---------------------------|--------------|
| Cost or valuation | | |
| As at 1 September 2023 | 6,682 | 6,682 |
| As at 31 August 2024 | 6,682 | 6,682 |
| Depreciation | | |
| As at 1 September 2023 | 6,682 | 6,682 |
| Charge for the year | - | - |
| As at 31 August 2024 | 6,682 | 6,682 |
| Net Book Value | | |
| As at 31 August 2024 | - | - |
| As at 31 August 2023 | - | - |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2024

10. CASH AT BANK AND AT HAND

| | 2024 | 2023 |
|--------------------------|--------|-------|
| | £ | £ |
| Cash at bank and on hand | 75,957 | 7,059 |
| | 75,957 | 7,059 |

11. DEBTORS

| | 2024 | 2023 |
|---------------------------|-------|-------|
| | £ | £ |
| Grant and fees receivable | 6,200 | 7,698 |
| Prepayments | 860 | 218 |
| | 7,060 | 7,916 |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 | 2023* |
|-----------------|--------|-------|
| | £ | £ |
| Trade creditors | 1,930 | - |
| Accruals | 2,725 | 3,784 |
| VAT creditor | 23,118 | - |
| | 27,773 | 3,784 |

* see note 20 for prior year adjustment details

13. MOVEMENT IN FUNDS

| | 01/09/2023 | Income | Expenditure | Transfers | 31/08/2024 |
|---------------------------------|------------|---------|-------------|-----------|------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General fund | (1,872) | 148,099 | (111,945) | (1,885) | 32,297 |
| Designated – severance pay | 2,253 | - | - | 1,885 | 4,138 |
| Total unrestricted funds | 381 | 148,099 | (111,945) | - | 36,535 |

| | 01/09/2023 | Incoming resources | Resources expended | Transfers | 31/08/2024 |
|--|------------|--------------------|--------------------|-----------|------------|
| | * | £ | £ | £ | £ |
| Restricted funds: | | | | | |
| Core grant – The Methodist Church – North West Districts | 10,810 | 31,500 | (23,601) | - | 18,709 |
| Total restricted funds | 10,810 | 31,500 | (23,601) | - | 18,709 |

* see note 20 for prior year adjustment details

The purpose of the designated fund is for the funding of severance pay if the situation arises where redundancies are necessary to make.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2024

13. MOVEMENT IN FUNDS (continued)

Comparatives for movement in funds

| | 01/09/2022 | Income | Expenditure | Transfers | 31/08/2023 |
|--|--------------|----------------|------------------|-----------|---------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General fund | (5,711) | 105,716 | (109,654) | 7,777 | (1,872) |
| Designated – severance pay | 10,030 | - | - | (7,777) | 2,253 |
| Total unrestricted funds | 4,319 | 105,716 | (109,654) | - | 381 |
| | 01/09/2022 | Incoming | Resources | Transfers | 31/08/2023 |
| | * | resources* | expended | | * |
| | £ | £ | £ | £ | £ |
| Restricted funds: | | | | | |
| Core grant – The Methodist Church – North West Districts | 9,925 | 20,760 | (19,875) | - | 10,810 |
| Total restricted funds | 9,925 | 20,760 | (19,875) | - | 10,810 |

* see note 20 for prior year adjustment details

14. ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds | Restricted Funds | Total |
|---|--------------------|------------------|---------------|
| | £ | £ | £ |
| Fund balances at 31st August 2024 are represented by:- | | | |
| Tangible fixed assets | - | - | - |
| Net current assets | 36,535 | 18,709 | 55,244 |
| | 36,535 | 18,709 | 55,244 |
| | Unrestricted Funds | Restricted Funds | Total |
| | £ | £ | £ |
| Fund balances at 31st August 2023* are represented by:- | | | |
| Tangible fixed assets | - | - | - |
| Net current assets | 381 | 10,810 | 11,191 |
| | 381 | 10,810 | 11,191 |

* see note 20 for prior year adjustment details

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2024

15. FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

| | 2024 | 2023 |
|--|-----------------|-------------------|
| | £ | £ |
| Financial assets | | |
| That are debt instruments measured at amortised cost | 83,017 | 14,975 |
| | 2024 | Restated 2023* |
| | £ | £ |
| Financial liabilities | | |
| Measured at amortised cost | (27,773) | (3,784) |

* see note 20 for prior year adjustment details

Financial assets measured at amortised cost comprise: cash at bank and in hand; income receivable and other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise; trade creditors; other taxes and social security; accruals; and deferred income.

16. CONSTITUTION

The organisation is a Charitable Incorporated Organisation regulated by the Charity Commission in the event of it being wound up the members are committed to contributing £1 each.

18. 17. TAXATION

The Charity is a registered charity and is entitled to claim annual exemption from UK corporation tax.

18. CAPITAL COMMITMENTS

There were no capital commitments authorised and contacted for at the end of the year (2023 £Nil).

19. RELATED PARTY TRANSACTIONS

The trustees are unrelated to each other and the charity is not under the control of one individual or entity.

There are no related party transactions to disclose in either year.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2024

20. PRIOR YEAR ADJUSTMENT

In the 22-23 accounts, a prior year adjustment was made for the 21-22 Manchester & Stockport District retainer grant that was received, as it was believed that this income should have been recognised as deferred income rather than as unrestricted income as it was accounted for in the 21-22 accounts. During 23-24, and upon further investigation, the trustees have realised that this income should have been accounted for as restricted income and recognised when initially received during 21-22, rather than being deferred as a liability. There was also an additional £885 restricted retainer grant in 22-23 that was treated as deferred income when it should have also been recognised as restricted income during the 22-23 year. Therefore, there was a total of £10,810 deferred income that was carried forward at the end of the 22-23 financial year that needs to be reversed and recognised as restricted income in the respective 21-22 and 22-23 years.

The tables below summarises the impact of these amendments on the 22-23 opening and closing restricted fund balance, as well as the effect on income recognised and the deferred income balance (within creditors).

Financial accounts impact of the 21-22 deferred income adjustment required to the 21-22 accounts, and thereby amending the 22-23 brought forward funds balance

| | Before adjustment | Adjustment | After adjustment |
|--|-------------------|------------|------------------|
| Statement of Financial Activities | | | |
| Grant Income | 15,075 | 9,925 | 25,000 |
| Net movement in funds | -8,042 | 9,925 | 1,883 |
| Balance Sheet | | | |
| Deferred income (within Creditors) | 9,925 | -9,925 | 0 |
| Restricted funds | 0 | 9,925 | 9,925 |
| Total funds | 4,319 | 9,925 | 14,244 |

Financial accounts impact of the 22-23 deferred income adjustment required to the 22-23 accounts, and thereby amending the 22-23 comparative figures

| | Before adjustment | Adjustment | After adjustment |
|--|-------------------|------------|------------------|
| Statement of Financial Activities | | | |
| Grant Income - restricted | 19,875 | 885 | 20,760 |
| Grant income - unrestricted | 10,000 | | 10,000 |
| Total income | 125,591 | 885 | 126,476 |
| Net movement in funds | -3,938 | 885 | -3,053 |
| Balance Sheet | | | |
| Assets | 14,975 | | 14,975 |
| Deferred income (taking into account the adjustment above) | 885 | -885 | 0 |
| Remaining creditors (taking into account the adjustment above) | 3,784 | | 3,784 |
| Net Assets (taking into account the adjustment above) | 10,306 | 885 | 11,191 |
| Unrestricted funds | 381 | | 381 |
| Restricted funds (taking into account the adjustment above) | 9,925 | 885 | 10,810 |
| Total funds (taking into account the adjustment above) | 10,306 | 885 | 11,191 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2024

21. NON-ADJUSTING POST BALANCE SHEET EVENT

Subsequent to 31st August 2024, the charity identified that it was required to register for VAT from October 2023. As a result, a VAT liability of £23,118 has been recognised in the financial statements for the year ended 31 August 2024.

Additionally, a further VAT liability of approximately £17,443 has accrued for the period from September 2024 to April 2025. This amount will be accounted for in the financial year ending 31 August 2025.

22. CONTINGENT LIABILITY

As a result of the late VAT registration, the charity may be subject to penalties and interest from HMRC. The charity is in the process of submitting an appeal against all these penalties on the grounds that a dispute over a VAT repayment was ongoing during the period in question.

Based on HMRC's penalty rules, the potential penalties and interest could be approximately £5,000 for the year ended 31 August 2024 and £3,000 for the year ending 31 August 2025. However, as the appeal is ongoing, the actual liability remains uncertain, and no provision has been made in these financial statements.

TRANSFORMING CHURCHES AND COMMUNITIES

England & Wales - Charity number 1150394

Accounts

Charity number 1150394

**TRANSFORMING CHURCHES & COMMUNITIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 31 AUGUST 2023**

Transforming Churches and Communities
Contents of the Financial Statements
for the Year Ended 31 August 2023

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Transforming Churches and Communities
Administrative Information
for the Year Ended 31 August 2023

DIRECTORS

Revd Cathy Bird
Kristian Main (chair)
Sandra Waddington
Rev Michael Tindsley

Note: following the end of this business year Rev Tindsley and Kristian Main both stepped down, in January 24 and September 23 respectively. They were replaced by Stephanie Roux and Rev Caroline Wickens in December 23. Rev Caroline Wickens took over as chair.

