

THE CHURCH AT CARRS LANE

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THE CHURCH AT CARRS LANE

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1 - 2
Trustees' report	3 - 10
Independent examiner's report	11
Statement of financial activities	12
Balance sheet	13
Notes to the financial statements	14 - 31
Appendix I - Capital contributions and withdrawals to the Local Ecumenical Partnership	

THE CHURCH AT CARRS LANE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees	Caroline Ruth Ambler (appointed 1 January 2021) Joe Bullen (appointed 22 February 2022) Revd Anna Cristina Cipriani Diana Lynne Joyce Cullum-Hall (resigned 15 December 2020) Elizabeth Barbara Cummings (appointed 1 January 2022, resigned 15 December 2020) Peter Mervyn Cummings (appointed 19 January 2022) Derek Charles Duffield (resigned 15 December 2020) Julia Elizabeth Grove (resigned 15 December 2020) Revd Neil Wharrier Johnson (resigned 31 August 2022) Christine Anne Tudor Jones (appointed 1 January 2021) Taiwo Christopher Makanjuola (appointed 1 January 2021) Matthew John Neville Steph Neville (appointed 1 January 2021, resigned 31 December 2021) Dr Michael Richer (appointed 1 January 2022) Janis Mary Scott (resigned 31 December 2021) Revd Suzanne Shortman (appointed 30 September 2022) Martin Stokes Andrew Thomas Veitch (resigned 31 December 2021) Peter Malcolm Woodall Christopher David Yorke (resigned 31 August 2021) Deacon Ruth Brenda Yorke
Charity registered number	1153980
Principal office	Carrs Lane Birmingham B4 7SX
Accountants	MHA MacIntyre Hudson Chartered Accountants Rutland House 148 Edmund Street Birmingham B3 2FD
Bankers	CAF Bank Limited West Malling Kent ME19 4TA
Solicitors	Veale Wasbrough Vizards LLP Second Floor 3 Brindley Place Birmingham B1 2JB Keeleys - Solicitors for employment issues 28 Dam Street Lichfield WS13 6AA

THE CHURCH AT CARRS LANE

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Investment advisers	Quilter Cheviot 2 Snowhill Birmingham B4 6GA
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THE CHURCH AT CARRS LANE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements for The Church at Carrs Lane (the charity) for the year ended 31 March 2021. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard 102.

Objectives and activities

● Policies and objectives

In furtherance of our charitable objects, it is our mission to be a community of Christians which seeks to respond honestly and imaginatively to the challenge to live out the Christian life in the centre of a 21st century city. As part of our becoming a Local Ecumenical Partnership (LEP) the following Guiding Principles have been adopted by Trustees and approved by Church Meeting:

Guiding principles

Together we seek to embody what it means to proclaim God incarnate at the heart of Birmingham as:

- We aim to be the body of Christ, by means of the common life of our diverse congregations and throughout the location as a strategic centre for Christian mission and service.
- We seek to demonstrate 'koinonia' (communion/community/contribution) as a true model of Church and City. We believe in Church that is based around relationships and we commit ourselves to the nurturing and intentional Christian Community at Carrs Lane.

Therefore:

- We endeavour to offer relevant and accessible Christian worship which gives voice to the hopes and yearnings of the people of the city
- We strive relentlessly for justice, peace and care for all God's Creation, but with a specific focus on the concerns of the city centre; we have a responsibility to respond to the rhythms of the city
- We acknowledge the responsibilities of our prophetic role, and aim to be challenging, comforting and resourcing the wide city, not least through offering space for people to engage in urban theological reflection
- We commit ourselves for releasing and resourcing new opportunities for creative ministries, including the development and sustenance of chaplaincies in the city centre
- We will continue the ministry of hospitality in its many forms.

THE CHURCH AT CARRS LANE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

● Review of activities

The Church at Carrs Lane holds the assets of the former Carrs Lane Church Centre and Birmingham Methodist City Mission (BMCM). The Church at Carrs Lane acts as the managing trustee for the former investment portfolio of BMCM held by the Trustee for Methodist Church Purposes. A significant part of those investments has been used in past years to fund the refurbishment of Dale House and make other improvements to the building.

