

The Church at Carrs Lane

Trustees' Report and Financial Statements

For the year ended 31 March 2025

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Reference and Administrative Details of the Charity, its Trustees and Advisers
For the year ended 31 March 2025

Trustees	Caroline Ruth Ambler Revd Cleopas Sibanda (appointed 1 September 2024) Peter Mervyn Cummings Christine Anne Tudor-Jones Taiwo Christopher Makanjuola Dr Michael Richer Revd Suzanne Shortman (resigned 31 August 2024) Martin Stokes Peter Malcolm Woodall Elizabeth Barbara Cummings
Charity registered number	1153980
Principal office	Carrs Lane Birmingham B4 7SX
Accountants	Dains Audit Limited 2 Chamberlain Square Birmingham B3 3AX
Bankers	CAF Bank Limited West Mallong Kent ME19 4TA
Solicitors	Veale Wasbrough Vizards LLP Second Floor 3 Brindley Place Birmingham B1 2JB Keeleys LLP - Solicitors for employment issues 28 Dam Street Lichfield WS13 6AA
Investment advisers	Quilter Cheviot 2 Snowhill Birmingham B4 6GA

Trustees' report

For the year ended 31 March 2025

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 2025. 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 as updated by SORP Bulletin 1.

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.

Trustees' report (continued) For the year ended 31 March 2025

Objectives and activities (continued)

● 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.

The year 2024/25 was one of stability and consolidation after the shocks of Covid and lockdowns. Changes to the ministerial support from both churches have meant that the Church has decided to employ a Lay Pastoral Worker. Encouraging signs of new people becoming involved in the life of the Church and new activities are important signs for the future. Further details and information about The Church at Carrs Lane and related activities are on the Church website - <https://carrslane.co.uk/>.

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. From September 2020, these functions transferred directly to the Church and the company has been formally closed. A small number of lettings continue to be arranged for a diverse range of organisations and activities. Most of these are broadly linked to the Church's wider mission. The Church building continued to be overseen by a part-time manager supported by volunteers from the congregation.

There was an increase of one member in the year to 31st December 2024 giving a total of 56 members. Average Sunday morning attendance was 30 people per week. This has since increased to between 30 and 40 and continues to include regular non-members and a number of visitors. Services also continue to be streamed on line. Wednesday lunchtime services also continue, including communion and a ministry of prayer responding to requests from the wider community. A good pastoral system enables the Church to keep in touch with others who are no longer able to worship with us. The Church has sought to maintain and develop links with partner organisations and provide support through chaplaincy and practical work.

The Church is working with the Synod to fill a vacancy for a new URC minister within the Birmingham South and Central Pastorate which includes Weoley Hill URC, Weoley Castle URC and the Cotteridge Church as well as Carrs Lane. The Revd Cleopas Sibanda joined as Methodist Minister in September 2024 and shares work at Carrs Lane with two other Churches in the Birmingham Circuit.

Revd Elaine Hutchinson, the team leader of Be.friend, the Retail Chaplaincy, continues to co-ordinate retail chaplaincy, with chaplains visiting retailers around the city centre, including The Bullring and Grand Central/New Street Station Shopping Centres, The Bullring Markets, High Street and Great Western Arcade. A group of chaplains also visit the German Market in New Street and Victoria Square. This ministry is funded by The Church at Carrs Lane, and The Methodist, URC, and Anglican churches. **Be.friend** operates under the umbrella of WorkCare West Midlands who took over from Churches Industrial Group Birmingham and Solihull.

A permanent children's area in the main church room makes clear the value placed on our younger members. Junior church continues to meet most weeks with a number of children enjoying the work that the leaders put in to offer a class each week. The children have helped in church in various ways and interact well with the wider congregation.

Trustees' report (continued)
For the year ended 31 March 2025

Objectives and activities (continued)

The young adults' group (which includes students of varying ages as well as young professionals) met regularly online, and occasionally in person, and is generally led by the members. The group also led some worship services during the year.