KEY STAFF

Abigail Parr

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

Unit 16, Wesley Centre
Royce Road
Manchester
M15 5BP

INDEPENDENT EXAMINER

Leanne Nield ACA
Arc Accountancy Solutions Limited
51 Laverton Road
Lytham St. Annes
Lancashire
FY8 1EN

BANKERS

Unity Trust Bank plc
Nine Brindleyplace
Birmingham B1 2HB

Transforming Churches and Communities
Trustees' and Directors' annual report
for the Year Ended 31 August 2023

The trustees present their annual report together with the financial statements of the charity for the year ended 31st August 2023.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, the CIO governing document, and 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 (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTIVES AND ACTIVITIES

Charitable objects

Charity's objectives are:

1. To promote any charitable purpose for the benefit of the public, principally but not exclusively in the geographical area covered by The Methodist Church in Britain and its environs (hereafter called the "area of benefit") and, in particular, build the capacity of third sector organisations including Methodist churches, other Christian denominations and other faith communities and provide them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose, where,
 - a. "third sector" means charities, voluntary organisations and social enterprises;
 - b. "charities" are organisations established for exclusively charitable purposes in accordance with the law of England and Wales, including Methodist Churches, other Christian denominations and other faith communities;
 - c. "voluntary organisations and social enterprises" are independent organisations, which are established for purposes that add value to the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary organisations and social enterprises do not include local government or other statutory authorities.
2. To promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in achievement of the above purposes within the area of benefit.

Activities

The Charity achieves its objectives by the delivery of information, advice and guidance (IAG), consultancy, project management and other activities.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for individuals and organisations with low income.

ACHIEVEMENTS AND PERFORMANCE

The activities of TCC are mainly based on outreach support provided for on a needs led basis. The mainstay of the service is organisational and community development. The fundamental belief is that TCC is an enabler and seeks to empower the people it works with to develop their skills, knowledge and experience to do their best for their members and communities. Sustainability and self-determination is always at the forefront of our support delivery.

TCC's main activities are:

1. Information, Advice and Guidance (IAG) Service:

The IAG service provides a range of, mainly, electronic based resources accessed through our website. This includes policy documents, fact sheets and useful information on current funding and other organisational development opportunities.

Transforming Churches and Communities
Trustees' and Directors' annual report
for the Year Ended 31 August 2023

A regular, monthly, email bulletin is circulated to our contacts, sharing good practice, funding opportunities and training opportunities.

2. Consultancy Service:

The consultancy service provides a greater level of in-depth support. The needs that are identified through the first level process will often lead to an increased range of support and will almost certainly be a longer-term relationship. This service has a cost attributed to it, whether it is a direct payment to TCC, as the training or consultancy deliverer, or it may include engaging external consultants with the necessary skills, knowledge and experience that TCC may not have, to ensure the most appropriate level of support. In either case TCC will manage the support agreed with the beneficiary.

3. Project Management:

TCC provides a comprehensive project management service for organisations, churches and projects. The range of the services can be as small or as large as the organisation requires.

4. Service support

TCC provides business as usual support to churches, Methodist Districts and Circuits in matters of treasury, bookkeeping and property management.

We also continue to support our existing activities and ensure that as many people across the North West and beyond know of our work and services on offer. In order to achieve this, we constantly share our successes, attend numerous events such as Synods and Methodist Conference, share a monthly e-bulletin and constantly increase the mailing list.

FINANCIAL REVIEW

Overview

The charity had a shortfall for the year on unrestricted funds of £3,938 and reserves carried forward of £381.

Risk management

The Trustees have identified the major risks facing the Charity and have taken steps to mitigate those risks.

Reserves

The reserves policy is to hold, in a designated fund, three months of expenditure. Although the financial position is improving we have not been able to accumulate three months' expenditure, but will endeavour to do this by the end of the financial year. At the year-end our free reserves (unrestricted funds not invested in fixed assets or otherwise designated) were £(1,872) and there was a designated fund of £2,253 for severance pay.

Going concern

The Directors have considered whether the charity is entitled to prepare the accounts on the going concern basis, they have concluded that it is appropriate because:

- The budget for 2023/24 and forecast update at March 2024 shows that the charity is expected to substantially improve its position in 2023/24, increasing reserves by at least £30,000
- There have been substantial orders since year end;
- The charity is able to meet its liabilities as they fall due.

FUTURE PLANS

- To continue to increase our profile to Methodist Church Districts outside the North West
- Seek to develop our historic offerings to better suit the needs of our clients.
- Seek strategic development in a way that best serves the needs of our clients and the changing situation of the Methodist Church

Transforming Churches and Communities
Trustees' and Directors' annual report
for the Year Ended 31 August 2023

- Form closer relationships with potential partner organisations such as the Learning Network to ensure an efficient use of time, and coverage for the needs of our clients.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a Charitable Incorporated Organisation (CIO), number 8193683, its CIO-Association conversion is dated 9 November 2018.

It was registered with the Charity Commission as a charity with effect from 8 January 2013 with the charity number 1150394.

Although membership of the charity is not restricted, the current membership comprises all members of the District Council of the Manchester and Stockport District of the Methodist Church of Great Britain, to whom the CIO is responsible by virtue of the Methodist Church Act 1976 and the Constitutional Practice and Discipline of the Methodist Church (as approved by its governing body, the Conference of the Methodist Church of Great Britain). This clarifies the statements made in earlier Trustees Reports regarding membership of the charity.

An individual ceases to be a member of the charity when they cease to be a member of the District Council.

Appointment of Directors and Trustees

The Directors, who are the Trustees, are appointed by the members in general meeting and are collectively known as the Board. At each AGM, one third of the Directors retire by rotation, being the longest in office and are eligible for re-election. The Board has the power to co-opt trustees, but such people only hold office until the next AGM, and do not count in determining those retiring by rotation but are eligible for election.

The Trustees who served during the year, together with any changes up to the date of approving this report are listed on page 1.

Trustee recruitment, induction and training

Trustees are recruited for their commitment and the skills and knowledge they can bring to the organisation. All trustees receive induction information and training as appropriate to their needs and there is an opportunity to access on-going training for personal development.

Register of interests

Trustees are required to complete a form on appointment, which is updated annually, registering their interests, including the membership of other voluntary organisations. The Board procedures ensure that Trustees do not participate in decisions in which they have an interest.

Organisation

The Board, which must not be less than three members but is not subject to any upper limit, administers the Charity and meets as necessary during the year.

The day-to-day operations of the Charity are the responsibility of the Senior Development Manager to whom the Trustees delegate authority for operational matters including finance, employment and development, within the overall strategy agreed by the Board.

Co-operation with other organisations/charities

Whilst the Charity's income derives almost exclusively from the Methodist Church, we have a number of operational and strategic links with other Charities and charitable projects who share our commitment to public benefit. We also work with churches from other Christian denominations, and in the past year have done some small projects for the United Reform Church and the Church of England. These are however very much in the minority.

Transforming Churches and Communities
Trustees' and Directors' annual report
for the Year Ended 31 August 2023

TRUSTEES' RESPONSIBILITIES 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).

Charity 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 CIO and of the incoming resources and application of resources, including the income and expenditure, of the CIO for that period. 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) (second edition October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 CIO will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable incorporated organisation and enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees and signed on its behalf by:

Caroline Wickens

19.03.2024

Rev. Caroline Wickens (Chair)

Date:

Transforming Churches and Communities
Independent Examiner's Report
for the Year Ended 31 August 2023

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31st August 2023 which are set out on pages 7 – 16.

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 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.



Leanne Nield ACA
Arc Accountancy Solutions Limited
51 Laverton Road
Lytham St. Annes
Lancashire
FY8 1EN

Date:2/4/24.....

Transforming Churches and Communities
Statement of Financial Activities
for the Year Ended 31 August 2023

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ | Restated Total 2022* £ |
|---|-------|----------------------------|--------------------------|--------------------|---------------------------------|
| Incoming resources from generated funds: | | | | | |
| Donations and Legacies | 2 | 10,000 | 19,875 | 29,875 | 15,075 |
| Charitable activities | 3 | 73,791 | - | 73,791 | 85,325 |
| Other income | 4 | 21,925 | - | 21,925 | 20,129 |
| TOTAL INCOME | | 105,716 | 19,875 | 125,591 | 120,529 |
| EXPENDITURE | | | | | |
| Expenditure on charitable activities | 5 | 109,654 | 19,875 | 129,529 | 128,571 |
| TOTAL EXPENDITURE | | 109,654 | 19,875 | 129,529 | 128,571 |
| NET INCOME BEFORE TRANSFERS | 6 | (3,938) | - | (3,938) | (8,042) |
| Transfers between funds | | - | - | - | - |
| NET MOVEMENT IN FUNDS | 14 | (3,938) | - | (3,938) | (8,042) |
| TOTAL FUNDS BROUGHT FORWARD | 14 | 4,319 | - | 4,319 | 12,361 |
| TOTAL FUNDS CARRIED FORWARD | 14 | 381 | - | 381 | 4,319 |

* see note 21 for prior year adjustment details

The notes on pages 9 to 16 form part of these financial statements.

Transforming Churches and Communities
Balance Sheet
for the Year Ended 31 August 2023

| | Notes | 2023 £ | 2023 £ | Restated 2022* £ | Restated 2022* £ |
|------------------------------------|--------|-----------|-----------|------------------------|------------------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 9 | | - | | - |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 7,916 | | 5,534 | |
| Cash at Bank and in Hand | 10 | 7,059 | | 27,631 | |
| | | 14,975 | | 33,165 | |
| CREDITORS | | | | | |
| Amounts falling due in one year | 12 | 14,594 | | 28,846 | |
| NET CURRENT ASSETS | | | 381 | 4,319 | |
| NET ASSETS | | | 381 | 4,319 | |
| FUNDS | | | | | |
| Unrestricted | 14, 15 | | 381 | 4,319 | |
| TOTAL FUNDS CARRIED FORWARD | | | 381 | 4,319 | |

* see note 21 for prior year adjustment details

These financial statements have been prepared in accordance with the provisions applicable to the current legislation.