The activities of the Church were necessarily curtailed during the Covid-19 Pandemic and associated lock-downs. The Church website was regularly updated and gave details of The Church at Carrs Lane and related activities.

Until September 2020, the wholly owned trading company 'Carrs Lane Conference Centre Limited' had responsibility for the day to day management of the meeting room hire business, day to day supervision of employees and the building. The Directors of the trading company were appointed by the Elders/Trustees. The trading company paid a percentage of its turnover as a licence fee and any profits were covenanted to The Church at Carrs Lane. All employees were jointly employed by the church and the trading company. From September 2020, these functions transferred directly to the Church.

During the year, sadly, both the CLC Bookshop and the Carrs Lane Fair Trade shop ceased to trade.

Revd Elaine Hutchinson, the team leader of the Retail Chaplaincy, continued to co-ordinate retail chaplaincy in city centre retail areas, and explore new ways of responding to the difficult situations during and following lock-down.

There was a reduction of two members leaving a total of 62 members.

Public worship services are held on Sunday mornings, attendance at which was significantly impacted by the pandemic. Numbers are roughly two thirds of previous congregations. There also continued to be a service on Wednesday lunchtimes. The Church continued its life of worship and service during the lock-down but in very different ways. Worship in this period was largely recorded or showed as live broadcasts through Facebook and YouTube streaming. When allowed and safe to do so, the Church resumed in-person worship while maintaining the online presence together with congregational meetings through Zoom. Other activities have continued online where possible but many have not been able to meet. The Church has sought to maintain and develop links with partner organisations and provide support through chaplaincy and practical work.

Carrs Lane Lived Community, continued its ministry of regular prayer either online or in person, as well as involvement in a variety of projects supporting different groups in the city, including the homeless and refugees and asylum seekers; and campaigning on peace and social justice issues.

The Street Banquet for members of the homeless community and other vulnerable adults continues, when possible, on a periodic basis, and welcomed many people on each occasion.

A permanent children's area in the main church room makes clear the value placed on our younger members. Latterly focus has been on encouraging and supporting young families as there are no older young people attending junior church at present.

The Revd Cristina Cipriani continued to serve as URC minister in a joint pastorate with Digbeth-in-the-Field URC in Yardley. The Revd Dr Neil Johnson continued to serve as Methodist Minister in addition to his wider responsibilities in the Birmingham Methodist Circuit.

THE CHURCH AT CARRS LANE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

As far as possible, our Methodist Deacon, Ruth Yorke, continued with city centre engagement and mission connections with a range of partners, some of whom use our Partnership Room and other parts of the premises. She engages with Birmingham Christian Homelessness Forum, which is useful in knowing more about what provision and issues are in the city centre. She is also spending time enabling us to increase our engagement with the City Centre through City Centre Churches Together and other groups.

When lockdown prevented us offering space, we kept in touch with our partner, Shelter, and with other agencies, including those who had been using the Partnership Room. We made contact with people early in lockdown and ensured that some of the most vulnerable people known to us had contacts with those providing food parcels and other support. We are now able to offer space again and Crisis Skylight are using the Partnership Room for 1:1 work, and we have made what used to be the bookshop available to the other groups who had been using the Partnership Room but who would not currently 'fit' there with distancing requirements. By the end of the year, this space is being used by Hope for Jobs, MIND, Stories of Hope and Home, the church's parent and toddler group for refugees and asylum seekers. In this way, we are trying to use the resources we have to enable important work that we know we may not be able to accomplish by ourselves, but which we are passionate about. This is an ongoing work, and the Deacon continues to seek to identify the needs and help us to find ways to address them and work with others as we do so. The Church has continued to learn and act on issues of racial justice and is currently planning 'next steps'.

We are Partners too with Inclusive Gathering Birmingham, and very keen to support their important ministry, and grateful for their support and sharing too.

The Church considers it critical to address issues of racism awareness with the aim of being anti-racist. Many from the church engaged in an anti-racist book group and reflecting on Racial justice through worship.

