

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

Transforming Churches and Communities
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for the Year Ended 31 August 2022

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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.

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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.

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Trustees' and Directors' Annual Report
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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**
Date:

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	
		<u>33,165</u>		<u>38,184</u>	
CREDITORS					
Amounts falling due in one year	12	18,921		26,084	
		<u></u>		<u></u>	
NET CURRENT ASSETS			<u>14,244</u>		<u>12,100</u>
NET ASSETS			<u>14,244</u>		<u>12,361</u>
FUNDS					
Unrestricted	14, 15		14,244		12,361
			<u></u>		<u></u>
TOTAL FUNDS CARRIED FORWARD			<u>14,244</u>		<u>12,361</u>

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 probable 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.
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Charitable activities	Costs of undertaking the work of the charity.
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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
	25,000	-	25,000	25,000

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
	73,575	11,750	85,325	87,801

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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>750</u>	<u>-</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

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	Average
	number	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
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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.