For the year ending 31 August 2023, the CIO was entitled to exemption from audit and are as such have been independently examined.

Directors' responsibility

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to the accounting records and the preparation of accounts.

The notes on pages 9 to 16 form part of these financial statements.

Approved by the Board and authorised for issue on: 19. 03. 2024
 And signed on their behalf by:

caroline wickens

Rev. Caroline Wickens (Chair)

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2023

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities Act 2011 and 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 (FRS102) (effective 1 January 2019). The financial statements have been prepared under the historical cost convention.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the Charity has entitlement to the funds, any performance conditions have been met and it is probably that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

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 the 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 | Including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company. |
|------------------------|--|

| | |
|-----------------------|---|
| Charitable activities | Costs of undertaking the work of the charity. |
|-----------------------|---|

The Charity is not registered for VAT and cannot recover any input tax charged. Costs are stated inclusive of VAT.

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include office costs, depreciation, other support costs and governance costs as set out in note 4.

Tangible fixed assets and depreciation

Individual assets costing more than £1,000 are capitalized at cost and are depreciated over their estimated useful lives on a straight line basis as set out below.

Transforming Churches and Communities

Notes to the Financial Statements

for the Year Ended 31 August 2023

1. ACCOUNTING POLICIES (continued)

Depreciation rates are as follows:

| | |
|--------------------|-------------------|
| Computer equipment | 30% straight line |
| Other equipment | 20% straight line |

Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and 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.

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 provision are normally recognised at their settlement amount.

Financial instruments

The Charity has only basic financial instruments which are initially recorded at costs, and with the exception of investments (as set out above) subsequently measured at their settlement value.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

| | Unrestricted 2023 £ | Restricted 2023 £ | Total 2023 £ | Restated 2022* £ |
|--|---------------------------|-------------------------|--------------------|------------------------|
| Core grant – The Methodist Church – North West Districts | 10,000 | 19,875 | 29,875 | 15,075 |
| | 10,000 | 19,875 | 29,875 | 15,075 |

* see note 21 for prior year adjustment details

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted 2023 £ | Restricted 2023 £ | Total 2023 £ | 2022 £ |
|---|---------------------------|-------------------------|--------------------|-----------|
| Project fees and charges | 73,791 | - | 73,791 | 73,575 |
| Other grants won for project work – paid from Circuits/Districts | - | - | - | 11,750 |
| | 73,791 | - | 73,791 | 85,325 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2023

4. OTHER INCOME

| | Unrestricted 2023 £ | Restricted 2023 £ | Total 2023 £ | Restated 2022* £ |
|--------------------------|---------------------------|-------------------------|--------------------|------------------------|
| Salary recharge income | 21,925 | - | 21,925 | 17,926 |
| HMRC job retention grant | - | - | - | 2,203 |
| | 21,925 | - | 21,925 | 20,129 |

* see note 21 for prior year adjustment details

5. CHARITABLE EXPENDITURE

| | Unrestricted 2023 £ | Restricted 2023 £ | Total 2023 £ | Restated 2022* £ |
|---------------------------------------|---------------------------|-------------------------|--------------------|------------------------|
| Direct costs | | | | |
| Salaries | 100,645 | 19,875 | 120,520 | 125,534 |
| Project and travel costs | 2,966 | - | 2,966 | 3,398 |
| Premises & insurance | 742 | - | 742 | 989 |
| Support costs & governance | | | | |
| Office costs | 3,547 | - | 3,547 | 3,541 |
| Depreciation | - | - | - | 261 |
| Other support costs | 104 | - | 104 | 188 |
| Governance costs | 1,650 | - | 1,650 | (5,340) |
| | 109,654 | 19,875 | 129,529 | 128,571 |

| | Unrestricted 2023 £ | Restricted 2023 £ | Total 2023 £ | 2022 £ |
|-----------------------------------|---------------------------|-------------------------|--------------------|-----------|
| Governance costs comprise: | | | | |
| Accountancy, legal & professional | 1,650 | - | 1,650 | 1,310 |
| VAT repayment liability | - | - | - | (6,650) |
| | 1,650 | - | 1,650 | (5,340) |

* see note 21 for prior year adjustment details

6. DETAILS OF CERTAIN TYPES OF EXPENDITURE

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Fees for the examination of the accounts: | | |
| Independent examiner's fees | | |
| - Report | 1,200 | 250 |
| - Other accountancy services | - | 750 |
| | - | 750 |

7. STAFF INFORMATION

| | Unrestricted 2023 £ | Restricted 2023 £ | Total 2023 £ | Restated 2022* £ |
|----------------------------------|---------------------------|-------------------------|--------------------|------------------------|
| a) Employees | | | | |
| Salaries and wages | 94,456 | 18,653 | 113,109 | 116,275 |
| Employer's pension contributions | 1,952 | 385 | 2,337 | 2,452 |
| Employer's NI contributions | 4,237 | 837 | 5,074 | 6,807 |
| | 94,456 | 18,653 | 113,109 | 116,275 |

* see note 21 for prior year adjustment details

No employees earned more than £60,000 p.a. in either year.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2023

7. STAFF INFORMATION (continued)

b) Key management personnel

The key management of the charity comprise the trustees and senior staff (as set out on page 1)

The trustees do not receive any remuneration for their services.

The total employee benefits of other key management were as follows:

| 2023 | 2022 |
|---------------|--------|
| £ | £ |
| 23,587 | 42,284 |

c) Average staff numbers

The average number of employees was as follows:

| | 2023 | 2022 |
|---|----------------|----------------|
| | Average number | Average number |
| Employed solely within the charity | 5 | 5 |
| Employed on joint contracts of employment | 1 | 1 |
| | 6 | 6 |

The salary costs of the employees who are on a joint contract of employment are paid in full by the other party and the monies received are included as income as well as the salary costs in this charity.

8. TRUSTEE REMUNERATION AND BENEFITS

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related party.

No trustee expenses have been incurred.

9. TANGIBLE FIXED ASSETS

| | Equipment & fittings £ | Total £ |
|--------------------------|---------------------------|--------------|
| Cost or valuation | | |
| As at 1 September 2022 | 6,682 | 6,682 |
| As at 31 August 2023 | <u>6,682</u> | <u>6,682</u> |
| Depreciation | | |
| As at 1 September 2022 | 6,682 | 6,682 |
| Charge for the year | - | - |
| As at 31 August 2023 | <u>6,682</u> | <u>6,682</u> |
| Net Book Value | | |
| As at 31 August 2023 | <u>-</u> | <u>-</u> |
| As at 31 August 2022 | <u>-</u> | <u>-</u> |

10. CASH AT BANK AND AT HAND

| | 2023 £ | 2022 £ |
|--------------------------|--------------|---------------|
| Cash at bank and on hand | 7,059 | 27,631 |
| | <u>7,059</u> | <u>27,631</u> |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2023

11. DEBTORS

| | 2023 | 2022 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Grant and fees receivable | 7,698 | 5,191 |
| Prepayments | 218 | 343 |
| | 7,916 | 5,534 |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022* |
|--|-------------|--------------|
| | £ | £ |
| Social security and other taxes | - | 1,696 |
| Grants and income in advance (note 13 below) | 10,810 | 9,925 |
| Accruals | 3,784 | 1,074 |
| Other Creditors | - | 16,152 |
| | 14,594 | 28,846 |

** see note 21 for prior year adjustment details*

13. DEFERRED INCOME

District grant income in the current and prior year has been deferred as it is restricted to offset against consultancy work performed by the charity within the District, which the terms had not been met by the end of the accounting year.

Movement in deferred income account:

| | 2023 | 2022* |
|--|-------------|--------------|
| | £ | £ |
| Balance at the start of the reporting period | 9,925 | - |
| Amounts added in current period | 10,810 | 9,925 |
| Amounts released to income from previous periods | 9,925 | - |
| Balance at the end of the reporting period | 10,810 | 9,925 |

** see note 21 for prior year adjustment details*

14. MOVEMENT IN FUNDS

| | Restated | | | | |
|--|--------------------|------------------|--------------------|------------------|-------------------|
| | 01/09/2022* | Income | Expenditure | Transfers | 31/08/2023 |
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General fund | (5,711) | 125,591 | (129,529) | 7,777 | (1,872) |
| Designated – severance pay | 10,030 | - | - | (7,777) | 2,253 |
| Total unrestricted funds | 4,319 | 125,591 | (129,529) | - | 381 |
| | | Incoming | Resources | | |
| | 01/09/2022 | resources | expended | Transfers | 31/08/2023 |
| | £ | £ | £ | £ | £ |
| Restricted funds: | | | | | |
| Core grant – The Methodist Church – North West Districts | - | 19,875 | (19,875) | - | - |
| Total restricted funds | - | - | - | - | - |

The purpose of the designated fund is for the funding of severance pay if the situation arises where redundancies are necessary to make.