The young adults' group (which includes students of varying ages as well as young professionals) met regularly online and is generally led by the members. We welcomed 5 new people to this group since lockdown began and are delighted that most have stayed and become part of the church. For Lent, the group put together a selection of prayers, resources and activities which our deacon then posted out to the wider church as a gift from the group. This was appreciated by the whole church. The URC Lent packs were also sent to the young adults group.

As a church we continue to work on different aspects of inclusion, including anti-racism. Carrs Lane, is a church which is open to discussion and sharing different ideas without judgement, and is a safe place for people who are LGBT+, so this is important to who we are and why people 'look us up'. We are still exploring the depths of people's experiences and how we move from inclusion and belonging to solidarity and deeper understanding.

City Centre Churches Together has been meeting online during lockdown and, for the second time now, the Good Friday ecumenical walk of witness was 'virtual' (online). This year we offered an ecumenical service online with a message from our regional denomination leaders (part of which was shown on ITV news on Good Friday). 'Christians at Pride Birmingham' was 'virtual' in 2020 and Ruth gathered people online to make a 'blessings for Pride' video which was watched many times across all the church social media and websites. A clip of it was shown at Birmingham Virtual Pride and seen by more than 2000 people who were watching it live.

THE CHURCH AT CARRS LANE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Looking to the future

Public benefit

In reviewing the year, the Trustees have taken into account the Charity Commission's guidance on public benefit and the two principles that:

- There must be an identifiable benefit or benefits, and
- The benefit must be to the public or a section of the public

They have also considered the specific guidance on charities for the advancement of religion.

The Trustees believe that The Church at Carrs Lane provides identifiable benefits which are open to all who wish to participate in its life and development.

Attendance at the Church's activities is open to all, although anyone wishing to become a member does so on a profession of faith according to the practices of the LEP.

No private benefit accrues. It should be noted that unpaid members of the resident community, while receiving a benefit of accommodation, return that benefit through the contribution they make to the work and mission of the Church, which is a condition of their residence.

THE CHURCH AT CARRS LANE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial review

- **Reserves policy**

General purposes fund

Object: To use income arising from the activities of The Church at Carrs Lane to support the charitable objects to advance the Christian religion in accordance with the doctrines, principles and usages of the Church in accordance with the terms of the Local Ecumenical Partnership.

Reserves policy: Unrestricted funds are needed to assist with a proper stewardship of the Church's assets and to help cover related administration costs. The Trustees consider it prudent to have adequate working capital to enable its activities to proceed unhindered. At 31 March 2021 the balance in this fund was £74,948 and the Trustees consider this to be adequate for that purpose.

Youth fund

Object: Funds were given to assist the Church with youth work.

Reserves policy: A designated fund that can only be expended on projects which benefit children, young people or young adults up to the age of thirty years. Those benefiting may be children of the congregation, members of the congregation or anyone under the age of thirty for whom it is deemed appropriate. At 31 March 2021 the balance in this fund was £2,787.

Investment portfolio

Object: Funds mainly contributed by Carrs Lane Church Centre and subsequent legacies. The Trustees have resolved to invest funds arising from previous legacies and other sources in order to provide a source of income to support the Church's charitable objects

Reserves policy: A designated fund that can only be invested ethically as determined by the Trustees in order to provide an income source. Currently, on the recommendation of the Finance Committee, the funds are externally managed on a discretionary basis. At 31 March 2021 the balance in this fund was £907,972.

Tangible fixed assets

Objects: To reflect previous expenditure on the building and fixtures and fittings by the Trustees in order to enhance the premises for the purposes of meeting the Church's charitable objects.

Reserves policy: A designated fund which matches the depreciated book value of tangible fixed assets, reflecting the historic spending on improvements to the building rather than resources available for future use. At 31 March 2021 the balance in this fund was £611,118.

Funds held by The Trustees for Methodist Church Purposes

Objects: These funds represent those funds contributed by Birmingham Methodist City Mission to the Local Ecumenical Partnership ("LEP") which are held by the Trustees for Methodist Church Purposes.

