

Charity Commission Annual Report Year ending August 2021

As a church and as a community, we have continued to live with the impact of the Covid19 pandemic. This has created great difficulty, throughout the year, in planning ahead as there was such uncertainty about what restrictions would be in place at any given time. Much of our face-to-face work continued to be suspended during the year, but we offered as much as possible through online means. When appropriate we resumed activities in our buildings in a Covid-secure manner.

Worship & Spirituality

Worship was held purely online for much of the year - worship at our buildings only resumed in July 2020! However, at the point that we resumed worship at our Scotforth Road building we also provided an option for people to engage in worship through Zoom - ie. hybrid worship. This has been tremendously valued by those who are unable to attend worship at the building. It has created many challenges as we adapt to a hybrid way of working and also demanded much time and energy from our IT volunteers. Our Wednesday evening 'Reflect in the City' continued online throughout the pandemic and has transitioned to a hybrid style relatively easily. During the year we welcomed a number of new members who had become part of the congregation via Zoom.

Spirituality

For the majority of the pandemic we have been able to facilitate two Zoom groups for people who are 'searching'. One of these has been a book group which looks at interesting theology. The other is a 'house group' that meets fortnightly to explore the scriptures together. These groups obviously have another purpose, as well, which is to provide meeting points for those who are isolated.

Learning and Caring

Pastoral Care - Caring Cakes initiative

This project started during the first lockdown seeking to offer a small gift and also a socially distanced chat to keep in contact with folk. After the initial infancy of the project, people received a small box with up to half a dozen cakes inside – brownies, scones, carrot cake, flapjack, cookies, millionaire shortbread and lots more besides. Over time, various members of the church community wanted to take part in the project - baking and delivering - and so we were able to widen our radius. We set up a Facebook page to let people know what cakes we had delivered and as a consequence, we able to receive requests from people who did not necessarily have any connection to the church. While one of the highlights of the project was an interview with Graham Liver live on the BBC Radio Lancashire breakfast programme, the real highlight of the project was the socially distanced conversations with people when we dropped off the cakes, especially those people who were unable to get out during the lockdowns.

Pastoral Care - Bereavement Support

We successfully supported a small group of bereaved people via Zoom then began a fortnightly in-person support group when we were permitted to do so. That group has had 6 regular attenders but another 15 or so irregular attenders. There has also been a Zoom bereavement support group for about 10 adults with learning disabilities. This has mainly met fortnightly and will resume as an in-person group when this is safe and appropriate. Our chaplain has also given one-to-one bereavement support to upwards of 30 people – some via Zoom or phone but most in-person. We also managed to commission a piece of artwork which acts as a memorial for all those in our community who have lost a loved one.

Inclusive Church

As part of our commitment to be an inclusive church, we appointed a Disability Champion - to raise awareness and promote inclusion in all areas of our mission and ministry.

Same Sex Marriage

In July 2021, as part of our commitment to be an inclusive church, the Church Council agreed the following proposal - "Lancaster Methodist Church Council welcomes the decision of the Methodist

Conference to authorise same-sex marriages within our buildings. As soon as we are permitted to do so, Lancaster Methodist Church will seek the legal authority and appropriate registration with the registry office to conduct same-sex marriages at Scotforth Road and at The Cornerstone, Sulyard Street.” This decision was sent out in a press release and also through our website and social media channels. The decision has been received very positively by the wider community.

Mental Health Support

We have been developing a mental health programme based on The 12 Steps called ‘Moving to Freedom’. We have run it successfully on Zoom with 2 groups. When it was possible, we moved one of the groups to an in-person meeting and that has continued as a support group ever since. Another offshoot of that group was a faith-sharing group called ‘Walking the Way’ based on some resources produced by the Methodist Church. This will continue to be a monthly support group.

Lancaster Men’s Hub

Our chaplain has been heavily involved in working with a small group to explore specific ways of helping men improve their mental health and wellbeing and also get connected to the wider community. The group was nurtured and inspired by a Zoom group for men that met fortnightly through the various lockdowns. This led to the formation of ‘Lancaster Men’s Hub’ which now has charitable status. This group began organizing in-person activities for men in July and is moving towards a weekly drop-in and a series of talks and workshops on men’s health issues.

Learning

At the start of the year we completed a series of online events under the heading ‘Build Back Better’ - these were open to the wider community as well as our own members and reflected upon ways that we should emerge, and things we should learn, from our experiences during the pandemic. Each session had 2 or more guest speakers who introduced the topics (things such as health, education, housing, young people, employment and social security). The attendance was excellent and the conversations were profound.

Service & Evangelism

Staffing

We continue to be blessed with many volunteers, but some people have stepped back from their responsibilities and it has been quite a challenge to recruit people to take-on the more significant roles and responsibilities - we continue to hold a number of vacant roles. This is most evident in our work with children and young people which is dependent upon a very small number of committed volunteers.