** see note 21 for prior year adjustment detail*

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2023

14. MOVEMENT IN FUNDS (continued)

Comparatives for movement in funds

| | 01/09/2021 | Restated Income* | Restated Expenditure* | Transfers | 31/08/2022* |
|--|---------------|-----------------------|--------------------------|-----------|--------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General fund | 959 | 120,529 | (128,571) | 1,372 | (5,711) |
| Designated – severance pay | 11,402 | - | - | (1,372) | 10,030 |
| Total unrestricted funds | 12,361 | 120,529 | (128,571) | - | 4,319 |
| | 01/09/2021 | Incoming resources | Resources expended | Transfers | 31/08/2022 |
| | £ | £ | £ | £ | £ |
| Restricted funds: | | | | | |
| Whaley Hall - project support work | - | 1,750 | (1,750) | - | - |
| Holmes, Holmeswood, Mere Brow and Tarleton Churches - project support work | - | 10,000 | (10,000) | - | - |
| Total restricted funds | - | 11,750 | (11,750) | - | - |

* see note 21 for prior year adjustment details

15. ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds | Restricted Funds | Total |
|--|------------------------|----------------------|--------------|
| | £ | £ | £ |
| Fund balances at 31st August 2023 are represented by:- | | | |
| Tangible fixed assets | - | - | - |
| Net current assets | 11,191 | (10,810) | 381 |
| | 11,191 | (10,810) | 381 |
| | Unrestricted Funds* | Restricted Funds* | Total |
| | £ | £ | £ |
| Fund balances at 31st August 2022 are represented by:- | | | |
| Tangible fixed assets | - | - | - |
| Net current assets | 14,244 | (9,925) | 4,319 |
| | 14,244 | (9,925) | 4,319 |

* see note 21 for prior year adjustment details

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2023

16. FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

| | 2023 | 2022 |
|--|-----------------|----------|
| | £ | £ |
| Financial assets | | |
| That are debt instruments measured at amortised cost | 14,975 | 33,165 |
| | 2023 | 2022 |
| | £ | £ |
| Financial liabilities | | |
| Measured at amortised cost | (14,594) | (18,921) |

Financial assets measured at amortised cost comprise: cash at bank and in hand; income receivable and other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise; trade creditors; other taxes and social security; accruals; and deferred income.

17. CONSTITUTION

The organisation is a Charitable Incorporated Organisation regulated by the Charity Commission in the event of it being wound up the members are committed to contributing £1 each.

18. TAXATION

The Charity is a registered charity and is entitled to claim annual exemption from UK corporation tax.

19. CAPITAL COMMITMENTS

There were no capital commitments authorised and contacted for at the end of the year (2022 £Nil).

20. RELATED PARTY TRANSACTIONS

The trustees are unrelated to each other and the charity is not under the control of one individual or entity. There are no related party transactions to disclose in either year.

21. PRIOR YEAR ADJUSTMENT

Prior year adjustment for the District retainer grant

The 2021-22 Manchester & Stockport District retainer grant of £15,000 had been fully recognised as unrestricted income in the 2021-22 annual accounts. In 2022-23 it was discovered that this grant was gifted with the restriction that it was to be utilised against future consultancy work performed by TCC within the District area. £5,075 could be utilised against consultancy work during 2021-22, and therefore £9,925 of the grant should have been deferred until 2022-23 when it was probably that the grant conditions could be met. Therefore, a prior year adjustment is required to defer £9,925 grant income as a liability.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2023

21. PRIOR YEAR ADJUSTMENT (continued)

Prior year adjustment for the salary recharge presentation

During the year, the trustees have determined that the salary recharge has been previously incorrectly accounted for. It had been netted off against the salary expense, whereas it should have been prepared on the gross basis in accordance with the Charities SORP (FRS 102). This amounted to £17,926 in 2021-22. Therefore, a prior year adjustment to other income and charitable expenditure is required.

The table below summarises the effect of these two prior year adjustments on the 2021-22 comparative figures:

| | 2021-22 as previously stated | District retainer grant PYA | Salary recharge PYA | 2021-22 total as restated |
|---|------------------------------------|-----------------------------------|---------------------------|---------------------------------|
| | £ | £ | £ | £ |
| <u>Statement of Financial Activities</u> | | | | |
| Donations and grants | 25,000 | (9,925) | | 15,075 |
| Charitable activities | 85,325 | | | 85,325 |
| Other income | 2,203 | | 17,926 | 20,129 |
| Total income | 112,528 | (9,925) | 17,926 | 120,529 |
| Expenditure on charitable activities | 110,645 | | 17,926 | 128,571 |
| Total expenditure | 110,645 | | 17,926 | 128,571 |
| Net movement in funds | 1,883 | (9,925) | | (8,042) |
| Total funds brought forward | 12,361 | | | 12,361 |
| Total funds carried forward | 14,244 | (9,925) | | 4,319 |
| <u>Balance Sheet</u> | | | | |
| Debtors | 5,534 | | | 5,534 |
| Cash | 27,631 | | | 27,631 |
| Creditors: Amounts falling due in one year | 18,921 | 9,925 | | 28,846 |
| Net Assets | 14,244 | (9,925) | | 4,319 |
| Total funds carried forward | 14,244 | (9,925) | | 4,319 |

TRANSFORMING CHURCHES AND COMMUNITIES

England & Wales - Charity number 1150394

Accounts

**TRANSFORMING CHURCHES & COMMUNITIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 31 AUGUST 2022**

Transforming Churches and Communities
Contents of the Financial Statements
for the Year Ended 31 August 2022

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| Statement of financial activities | 7 |
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Transforming Churches and Communities
Administrative Information
for the Year Ended 31 August 2022

DIRECTORS

Revd Dr A Lunn
Revd C Bird
Beverley Jones
Kristian Main
Sandra Waddington

KEY STAFF

John Wareham

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

Unit 16, Wesley Centre
Royce Road
Manchester
M15 5BP

INDEPENDENT EXAMINER

Leanne Nield ACA
Arc Accountancy Solutions Limited
51 Laverton Road
Lytham St. Annes
Lancashire
FY8 1EN

BANKERS

Unity Trust Bank plc
Nine Brindleyplace
Birmingham B1 2HB

Transforming Churches and Communities
Trustees' and Directors' Annual Report
for the Year Ended 31 August 2022

The trustees present their annual report together with the financial statements of the charity for the year ended 31st August 2022.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, the CIO governing document, and 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 (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTIVES AND ACTIVITIES

Charitable objects

Charity's objectives are:

1. To promote any charitable purpose for the benefit of the public, principally but not exclusively in the geographical area covered by The Methodist Church in Britain and its environs (hereafter called the "area of benefit") and, in particular, build the capacity of third sector organisations including Methodist churches, other Christian denominations and other faith communities and provide them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose, where,
 - a. "third sector" means charities, voluntary organisations and social enterprises;
 - b. "charities" are organisations established for exclusively charitable purposes in accordance with the law of England and Wales, including Methodist Churches, other Christian denominations and other faith communities;
 - c. "voluntary organisations and social enterprises" are independent organisations, which are established for purposes that add value to the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary organisations and social enterprises do not include local government or other statutory authorities.
2. To promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in achievement of the above purposes within the area of benefit.

Activities

The Charity achieves its objectives by the delivery of information, advice and guidance (IAG), consultancy, project management and other activities.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for individuals and organisations with low income.

ACHIEVEMENTS AND PERFORMANCE

The activities of TCC are mainly based on outreach support provided for on a needs led basis. The mainstay of the service is organisational and community development. The fundamental belief is that TCC is an enabler and seeks to empower the people it works with to develop their skills, knowledge and experience to do their best for their members and communities. Sustainability and self-determination is always at the forefront of our support delivery.

TCC's main activities are:

1. Information, Advice and Guidance (IAG) Service:

The IAG service provides a range of, mainly, electronic based resources accessed through our website. This includes policy documents, fact sheets and useful information on current funding and other organisational development opportunities.

Transforming Churches and Communities
Trustees' and Directors' Annual Report
for the Year Ended 31 August 2022

A regular, monthly, email bulletin is circulated to our contacts, sharing good practice, funding opportunities and training opportunities.

2. Consultancy Service:

The consultancy service provides a greater level of in-depth support. The needs that are identified through the first level process will often lead to an increased range of support and will almost certainly be a longer-term relationship. This service has a cost attributed to it, whether it is a direct payment to TCC, as the training or consultancy deliverer, or it may include engaging external consultants with the necessary skills, knowledge and experience that TCC may not have, to ensure the most appropriate level of support. In either case TCC will manage the support agreed with the beneficiary.

3. Project Management:

TCC provides a comprehensive project management service for organisations, churches and projects. The range of the services can be as small or as large as the organisation requires.

We continue to expand our range of work, for example in finance or property support. We also continue to support our existing activities and ensure that as many people across the North West and beyond know of our work and services on offer. In order to achieve this, we constantly share our successes, attend numerous events such as Synods and Methodist Conference, share a monthly e-bulletin and constantly increase the mailing list.

Our Chief Executive continues to spend a vast amount of time travelling the country visiting Churches and community projects in order to spread the word, offer his governance training expertise and raising awareness of the benefits of utilising TCC's offerings.

FINANCIAL REVIEW

Overview

The charity had a surplus for the year on unrestricted funds of £1,883 and reserves carried forward of £14,244.

Risk management

The Trustees have identified the major risks facing the Charity and have taken steps to mitigate those risks.

Reserves

The reserves policy is to hold, in a designated fund, three months of expenditure. Although the financial position is improving we have not been able to accumulate three months' expenditure, but will endeavour to do this by the end of the financial year. At the year end our free reserves (unrestricted funds not invested in fixed assets or otherwise designated) were £4,214 and there was a designated fund of £10,030 for severance pay.

Going concern

The Directors have considered whether the charity is entitled to prepare the accounts on the going concern basis, they have concluded that it is appropriate because:

- The budget for 2022/23 shows that the charity is expected to substantially improve its position;
- There are strong indications there is a strengthening order book;
- The charity is able to meet its liabilities as they fall due.