Reserves: The funds can be used in furtherance of mission in the City Centre which falls within the charity's objects but if applied for improvement/development of the church building, would be restricted to the extent that on dissolution of the LEP the Methodist Church would hold a charge over the property for a sum equivalent to the amount spent on the building. At 31 March 2021 the balance in this fund was £94,271.

THE CHURCH AT CARRS LANE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

● Review of finances

Overall the net total funds of the Church reduced substantially by £235k from £1.926m to £1.691m at 31 March 2021. The Church continues to apply resources transferred from the two founding churches to support and enhance the ministry and mission of the Church. The Churches investments improved in value by £128k. Taking these amounts into account, the underlying position on the Church's activities was a loss of around £362k.

These accounts show that this major financial shock occurred because of substantial losses of income. The main reason for this was that Carrs Lane Conference Centre Ltd was forced to cease trading during the national lockdowns, and only recovered a fraction of its business in the periods when lockdown was lifted. In addition, most of the tenants using the building on a commercial basis left either as a consequence of the national situation or other business reasons.

Expenditure overall generally reduced during the lockdown period but by nothing like the loss of income. In addition, the Church and Conference Centre made the difficult decision to make a number of staff redundant and the additional costs resulted in an increase in expenditure for the year.

Structure, governance and management

● Constitution

The Church at Carrs Lane is a Single Congregation Local Ecumenical Partnership between Carrs Lane Church Centre and Birmingham Methodist City Mission. It was created on 14 July 2013 as a registered charity, number 1153980. This body became active on 1 April 2014 taking over the worship-related activities of Carrs Lane Church Centre, with the transfer of assets of Carrs Lane Church Centre following on 1 July 2014 together with the assets of its Methodist Partner on 1 September 2014.

For the purposes of formalising the arrangements for maintaining the URC owned building, a sharing agreement had already been created on 26 March 2014 between the United Reformed Church (West Midlands) Trust Limited and the Birmingham Methodist City Mission. A deed amending the provisions of the sharing agreement was created on 31 October 2017. A joint council meeting with representation from both denominations meets annually to oversee and approve transactions.

● Methods of appointment or election of Trustees

The Trustees are appointed by the Church Members by postal ballot to ensure that all members are able to vote if they wish.

THE CHURCH AT CARRS LANE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

● Organisational structure and decision-making policies

Trustees have met monthly throughout the year. Aware of their responsibilities under Charity Law, the Trustees are also acting in accordance with the structures of the United Reformed and Methodist Churches, and take into account the important role of such bodies as the Church Officers, Church Meeting and Finance Committee.

The Trustees retain ultimate authority for the running and wellbeing of the Church, but in practice various bodies act on their authority. The Finance Committee oversees the investment portfolios, makes recommendations regarding a budget, and monitors income and expenditure. The Trustees receive regular financial reports from those meetings. The Trustees also formally approve the budget and financial statements and ensure that these are presented at the Annual Business Meeting of the Church in September.

The Trustees are responsible for the appointment of their advisers and review their appointment annually. Helen Blundell of MHA MacIntyre Hudson has acted as our independent examiner. During 2018 Charles Stanley was replaced as investment manager by Quilter Cheviot. Veale Wasborough Vizards LLP acts as main solicitor and Keelys LLP advises on employment matters.

● Related party relationships

Be.friend city centre retail chaplaincy

Reverend Elaine Hutchinson continues her valued role as team leader of volunteer chaplains and was formally inducted as a minister of The Church at Carrs Lane in 2019. This important and valued ministry continues to be funded by the Anglican Church, Birmingham Methodist Circuit and The Church at Carrs Lane.

Carrs Lane Counselling Centre, a separate charity operating in the premises, continues its valuable work, by offering a first class BCAP accredited counselling service to adults, though raising sufficient funds to support its work has become significantly more difficult. Members of the Church serve on its governing body. It provides a minimal cost service and is an outworking of the church's commitment to the city in the light of its mental health needs.

The Church has been represented at the United Reformed Church West Midlands Synod, and also at the Birmingham Circuit Assembly and the Birmingham District Synod of the Methodist Church.