Our former Methodist Minister, Rev Neil Johnson, is now working full time with The Street Banquet, a Church at the Margins project of the Birmingham Methodist District. This is building a community of members of the homeless community and other vulnerable adults and is usually hosted at the Church and supported by a number of Church members. The Church also engages with the refugee community, and has partnerships with a number of other organisations.

As part of the changes made in 2022, the former bookshop was opened as a Mission Space enabling a number of partner organisations to continue to meet regularly on the premises and engage with refugee, homeless, and LGBTQI+ communities.

The Church engages with a wide number of other groups in the city centre including City Centre Churches Together, particularly through the Good Friday ecumenical walk of witness, Birmingham Pride with 'Christians at Pride Birmingham', the Aston and Nechells Foodbank, and Pray24Brum.

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 LGBTQI+, 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.

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.

Trustees' report (continued)
For the year ended 31 March 2025

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 2025 the balance in this fund was £37,433 (2024 - £86,835) 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 2025 the balance in this fund was £2,787 (2024 - £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 2025 the balance in this fund was £646,588 (2024: £655,568).

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. During 2021/22 the value of building assets was impaired to zero to reflect the changing circumstances of the Church.

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 2025 the balance in this fund was £Nil (2024 - £6,370).

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 2025 the balance in this fund was £83,357 (2024 - £88,268).

Trustees' report (continued)
For the year ended 31 March 2025

Review of finances

Whilst the Church continues to make progress in stabilising the financial situation following the shock of lockdowns and the loss of external income from conference and letting activities, the financial situation remains difficult. Further savings have been achieved in utility bills and other areas. Some income is received from room hire and members continue to be generous in supporting the Church. However, the need to employ staff in order to maintain the mission and ministry of the Church means that this situation is not financially sustainable.

Cash flow during the year meant that the Church did not need to apply further funds from resources transferred from the two founding churches. As a result of market movements, the Churches investments reduced in value by a further £12k.

Overall the net total funds of the Church reduced by a further £70k from £0.840m to £0.770m at 31 March 2025. This continues to represent a more stable position than some recent previous years but shows the difficult financial position of the Church. Excluding the loss on investments, legacy, and depreciation, the underlying loss for the year is £51k which is a slight improvement on the previous year. The Trustees continue to review the Church's financial position and identify other cost savings.

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.

Trustees' report (continued)
For the year ended 31 March 2025

Structure, governance and management (continued)

● **Organisational structure and decision-making policies**

Trustees have met regularly 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. The Property Oversight Committee has day to day responsibility for the management of the building and the Centre Manager.

The Trustees are responsible for the appointment of their advisers and review their appointment annually. Mark Gurney of Dains Audit Services has acted as our independent examiner. Quilter Cheviot act as investment manager. 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 District 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**. Up until April 2024, four members of the Church served as trustees of this charity. From this date, the assets and liabilities of the charity were transferred to The United Reformed Church (West Midlands) Trust Limited.

Trustees' report (continued)
For the year ended 31 March 2025

Plans for future periods

In the light of the significant changes which have occurred during the last few years the Church has reviewed and adjusted its activities and expenditure and has considered options for the future mission and ministry of the Church. It has concluded that there is a strong need for the continuing presence of The Church at Carrs Lane on its current site in the city centre but that the current building is no longer fit for purpose.

The Church has appointed professional advisors to work on a redevelopment project and is in discussions with a development partner to bring this to fruition. Working together with the sponsoring Churches and other partners, the Trustees are continuing to pursue these redevelopment proposals in order to maintain the Church's mission and ministry into the future.

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 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 judgements 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:

Martin Stokes
Trustee

Date: 19 December 2025

The Church at Carrs Lane

Independent Examiner's Report For the year ended 31 March 2025

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 2025.

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).