FUTURE PLANS

- Identify funding or secure additional project work in order to cover core costs
- Continue to increase the mailing list and contacts across new areas of the UK
- To continue to increase our profile to Districts outside the North West
- Continue to secure funding on behalf of external projects
- Attempt to reduce costs and build up unrestricted reserves.

Transforming Churches and Communities
Trustees' and Directors' Annual Report
for the Year Ended 31 August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a Charitable Incorporated Organisation and is governed by its approved governing document, dated 19th October 2018. It is registered as a Charity with the Charity Commission. It has been a registered charity since January 2013.

Although membership is not restricted, as most of our work is with the Methodist Church, we choose to have our current members of the CIO from the District Council of The Methodist Church - Manchester and Stockport District, a registered Charity. An individual ceases to be a member of the charity when they cease to be a member of the District Council for whatever reason.

Appointment of Directors and Trustees

The Directors, who are the Trustees, are appointed by the members in general meeting and are collectively known as the Board. At each AGM, one third of the Directors retire by rotation, being the longest in office and are eligible for re-election. The Board has the power to co-opt trustees, but such people only hold office until the next AGM, and do not count in determining those retiring by rotation, but are eligible for election.

The Trustees who served during the year, together with any changes up to the date of approving this report are listed on page 1.

Trustee recruitment, induction and training

Trustees are recruited for their commitment and the skills and knowledge they can bring to the organisation. All trustees receive induction information and training as appropriate to their needs and there is an opportunity to access on-going training for personal development.

Register of interests

Trustees are required to complete a form on appointment, which is updated annually, registering their interests, including the membership of other voluntary organisations. The Board procedures ensure that Trustees do not participate in decisions in which they have an interest.

Organisation

The Board, which must not be less than three members but is not subject to any upper limit, administers the Charity and meets as necessary during the year.

The day to day operations of the Charity are the responsibility of the Chief Executive, to whom the Trustees delegate authority for operational matters including finance, employment and development, within the overall strategy agreed by the Board.

Co-operation with other organisations/charities

The Charity works closely with the Methodist Church. In addition to our work with the Methodist Church we have a myriad of operational and strategic links with other Charities and charitable projects who share our commitment to public benefit.

Transforming Churches and Communities
Trustees' and Directors' Annual Report
for the Year Ended 31 August 2022

TRUSTEES' RESPONSIBILITIES 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).

Charity 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 CIO and of the incoming resources and application of resources, including the income and expenditure, of the CIO for that period. 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) (second edition October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 CIO will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable incorporated organisation and enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees and signed on its behalf by:



Kristian Main - Chair

Date: **Nov 9, 2022**

Transforming Churches and Communities
Independent Examiner's Report
for the Year Ended 31 August 2022

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31st August 2022 which are set out on pages 7 – 15.

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 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.



Leanne Nield ACA
Arc Accountancy Solutions Limited
51 Laverton Road
Lytham St. Annes
Lancashire
FY8 1EN

Date: **Nov 9, 2022**

Transforming Churches and Communities
Statement of Financial Activities
for the Year Ended 31 August 2022

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming resources from generated funds: | | | | | |
| Donations and Grants | 2 | 25,000 | - | 25,000 | 25,000 |
| Charitable activities | 3 | 73,575 | 11,750 | 85,325 | 87,801 |
| Other income | 4 | 2,203 | - | 2,203 | 18,328 |
| TOTAL INCOME | | 100,778 | 11,750 | 112,528 | 131,129 |
| EXPENDITURE | | | | | |
| Expenditure on charitable activities | 5 | 98,895 | 11,750 | 110,645 | 129,505 |
| TOTAL EXPENDITURE | | 98,895 | 11,750 | 110,645 | 129,505 |
| NET INCOME BEFORE TRANSFERS | 6 | 1,883 | - | 1,883 | 1,624 |
| Transfers between funds | | - | - | - | - |
| NET MOVEMENT IN FUNDS | 14 | 1,883 | - | 1,883 | 1,624 |
| TOTAL FUNDS BROUGHT FORWARD | 14 | 12,361 | - | 12,361 | 10,737 |
| TOTAL FUNDS CARRIED FORWARD | 14 | 14,244 | - | 14,244 | 12,361 |

The notes on pages 9 to 15 form part of these financial statements.

Transforming Churches and Communities
Balance Sheet
for the Year Ended 31 August 2022

| | Notes | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|------------------------------------|--------|-----------|-----------|-----------|-----------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 9 | | - | | 261 |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 5,534 | | 6,302 | |
| Cash at Bank and in Hand | 10 | 27,631 | | 31,882 | |
| | | 33,165 | | 38,184 | |
| CREDITORS | | | | | |
| Amounts falling due in one year | 12 | 18,921 | | 26,084 | |
| | | | 14,244 | 12,100 | |
| NET CURRENT ASSETS | | | | | |
| | | | 14,244 | 12,361 | |
| NET ASSETS | | | | | |
| | | | 14,244 | 12,361 | |
| FUNDS | | | | | |
| Unrestricted | 14, 15 | | 14,244 | | 12,361 |
| | | | 14,244 | 12,361 | |
| TOTAL FUNDS CARRIED FORWARD | | | | | |
| | | | 14,244 | 12,361 | |

These financial statements have been prepared in accordance with the provisions applicable to the current legislation.

For the year ending 31 August 2022, the CIO was entitled to exemption from audit and are as such have been independently examined.

Directors' responsibility

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to the accounting records and the preparation of accounts.

The notes on pages 9 to 15 form part of these financial statements.

Approved by the Board and authorised for issue on:

And signed on their behalf by:



Kristian Main – Chair/Director

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities Act 2011 and 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 (FRS102) (effective 1 January 2019). The financial statements have been prepared under the historical cost convention.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the Charity has entitlement to the funds, any performance conditions have been met and it is probably that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

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 the 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 | Including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company. |
|------------------------|--|

| | |
|-----------------------|---|
| Charitable activities | Costs of undertaking the work of the charity. |
|-----------------------|---|

The Charity is not registered for VAT and cannot recover any input tax charged. Costs are stated inclusive of VAT.

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include office costs, depreciation, other support costs and governance costs as set out in note 4.

Tangible fixed assets and depreciation

Individual assets costing more than £1,000 are capitalized at cost and are depreciated over their estimated useful lives on a straight line basis as set out below.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES (continued)

Depreciation rates are as follows:

| | |
|--------------------|-------------------|
| Computer equipment | 30% straight line |
| Other equipment | 20% straight line |

Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and 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.

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 provision are normally recognised at their settlement amount.

Financial instruments

The Charity has only basic financial instruments which are initially recorded at costs, and with the exception of investments (as set out above) subsequently measured at their settlement value.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND GRANTS

| | Unrestricted 2022 £ | Restricted 2022 £ | Total 2022 £ | 2021 £ |
|--|---------------------------|-------------------------|--------------------|---------------|
| Core grant – The Methodist Church – North West Districts | 25,000 | - | 25,000 | 25,000 |
| | <u>25,000</u> | <u>-</u> | <u>25,000</u> | <u>25,000</u> |

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted 2022 £ | Restricted 2022 £ | Total 2022 £ | 2021 £ |
|--|---------------------------|-------------------------|--------------------|---------------|
| Project fees and charges | 73,575 | - | 73,575 | 75,349 |
| Other grants won for project work – paid from Circuits/Districts | - | 11,750 | 11,750 | 12,452 |
| | <u>73,575</u> | <u>11,750</u> | <u>85,325</u> | <u>87,801</u> |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2022

4. OTHER INCOME

| | Unrestricted 2022 £ | Restricted 2022 £ | Total 2022 £ | 2021 £ |
|--------------------------|---------------------------|-------------------------|--------------------|---------------|
| HMRC job retention grant | 2,203 | - | 2,203 | 18,328 |
| | <u>2,203</u> | <u>-</u> | <u>2,203</u> | <u>18,328</u> |

5. CHARITABLE EXPENDITURE

| | Unrestricted 2022 £ | Restricted 2022 £ | Total 2022 £ | 2021 £ |
|---------------------------------------|---------------------------|-------------------------|--------------------|----------------|
| Direct costs | | | | |
| Salaries | 95,858 | 11,750 | 107,608 | 106,462 |
| Project and travel costs | 3,398 | - | 3,398 | 5,357 |
| Premises & insurance | 989 | - | 989 | 968 |
| Support costs & governance | | | | |
| Office costs | 3,541 | - | 3,541 | 4,069 |
| Depreciation | 261 | - | 261 | 681 |
| Other support costs | 188 | - | 188 | 178 |
| Governance costs | (5,340) | - | (5,340) | 11,790 |
| | <u>98,895</u> | <u>11,750</u> | <u>110,645</u> | <u>129,505</u> |

| | Unrestricted 2022 £ | Restricted 2022 £ | Total 2022 £ | 2021 £ |
|-----------------------------------|---------------------------|-------------------------|--------------------|---------------|
| Governance costs comprise: | | | | |
| Accountancy, legal & professional | 1,310 | - | 1,310 | 988 |
| VAT repayment liability | (6,650) | - | (6,650) | 10,802 |
| | <u>(5,340)</u> | <u>-</u> | <u>(5,340)</u> | <u>11,790</u> |

6. DETAILS OF CERTAIN TYPES OF EXPENDITURE

| | 2022 £ | 2021 £ |
|--|--------------|------------|
| Fees for the examination of the accounts: | | |
| Independent examiner's fees | | |
| - Report | 250 | 300 |
| - Other accountancy services | 750 | - |
| | <u>1,000</u> | <u>300</u> |

7. STAFF INFORMATION

| | Unrestricted 2022 £ | Restricted 2022 £ | Total 2022 £ | 2021 £ |
|----------------------------------|---------------------------|-------------------------|--------------------|----------------|
| a) Employees | | | | |
| Salaries and wages | 88,788 | 10,883 | 99,671 | 97,560 |
| Employer's pension contributions | 1,872 | 230 | 2,102 | 2,763 |
| Employer's NI contributions | 5,198 | 637 | 5,835 | 6,139 |
| | <u>95,858</u> | <u>11,750</u> | <u>107,608</u> | <u>106,462</u> |

No employees earned more than £60,000 p.a. in either year.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2022

7. STAFF INFORMATION (continued)

b) Key management personnel

The key management of the charity comprise the trustees and senior staff (as set out on page 1)

The trustees do not receive any remuneration for their services.

