

REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
FOR  
CONNECT CHURCH (NORTH LINCS)

**CONNECT CHURCH (NORTH Lincs)**  
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**FOR THE YEAR ENDED 31 MARCH 2024**

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## **CONNECT CHURCH (NORTH LINCS)**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 MARCH 2024**

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The trustees present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal purpose is to advance the Christian faith as well as to advance education and to carry out other charitable activities. The church's vision is 'to build the Kingdom and to make disciples'. Grants are made as directed by the donor or where the Trustees consider the payment would further the objectives of the church.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

The church worked hard to fully implement the vision previously adopted. The vision is 'to build the Kingdom and to make disciples', and alongside this we have a set of values which govern how we operate and help us determine our priorities and inform our decision making. The values are as follows:

We depend on God for immeasurably more  
Everyone has value and adds value  
We seek the well-being of our community  
We don't maintain we multiply  
We are joyfully all in

In the context of the objectives, the following achievements show how our vision has increasingly come to life:

##### **Care**

We continue to offer pastoral provisions on request, and we have worked really hard to build strong systems to ensure that we are helping individuals and families to meet their needs; spiritually, emotionally, physically, and mentally. The vast majority of our care and support is of individuals by volunteers on a regular basis.

##### **Children & Youth**

Throughout the year we have continued to include children and young people within the life of the church, supporting parents and families where possible, and we remain committed to providing holiday clubs and Sunday provisions for local children and young people.

##### **Discipleship**

We continue to offer Connect Groups during the week at different times and locations, making it easier for people to engage on a regular basis. These groups are an important setting for personal development, as well as a space for personal care.

Our weekly gatherings also continue to be an opportunity for Christian learning, and we have also been encouraged by the teaching and support of various invited individuals and organisations, and have provided training opportunities for various leaders and volunteers from within the church.

##### **Gatherings**

The church continues to meet each Sunday, and during these times various teams ensure that this expression of our church life is inclusive and welcoming as well as providing an environment for spiritual growth and Christian worship. We continue to meet as a church for corporate prayer and ministry.

##### **Mission**

Through both of our locations at Ashby Road and Crosby we have continued to serve the local community, regularly providing meals, social opportunities, befriending and more. We have also continued to work with others in the community to seek the wellbeing and welfare of those who are most vulnerable.

##### **Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and complied with section 17 (5) of the 2011 Charities Act when reviewing the aims and objectives prior to planning and developing activities.

## **CONNECT CHURCH (NORTH LINCS)**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 MARCH 2024**

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#### **FINANCIAL REVIEW**

##### **Reserves policy**

In accordance with the Charities Commission guidance, the Trustees meet regularly during the year to review the level of reserves and consider that at the balance sheet date there were adequate free reserves for the church's future plans of £124,071 (2023 - £121,394).

The church has a reserves policy of 3 months wages and 3 months utilities and building commitment costs, we have set this amount for the year 2023/24 as £25,000.

Budgets are prepared on an annual basis by the staff and Leadership Team and approved by the trustees and subsequently by the church meeting.

Reviews of income and expenditure are carried out quarterly by the Leadership Team and trustees prior to being presented to the church meeting.

Those responsible for procurement of goods and services are required to ensure that best value is achieved, and that preferred suppliers are reviewed on a regular basis.

#### **FUTURE PLANS**

We are still working toward a third location of Connect Church being planted in Brigg, with the teams being developed now.

Our trustees conducted an organisational review, giving consideration to our strategic objectives moving forward. A SWOT analysis with a focus group has been conducted, and a new action plan will be developed in the near future. A new leadership structure and team has also been implemented.

This culminated in a church weekend in September 2024 to set the course for the next phase.

As we continue to work together with Connect Foundation, we anticipate that in the coming year we will partner with them to focus on alleviating poverty, particularly in the current challenges locally.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a charitable incorporated organisation (CIO).

##### **Organisational structure**

Connect Church was registered as a CIO on 23 July 2020, and operates in accordance with its constitution, which was adopted on 15 January 2020. The Trustees are appointed through an open and public process by the church members' meeting to be responsible for the governance of the church. Trustees, except the Lead Pastor, are appointed for an initial three-year term and serve so long as they have the support of the church members' meeting. They have the opportunity to be nominated for re-appointment at the end of their three-year term, after which there must be a break of at least one-year before they are nominated again. The Trustees control, manage and administer the church, subject to any specific or general directions from the church members' meeting. The Lead Pastor, who is also a Trustee, takes responsibility for the implementation of direction set by the Trustees and works through the staff and Leadership Team.

