

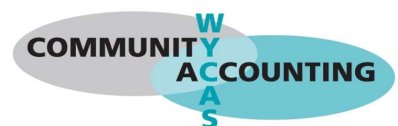
South Leeds Church of the Nazarene

Charity number 1161121

Annual Report and Financial Statements for the year ended 30 September 2022



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 2022

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Prepared by West Yorkshire Community Accountancy Service CIO

South Leeds Church of the Nazarene

Trustees' report for the year ended 30 September 2022

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	
Geoff Alker	Treasurer	
Jenna Jones	Chair of trustees	
Karen Alker	Missions Leader	
Carole Rayner		
Livia Simon		
Tony Musgreave		Resigned 1 February 2022
Sandra Musgreave		Resigned 1 February 2022
Alison Montgomery		Appointed 8 February 2022
Afomia Tsegai		Appointed 8 February 2022

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

Simon Bostrom FCIE

West Yorkshire Community Accountancy Service CIO

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.

South Leeds Church of the Nazarene

Trustees' report (continued) for the year ended 30 September 2022

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.

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.

We have run a youth ministry for local children.

We provide a foodbank and have provided food all year to those in need.

We provide a men's fellowship which provides conversation and support to men.

We provided a craft café which is a free drop in place for creative work and a place to meet for coffee.

We provide a community garden which is worked on by volunteers in the community.

We rent our premises to local community groups

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. We have also collected and sent needed clothes and pharmacy items to Ukraine.

Financial review

The net income for the year was £21,054, including net income of £23,054 on unrestricted funds and net expenditure of £2,000 on restricted funds after transfers.

South Leeds Church of the Nazarene

Trustees' report (continued) for the year ended 30 September 2022

Reserves policy

The church will implement the following:

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 purpose of retaining reserves is to enable the smooth running of the charity and to enable an orderly winding up should the charity need to close.

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.

The charity's free reserves, excluding fixed assets, at the year end were £64,124.

Planned expenditure for the next year is approximately £126,000

Approved by the board of trustees on 14/2/2023

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 2022, which are set out on pages 6 to 13.

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.

Simon Bostrom FCIE

16/2/2023

West Yorkshire Community Accountancy Service CIO

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 2022

	Notes	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Income from:					
Grants	(2)	-	-	-	19,212
Offerings		21,530	-	21,530	25,448
Gift Aid		3,678	-	3,678	3,087
Shop takings		90,063	-	90,063	54,773
Rents received		7,349	-	7,349	6,430
Donations		2,912	-	2,912	1,169
Other income		11,542	-	11,542	4,941
Total income		<u>137,074</u>	<u>-</u>	<u>137,074</u>	<u>115,060</u>
Expenditure on:					
Staffing costs	(3)	68,619	-	68,619	62,322
Utilities		5,442	-	5,442	3,453
Events expenses		973	-	973	1,127
Church domestic costs		616	-	616	321
Repairs and maintenance		3,205	-	3,205	8,828
Licences		668	-	668	526
Activities expenditure		6,329	-	6,329	4,039
Insurances		1,027	-	1,027	1,513
Gifts and awards		490	-	490	476
Church and office supplies		1,094	-	1,094	671
Visiting speakers		821	-	821	-
Other admin costs		98	-	98	-
Phone and internet		813	-	813	848
District and NMI budgets		4,761	-	4,761	7,081
Shop expenses including rent		10,359	-	10,359	9,795
Independent examination		1,020	-	1,020	1,020
Equipment and materials		332	-	332	3,557
Staff and volunteer training		148	-	148	-
Donations to other organisations		1,450	-	1,450	2,084
Travel expenses		4,256	-	4,256	2,604
Refreshments		527	-	527	249
Advertising and publicity		133	-	133	53
Depreciation		2,839	-	2,839	540
Total expenditure		<u>116,020</u>	<u>-</u>	<u>116,020</u>	<u>111,107</u>
Net income / (expenditure)		<u>21,054</u>	<u>-</u>	<u>21,054</u>	<u>3,953</u>
Transfers between funds		<u>2,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>23,054</u>	<u>(2,000)</u>	<u>21,054</u>	<u>3,953</u>
Fund balances brought forward		<u>690,786</u>	<u>3,592</u>	<u>694,378</u>	<u>690,425</u>
Fund balances carried forward	(4)	<u>713,840</u>	<u>1,592</u>	<u>715,432</u>	<u>694,378</u>

All incoming resources and resources expended derive from continuing activities.

