

# **South Leeds Church of the Nazarene**

Charity number 1161121

## **Annual Report and Financial Statements for the year ended 30 September 2020**

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CHURCH OF  
THE NAZARENE  
SOUTH LEEDS



West Yorkshire Community Accounting Service

# **South Leeds Church of the Nazarene**

## **Annual Report and Financial Statements for the year ended 30 September 2020**

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**Prepared by West Yorkshire Community Accounting Service**

# **South Leeds Church of the Nazarene**

## **Trustees' report for the year ended 30 September 2020**

### **Reference and administrative details of the charity, its trustees and advisors**

The trustees during the financial year and up to and including the date the report was approved were:

<b>Name</b>	<b>Position</b>	<b>Dates</b>
David Montgomery	Chairperson	
Linda Boston	Secretary	
Geoff Alker	Treasurer	Appointed 22 March 2020
Jenna Jones	Youth Leader	
Karen Alker	Missions Leader	
Carole Rayner		
Livia Simon		Appointed 22 March 2020
Tony Musgreave		Appointed 22 March 2020
Sandra Musgreave		Appointed 22 March 2020
Judith Hemsworth		Resigned 22 March 2020
<b>Charity number</b>	1161121	Registered in England and Wales

### **Registered and principal address**

2 Hunslet Hall Road  
Beeston  
Leeds  
LS11 6TT

### **Bankers**

Yorkshire Bank  
1 The Penny Hill Centre  
Church Street  
Hunslet  
Leeds  
LS10 2AP

### **Independent examiner**

Claire Welling

### **West Yorkshire Community Accounting Service**

Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW

### **Structure, governance and management**

The CIO is governed by a constitution adopted on 6 March 2015. The governing document is based on the Manual of the Global Church of the Nazarene where UK law permits.

The church/CIO is a member of the Church of the Nazarene British Isles South District (a charitable company limited by guarantee, company no. 7028764; charity no. 1133336) which in turn is a member of the Global Church of the Nazarene which has its headquarters in Lenexa, USA.

### **Method of recruitment and appointment of trustees**

The Pastor of the church is ex-officio chairperson of the Board of Charity Trustees and his/her position is reviewed after two years and then every four years after that.

The remaining trustees are elected annually or every two years by the members of South Leeds Church of the Nazarene at the annual general meeting held in February each year.

### **Objectives and activities**

#### **The charity's objects**

The objects of the CIO are the advancement of the Christian faith as part of the Church of the Nazarene inc and the district principally but not exclusively in Northern England.

# **South Leeds Church of the Nazarene**

## **Trustees' report (continued) for the year ended 30 September 2020**

### **Objectives and activities (continued)**

#### **The charity's main activities**

We offer teaching around the Christian faith and a place for worship. This year we have also organised bible studies. During lockdown we used Facebook live and Zoom to continue to communicate our core Christian values.

We ran a youth ministry for local children which also operated on Zoom.

We provided a free meal twice a month until lockdown, and then started a foodbank delivering food to those in need. Morrison's helped us with foodbank supplies and Leeds City Council gave us some financial help, the rest of the funds came from church funds.

Up until lockdown we provided a men's and a ladies fellowship evening with various activities open to all. After lockdown we provided a men's fellowship via Zoom.

Up until lockdown we ran a community craft café which is a free drop in place for creative work and a place to meet for coffee.

Up until lockdown we rented our premises to local community groups. We also run a charity shop.

#### **Public benefit statement**

In setting our objectives and planning our activities our Trustees have given serious consideration to the Charity Commission's general guidance on public benefit and in particular advancement of the Christian faith and to serve and enhance the local community.

#### **Achievements and performance**

The charity shop has been an opportunity for the church to train local people in order that they can seek employment having had work experience.

The Craft Café provides a safe environment where people can come and learn new craft ideas but talk with each other. It is a great self-help group and the leaders sign post individuals to other agencies for support. The group has been growing and is meeting its aims which are to help reduce loneliness and support people suffering with mental health issues.

We provide a meal twice a month which is open to anyone and free of charge.

We provide a men's and a ladies fellowship evening with various activities open to all.

We rent our premises to the local community.

We run a foodbank and deliver food to people's homes.

This year we supported another charity called Zarach which provides beds for children.

#### **Financial review**

The net income for the year was £827, including net income of £49 on unrestricted funds and net income of £778 on restricted funds.

#### **Reserves policy**

The charity's free reserves, excluding fixed assets, at the year end were £47,944.

The church will implement the following policy:

We should maintain sufficient reserves to meet foreseeable commitments;

We must not operate a policy of progressive increase of reserves for no identifiable purpose;

The current reserves are designed to cover committed costs for a year, plus uncommitted but expected non-essential expenditure for a quarter, plus designated funds to support expected future commitments, which at various times might include provision for replacing the roof, renewal of the heating system and specific commitments related to plans for future serving and mission activities.