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: 19 December 2025

Mark Gurney FCCA DChA

Dains Audit Limited
Birmingham

Statement of financial activities
For the year ended 31 March 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
	Note				
Income from:					
Donations and legacies	3	90,569	-	90,569	99,513
Charitable activities	4	32,512	-	32,512	26,419
Investments	5	39,889	-	39,889	39,435
Total income		162,970	-	162,970	165,367
Expenditure on:					
Raising funds		4,964	-	4,964	5,166
Charitable activities		215,669	-	215,669	196,618
Total expenditure		220,633	-	220,633	201,784
Net expenditure before investments		(57,663)	-	(57,663)	(36,417)
Net losses on investments		(7,089)	(4,911)	(12,000)	(24,847)
Net movement in funds		(64,752)	(4,911)	(69,663)	(61,264)
Reconciliation of funds:					
Total funds brought forward		751,560	88,268	839,828	901,092
Net movement in funds		(64,752)	(4,911)	(69,663)	(61,264)
Total funds carried forward		686,808	83,357	770,165	839,828

The notes on pages 12 to 29 form part of these financial statements.

The Church at Carrs Lane**Registered number:****Balance sheet****As at 31 March 2025**

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	9	-	6,370
Investments	10	729,944	743,835
		729,944	750,205
Current assets			
Debtors	11	42,990	78,459
Cash at bank and in hand		22,341	33,495
		65,331	111,954
Current liabilities			
Creditors: amounts falling due within one year	12	(25,110)	(22,331)
Net current assets		40,221	89,623
Total net assets		770,165	839,828
Charity funds			
Restricted funds	13	83,357	88,268
Unrestricted funds	13	686,808	751,560
Total funds		770,165	839,828

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

Peter Malcolm Woodall
Trustee

Date: 19 December 2025

The notes on pages 12 to 29 form part of these financial statements.

Notes to the financial statements
For the year ended 31 March 2025

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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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.

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.

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

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.

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.

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

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.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

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.

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.

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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 2025

3. Income from donations and legacies

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations			
Offertories	32,576	32,576	34,231
Other donations	6,448	6,448	2,069
Grants			
Joseph Scott's Chapel Charity	24,563	24,563	20,800
Church of England and Methodist Circuit contributions to retail chaplaincy	26,982	26,982	9,072
Methodist Circuit grant	-	-	8,341
Legacies	-	-	25,000
	<u>90,569</u>	<u>90,569</u>	<u>99,513</u>

The income in 2024 was wholly attributable to unrestricted funds.

4. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Rental income	32,512	32,512	26,419

The income in 2024 was wholly attributable to unrestricted funds.

Notes to the financial statements
For the year ended 31 March 2025

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Dividend income	39,617	39,617	39,086
Bank interest	272	272	349
	<hr/>	<hr/>	<hr/>
	39,889	39,889	39,435
	<hr/>	<hr/>	<hr/>

The income in 2024 was wholly attributable to unrestricted funds.

Notes to the financial statements
For the year ended 31 March 2025

6. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Charitable activities	163,198	52,471	215,669	196,618
Total 2024	153,079	43,539	196,618	

The expenditure on charitable activities in 2025 and 2024 was wholly attributable to unrestricted funds.

Analysis of direct costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	36,090	32,364
Depreciation	6,370	6,779
Ministry and mission contributions to URC/Methodist	39,144	39,542
Manse expenses	-	1,274
Pulpit, worship and pastoral supplies	97	199
Mission activities	1,070	1,538
Musicians and music	654	754
Redevelopment project	36,016	18,683
Utilities and rates	23,550	31,959
Cleaning and refuse	828	960
Insurance	9,486	8,569
General maintenance	7,355	9,957
City Centre chaplaincy administrative costs	2,538	501
	163,198	153,079

Notes to the financial statements
For the year ended 31 March 2025

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	31,732	21,278
Staff recruitment and training	200	743
Legal and professional	2,788	5,228
Office and communication costs	10,156	10,037
Independent examiner and accountancy fees	3,300	4,500
Bad debt provision	2,581	640
Sundries	1,714	1,113
	52,471	43,539

Notes to the financial statements
For the year ended 31 March 2025

7. Staff costs

	2025	2024
	£	£
Wages and salaries	66,613	52,717
Pension costs	1,209	925
	67,822	53,642

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

	2025	2024
	No.	No.
Administration	1	2
Premises	1	1
Musicians	1	1
Retail Chaplain	1	1
	4	5

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

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 £36,091 (2024 - £32,364), 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 Church resources.