South Leeds Church of the Nazarene

Balance sheet

as at 30 September 2022

		2022	2022	2022	2021
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Fixed assets					
Tangible assets	(5)	649,716	-	649,716	641,901
Total fixed assets		<u>649,716</u>	<u>-</u>	<u>649,716</u>	<u>641,901</u>
Current assets					
Debtors and prepayments	(6)	2,638	-	2,638	1,598
Cash at bank and in hand	(7)	62,742	1,592	64,334	51,989
Total current assets		<u>65,380</u>	<u>1,592</u>	<u>66,972</u>	<u>53,587</u>
Current liabilities:					
amounts falling due within one year					
Creditors and accruals	(8)	1,256	-	1,256	1,110
Total current liabilities		<u>1,256</u>	<u>-</u>	<u>1,256</u>	<u>1,110</u>
Net current assets / (liabilities)		<u>64,124</u>	<u>1,592</u>	<u>65,716</u>	<u>52,477</u>
Net assets		<u>713,840</u>	<u>1,592</u>	<u>715,432</u>	<u>694,378</u>
Funds					
Unrestricted funds		713,840	-	713,840	690,786
Restricted funds		-	1,592	1,592	3,592
Total funds		<u>713,840</u>	<u>1,592</u>	<u>715,432</u>	<u>694,378</u>

The financial statements were approved by the board of trustees on 14/2/2023

David Montgomery (Trustee)

South Leeds Church of the Nazarene

Notes to the accounts

for the year ended 30 September 2022

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.

No 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.

Donated assets, facilities or services are valued at their estimated value to the charity. This is the price that the charity estimates it would pay in the open market for equivalent items; or services and facilities of equivalent utility to the charity.

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.

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

Fixtures and fittings: over 5 years

Computer equipment: over 3 years

South Leeds Church of the Nazarene

Notes to the accounts

for the year ended 30 September 2022

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.

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.

South Leeds Church of the Nazarene
Notes to the accounts continued
for the year ended 30 September 2022

2 Grants and donations	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
LCC business grant	-	-	-	12,098
HMRC Job Retention Scheme	-	-	-	7,114
	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,212</u>

3 Staff costs and numbers	2022 £	2021 £
Gross salaries	64,216	58,303
Social security costs	4,121	2,591
Employment allowance	(4,121)	(2,591)
Pensions	2,840	2,419
Payroll administration charges	1,063	1,100
Honorarium	500	500
	<u>68,619</u>	<u>62,322</u>

The average number of employees during the year was 7, being an average of 3 full time equivalent (2021: 7.6, 2.8 FTE). There were no employees with emoluments above £60,000.

Defined contribution pension scheme	2022 £	2021 £
Costs of the scheme to the charity for the year	2,840	2,419
Amount of any contributions outstanding at the year end	-	-

4 Restricted funds	Balance b/f £	Incoming £	Outgoing £	Transfers £	Balance c/f £
Building fund	3,592	-	-	(2,000)	1,592
	<u>3,592</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>1,592</u>

Fund name	Purpose of restriction
Building fund	Towards building works for the church and manse. The transfer relates to a contribution to the cost of purchasing solar panels.

South Leeds Church of the Nazarene
Notes to the accounts continued
for the year ended 30 September 2022

5 Tangible assets	Computer equipment	Fixtures and fittings	Church	Manse	Total
Cost	£	£	£	£	£
At 1 October 2021	-	2,702	487,400	152,339	642,441
Additions	1,256	9,398	-	-	10,654
At 30 September 2022	1,256	12,100	487,400	152,339	653,095
Depreciation					
At 1 October 2021	-	540	-	-	540
Charge for year	419	2,420	-	-	2,839
At 30 September 2022	419	2,960	-	-	3,379
Net book value					
At 30 September 2022	837	9,140	487,400	152,339	649,716
At 30 September 2021	-	2,162	487,400	152,339	641,901

6 Debtors and prepayments	2022	2021
	£	£
Prepayments	1,387	-
Accrued income	1,251	1,598
	<u>2,638</u>	<u>1,598</u>

7 Cash at bank and in hand	2022	2021
	£	£
Cash at bank	58,788	47,750
Cash in hand	5,546	4,239
	<u>64,334</u>	<u>51,989</u>

8 Creditors and accruals	2022	2021
	£	£
Accruals	1,256	1,110
Other creditors	-	-
	<u>1,256</u>	<u>1,110</u>

9 Related party transactions

Trustee expenses

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

Trustee expenses

During the year 2 trustees were paid a total of £1,959 in respect of travel.