The Church at Carrs Lane continues to receive a significant annual grant from Joseph Scott's Chapel Charity. Members of the Church serve as representative trustees of the charity.

Plans for future periods

The Church continues to explore, through prayer and discernment, the way forward in the light of the significant changes which have occurred during this and the following year. The Church has concluded that the financial model, through which the Church activities are supported by conference business, will not recover. Also that the current building is no longer fit for purpose. Consequently, the Church is considering future options for redevelopment of the site whilst continuing the mission and ministry of the Church.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:
Date:

THE CHURCH AT CARRS LANE

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021

Independent examiner's report to the Trustees of The Church at Carrs Lane ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 2011 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.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Dated:

Helen Blundell LLB FCA FCIE DChA

MHA MacIntyre Hudson
Chartered Accountants
Rutland House
148 Edmund Street
Birmingham
B3 2FD

THE CHURCH AT CARRS LANE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	76,063	-	76,063	173,200
Charitable activities	5	41,461	-	41,461	80,168
Investments	6	48,260	-	48,260	52,087
Total income		165,784	-	165,784	305,455
Expenditure on:					
Raising funds		6,615	-	6,615	7,179
Charitable activities		521,465	-	521,465	435,172
Total expenditure		528,080	-	528,080	442,351
Net expenditure before net gains/(losses) on investments		(362,296)	-	(362,296)	(136,896)
Net gains/(losses) on investments		115,511	12,214	127,725	(130,321)
Net (expenditure)/income		(246,785)	12,214	(234,571)	(267,217)
Transfers between funds	16	239,820	(239,820)	-	-
Net movement in funds		(6,965)	(227,606)	(234,571)	(267,217)
Reconciliation of funds:					
Total funds brought forward		1,603,790	321,877	1,925,667	2,192,884
Net movement in funds		(6,965)	(227,606)	(234,571)	(267,217)
Total funds carried forward		1,596,825	94,271	1,691,096	1,925,667

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 31 form part of these financial statements.

THE CHURCH AT CARRS LANE

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	611,118	725,915
Investments	13	1,005,558	1,121,519
		<u>1,616,676</u>	<u>1,847,434</u>
Current assets			
Debtors	14	78,684	134,076
Cash at bank and in hand		47,919	28,621
		<u>126,603</u>	<u>162,697</u>
Creditors: amounts falling due within one year	15	(52,183)	(84,464)
Net current assets		<u>74,420</u>	<u>78,233</u>
Total net assets		<u><u>1,691,096</u></u>	<u><u>1,925,667</u></u>
Charity funds			
Restricted funds	16	94,271	321,877
Unrestricted funds	16	1,596,825	1,603,790
Total funds		<u><u>1,691,096</u></u>	<u><u>1,925,667</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Date:

The notes on pages 14 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

The Church at Carrs Lane is an unincorporated charitable trust registered with the Charity Commission in England and Wales with registered number 1153980. The registered office is shown on page 1. The principal activity of the charity is the advancement of the Christian faith in Birmingham in accordance with the principles and practices of the participating churches.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Church at Carrs Lane meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.2 Income

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 recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the contribution of church members and friends to the work set out in the Trustees' report is not recognised.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Expenditure (continued)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Properties

The properties in use by The Church at Carrs Lane are registered in the name of The United Reformed Church (West Midlands) Trust Limited but held for the benefit of the Church. For this reason the cost of the properties is not reflected in the financial statements. Any capital works undertaken by the Church are capitalised and depreciated in accordance with the policy below.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Property improvements	- Over 10 years
Fixtures and fittings	- Over 5 years
Piano	- Over 15 years

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Debtors

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

2.9 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Fixed assets - estimated useful lives
Investments - estimate of fair value