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

Notes to the financial statements
For the year ended 31 March 2025

9. Tangible fixed assets

	Property improvements £	Fixtures and fittings £	Total £
Cost			
At 1 April 2024	1,618,631	176,430	1,795,061
At 31 March 2025	1,618,631	176,430	1,795,061
Depreciation			
At 1 April 2024	1,618,631	170,060	1,788,691
Charge for the year	-	6,370	6,370
At 31 March 2025	1,618,631	176,430	1,795,061
Net book value			
At 31 March 2025	-	-	-
At 31 March 2024	-	6,370	6,370

Notes to the financial statements
For the year ended 31 March 2025

10. Fixed asset investments

	Listed investments £	Cash £	Total £
Cost or valuation			
At 1 April 2024	739,123	4,712	743,835
Additions	157,621	18,467	176,088
Disposals	(177,979)	-	(177,979)
Revaluations	(12,000)	-	(12,000)
At 31 March 2025	<u>706,765</u>	<u>23,179</u>	<u>729,944</u>
Net book value			
At 31 March 2025	<u>706,765</u>	<u>23,179</u>	<u>729,944</u>
At 31 March 2024	<u>739,123</u>	<u>4,712</u>	<u>743,835</u>

Notes to the financial statements
For the year ended 31 March 2025

11. Debtors

	2025 £	2024 £
Trade debtors	20,074	19,875
Other debtors	12,186	13,300
Prepayments and accrued income	10,730	45,284
	<u>42,990</u>	<u>78,459</u>

Debtors includes £12,394 owing from Carrs Lane Counselling Centre (2024 - £17,174).

12. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	4,627	11,162
Other taxation and social security	665	1,811
Other creditors	625	812
Accruals and deferred income	19,193	8,546
	<u>25,110</u>	<u>22,331</u>

Notes to the financial statements
For the year ended 31 March 2025

13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds						
Designated funds						
Youth Fund	2,787	-	-	-	-	2,787
Tangible fixed assets	6,370	-	(6,370)	-	-	-
Fixed asset investments	655,568	-	-	(1,891)	(7,089)	646,588
	<u>664,725</u>	<u>-</u>	<u>(6,370)</u>	<u>(1,891)</u>	<u>(7,089)</u>	<u>649,375</u>
General funds						
General Funds - all funds	86,835	162,970	(214,263)	1,891	-	37,433
Total Unrestricted funds	<u>751,560</u>	<u>162,970</u>	<u>(220,633)</u>	<u>-</u>	<u>(7,089)</u>	<u>686,808</u>
Restricted funds						
Funds held by Trustees for Methodist Church Purposes	88,268	-	-	-	(4,911)	83,357
Total of funds	<u><u>839,828</u></u>	<u><u>162,970</u></u>	<u><u>(220,633)</u></u>	<u><u>-</u></u>	<u><u>(12,000)</u></u>	<u><u>770,165</u></u>