The total employee benefits of other key management were as follows:

| 2022 | 2021 |
|---------------|-------------|
| £ | £ |
| 42,284 | 43,999 |

c) Average staff numbers

The average number of employees was as follows:

| | 2022 | 2021 |
|---|----------------|----------------|
| | Average number | Average number |
| Employed solely within the charity | 5 | 4 |
| Employed on joint contracts of employment | 1 | 2 |
| | 6 | 6 |

The salary costs of the employees who are on a joint contract of employment are paid in full by the other party and the monies received are offset against the costs in this charity.

8. TRUSTEE REMUNERATION AND BENEFITS

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related party.

No trustee expenses have been incurred.

9. TANGIBLE FIXED ASSETS

| | Equipment & fittings | Total |
|--------------------------|---------------------------------|--------------|
| | £ | £ |
| Cost or valuation | | |
| As at 1 September 2021 | 6,682 | 6,682 |
| As at 31 August 2022 | 6,682 | 6,682 |
| Depreciation | | |
| As at 1 September 2021 | 6,421 | 6,421 |
| Charge for the year | 261 | 261 |
| As at 31 August 2022 | 6,682 | 6,682 |
| Net Book Value | | |
| As at 31 August 2022 | - | - |
| As at 31 August 2021 | 261 | 261 |

10. CASH AT BANK AND AT HAND

| | 2022 | 2021 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Cash at bank and on hand | 27,631 | 31,882 |
| | 27,631 | 31,882 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2022

11. DEBTORS

| | 2022 | 2021 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Grant and fees receivable | 5,191 | 5,958 |
| Prepayments | 343 | 344 |
| | <hr/> 5,534 | <hr/> 6,302 |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---------------------------------|--------------|--------------|
| | £ | £ |
| Social security and other taxes | 1,696 | 1,883 |
| Grants and income in advance | - | - |
| Accruals | 1,074 | 1,399 |
| Other Creditors | 16,152 | 22,802 |
| | <hr/> 18,922 | <hr/> 26,084 |

13. DEFERRED INCOME

No income deferred in the current year. Prior year income was released due to monies received in advance to pay project staff wages no longer required.

Movement in deferred income account:

| | 2022 | 2021 |
|--|-------------|-------------|
| | £ | £ |
| Balance at the start of the reporting period | - | 4,928 |
| Amounts added in current period | - | - |
| Amounts released to income from previous periods | - | 4,928 |
| Balance at the end of the reporting period | <hr/> - | <hr/> - |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2022

14. MOVEMENT IN FUNDS

| | 01/09/2021 | Income | Expenditure | Transfers | 31/08/2022 |
|---------------------------------|---------------|----------------|-----------------|-----------|---------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General fund | 959 | 100,778 | (98,895) | 1,372 | 4,214 |
| Designated – severance pay | 11,402 | - | - | (1,372) | 10,030 |
| Total unrestricted funds | 12,361 | 100,778 | (89,895) | - | 14,244 |

| | 01/09/2021 | Incoming resources | Resources expended | Transfers | 31/08/2022 |
|--|------------|--------------------|--------------------|-----------|------------|
| | £ | £ | £ | £ | £ |
| Restricted funds: | | | | | |
| Whaley Hall - project support work | - | 1,750 | (1,750) | - | - |
| Holmes, Holmeswood, Mere Brow and Tarleton Churches - project support work | - | 10,000 | (10,000) | - | - |
| Total restricted funds | - | 11,750 | (11,750) | - | - |

Comparatives for movement in funds

| | 01/09/2020 | Income | Expenditure | Transfers | 31/08/2021 |
|---------------------------------|---------------|----------------|------------------|-----------|---------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General fund | 1,801 | 118,677 | (117,053) | (2,466) | 959 |
| Designated – severance pay | 8,936 | - | - | 2,466 | 11,402 |
| Total unrestricted funds | 10,737 | 128,857 | (128,858) | - | 12,361 |

The purpose of the designated fund is for the funding of severance pay if the situation arises where redundancies are necessary to make.

15. ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds | Restricted Funds | Total |
|--|--------------------|------------------|---------------|
| | £ | £ | £ |
| Fund balances at 31st August 2022 are represented by:- | | | |
| Tangible fixed assets | - | - | - |
| Net current assets | 14,244 | - | 14,244 |
| | 14,244 | - | 14,244 |

| | Unrestricted Funds | Restricted Funds | Total |
|--|--------------------|------------------|---------------|
| | £ | £ | £ |
| Fund balances at 31st August 2021 are represented by:- | | | |
| Tangible fixed assets | 261 | - | 261 |
| Net current assets | 12,100 | - | 12,100 |
| | 12,361 | - | 12,361 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2022

16. FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

| | 2022 | 2021 |
|--|-----------------|-------------|
| | £ | £ |
| Financial assets | | |
| That are debt instruments measured at amortised cost | 33,165 | 38,184 |
| | 2022 | 2021 |
| | £ | £ |
| Financial liabilities | | |
| Measured at amortised cost | (18,921) | (26,084) |

Financial assets measured at amortised cost comprise: cash at bank and in hand; income receivable and other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise; trade creditors; other taxes and social security; accruals; and deferred income.

17. CONSTITUTION

The organisation is a Charitable Incorporated Organisation regulated by the Charity Commission in the event of it being wound up the members are committed to contributing £1 each.

18. TAXATION

The Charity is a registered charity and is entitled to claim annual exemption from UK corporation tax.

19. CAPITAL COMMITMENTS

There were no capital commitments authorised and contracted for at the end of the year (2021 £Nil).

20. RELATED PARTY TRANSACTIONS

The trustees are unrelated to each other and the charity is not under the control of one individual or entity. There are no related party transactions to disclose in either year.

TRANSFORMING CHURCHES AND COMMUNITIES

England & Wales - Charity number 1150394

Accounts

TRANSFORMING CHURCHES & COMMUNITIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 31 AUGUST 2021

Transforming Churches and Communities
Contents of the Financial Statements
for the Year Ended 31 August 2021

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| Trustees' and Directors' annual report | 2 - 5 |
| Independent examiner's report | 6 |
| Statement of financial activities | 7 |
| Balance Sheet | 8 |
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Transforming Churches and Communities
Administrative Information
for the Year Ended 31 August 2021

DIRECTORS

Revd Dr A Lunn
Revd C Bird
Revd H Byrne
Beverly Jones (joined 23rd March 2021)
Kristian Main (joined 11th March 2021)
Sandra Waddington (joined 11th March 2021)
Revd H Byrne (left 6th July 2021)
Mr E Andrews (left 6th July 2021)

KEY STAFF

John Wareham

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

Unit 16, Wesley Centre
Royce Road
Manchester
M15 5BP

ACCOUNTANTS

Leanne Nield ACA
Arc Accountancy Solutions Limited
51 Laverton Road
Lytham St. Annes
Lancashire
FY8 1EN

INDEPENDENT EXAMINER

James Wheelan FCCA
James Wheelan Accountancy Limited
Minshull House
67 Wellington Road North
Stockport
Cheshire
SK4 2LP

BANKERS

Unity Trust Bank plc
Nine Brindleyplace
Birmingham B1 2HB

Transforming Churches and Communities
Trustees' and Directors' Annual Report
for the Year Ended 31 August 2021

The trustees present their annual report together with the financial statements of the charity for the year ended 31st August 2021.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, the CIO governing document, and 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 (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTIVES AND ACTIVITIES

Charitable objects

Charity's objectives are:

1. To promote any charitable purpose for the benefit of the public, principally but not exclusively in the geographical area covered by The Methodist Church in Britain and its environs (hereafter called the "area of benefit") and, in particular, build the capacity of third sector organisations including Methodist churches, other Christian denominations and other faith communities and provide them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose, where,
 - a. "third sector" means charities, voluntary organisations and social enterprises;
 - b. "charities" are organisations established for exclusively charitable purposes in accordance with the law of England and Wales, including Methodist Churches, other Christian denominations and other faith communities;
 - c. "voluntary organisations and social enterprises" are independent organisations, which are established for purposes that add value to the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary organisations and social enterprises do not include local government or other statutory authorities.
2. To promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in achievement of the above purposes within the area of benefit.

Activities

The Charity achieves its objectives by the delivery of information, advice and guidance (IAG), consultancy, project management and other activities.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for individuals and organisations with low income.

ACHIEVEMENTS AND PERFORMANCE

The activities of TCC are mainly based on outreach support provided for on a needs led basis. The mainstay of the service is organisational and community development. The fundamental belief is that TCC is an enabler and seeks to empower the people it works with to develop their skills, knowledge and experience to do their best for their members and communities. Sustainability and self-determination is always at the forefront of our support delivery.

TCC's main activities are:

1. Information, Advice and Guidance (IAG) Service:

The IAG service provides a range of, mainly, electronic based resources accessed through our website. This includes policy documents, fact sheets and useful information on current funding and other organisational development opportunities.