Volunteers are involved in the management, administration and activities of the church, and they play a vital role in ensuring that all of our efforts are carried out to a high standard, are effective to our objectives, and are done so in line with our vision and values as a charity. The trustees would like to place on record their sincere gratitude to all our volunteers.

The trustees during the period were those listed below.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Charity number**

1190541

##### **Principal address**

Ashby Road  
Scunthorpe  
DN16 1NR

**CONNECT CHURCH (NORTH LINCS)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**Trustees**

Rev T W Macdonald  
P Clark (resigned 2.7.24)  
A Sturman  
M Hockey  
J Sadler  
M Karaffa (appointed 14.11.23)  
A Robinson (appointed 14.11.23)

**Independent Examiner**

Helen Spauls FCA  
Smethurst & Co LLP  
12 Abbey Road  
GRIMSBY  
DN32 0HL

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees 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 and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 board of trustees on ..... and signed on its behalf by:

.....  
A Robinson - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**  
**CONNECT CHURCH (NORTH Lincs)**

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**Independent examiner's report to the trustees of Connect Church (North Lincs)**

I report to the charity trustees on my examination of the accounts of Connect Church (North Lincs) (the CIO) for the year ended 31 March 2024.

**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 carried out under Section 145 of the Act and in carrying out my examination I have followed all 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 CIO as required by Section 130 of the 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.

Helen Spauls FCA

Smethurst & Co LLP  
12 Abbey Road  
GRIMSBY  
DN32 0HL

Date: .....

**CONNECT CHURCH (NORTH LINCS)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

|  | Notes | Unrestricted<br>fund<br>£ | Restricted<br>fund<br>£ | 31.3.24<br>Total<br>funds<br>£ | 31.3.23<br>Total<br>funds<br>£ |
|--|-------|---------------------------|-------------------------|--------------------------------|--------------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>                    |       |                           |                         |                                |                                |
| Donations and legacies                               |       | 130,647                   | 14,484                  | 145,131                        | 138,492                        |
| <b>Charitable activities</b>                         |       |                           |                         |                                |                                |
| Core   |       | 22,528                    | -                       | 22,528                         | 14,111                         |
| Investment income                                    | 2     | <u>13,003</u>             | <u>-</u>                | <u>13,003</u>                  | <u>11,903</u>                  |
| <b>Total</b>   |       | <u>166,178</u>            | <u>14,484</u>           | <u>180,662</u>                 | <u>164,506</u>                 |
| <b>EXPENDITURE ON</b>                                |       |                           |                         |                                |                                |
| <b>Charitable activities</b>                         |       |                           |                         |                                |                                |
| Core   |       | <u>175,025</u>            | <u>12,664</u>           | <u>187,689</u>                 | <u>158,929</u>                 |
| Net gains on investments                             |       | <u>-</u>                  | <u>-</u>                | <u>-</u>                       | <u>9,000</u>                   |
| <b>NET INCOME/(EXPENDITURE)</b>                      |       | (8,847)                   | 1,820                   | (7,027)                        | 14,577                         |
| <b>Transfers to Connect Foundation (North Lincs)</b> | 11    | <u>-</u>                  | <u>-</u>                | <u>-</u>                       | <u>(76,908)</u>                |
| <b>Net movement in funds</b>                         |       | (8,847)                   | 1,820                   | (7,027)                        | (62,331)                       |
| <b>RECONCILIATION OF FUNDS</b>                       |       |                           |                         |                                |                                |
| Total funds brought forward                          |       | <u>715,509</u>            | <u>8,394</u>            | <u>723,903</u>                 | <u>786,234</u>                 |
| <b>TOTAL FUNDS CARRIED FORWARD</b>                   |       | <u><u>706,662</u></u>     | <u><u>10,214</u></u>    | <u><u>716,876</u></u>          | <u><u>723,903</u></u>          |