Notes to the financial statements
For the year ended 31 March 2025

13. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
Youth Fund	2,787	-	-	-	-	2,787
Tangible fixed assets	13,149	-	(6,779)	-	-	6,370
Fixed asset investments	690,590	-	-	(35,414)	392	655,568
	<u>706,526</u>	<u>-</u>	<u>(6,779)</u>	<u>(35,414)</u>	<u>392</u>	<u>664,725</u>
General funds						
General funds	<u>81,059</u>	<u>165,367</u>	<u>(195,005)</u>	<u>35,414</u>	<u>-</u>	<u>86,835</u>
Total Unrestricted funds	<u>787,585</u>	<u>165,367</u>	<u>(201,784)</u>	<u>-</u>	<u>392</u>	<u>751,560</u>
Restricted funds						
Funds held by Trustees for Methodist Church Purposes	<u>113,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,239)</u>	<u>88,268</u>
Total of funds	<u>901,092</u>	<u>165,367</u>	<u>(201,784)</u>	<u>-</u>	<u>(24,847)</u>	<u>839,828</u>

Notes to the financial statements
For the year ended 31 March 2025

13. 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.

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Fixed asset investments	646,587	83,357	729,944
Current assets	65,331	-	65,331
Creditors due within one year	(25,110)	-	(25,110)
Total	686,808	83,357	770,165

Notes to the financial statements
For the year ended 31 March 2025

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	6,370	-	6,370
Fixed asset investments	655,567	88,268	743,835
Current assets	111,954	-	111,954
Creditors due within one year	(22,331)	-	(22,331)
Total	751,560	88,268	839,828

15. 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 £1,209 (2024 - £925) Contributions totalling £549 (2024 - £644) were payable to the fund at the balance sheet date and are included in creditors.

16. Other financial commitments

Expenditure of £36,016 (2024: £18,693) is shown in 2024/25 accounts on Redevelopment Project Costs. These are preliminary costs relating to the proposal that the Church building is demolished and a multi-use property built on the site which includes space for use by the Church and its partners. Initial work on surveys, Project Management and legal title has been undertaken. The Church continues to be in discussion with its sponsoring Churches, the City Council, and professional advisors to move the project forward. During 2025, the Church and URC West Midlands Synod Trust have begun negotiations with a development company with a view to signing a development agreement in early 2026.

At the Balance sheet date, as part of these developments the Church has entered into future commitments totaling £2,156 (2024: £10,218) for further Project Management and Feasibility Studies in relation to the project. The Church has continued to incur costs and create commitments during 2025/26. As part of the negotiations referred to above, a commitment to a contribution which would substantially offset these costs is being discussed.

The intention is that all remaining costs relating to the Redevelopment Project will be recovered within the structure of the project but the necessary legal arrangements are not yet in place for this.

17. Related party transactions

Joseph Scott's Chapel Charity

The Church at Carrs Lane is a specified beneficiary of the Joseph Scott's Chapel Charity. Up until April 2024, four members of the Church served as trustees of this charity. From this date, the assets and liabilities of the charity was transferred to the The United Reformed Church (West Midlands) Trust Limited (Charity no. 507027) and the separate Joseph Scott's Chapel Charity was removed from the Charity Commission register. The Church will continue to be the beneficiary of a portfolio of investments held by the The United Reformed Church (West Midlands) Trust. During the year a grant of £24,563 (2023 - £18,000) was confirmed. At the year end £4,300 (2024 - £Nil) was outstanding.

Carrs Lane Counselling Centre

During the year the Church received rents of £7,500 (2024: £7,500) and £4,030 (2024: £1,529) for other services from Carrs Lane Counselling Centre, a charity of which two of the trustees are also trustees. A bad debt of £1,530 has been provided for in these accounts. At year end £12,394 (2024 £17,174) was owed by the Counselling Centre to the Church.

18. 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 2025, 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%.

Notes to the financial statements
For the year ended 31 March 2025

Appendix I - Capital contributions and withdrawals to the Local Ecumenical Partnership

	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
Year ended 2022				
Common fund contribution				0
Carried forward	70	1,361,952	30	572,611
Year ended 2023				
Common fund contribution				0
Carried forward	70	1,361,952	30	572,611
Year ended 2024				
Common fund contribution				0
Carried forward	70	1,361,952	30	572,611
Year ended 2025				
Common fund contribution				0
Carried forward	70	1,361,952	30	572,611