Transforming Churches and Communities
Trustees' and Directors' Annual Report
for the Year Ended 31 August 2021

A regular, monthly, email bulletin is circulated to our contacts, sharing good practice, funding opportunities and training opportunities.

2. Consultancy Service:

The consultancy service provides a greater level of in-depth support. The needs that are identified through the first level process will often lead to an increased range of support and will almost certainly be a longer-term relationship. This service has a cost attributed to it, whether it is a direct payment to TCC, as the training or consultancy deliverer, or it may include engaging external consultants with the necessary skills, knowledge and experience that TCC may not have, to ensure the most appropriate level of support. In either case TCC will manage the support agreed with the beneficiary.

3. Project Management:

TCC provides a comprehensive project management service for organisations, churches and projects. The range of the services can be as small or as large as the organisation requires.

We continue to expand our range of work, for example in finance or property support. We also continue to support our existing activities and ensure that as many people across the North West and beyond know of our work and services on offer. In order to achieve this, we constantly share our successes, attend numerous events such as Synods and Methodist Conference, share a monthly e-bulletin and constantly increase the mailing list.

Our Chief Executive continues to spend a vast amount of time travelling the country visiting Churches and community projects in order to spread the word, offer his governance training expertise and raising awareness of the benefits of utilising TCC's offerings.

FINANCIAL REVIEW

Overview

The charity had a surplus for the year on unrestricted funds of £1,624 and reserves carried forward of £12,361.

Risk management

The Trustees have identified the major risks facing the Charity and have taken steps to mitigate those risks.

Reserves

The reserves policy is to hold, in a designated fund, three months of expenditure. Although the financial position is improving we have not been able to accumulate three months' expenditure, but will endeavour to do this by the end of the financial year. At the year end our free reserves (unrestricted funds not invested in fixed assets or otherwise designated) were £959 and there was a designated fund of £11,402 for severance pay.

Going concern

The Directors have considered whether the charity is entitled to prepare the accounts on the going concern basis, they have concluded that it is appropriate because:

- The budget for 2021/22 shows that the charity is expected to substantially improve its position.
- There are strong indications there is a strengthening order book.
- The charity is able to meet its liabilities as they fall due.

FUTURE PLANS

- Identify funding or secure additional project work in order to cover core costs
- Continue to increase the mailing list and contacts across new areas of the UK
- To continue to increase our profile to Districts outside the North West
- Continue to secure funding on behalf of external projects
- Attempt to reduce costs and build up unrestricted reserves.

Transforming Churches and Communities
Trustees' and Directors' Annual Report
for the Year Ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a Charitable Incorporated Organisation and is governed by its approved governing document, dated 19th October 2018. It is registered as a Charity with the Charity Commission. It has been a registered charity since January 2013.

Although membership is not restricted, as most of our work is with the Methodist Church, we choose to have our current members of the CIO from the District Council of The Methodist Church - Manchester and Stockport District, a registered Charity. An individual ceases to be a member of the charity when they cease to be a member of the District Council for whatever reason.

Appointment of Directors and Trustees

The Directors, who are the Trustees, are appointed by the members in general meeting and are collectively known as the Board. At each AGM, one third of the Directors retire by rotation, being the longest in office and are eligible for re-election. The Board has the power to co-opt trustees, but such people only hold office until the next AGM, and do not count in determining those retiring by rotation, but are eligible for election.

The Trustees who served during the year, together with any changes up to the date of approving this report are listed on page 1.

Trustee recruitment, induction and training

Trustees are recruited for their commitment and the skills and knowledge they can bring to the organisation. All trustees receive induction information and training as appropriate to their needs and there is an opportunity to access on-going training for personal development.

Register of interests

Trustees are required to complete a form on appointment, which is updated annually, registering their interests, including the membership of other voluntary organisations. The Board procedures ensure that Trustees do not participate in decisions in which they have an interest.

Organisation

The Board, which must not be less than three members but is not subject to any upper limit, administers the Charity and meets as necessary during the year.

The day to day operations of the Charity are the responsibility of the Chief Executive, to whom the Trustees delegate authority for operational matters including finance, employment and development, within the overall strategy agreed by the Board.

Co-operation with other organisations/charities

The Charity works closely with the Methodist Church. In addition to our work with the Methodist Church we have a myriad of operational and strategic links with other Charities and charitable projects who share our commitment to public benefit.

Transforming Churches and Communities
Trustees' and Directors' Annual Report
for the Year Ended 31 August 2021

TRUSTEES' RESPONSIBILITIES 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).

Charity 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 CIO and of the incoming resources and application of resources, including the income and expenditure, of the CIO for that period. 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) (second edition October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 CIO will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable incorporated organisation and enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees and signed on its behalf by:

Kristian Main - Chair

Date:

Transforming Churches and Communities
Independent Examiner's Report
for the Year Ended 31 August 2021

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31st August 2021 which are set out on pages 7 – 15.

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 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.

James Wheelan FCCA
James Wheelan Accountancy Limited
Minshull House
67 Wellington Road North
Stockport
Cheshire
SK4 2LP

Date:

Transforming Churches and Communities
Statement of Financial Activities
for the Year Ended 31 August 2021

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Restated* Total 2020 £ |
|---|-------|----------------------------|--------------------------|--------------------|---------------------------------|
| Incoming resources from generated funds: | | | | | |
| Donations and Grants | 2 | 25,000 | - | 25,000 | 30,061 |
| Charitable activities | 3 | 75,349 | 12,452 | 87,801 | 98,337 |
| Other income | 4 | 18,328 | - | 18,328 | - |
| TOTAL INCOME | | 118,677 | 12,452 | 131,129 | 128,398 |
| EXPENDITURE | | | | | |
| Expenditure on charitable activities | 5 | 117,053 | 12,452 | 129,505 | 121,400 |
| TOTAL EXPENDITURE | | 117,053 | 12,452 | 129,505 | 121,400 |
| NET INCOME BEFORE TRANSFERS | 6 | 1,624 | - | 1,624 | 6,998 |
| Transfers between funds | | - | - | - | - |
| NET MOVEMENT IN FUNDS | 11 | 1,624 | - | 1,624 | 6,998 |
| TOTAL FUNDS BROUGHT FORWARD | 11 | 10,737 | - | 10,737 | 3,739 |
| TOTAL FUNDS CARRIED FORWARD | 11 | 12,361 | - | 12,361 | 10,737 |

* See note 17

The notes on pages 9 to 15 form part of these financial statements.

Transforming Churches and Communities
Balance Sheet
for the Year Ended 31 August 2021

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|------------------------------------|-------|-----------|-----------|-----------|-----------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 8 | | 261 | | 942 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 6,302 | | 8,042 | |
| Cash at Bank and in Hand | | 31,882 | | 22,988 | |
| | | 38,184 | | 31,030 | |
| CREDITORS | | | | | |
| Amounts falling due in one year | 10 | 26,084 | | 21,235 | |
| | | | 12,100 | | 9,795 |
| NET CURRENT ASSETS | | | | | |
| | | | 12,361 | | 10,737 |
| NET ASSETS | | | | | |
| | | | 12,361 | | 10,737 |
| FUNDS | | | | | |
| Unrestricted | 11 | | 12,361 | | 10,737 |
| | | | 12,361 | | 10,737 |
| TOTAL FUNDS CARRIED FORWARD | | | | | |
| | | | 12,361 | | 10,737 |

These financial statements have been prepared in accordance with the provisions applicable to the current legislation.

For the year ending 31 August 2021, the CIO was entitled to exemption from audit and are as such have been independently examined.

Directors' responsibility

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to the accounting records and the preparation of accounts.

The notes on pages 9 to 15 form part of these financial statements.

Approved by the Board and authorised for issue on:

And signed on their behalf by:

Kristian Main – Chair/Director

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities Act 2011 and 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 (FRS102) (effective 1 January 2019). The financial statements have been prepared under the historical cost convention.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the Charity has entitlement to the funds, any performance conditions have been met and it is probably that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

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 the 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 Including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.

Charitable activities Costs of undertaking the work of the charity.

The Charity is not registered for VAT and cannot recover any input tax charged. Costs are stated inclusive of VAT.

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include office costs, depreciation, other support costs and governance costs as set out in note 4.

Tangible fixed assets and depreciation

Individual assets costing more than £1,000 are capitalized at cost and are depreciated over their estimated useful lives on a straight line basis as set out be

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES (continued)

Depreciation rates are as follows:

| | |
|--------------------|-------------------|
| Computer equipment | 30% straight line |
| Other equipment | 20% straight line |

Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and 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.

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 provision are normally recognised at their settlement amount.