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations			
Offertories	36,418	36,418	42,952
Donations from trading subsidiary	-	-	46,917
Other donations	390	390	1,024
Grants			
Joseph Scott's Chapel Charity	15,415	15,415	17,995
Church of England and Methodist Circuit contributions to retail chaplaincy	11,340	11,340	12,095
Methodist Circuit grant	12,500	12,500	31,826
Legacies	-	-	20,391
Total 2021	<u>76,063</u>	<u>76,063</u>	<u>173,200</u>
<i>Total 2020</i>	<u>173,200</u>	<u>173,200</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	14,283	14,283	44,453
Licence fee - Carrs Lane Conference Centre Ltd	-	-	33,299
Income from mission activities	4,560	4,560	2,416
Coronavirus Job retention scheme	22,618	22,618	-
	<u>41,461</u>	<u>41,461</u>	<u>80,168</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividend income	48,088	48,088	51,993
Bank interest	172	172	94
	<u>48,260</u>	<u>48,260</u>	<u>52,087</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Grants	-	-	28,509
	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	28,509	28,509	
	<hr/>	<hr/>	

THE CHURCH AT CARRS LANE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable Activities	281,728	-	239,737	521,465	435,172
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<i>300,187</i>	<i>28,509</i>	<i>106,476</i>	<i>435,172</i>	
	<hr/>	<hr/>	<hr/>	<hr/>	

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	35,069	32,347
Depreciation	114,797	74,452
Ministry and mission contributions to URC/Methodist	71,324	82,036
Manse expenses	2,907	2,208
Pulpit, worship and pastoral supplies	224	1,291
Mission activities	1,102	2,705
Publicity and website	10	2,152
Musicians and music	5,517	5,895
Youth and student ministry	-	113
Residential community	492	233
Utilities and rates	27,602	46,896
Cleaning and refuse	9,472	14,666
Insurance	7,006	5,954
General maintenance	4,949	24,419
Major building repairs and refurbishment	-	3,256
Catering purchases	(52)	447
City Centre chaplaincy administrative costs	1,309	1,117
	<hr/>	<hr/>
	281,728	300,187
	<hr/>	<hr/>

THE CHURCH AT CARRS LANE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	169,344	79,915
City Centre chaplaincy administrative costs	-	170
Staff recruitment and training	4,200	-
Legal and professional	1,659	3,802
Office and communication costs	10,266	6,938
Independent examiner and accountancy fees	5,616	8,571
Bad debt provision	4,899	7,080
Exceptional item (Note 11)	43,753	-
	239,737	106,476

9. Staff costs

	2021 £	2020 £
Wages and salaries	189,629	102,518
Social security costs	11,340	7,744
Contribution to defined contribution pension schemes	3,444	2,000
	204,413	112,262

The Church made seven staff redundant at the end of August 2020. The total redundancy payments made were £39,588.

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Administration	6	7
Premises	5	8
Musicians	1	1
Retail Chaplain	1	1
	13	17

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

All staff were jointly employed by the Church and the trading subsidiary up until when the trading subsidiary closed. Salary costs are apportioned by use of resources.

All key management personnel (being the Trustees) act in a voluntary capacity and are not remunerated.

Included in the wages and salaries cost above is £35,069 (2020: £32,347), being the salary of the Retail Chaplain whose position is part funded by the Church of England and Methodist Circuit, with the balance being met from the Church resources.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

11. Exceptional items

The exceptional item showing in expenditure, relates to the provision of the write off of the loan with Carrs Lane Conference Centre which has now ceased to operate.

THE CHURCH AT CARRS LANE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Tangible fixed assets

	Property improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2020	1,618,631	176,430	1,795,061
At 31 March 2021	1,618,631	176,430	1,795,061
Depreciation			
At 1 April 2020	931,802	137,344	1,069,146
Charge for the year	104,898	9,899	114,797
At 31 March 2021	1,036,700	147,243	1,183,943
Net book value			
At 31 March 2021	581,931	29,187	611,118
At 31 March 2020	686,829	39,086	725,915

13. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Cash £	Total £
Cost or valuation				
At 1 April 2020	1	1,101,813	-	1,101,814
Additions	-	99,177	3,314	102,491
Disposals	-	(301,885)	-	(301,885)
Revaluations	-	103,138	-	103,138
At 31 March 2021	1	1,002,243	3,314	1,005,558

THE CHURCH AT CARRS LANE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Class of shares	Holding
Carrs Lane Conference Centre Limited	09048871	Ordinary	100%

The financial results of the subsidiary for the year were:

	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net liabilities £
Carrs Lane Conference Centre Limited	75	(7,260)	(7,185)	(8,216)

Carrs lane Conference Centre has ceased to trade. The figures above are taken from the final accounts for the year ended 30 September 2021.