The reserves should be reviewed annually to determine the resources the church has or can make available to spend on the purposes of the church, once it has met its commitments and covered its other planned expenditure.

## **South Leeds Church of the Nazarene**

### **Trustees' report (continued) for the year ended 30 September 2020**

#### **Impact of the Covid-19 pandemic**

At the time of signing these accounts the charity has been impacted by the global Covid-19 virus. The trustees have reassessed the charity's ability to continue for at least 12 months from the date that the accounts are approved and conclude that no material uncertainties exist that cast significant doubt on the charity's ability to continue as a going concern. The government Covid relief grants and furlough scheme continue to be crucial to the survival of the charity.

Signed on behalf of the board of trustees:

Signed: D.Montgomery (Trustee)

Name: D.Montgomery

Date: 24th February 2021

## **South Leeds Church of the Nazarene**

### **Independent examiner's report to the trustees of South Leeds Church of the Nazarene**

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 30 September 2020, which are set out on pages 6 to 12.

#### **Responsibilities and basis of report**

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

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

#### **Independent examiner's statement**

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the Charities Act;
- 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.

Signed: C.Welling                      Name: Claire Welling

Date: 24/2/21

#### **West Yorkshire Community Accounting Service**

Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW

**South Leeds Church of the Nazarene**  
**Statement of Financial Activities**  
**(including summary income and expenditure account)**  
**for the year ended 30 September 2020**

	Notes	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds Restated £
<b>Income from:</b>					
Grants	(2)	10,000	3,377	13,377	-
Offerings		12,769	-	12,769	26,431
Gift Aid		14,177	-	14,177	21,456
Shop takings		47,600	-	47,600	45,050
Rents received		4,647	-	4,647	6,810
Donations		5,288	778	6,066	10,872
Event income		-	-	-	99
Other income		1,170	-	1,170	542
Interest		7	-	7	6
<b>Total income</b>		<b>95,658</b>	<b>4,155</b>	<b>99,813</b>	<b>111,266</b>
<b>Expenditure on:</b>					
Staffing costs	(3)	47,950	3,377	51,327	55,349
Utilities		5,349	-	5,349	6,646
Events expenses		1,078	-	1,078	1,244
Church domestic costs		740	-	740	-
Repairs and maintenance		3,146	-	3,146	9,350
Licences		563	-	563	759
Activities expenditure		1,965	-	1,965	1,262
Insurance		114	-	114	2,202
Gifts		326	-	326	3,780
Book allowance and mileage		-	-	-	158
Church and office supplies		611	-	611	1,304
Visiting speakers and travel expenses		2,436	-	2,436	2,371
Miscellaneous		189	-	189	186
Building works		3,346	-	3,346	1,138
Phone and internet		1,510	-	1,510	1,358
District and NMI budgets		7,354	-	7,354	2,797
Shop expenses		12,716	-	12,716	11,972
Accountancy		1,020	-	1,020	1,020
Staff bonus and honorarium		1,025	-	1,025	-
Equipment		1,835	-	1,835	270
Church fixtures and fittings		-	-	-	15,372
Training		-	-	-	693
Donations to others		2,190	-	2,190	90
Volunteer exps		91	-	91	202
Refreshments		55	-	55	1,006
<b>Total expenditure</b>		<b>95,609</b>	<b>3,377</b>	<b>98,986</b>	<b>120,529</b>
<b>Net income / (expenditure)</b>		<b>49</b>	<b>778</b>	<b>827</b>	<b>(9,263)</b>
<b>Fund balances brought forward</b>		<b>687,634</b>	<b>1,964</b>	<b>689,598</b>	<b>698,861</b>
<b>Fund balances carried forward</b>	(4)	<b>687,683</b>	<b>2,742</b>	<b>690,425</b>	<b>689,598</b>

All incoming resources and resources expended derive from continuing activities.