In October 2020, we appointed a Centre Manager to work at both sets of premises. The focus for the Centre Manager at The Cornerstone is to consolidate existing work and secure funding to ensure the long-term viability of the work. The focus at the Scotforth Road site is to connect and engage with the wider community in order to identify an appropriate strategy for the redevelopment of the site.

Property

Our Scotforth Road building has been designated as the South Lancaster Community Emergency Centre - providing a community base if required as a result of flood / storm / power cuts etc. impacting the local community.

Finance

Our finances have remained healthy despite the pandemic - our members have continued to give very generously to sustain our work. We also received a substantial legacy from a member who had died (£128,395.38) - the majority of this sum is to be allocated to the future redevelopment of the Scotforth Road.

The Cornerstone Café

Towards the end of the year we had to make the decision to close The Cornerstone Café - During the pandemic, hospitality sector grants and the government furlough scheme enabled us to retain the café staff despite the cafe being closed for many months. We re-opened the café when permitted during the year, but the income from sales was well below that needed to make the café financially viable. As the furlough scheme was coming to an end, we reluctantly concluded that the café would have to close and the staff would be made redundant.

Black History Group

Towards the end of 2020 we were invited to get involved with the 'Lancaster Black History Project' which was seeking to explore Lancaster's connection with the slave trade. We put together a small group of amateur researchers to look specifically at how slave trade money had been used to develop Dalton Square and the area around The Cornerstone. This served 2 purposes – enabling people to develop their interest in local history, and providing another way for people to connect up with others.

Community Partnerships

Despite issues with the café, The Cornerstone has continued to work effectively as a community hub. We have maintained excellent relationships with various charities and groups that share our ethos and outlook. Some have hired our rooms – others have been given free space in the building. These groups include – City of Sanctuary, Refugee Advice and Information Service, 'CanChat' (cancer support group), 'Socialease', Morecambe Bay Credit Union, the Poverty Truth Commission, and 'Christians Against Poverty'. We really hope that some of these partnerships will open up other areas of work and support for some of Lancaster's most vulnerable people.

Outreach

Our Justice, Peace & Environment Group have remained very active throughout the pandemic. One project emerged to assist with the food shortage at the Morecambe Bay Foodbank: on the first Saturday of each month we held a 'pop-up' food collection point at our Scotforth Road site. This was advertised to the local community and was very well supported by our own members and also by local residents.

Development Plan

Towards the end of the year, we completed a 'business development plan' for the church - recognising that this is not a document 'set-in-stone' but a working document which will adapt and change according to the circumstances we face over the coming months and years.

Conclusion

Overall, the year was very challenging but there have also been many, many things to celebrate.

Name of Church: Lancaster Methodist Church

Church No.

2116/22

Statement of Financial Activities (SOFA) for the year ended 31 August 2021

	Notes to the account s	General Fund (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2020-21 £
Income						
1 Offerings		38,785				38,785
2 Donations	4	5,553	128,395	4,246		138,194
3 Gift aid		10,521				10,521
4 Interest and investment income	5	34	115			149
5 Income from investment properties						0
6 Internal organisations						0
7 Other charitable income	6	80,436		87,319		167,755
8 Total income		135,329	128,510	91,565	-	355,404
Expenditure						
9 Circuit assessment or share		36,000				36,000
10 Grants and donations	7	1,771		3,949		5,720
11 Property maintenance		8,199				8,199
12 Insurance, utilities etc		12,390				12,390
13 Depreciation						0
14 Office expenses		3,307				3,307
15 Other expenditure	8	55,110		69,714		124,824
16 Internal organisations						0
17 Total charitable expenditure		116,777	0	73,663	0	190,440
18 Gains/(losses) on monetary investments						0
19 Gains/(losses) on investment properties						0
20 Net income/(expenditure)		18,552	128,510	17,902	0	164,964
21 Transfers between funds						0
22 Other gains/(losses)						0
23 Net movement in funds		18,552	128,510	17,902	0	164,964
24 Total funds brought forward		129,034				129,034
25 Total funds carried forward		147,586	128,510	17,902	-	293,998

Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	Notes to the account s	General Fund (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2019-20 £
Income						
1 Offerings		36,100				36,100
2 Donations		4,819		1,549		6,368
3 Gift aid		8,706				8,706
4 Interest and investment income		176				176
5 Income from investment properties						0
6 Internal organisations						0
7 Other charitable income		93,785		22,000		115,785
8 Total income		143,586	-	23,549	-	167,135
Expenditure						
9 Circuit assessment or share		45,000				45,000
10 Grants and donations		841		1,618		2,459
11 Property maintenance		11,848				11,848
12 Insurance,utilities etc		12,856				12,856
13 Depreciation						0
14 Office expenses		959				959
15 Other expenditure	8	68,747		22,000		90,747
16 Internal organisations						0
17 Total charitable expenditure		140,251	0	23,618	0	163,869
18 Gains/(losses) on monetary investments						0
19 Gains/(losses) on investment properties						0
20 Net income/(expenditure)		3,335	0	-69	0	3,266
21 Transfers between funds						0
22 Other gains/(losses)		44				44
23 Net movement in funds		3,379	0	-69	0	3,310
24 Total funds brought forward		125,655		69		125,724
25 Total funds carried forward		129,034	-	-	-	129,034

Name of Church: Lancaster Methodist Church

Church No 2116/22

Balance Sheet as at 31 August 2021

Notes to the Accounts	General Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2021 £	Totals 2020 £
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Fixed Assets

Church building and other property	9	0			0	0
Investment properties					0	0
Investments					0	0
Total fixed assets		0	0	0	0	0

Current Assets

Debtors and prepayments		2,104			2,104	2,638
Loans by the Churches					0	0
Investments with TMCP			128,510		128,510	0
Central Finance Board Deposits		24,803			24,803	24,769
Cash at Bank and in hand		122,783		17,902	140,685	104,265
Total current assets		149,690	128,510	17,902	296,102	131,672

Current liabilities

Creditors (due in under 1 year)		5,876			5,876	1,893
Grants payable within 2020-21					0	0
Total current liabilities		5,876	0	0	5,876	1,893
Net current assets/liabilities		143,814	128,510	17,902	290,226	129,779

Total assets less current liabilities		143,814	128,510	17,902	290,226	129,779
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Long term liabilities (due after more than one year)							
Grants payable after 2020-21						0	
Loans to the Church				20,000		20,000	20,000
						0	
Net assets		143,814	128,510	-2,098	0	270,226	109,779

Funds of the Church

General Fund (Unrestricted)		143,814				143,814	129,034
Designated Funds (Unrestricted)			128,510			128,510	0
Total Unrestricted Funds						272,324	129,034
Restricted Funds				-2,098		-2,098	-20,000
Endowment Funds					0	0	
Total Funds		143,814	128,510	-2,098	0	270,226	109,034

Signed

Church Treasurer

Long term liabilities (due after more than one year)							
Grants payable after 2020-21						0	
Loans to the Church				20,000		20,000	20,000
						0	
Net assets		143,814	128,510	-2,098	0	270,226	109,779

Funds of the Church

General Fund (Unrestricted)		143,814				143,814	129,034
Designated Funds (Unrestricted)			128,510			128,510	0
Total Unrestricted Funds						272,324	129,034
Restricted Funds				-2,098		-2,098	-20,000
Endowment Funds					0	0	
Total Funds		143,814	128,510	-2,098	0	270,226	109,034

Signed

Ian Cox

Church Treasurer

Notes to the Accounts

1. Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 - the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

2. Funds

The funds held constitute General Funds held for any purpose of the Church which are Unrestricted; Designated Funds are from the Thom Bequest and are for Capital Development; Restricted funds are held for a narrower purpose, comprising grants and donations for specific appeals. There are no Endowment funds.

3. Accounting policies

Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year on the accruals basis to show a true and fair view of The Church's financial position and activities.

Incoming Resources

Income is included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to the resources, and the trustees are reasonably certain they will receive The resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

Grants

Grants made by the Church from its own funds are recognised in full at the time of agreement or when the Church accepts that there is a legal or operational obligation to make the payment.

VAT

Since the Church is not VAT registered, all input VAT is charged with the expenses to which it refers.

Tangible fixed assets for use by the Church

Tangible fixed assets are capitalised if they can be used for more than one year and cost at least £500.

Investment Properties

Investment properties - no property is currently deemed to not be held for the long term purposes of the charity.

Investments

Investments are valued in the balance sheet at market value at the year end Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA

Debtors and Prepayments

Debtors include rental income.

Creditors

Creditors include outstanding bills for utilities.