South Leeds Church of the Nazarene

Notes to the accounts continued

for the year ended 30 September 2022

9 Related party transactions continued

Trustee remuneration and benefits		2022	2021
		£	£
Trustee name			
David Montgomery	Employed as Church Pastor	18,568	17,198
Linda Boston	Employee, resigned from board Aug 2021	-	553
Jenna Jones	Employed as Church Pastor	21,223	13,819
Livia Simon	Employee	1,694	3,822
Tony Musgreave	Employee	528	3,606
Geoff Alker	Honorarium for Treasurer role	500	500
		<u>42,513</u>	<u>39,498</u>

Legal authority for the payment

The legal authority for the payment is via a provision within the charity's governing document, with the condition that employed trustees are the minority of the total trustee board.

Remuneration and benefits received by key management personnel

The total employee benefits received by key management personnel were £42,013 (previous year: £37,974).

10 Operating leases

Expected future minimum lease payments over the remaining life of the lease, analysed into the period in which the commitment falls due:	2022	2021
	£	£
Within one year	900	1,058
In the second to fifth years inclusive	-	-
Over five years from the balance sheet date	-	-
	<u>900</u>	<u>1,058</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 2022

	2022 Unrestricted funds £	2021 Unrestricted funds £	2022 Restricted funds £	2021 Restricted funds £	2022 Total funds £	2021 Total funds £
Income						
Grants	-	12,098	-	7,114	-	19,212
Offerings	21,530	25,448	-	-	21,530	25,448
Gift Aid	3,678	2,937	-	150	3,678	3,087
Shop takings	90,063	54,773	-	-	90,063	54,773
Rents received	7,349	6,430	-	-	7,349	6,430
Donations	2,912	469	-	700	2,912	1,169
Other income	11,542	4,941	-	-	11,542	4,941
Total income	137,074	107,096	-	7,964	137,074	115,060
Expenditure						
Staffing costs	68,619	55,208	-	7,114	68,619	62,322
Utilities	5,442	3,453	-	-	5,442	3,453
Events expenses	973	1,127	-	-	973	1,127
Church domestic costs	616	321	-	-	616	321
Repairs and maintenance	3,205	8,828	-	-	3,205	8,828
Licences	668	526	-	-	668	526
Activities expenditure	6,329	4,039	-	-	6,329	4,039
Insurances	1,027	1,513	-	-	1,027	1,513
Gifts and awards	490	476	-	-	490	476
Church and office supplies	1,094	671	-	-	1,094	671
Visiting speakers	821	-	-	-	821	-
Other admin costs	98	-	-	-	98	-
Phone and internet	813	848	-	-	813	848
District and NMI budgets	4,761	7,081	-	-	4,761	7,081
Shop expenses including rent	10,359	9,795	-	-	10,359	9,795
Independent examination	1,020	1,020	-	-	1,020	1,020
Equipment and materials	332	3,557	-	-	332	3,557
Staff and volunteer training	148	-	-	-	148	-
Donations to other organisations	1,450	2,084	-	-	1,450	2,084
Travel expenses	4,256	2,604	-	-	4,256	2,604
Refreshments	527	249	-	-	527	249
Advertising and publicity	133	53	-	-	133	53
Depreciation	2,839	540	-	-	2,839	540
Total expenditure	116,020	103,993	-	7,114	116,020	111,107
Net income / (expenditure)	21,054	3,103	-	850	21,054	3,953
Transfers between funds	2,000	-	(2,000)	-	-	-
Net movement in funds	23,054	3,103	(2,000)	850	21,054	3,953
Fund balances brought forward	690,786	687,683	3,592	2,742	694,378	690,425
Fund balances carried forward	713,840	690,786	1,592	3,592	715,432	694,378