# South Leeds Church of the Nazarene

## Balance sheet

as at 30 September 2020

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
<b>Fixed assets</b>				
Tangible assets	(5) 639,739	-	639,739	646,447
<b>Total fixed assets</b>	<u>639,739</u>	<u>-</u>	<u>639,739</u>	<u>646,447</u>
<b>Current assets</b>				
Cash at bank and in hand	(6) 48,964	2,742	51,706	44,171
<b>Total current assets</b>	<u>48,964</u>	<u>2,742</u>	<u>51,706</u>	<u>44,171</u>
<b>Current liabilities:</b> <b>amounts falling due within one year</b>				
Accruals	1,020	-	1,020	1,020
<b>Total current liabilities</b>	<u>1,020</u>	<u>-</u>	<u>1,020</u>	<u>1,020</u>
<b>Net current assets / (liabilities)</b>	<u>47,944</u>	<u>2,742</u>	<u>50,686</u>	<u>43,151</u>
<b>Total assets less current liabilities</b>	<u>687,683</u>	<u>2,742</u>	<u>690,425</u>	<u>689,598</u>
<b>Net assets</b>	<u>687,683</u>	<u>2,742</u>	<u>690,425</u>	<u>689,598</u>
<b>Funds</b>				
Unrestricted funds	687,683	-	687,683	687,634
Restricted funds	-	2,742	2,742	1,964
<b>Total funds</b>	<u>687,683</u>	<u>2,742</u>	<u>690,425</u>	<u>689,598</u>

The financial statements were approved by the board of trustees on

Date: 24th February 2021

Signed: D Montgomery

(Trustee)

Name D.Montgomery



# **South Leeds Church of the Nazarene**

## **Notes to the accounts**

### **for the year ended 30 September 2020**

#### **1 Accounting policies**

##### **Basis of accounting**

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The change in the preparation basis has required the restatement of values relating to fixed assets and creditors on the balance sheet. The 2019 accountancy costs on the statement of financial activities also The previous year's accounts have been restated on an accruals basis.

##### **Going concern**

The trustees are satisfied that there are no material uncertainties about the charity's ability to continue.

##### **Incoming resources**

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, it is more likely than not that the trustees will receive the resources and the monetary value can be measured with sufficient reliability.

##### **Grants and donations**

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Where grants are related to performance and specific deliverables, they are accounted for as the charity earns the right to consideration by its performance.

Donated goods for resale are valued at the amount actually realised upon their sale.

##### **Expenditure and liabilities**

Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out the resources and the amount of the obligation can be measured with reasonable certainty.

##### **Grants payable without performance conditions**

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

##### **Taxation**

As a charity the organisation benefits from rates relief and is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

##### **Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition. Gifted assets are shown at the value to the charity on receipt. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold land: nil

Freehold buildings: in line with residual value

# South Leeds Church of the Nazarene

## Notes to the accounts continued

### for the year ended 30 September 2020

#### 1 Accounting policies continued

##### Pensions

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are recognised in the year they are payable.

##### Fund accounting

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

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

#### 2 Grants

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
LCC business grant	10,000	-	10,000	-
Job Retention Scheme grant	-	3,377	3,377	-
	<u>10,000</u>	<u>3,377</u>	<u>13,377</u>	<u>-</u>

#### 3 Staff costs and numbers

	2020 £	2019 £
Gross salaries	48,288	46,209
Social security costs	1,618	1,456
Employment allowance	(1,618)	(1,456)
Pensions	1,879	1,439
Payroll administration charges	1,160	1,088
Stipend	-	6,613
	<u>51,327</u>	<u>55,349</u>

The average number employees during the year was 8.6, being an average of 2.8 full time equivalent (2019: 7, 2.8 FTE).

##### Defined contribution pension scheme

	2020 £	2019 £
Costs of the scheme to the charity for the year	1,879	1,439

#### 4 Restricted funds

	Balance b/f £	Incoming £	Outgoing £	Transfers £	Balance c/f £
Building fund	1,964	778	-	-	2,742
Job Retention Scheme funding	-	3,377	3,377	-	-
	<u>1,964</u>	<u>4,155</u>	<u>3,377</u>	<u>-</u>	<u>2,742</u>

##### Fund name

##### Purpose of restriction

Building fund	Towards building works for the church and manse
Job Retention Scheme funding	To fund furloughed workers during the Covid-19 pandemic

**South Leeds Church of the Nazarene**  
**Notes to the accounts continued**  
**for the year ended 30 September 2020**

**5 Tangible assets**

	Church	Manse	Total
<b><u>Cost</u></b>		£	£
At 1 April 2019	487,400	159,047	646,447
Additions	-	152,339	152,339
Disposals	-	(159,047)	(159,047)
At 31 March 2020	<u>487,400</u>	<u>152,339</u>	<u>639,739</u>
<b><u>Net book value</u></b>			
At 31 March 2020	<u>487,400</u>	<u>152,339</u>	<u>639,739</u>
At 31 March 2019	<u>487,400</u>	<u>159,047</u>	<u>646,447</u>

**6 Cash at bank and in hand**

	2020	2019
	£	£
Yorkshire bank - church & shop	45,218	17,233
Yorkshire bank - NMI account	749	1,281
Yorkshire bank - Sunday school	-	411
Yorkshire bank - Building fund	2,742	13,989
Church petty cash	69	514
Shop cash float	2,928	366
Yorkshire Building Society	-	1,964
CAF shop	-	2,448
CAF church	-	5,965
	<u>51,706</u>	<u>44,171</u>

# South Leeds Church of the Nazarene

## Notes to the accounts continued

### for the year ended 30 September 2020

#### 7 Related party transactions

##### Trustee expenses

No trustee received any expenses during this year or the previous year.