4. Donations

General Fund comprises unrestricted donations to the Church; Designated Funds are those from the Thom Bequest, lodged with TMCP; Restricted Funds are those donations received for our appeals and for Monday Meeting Point expenses:

	2020-21	2019-20
Morecambe Bay Food Bank	£3611	
Christian Aid	£588	£497
Monday Meeting Point	£47	
All We Can		£781
Deaf Children's Society		£270
total	£4,246	£1,549

5. Interest

2020-21: CFB £34 and TMCP Thom Bequest £115

2019-20: CFB £176

6. Other charitable Income

	2020-21		2019-20	
	unrestricted	restricted	unrestricted	restricted
rentals	£25084		£40315	
grants	£34471	£63839	£7500	£22000
JRS		£23480	£13721	
Cafe sales	£12779		£30467	
Miscellaneous	£8102		£1782	
total	£80,436	£87,319	£93,785	£22,000

7. Expenditure - Grants and Donations:

	2020-21	2019-20
From Appeal donations	£3949	£1618
Anticipated Gift Aid for Appeals	£771	£143
City of Sanctuary	£1000	
Homeless Action		£500
other		£198
total	£5,720	£2,459

8. Other expenditure:

	2020-21		2019-20	
	unrestricted	restricted	unrestricted	restricted
salaries	£46580	£61899	£57046	£22000
Cafe purchases	£3154		£7583	
Miscellaneous	£5376	£7815	£4118	
total	£55,110	£69,714	£68,747	£22,000

9. Fixed Assets:

The Church buildings are entered as of zero value as they are not realisable by the local church (by sale or mortgage, for example) and so to apply a financial value would misrepresent the charity's financial situation. The two properties for which we are responsible enable the charity to carry out its objectives, and to generate income by hiring facilities to outside bodies. TMCP (Trustees for Methodist Church Purposes) is the custodian trustee.

10. Paid employees

Staff costs paid during the year

	2020-21	2019-20
Gross wages, salaries and benefits in kind	£99371	£71636
Employees National Insurance costs	£6525	£4117
Pension costs	£5024	£3442
Total staff costs	£110920	£79195
Average number of FTE employees in the year	4.18	3.19

Total Redundancy in 2020-21: £1968

11. Government Grants

Received and paid in full

	2020-21	2019-20
HMRC Job Retention Scheme	£21993	£15793
Local council - closure and restricted business	£32971	N/A

12. Payment to Trustees

No payments were made to trustees, except for reimbursement of purchases made for and settlement of bills of the Church.

Name of Church LANCASTER METHODIST No. 2116/22

Declarations and Scrutiny

I confirm that these Receipt and Payment based accounts for the year to 31 August 2021 have been prepared from the records of the Church and that they include all funds under the control of the Church trustees.

Signature of treasurer Ian Love Date 10 March 2022

Name and address of treasurer Dr IAN LOVE
10 JOHNSON CLOSE, LANCASTER Post Code LA1 5EU

Presentation to the Church trustees

I confirm that the annual report and accounts for the year ended 31 August 2021 were/will be* presented to the meeting of the Church trustees held on

Signature of the Chair of the meeting: [Signature]

Name of the Chair of the meeting: Rev. S. J. CHARMAN Date ~~2 Feb 2022~~
& 29 Mar 2022

Independent Examiner's Report to the Trustees of the

LANCASTER METHODIST Church

Charity Number 1170840

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the Lancaster Methodist Church for the year ended 31 August 2021 set out on pages ... to As the Church's trustees, 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 Church's accounts carried out under section 145 of the Act and, 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.

Name of Church LANCASTER METHODIST No 2116/22

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 (other than that disclosed below*) which give me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts do not accord with the accounting records.

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.

I have/~~have not~~* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature of independent examiner M. Richardson

Name of independent examiner Michael Richardson

Relevant professional qualification of independent examiner ACCA

Name of firm (where appropriate)

Address 12 Windsor Road Garstang

Preston Post Code PR3 1ED

Date 21-2-22

* delete or circle as appropriate

RESERVES POLICY of

Lancaster Methodist Church Council

1. General Funds held at Y/E 31/08/2021	Unrestricted: £135329 Designated: £128510
2. Restricted Funds held	£17902
3. Endowment Funds held	£0

4. **Reserves policy for General Funds**

The Designated Funds are the Thom Bequest and devoted to Capital Development. Currently Covid-9 restrictions mean that our income is reduced. We aim to keep approximately six months' expenditure for circuit assessment and running costs. Without taking the loan into account, this would be approximately £95,000. We anticipate increased maintenance expenditure in the next few years. Any excess income over expenditure and reserve from Cornerstone goes towards the repayment of the Circuit loan (currently £20,000).

5. **Policy for Restricted Funds**

This includes grants from Circuit and District for the Cornerstone Chaplain which we expect to receive during the year; grants from various providers for outreach and development work; funds from various appeals for national and international charitable work.

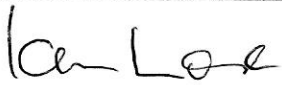
6. **Terms relating to Endowment Funds held**

N/A

This Reserves Policy has been approved by

Church Council

(*Church Council ☐/Circuit Meeting ☐/District ☐)

Treasurer: Dr Ian Love	Trustee
Full name: Ian Love	Full Name STEPHEN JAMES CHARMAN
Signature 	Signature 