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	7,545	12,688
Amounts owed by group undertakings	-	79,327
Other debtors	23,900	17,201
Prepayments and accrued income	47,239	24,860
	78,684	134,076

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	24,100	7,739
Amounts owed to group undertakings	-	27,506
Other taxation and social security	5,365	-
Pension fund loan payable	717	-
Other creditors	253	-
Accruals and deferred income	21,748	49,219
	<u>52,183</u>	<u>84,464</u>

THE CHURCH AT CARRS LANE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Youth Fund	2,787	-	-	-	-	2,787
Tangible fixed assets	725,915	-	(114,797)	-	-	611,118
Fixed asset investments	779,936	-	-	12,525	115,511	907,972
	<u>1,508,638</u>	<u>-</u>	<u>(114,797)</u>	<u>12,525</u>	<u>115,511</u>	<u>1,521,877</u>
General funds						
General Funds	95,152	165,784	(413,283)	227,295	-	74,948
Total Unrestricted funds	<u>1,603,790</u>	<u>165,784</u>	<u>(528,080)</u>	<u>239,820</u>	<u>115,511</u>	<u>1,596,825</u>
Restricted funds						
Funds held by the Trustees for Methodist Church Purposes	321,877	-	-	(239,820)	12,214	94,271
Total of funds	<u>1,925,667</u>	<u>165,784</u>	<u>(528,080)</u>	<u>-</u>	<u>127,725</u>	<u>1,691,096</u>

THE CHURCH AT CARRS LANE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
Designated funds						
Youth Fund	2,900	-	(113)	-	-	2,787
Tangible fixed assets	779,036	-	(74,452)	21,331	-	725,915
Fixed asset investments	765,965	-	-	122,009	(108,038)	779,936
	<u>1,547,901</u>	<u>-</u>	<u>(74,565)</u>	<u>143,340</u>	<u>(108,038)</u>	<u>1,508,638</u>
General funds						
General Funds	235,824	305,455	(367,786)	(78,341)	-	95,152
Total Unrestricted funds	<u>1,783,725</u>	<u>305,455</u>	<u>(442,351)</u>	<u>64,999</u>	<u>(108,038)</u>	<u>1,603,790</u>
Restricted funds						
Funds held by the Trustees for Methodist Church Purposes	409,159	-	-	(64,999)	(22,283)	321,877
Total of funds	<u><u>2,192,884</u></u>	<u><u>305,455</u></u>	<u><u>(442,351)</u></u>	<u><u>-</u></u>	<u><u>(130,321)</u></u>	<u><u>1,925,667</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Statement of funds (continued)

Youth fund

Funds were given to assist the Church with youth work.

Funds held by the Trustees for Methodist Church Purposes

These funds represent those funds contributed by Birmingham Methodist City Mission to the Local Ecumenical Partnership ("LEP") which are held by the Trustees for Methodist Church Purposes.

The funds can be used in furtherance of mission in the City Centre which falls within the charity's objects but if applied for improvement/development of the church building, would be restricted to the extent that on dissolution of the LEP the methodist church would hold a charge over the property for sums equivalent to the amount spending on the building.

Transfers between funds

The transfer from the restricted fund to unrestricted funds is following approval of the Trustees for Methodist Church purposes to release funds primarily for capital projects but also to support the general purposes of the Church.

The Trustees have reviewed the designated fund categorisations and taken the decision to separate tangible fixed assets and fixed asset investments into separately identifiable funds with the result that the unrestricted general fund more clearly demonstrates the readily available funds for general operational purposes.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	611,118	-	611,118
Fixed asset investments	911,287	94,271	1,005,558
Current assets	126,603	-	126,603
Creditors due within one year	(52,183)	-	(52,183)
Total	1,596,825	94,271	1,691,096

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	725,915	-	725,915
Fixed asset investments	799,642	321,877	1,121,519
Current assets	162,697	-	162,697
Creditors due within one year	(84,464)	-	(84,464)
Total	1,603,790	321,877	1,925,667

18. Pension commitments

The charity utilises a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £3,444 (2020: £2,000) Contributions totalling £717 (2020:£Nil) were payable to the fund at the balance sheet date and are included in creditors.