##### Trustee remuneration and benefits

		2020 £	2019 £
Name of trustee	Legal authority		
David Montgomery	Governing document	8,955	12,786
Linda Boston	Governing document	2,375	1,382
Jenna Jones	Governing document	11,152	6,924
Livia Simon	Governing document	2,821	-
Tony Musgreave	Governing document	3,068	-
		<u>28,371</u>	<u>21,092</u>

No trustee received any other remuneration or benefit during this or the previous year.

##### Other related party transactions

The church manse was sold to Sarah and David Thornton during the year. Linda Boston (Trustee) is Sarah's mother. Linda was not involved in the discussions re the sale of the manse. The manse was independently surveyed and valued and it was not sold below market value.

##### Remuneration and benefits received by key management personnel

The key management personnel of the charity include the trustees. The total employee benefits received by the trustees were £28,371 (previous year: £21,092).

#### 8 Operating leases

Expected future minimum lease payments over the remaining life of the lease, analysed into the period in which the commitment falls due:

	Shop lease
	£
Within one year	4,492
In the second to fifth years inclusive	1,058
	<u>5,550</u>

## South Leeds Church of the Nazarene

### Statement of Financial Activities including comparatives for all funds (including summary income and expenditure account) for the year ended 30 September 2020

	2020 Unrestricted funds £	2019 Unrestricted funds £	2020 Restricted funds £	2019 Restricted funds £	2020 Total funds £	2019 Total funds £
<b>Income</b>						
Grants	10,000	-	3,377	-	13,377	-
Offerings	12,769	26,431	-	-	12,769	26,431
Gift Aid	14,177	21,456	-	-	14,177	21,456
Shop takings	47,600	45,050	-	-	47,600	45,050
Rents received	4,647	6,810	-	-	4,647	6,810
Donations	5,288	10,085	778	787	6,066	10,872
Event income	-	99	-	-	-	99
Other income	1,170	542	-	-	1,170	542
Interest	7	-	-	6	7	6
<b>Total income</b>	<b>95,658</b>	<b>110,473</b>	<b>4,155</b>	<b>793</b>	<b>99,813</b>	<b>111,266</b>
<b>Expenditure</b>						
Staffing costs	47,950	55,349	3,377	-	51,327	55,349
Utilities	5,349	6,646	-	-	5,349	6,646
Events expenses	1,078	1,244	-	-	1,078	1,244
Church domestic costs	740	-	-	-	740	-
Repairs and maintenance	3,146	9,350	-	-	3,146	9,350
Licences	563	759	-	-	563	759
Activities expenditure	1,965	1,262	-	-	1,965	1,262
Insurance	114	2,202	-	-	114	2,202
Gifts	326	3,780	-	-	326	3,780
Book allowance and mileage	-	158	-	-	-	158
Church and office supplies	611	1,304	-	-	611	1,304
Visiting speakers / travel expenses	2,436	2,371	-	-	2,436	2,371
Miscellaneous	189	186	-	-	189	186
Building works	3,346	1,138	-	-	3,346	1,138
Phone and internet	1,510	1,358	-	-	1,510	1,358
District and NMI budgets	7,354	2,797	-	-	7,354	2,797
Shop expenses	12,716	11,972	-	-	12,716	11,972
Accountancy	1,020	1,020	-	-	1,020	1,020
Staff bonus and honorarium	1,025	-	-	-	1,025	-
Equipment	1,835	270	-	-	1,835	270
Church fixtures and fittings	-	15,372	-	-	-	15,372
Training	-	693	-	-	-	693
Donations to others	2,190	90	-	-	2,190	90
Volunteer exps	91	202	-	-	91	202
Refreshments	55	1,006	-	-	55	1,006
<b>Total expenditure</b>	<b>95,609</b>	<b>120,529</b>	<b>3,377</b>	<b>-</b>	<b>98,986</b>	<b>120,529</b>
<b>Net income / (expenditure)</b>	<b>49</b>	<b>(10,056)</b>	<b>778</b>	<b>793</b>	<b>827</b>	<b>(9,263)</b>
<b>Fund balances brought forward</b>	<b>687,634</b>	<b>697,690</b>	<b>1,964</b>	<b>1,171</b>	<b>689,598</b>	<b>698,861</b>
<b>Fund balances carried forward</b>	<b>687,683</b>	<b>687,634</b>	<b>2,742</b>	<b>1,964</b>	<b>690,425</b>	<b>689,598</b>