Financial instruments

The Charity has only basic financial instruments which are initially recorded at costs, and with the exception of investments (as set out above) subsequently measured at their settlement value.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND GRANTS

| | Unrestricted 2021 £ | Restricted 2021 £ | Total 2021 £ | 2020 £ |
|--|---------------------------|-------------------------|--------------------|-----------|
| Core grant – The Methodist Church – North West Districts | 25,000 | - | 25,000 | 30,000 |
| Donations | - | - | - | 61 |
| | 25,000 | - | 25,000 | 30,061 |

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted 2021 £ | Restricted 2021 £ | Total 2021 £ | Restated* 2020 £ |
|---|---------------------------|-------------------------|--------------------|------------------------|
| Project fees and charges | 75,349 | - | 75,349 | 98,337 |
| Other grants won for project work – paid from Districts | - | 12,452 | 12,452 | - |
| | 75,349 | 12,452 | 87,801 | 98,337 |

* See note 17

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2021

4. OTHER INCOME

| | Unrestricted 2021 £ | Restricted 2021 £ | Total 2021 £ | 2020 £ |
|--------------------------|---------------------------|-------------------------|--------------------|-----------|
| HMRC job retention grant | 18,328 | - | 18,328 | - |
| | 18,328 | - | 18,328 | - |

5. CHARITABLE EXPENDITURE

| | Unrestricted 2021 £ | Restricted 2021 £ | Total 2021 £ | Restated* 2020 £ |
|---------------------------------------|---------------------------|-------------------------|--------------------|------------------------|
| Direct costs | | | | |
| Salaries | 94,010 | 12,452 | 106,462 | 96,399 |
| Project and travel costs | 5,357 | - | 5,357 | 7,584 |
| Premises & insurance | 968 | - | 968 | 510 |
| Support costs & governance | | | | |
| Office costs | 4,069 | - | 4,069 | 2,329 |
| Depreciation | 681 | - | 681 | 681 |
| Other support costs | 178 | - | 178 | 296 |
| Governance costs | 11,790 | - | 11,790 | 13,601 |
| | 117,053 | 12,452 | 129,505 | 121,400 |

| | Unrestricted 2021 £ | Restricted 2021 £ | Total 2021 £ | Restated* 2020 £ |
|-----------------------------------|---------------------------|-------------------------|--------------------|------------------------|
| Governance costs comprise: | | | | |
| Accountancy, legal & professional | 988 | - | 988 | 1,601 |
| VAT repayment liability | 10,802 | - | 10,802 | 12,000 |
| | 11,790 | - | 11,790 | 13,601 |

* See note 17

6. DETAILS OF CERTAIN TYPES OF EXPENDITURE

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Fees for the examination of the accounts: | | |
| Independent examiner's fees | | |
| - Report | 300 | 300 |
| - Other accountancy services | - | 1,301 |
| | - | 1,301 |

7. STAFF INFORMATION

| | Unrestricted 2021 £ | Restricted 2021 £ | Total 2021 £ | 2020 £ |
|----------------------------------|---------------------------|-------------------------|--------------------|-----------|
| a) Employees | | | | |
| Salaries and wages | 86,147 | 11,413 | 97,560 | 90,339 |
| Employer's pension contributions | 2,441 | 322 | 2,763 | 1,859 |
| Employer's NI contributions | 5,422 | 717 | 6,139 | 4,200 |
| | 94,010 | 12,452 | 106,462 | 96,399 |

No employees earned more than £60,000 p.a. in either year.

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2021

7. STAFF INFORMATION (continued)

b) Key management personnel

The key management of the charity comprise the trustees and senior staff (as set out on page 1)

The trustees do not receive any remuneration for their services.

The total employee benefits of other key management were as follows:

| | 2021 | 2020 |
|--|---------------|---------------|
| | £ | £ |
| | 43,999 | 47,554 |

c) Average staff numbers

The average number of employees was as follows:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | Average number | Average number |
| Employed solely within the charity | 4 | 4 |
| Employed on joint contracts of employment | 2 | 2 |
| | 6 | 6 |

The salary costs of the employees who are on a joint contract of employment are paid in full by the other party and the monies received are offset against the costs in this charity.

8. TRUSTEE REMUNERATION AND BENEFITS

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related party.

No trustee expenses have been incurred.

9. TANGIBLE FIXED ASSETS

| | Equipment & fittings £ | Total £ |
|--------------------------|---|--------------------|
| Cost or valuation | | |
| As at 1 September 2020 | 6,682 | 6,682 |
| As at 31 August 2021 | 6,682 | 6,682 |
| Depreciation | | |
| As at 1 September 2020 | 5,740 | 5,740 |
| Charge for the year | 681 | 681 |
| As at 31 August 2021 | 6,421 | 6,421 |
| Net Book Value | | |
| As at 31 August 2021 | 261 | 261 |
| As at 31 August 2020 | 942 | 942 |

10. CASH AT BANK AND AT HAND

| | 2021 | 2020 |
|--------------------------|-------------|-------------|
| | £ | £ |
| Cash at bank and on hand | 31,882 | 22,988 |
| | 31,882 | 22,988 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2021

11. DEBTORS

| | 2021 | 2020 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Grant and fees receivable | 5,958 | 7,719 |
| Prepayments | 344 | 323 |
| | <hr/> 6,302 | <hr/> 8,042 |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---------------------------------|--------------|--------------|
| | £ | £ |
| Social security and other taxes | 1,883 | 1,862 |
| Grants and income in advance | - | 4,928 |
| Accruals | 1,399 | 2,445 |
| Other Creditors | 22,802 | 12,000 |
| | <hr/> 26,084 | <hr/> 21,235 |

13. DEFERRED INCOME

No income deferred in the current year. Prior year income was deferred due to monies received in advance to pay project staff wages.

Movement in deferred income account:

| | 2021 | 2020 |
|--|-------------|-------------|
| | £ | £ |
| Balance at the start of the reporting period | 4,928 | - |
| Amounts added in current period | - | 4,928 |
| Amounts released to income from previous periods | 4,928 | - |
| Balance at the end of the reporting period | <hr/> - | <hr/> 4,928 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2021

14. MOVEMENT IN FUNDS

| | 01/09/2020 | Income | Expenditure | Transfers | 31/08/2021 |
|---------------------------------|---------------|----------------|------------------|-----------|---------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General fund | 1,801 | 118,677 | (117,053) | (2,466) | 959 |
| Designated – severance pay | 8,936 | - | - | 2,466 | 11,402 |
| Total unrestricted funds | 10,737 | 128,857 | (128,858) | - | 12,361 |

| | 01/09/2020 | Incoming resources | Resources expended | Transfers | 31/08/2021 |
|--|------------|--------------------|--------------------|-----------|------------|
| | £ | £ | £ | £ | £ |
| Restricted funds: | | | | | |
| Lakeside centre - project support work | - | 6,500 | (6,500) | - | - |
| Bolton Mission - project support work | - | 2,652 | (2,652) | - | - |
| Trinity mission - project support work | - | 3,300 | (3,300) | - | - |
| Total restricted funds | - | 12,452 | (12,452) | - | - |

Comparatives for movement in funds

| | 01/09/2019 | Income | Expenditure | Transfers | 31/08/2020 |
|---------------------------------|--------------|----------------|------------------|-----------|---------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General fund | (833) | 116,398 | (109,400) | (4,364) | 1,801 |
| Designated – severance pay | 4,572 | - | - | 4,364 | 8,936 |
| Total unrestricted funds | 3,739 | 116,398 | (109,400) | - | 10,737 |

The purpose of the designated fund is for the funding of severance pay if the situation arises where redundancies are necessary to make.

15. ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds | Restricted Funds | Total |
|--|--------------------|------------------|---------------|
| | £ | £ | £ |
| Fund balances at 31st August 2021 are represented by:- | | | |
| Tangible fixed assets | 261 | - | 261 |
| Net current assets | 12,100 | - | 12,100 |
| | 12,361 | - | 12,361 |

| | Unrestricted Funds | Restricted Funds | Total |
|--|--------------------|------------------|---------------|
| | £ | £ | £ |
| Fund balances at 31st August 2020 are represented by:- | | | |
| Tangible fixed assets | 942 | - | 942 |
| Net current assets | 9,795 | - | 9,795 |
| | 10,737 | - | 10,737 |

Transforming Churches and Communities
Notes to the Financial Statements
for the Year Ended 31 August 2021

16. FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

| | 2021 | 2020 |
|--|-----------------|-------------|
| | £ | £ |
| Financial assets | | |
| That are debt instruments measured at amortised cost | 38,184 | 31,030 |
| | 2021 | 2020 |
| | £ | £ |
| Financial liabilities | | |
| Measured at amortised cost | (26,084) | (21,235) |

Financial assets measured at amortised cost comprise: cash at bank and in hand; income receivable and other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise; trade creditors; other taxes and social security; accruals; and deferred income.

17. CORRECTION OF ERRORS

During 2021, the Charity discovered that the 2020 £12,000 VAT repayment liability had been allocated against income generated from charitable activities, rather than recorded as expenditure on charitable activities. As a consequence, both income generated from charitable activities, and expenditure on charitable activities, was understated by £12,000. The error has been corrected by restating each of these financial statement line items for the prior period. The following table summarises the impact on the Statement of Financial Activities.

| | Impact of correction of error | | |
|--------------------------------------|-------------------------------|---------------|----------------|
| | As previously reported | Adjustments | As reinstated |
| INCOME | | | |
| Donations and Grants | 30,061 | - | 30,061 |
| Charitable activities | 86,337 | 12,000 | 98,337 |
| TOTAL INCOME | 116,398 | 12,000 | 128,398 |
| EXPENDITURE | | | |
| Expenditure on charitable activities | 109,400 | 12,000 | 121,400 |
| TOTAL EXPENDITURE | 109,400 | 12,000 | 121,400 |
| NET INCOME BEFORE TRANSFERS | 6,998 | - | 6,998 |

18. CONSTITUTION

The organisation is a Charitable Incorporated Organisation regulated by the Charity Commission in the event of it being wound up the members are committed to contributing £1 each.

19. TAXATION

The Charity is a registered charity and is entitled to claim annual exemption from UK corporation tax.

20. CAPITAL COMMITMENTS

There were no capital commitments authorised and contacted for at the end of the year (2020 £Nil).

21. RELATED PARTY TRANSACTIONS

The trustees are unrelated to each other and the charity is not under the control of one individual or entity. There are no related party transactions to disclose in either year.