

South Leeds Church of the Nazarene

Charity number 1161121

Annual Report and Financial Statements for the year ended 30 September 2021



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 2021

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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 2021

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:

Name	Position	Dates
David Montgomery	Secretary	
Linda Boston	Secretary	Resigned June 2021
Geoff Alker	Treasurer	
Jenna Jones	Chairperson	
Karen Alker	Missions Leader	
Carole Rayner		
Livia Simon		
Tony Musgreave		
Sandra Musgreave		

Charity number 1161121 Registered in England and Wales

Registered and principal address

2 Hunslet Hall Road
Beeston
Leeds
LS11 6TT

Bankers

Virgin Money
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 2021

Objectives and activities (continued)

The charity's main activities

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

We have run a youth ministry for local children which during lockdown also operated on zoom.

We provide a foodbank and have delivered food all year.

We provide a men's fellowship which has met on Zoom and in person.

We have just recently restarted our craft café which is a free drop in place for creative work and a place to meet for coffee.

We have recently started a community garden with volunteers.

We rent our premises to local community groups and we 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 men's breakfast supporting men in the community with support and a chance to talk.

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 £3,953, including net income of £3,103 on unrestricted funds and net income of £850 on restricted funds.

Reserves policy

The charity's free reserves, excluding fixed assets, at the year end were £48,885.

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 target reserves level is 3 months running expenses if the church and charity shop should suddenly come to a halt.

We are currently aware that our central heating system may need to be renewed in the future and this would cost in the region of £14,000.

We have an excess in the bank and have decided to reduce our electricity bill in the long term by enabling the church to use solar power. This is also about reducing our carbon footprint.

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.

Signed on behalf of the board of trustees on 8/2/2022

David Montgomery (Trustee)

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 2021, which are set out on pages 5 to 11.

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.

Claire Welling

28/3/2022

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 2021

	Notes	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds Restated £
Income from:					
Grants	(2)	12,098	7,114	19,212	13,377
Offerings		25,448	-	25,448	24,631
Gift Aid		2,937	150	3,087	6,307
Shop takings		54,773	-	54,773	47,600
Rents received		6,430	-	6,430	4,647
Donations		469	700	1,169	2,074
Other income		4,941	-	4,941	1,170
Interest		-	-	-	7
Total income		107,096	7,964	115,060	99,813
Expenditure on:					
Staffing costs	(3)	53,668	7,114	60,782	51,327
Utilities		3,453	-	3,453	5,349
Events expenses		1,127	-	1,127	1,078
Church domestic costs		321	-	321	740
Repairs and maintenance		8,828	-	8,828	3,146
Licences		526	-	526	563
Activities expenditure		4,039	-	4,039	1,965
Insurance		1,513	-	1,513	114
Gifts and awards		476	-	476	326
Church and office supplies		671	-	671	611
Visiting speakers and travel expenses		2,604	-	2,604	2,436
Miscellaneous		-	-	-	189
Building works		-	-	-	3,346
Phone and internet		848	-	848	1,510
District and NMI budgets		7,081	-	7,081	7,354
Shop expenses		9,795	-	9,795	12,716
Accountancy and independent examination		1,020	-	1,020	1,020
Staff bonus and honorarium		1,540	-	1,540	1,025
Equipment		3,557	-	3,557	1,835
Donations to others		2,084	-	2,084	2,190
Volunteer expenses		-	-	-	91
Refreshments		249	-	249	55
Publicity		53	-	53	-
Depreciation		540	-	540	-
Total expenditure		103,993	7,114	111,107	98,986
Net income / (expenditure)		3,103	850	3,953	827
Fund balances brought forward		687,683	2,742	690,425	689,598
Fund balances carried forward	(4)	690,786	3,592	694,378	690,425

All incoming resources and resources expended derive from continuing activities.