THE CHURCH AT CARRS LANE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. Related party transactions

Carrs Lane Lived Community

One trustee is a member of the Community and occupies a flat on the Church premises rent free, returning that benefit through contribution to the work and mission of the Church, which is a condition of residence. The trustee was a member of the Community prior to appointment as a trustee.

Carrs Lane Conference Centre

Carrs Lane Conference Centre Limited, the wholly owned subsidiary has now ceased to operate, it had previously operated the premises under licence. A licence fee of £Nil (2020: £33,299) was charged to the subsidiary. On occasion The Church at Carrs Lane ("the Church"), in accordance with its aims and objectives would agree to subsidise rooms hired by some charities and other organisations. The subsidies awarded were paid to the Conference Centre by the Church and amounted to £Nil (2020: £14,398). The Conference Centre previously donated its profits to the Church. A donation of £Nil (2020: £41,917) was received in the year. Staff were jointly employed by the Church and the Conference Centre up until when the trading subsidiary closed. Following the cessation of Carrs Lane Conference Centre a provision has been made at the year end for the amounts that will no longer be recoverable, therefore at the year end £Nil (2020: £79,327) was due to the Church from the Conference Centre and £Nil (2020: £27,506) was due from the Church to the Conference Centre.

Joseph Scott's Chapel Charity

The Church at Carrs Lane is a specified beneficiary of the Joseph Scott's Chapel Charity and four members of the Church serve as trustees of this charity. During the year a grant of £15,415 (2020: £17,995) was confirmed. At the year end £3,415 (2020: £5,995) was outstanding.

Carrs Lane Counselling Centre

During the year the Church received rents of £5,773 (2020: £5,773) and £734 (2020:£Nil) for PPE and caretaking services from Carrs lane Counselling Centre, a charity of which one of the trustees is also a trustee.

20. Local ecumenical partnership

When Carrs Lane Church Centre and Birmingham Methodist City Mission came together as a Local Ecumenical Partnership and transfer the assets to The Church at Carrs Lane, their respective contributions were deemed to form part of "the Common Fund" to be used in furtherance of the charitable purposes of the charity. In the event that the partnership were to cease then the funds would be split between the Methodist and United Reformed Church based on the proportion contribution to the Common Fund.

Where Methodist funds in excess of £100,000 are used to improve the building (which is a United Reformed Church property) then this represents a capital contribution and would no longer form part of the Common Fund contribution.

On 31 October 2017 representatives of the two denominations entered into a Deed to vary the Sharing Agreement between them in respect of the capital contributions. Under this Deed, as at 31 March 2021, capital contributions totalling £632,159 have been made from the Methodist funds and accordingly the Methodist Share of the open market value of the property is 18.15%.

THE CHURCH AT CARRS LANE

CAPITAL CONTRIBUTIONS AND WITHDRAWALS TO THE LOCAL ECUMENICAL PARTNERSHIP
FOR THE YEAR ENDED 31 MARCH 2021

	United Reformed Church		Methodist	
	%	£	%	£
Year ended 2015				
Common fund contribution		1,361,952		1,134,657
Carried forward	55	1,361,952	45	1,134,657
Year ended 2016				
Common fund contribution				70,112
Carried forward	53	1,361,952	47	1,204,769
Year ended 2017				
Common fund contribution				(121,215)
Carried forward	56	1,361,952	44	1,083,554
Year ended 2018				
Common fund contribution				(340,055)
Carried forward	65	1,361,952	35	743,499
Year ended 2019				
Common fund contribution				(149,557)
Carried forward	70	1,361,952	30	593,942
Year ended 2020				
Common fund contribution				(21,331)
Carried forward	70	1,361,952	30	572,611
Year ended 2021				
Common fund contribution				0
Carried forward	70	1,361,952	30	572,611