South Leeds Church of the Nazarene

Balance sheet

as at 30 September 2021

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Fixed assets				
Tangible assets	(5) 641,901	-	641,901	639,739
Total fixed assets	<u>641,901</u>	<u>-</u>	<u>641,901</u>	<u>639,739</u>
Current assets				
Debtors	1,448	150	1,598	-
Cash at bank and in hand	(6) 48,547	3,442	51,989	51,706
Total current assets	<u>49,995</u>	<u>3,592</u>	<u>53,587</u>	<u>51,706</u>
Current liabilities: amounts falling due within one year				
Accruals	1,110	-	1,110	1,020
Total current liabilities	<u>1,110</u>	<u>-</u>	<u>1,110</u>	<u>1,020</u>
Net current assets / (liabilities)	<u>48,885</u>	<u>3,592</u>	<u>52,477</u>	<u>50,686</u>
Total assets less current liabilities	<u>690,786</u>	<u>3,592</u>	<u>694,378</u>	<u>690,425</u>
Net assets	<u>690,786</u>	<u>3,592</u>	<u>694,378</u>	<u>690,425</u>
Funds				
Unrestricted funds	690,786	-	690,786	687,683
Restricted funds	-	3,592	3,592	2,742
Total funds	<u>690,786</u>	<u>3,592</u>	<u>694,378</u>	<u>690,425</u>

The financial statements were approved by the board of trustees on 8/2/2022

David Montgomery (Trustee)

South Leeds Church of the Nazarene

Notes to the accounts

for the year ended 30 September 2021

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.

There has been no change to the accounting policies since last year.

A correction has been made to the allocation between Gift Aid, Donations and Offerings income, which was misanalysed last year. (Gift Aid has been reduced by £7,870, Offerings increased by £11,862 and Donations decreased by £3,992.)

No other changes have been made to the accounts for previous years.

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.

South Leeds Church of the Nazarene

Notes to the accounts continued

for the year ended 30 September 2021

1 Accounting policies (continued)

Tangible fixed

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

Fixtures and fittings: over 5 years

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.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

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.

Leases

Rents under operating leases are charged on a straight line basis over the lease term or to an earlier date if the lease can be determined without financial penalty.

2 Grants

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
LCC business grant	12,098		12,098	10,000
HMRC Job Retention Scheme	-	7,114	7,114	3,377
	<u>12,098</u>	<u>7,114</u>	<u>19,212</u>	<u>13,377</u>

3 Staff costs and numbers

	2021 £	2020 £
Gross salaries	57,264	48,288
Social security costs	2,591	1,618
Employment allowance	(2,591)	(1,618)
Pensions	2,419	1,879
Payroll administration charges	1,100	1,160
	<u>60,782</u>	<u>51,327</u>

The average number employees during the year was 7.5, being an average of 3.0 full time equivalent (2020: 8.6, 2.8 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme

	2021 £	2020 £
Costs of the scheme to the charity for the year	2,419	1,879

South Leeds Church of the Nazarene
Notes to the accounts continued
for the year ended 30 September 2021

4 Restricted funds	Balance b/f	Incoming	Outgoing	Transfers	Balance c/f
	£	£	£	£	£
Building fund	2,742	850	-	-	3,592
HMRC Job Retention Scheme	-	7,114	7,114	-	-
	<u>2,742</u>	<u>7,964</u>	<u>7,114</u>	<u>-</u>	<u>3,592</u>

Fund name	Purpose of restriction
Building fund	Towards building works for the church and manse
HMRC Job Retention Scheme	Towards the costs of furloughed staff

5 Tangible assets	Fixtures and fittings	Church	Manse	Total
		£	£	£
<u>Cost</u>				
At 1 October 2020	-	487,400	152,339	639,739
Additions	<u>2,702</u>	<u>-</u>	<u>-</u>	<u>2,702</u>
At 30 September 2021	<u>2,702</u>	<u>487,400</u>	<u>152,339</u>	<u>642,441</u>
<u>Depreciation</u>				
At 1 October 2020	-	-	-	-
Charge for year	<u>540</u>	<u>-</u>	<u>-</u>	<u>540</u>
At 30 September 2021	<u>540</u>	<u>-</u>	<u>-</u>	<u>540</u>
<u>Net book value</u>				
At 30 September 2021	<u>2,162</u>	<u>487,400</u>	<u>152,339</u>	<u>641,901</u>
At 30 September 2020	<u>-</u>	<u>487,400</u>	<u>152,339</u>	<u>639,739</u>

6 Cash at bank and in hand	2021	2020
	£	£
Cash at bank	47,750	48,709
Cash in hand	<u>4,239</u>	<u>2,997</u>
	<u>51,989</u>	<u>51,706</u>

South Leeds Church of the Nazarene

Notes to the accounts continued

for the year ended 30 September 2021

7 Related party transactions

Trustee expenses

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

Trustee remuneration and benefits

			2021 £	2020 £
Name of trustee	Reason	Legal authority		
David Montgomery	Employee	Governing document	16,446	8,955
Linda Boston	Employee	Governing document	553	2,375
Jenna Jones	Employee	Governing document	13,212	11,152
Livia Simon	Employee	Governing document	3,657	2,821
Tony Musgreave	Employee	Governing document	3,606	3,068
Geoff Alker	Honorarium	Governing document	500	500
			<u>37,974</u>	<u>28,871</u>

Amount of pension contributions paid by the charity for the reporting period

David Montgomery	752
Jenna Jones	607
Livia Simon	165
	<u>1,524</u>

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

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 £37,474 (previous year: £28,371).

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

8 Grant making

Total value of grants	Grants to institutions
Purpose for which grants were made	£
Churches Together	1,084
Zarach charity	1,000
	<u>2,084</u>

9 Operating leases

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

	2021	2020
	£	£
Within one year	1,058	4,492
In the second to fifth years inclusive	-	1,058
	<u>1,058</u>	<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 2021

	2021 Unrestricted funds £	2020 Unrestricted funds £	2021 Restricted funds £	2020 Restricted funds £	2021 Total funds £	2020 Total funds £
Income						
Grants	12,098	10,000	7,114	3,377	19,212	13,377
Offerings	25,448	24,631	-	-	25,448	24,631
Gift Aid	2,937	6,307	150	-	3,087	6,307
Shop takings	54,773	47,600	-	-	54,773	47,600
Rents received	6,430	4,647	-	-	6,430	4,647
Donations	469	1,296	700	778	1,169	2,074
Other income	4,941	1,170	-	-	4,941	1,170
Interest	-	7	-	-	-	7
Total income	107,096	95,658	7,964	4,155	115,060	99,813
Expenditure						
Staffing costs	53,668	47,950	7,114	3,377	60,782	51,327
Utilities	3,453	5,349	-	-	3,453	5,349
Events expenses	1,127	1,078	-	-	1,127	1,078
Church domestic costs	321	740	-	-	321	740
Repairs and maintenance	8,828	3,146	-	-	8,828	3,146
Licences	526	563	-	-	526	563
Activities expenditure	4,039	1,965	-	-	4,039	1,965
Insurance	1,513	114	-	-	1,513	114
Gifts and awards	476	326	-	-	476	326
Church and office supplies	671	611	-	-	671	611
Visiting speakers / travel expenses	2,604	2,436	-	-	2,604	2,436
Miscellaneous	-	189	-	-	-	189
Building works	-	3,346	-	-	-	3,346
Phone and internet	848	1,510	-	-	848	1,510
District and NMI budgets	7,081	7,354	-	-	7,081	7,354
Shop expenses	9,795	12,716	-	-	9,795	12,716
Accountancy / independent exam	1,020	1,020	-	-	1,020	1,020
Staff bonus and honorarium	1,540	1,025	-	-	1,540	1,025
Equipment	3,557	1,835	-	-	3,557	1,835
Donations to others	2,084	2,190	-	-	2,084	2,190
Volunteer expenses	-	91	-	-	-	91
Refreshments	249	55	-	-	249	55
Publicity	53	-	-	-	53	-
Depreciation	540	-	-	-	540	-
Total expenditure	103,993	95,609	7,114	3,377	111,107	98,986
Net income / (expenditure)	3,103	49	850	778	3,953	827
Fund balances brought forward	687,683	687,634	2,742	1,964	690,425	689,598
Fund balances carried forward	690,786	687,683	3,592	2,742	694,378	690,425