The notes form part of these financial statements

**CONNECT CHURCH (NORTH LINCS)**

**BALANCE SHEET**  
**31 MARCH 2024**

|  | Notes | Unrestricted<br>fund<br>£ | Restricted<br>fund<br>£ | 31.3.24<br>Total<br>funds<br>£ | 31.3.23<br>Total<br>funds<br>£ |
|--|-------|---------------------------|-------------------------|--------------------------------|--------------------------------|
| <b>FIXED ASSETS</b>                          |       |                           |                         |                                |                                |
| Tangible assets                              | 7     | 297,591                   | -                       | 297,591                        | 309,115                        |
| Investment property                          | 8     | <u>285,000</u>            | <u>-</u>                | <u>285,000</u>                 | <u>285,000</u>                 |
|  |       | 582,591                   | -                       | 582,591                        | 594,115                        |
| <b>CURRENT ASSETS</b>                        |       |                           |                         |                                |                                |
| Debtors                                      | 9     | 20,607                    | -                       | 20,607                         | 8,220                          |
| Cash at bank                                 |       | <u>118,012</u>            | <u>10,214</u>           | <u>128,226</u>                 | <u>129,789</u>                 |
|  |       | 138,619                   | 10,214                  | 148,833                        | 138,009                        |
| <b>CREDITORS</b>                             |       |                           |                         |                                |                                |
| Amounts falling due within one year          | 10    | <u>(14,548)</u>           | <u>-</u>                | <u>(14,548)</u>                | <u>(8,221)</u>                 |
| <b>NET CURRENT ASSETS</b>                    |       | <u>124,071</u>            | <u>10,214</u>           | <u>134,285</u>                 | <u>129,788</u>                 |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>706,662</u>            | <u>10,214</u>           | <u>716,876</u>                 | <u>723,903</u>                 |
| <b>NET ASSETS</b>                            |       | <u>706,662</u>            | <u>10,214</u>           | <u>716,876</u>                 | <u>723,903</u>                 |
| <b>FUNDS</b>                                 | 11    |                           |                         |                                |                                |
| Unrestricted funds                           |       |                           |                         | 706,662                        | 715,509                        |
| Restricted funds                             |       |                           |                         | <u>10,214</u>                  | <u>8,394</u>                   |
| <b>TOTAL FUNDS</b>                           |       |                           |                         | <u>716,876</u>                 | <u>723,903</u>                 |

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....  
A Robinson - Trustee



**CONNECT CHURCH (NORTH LINCS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

**Donations**

Donations are accounted for gross when received.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Investment Income**

Investment income is accounted for in the year in which it is received.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                       |  |
|-----------------------|--|
| Freehold property     | - 5% Straight Line and 2% Straight Line                      |
| Fixtures and fittings | - 25% Straight Line, 20% Straight Line and 10% Straight Line |

Depreciation on fixed assets costing over £250 is calculated to write off the cost on a straight line basis over their expected useful lives.

The church premises owned prior to 2002 are considered to be inalienable and historic fixed assets. They are excluded from the balance sheet because reliable cost information is not available and valuation would incur significant costs, which would be onerous compared to the additional benefit gained by the user of the accounts. Expenditure since 2002 on premises is included in the balance sheet at cost.

The building extension in 2002 is included in fixed assets at a cost of £485,200 and depreciated at 2% straight line. The Trustees consider that none of its separate components has a significantly different useful economic life that collectively would materially affect the carrying value in the accounts.

Furniture and equipment acquired since 2002 for the church premises is included at cost where the expected useful life exceeds 5 years. Fixed assets are reviewed annually for impairment where a market value can be reasonably assessed.

**Investment property**

Investment property is measured at cost and subsequently at fair value at each reporting date. No depreciation is provided on investment property.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**CONNECT CHURCH (NORTH LINCS)**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

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

**Pension costs**

Employer's contributions to the defined contribution pension schemes of eligible employees are included in the Statement of financial activity in the year in which they become payable. Obligations under a defined benefit multi-employer plan are recognised as though they were a defined contribution plan. From August 2022 it was agreed that £1 per month would be contributed towards the pension scheme deficit therefore no liability is recognised.

**2. INVESTMENT INCOME**

|                | 31.3.24       | 31.3.23       |
|----------------|---------------|---------------|
|                | £             | £             |
| Rents received | 9,525         | 9,900         |
| Bank interest  | <u>3,478</u>  | <u>2,003</u>  |
|                | <u>13,003</u> | <u>11,903</u> |

**3. GRANTS PAYABLE**

|      | 31.3.24       | 31.3.23      |
|------|---------------|--------------|
|      | £             | £            |
| Core | <u>11,240</u> | <u>8,900</u> |

The total grants paid to institutions during the year was as follows:

|                       | 31.3.24      | 31.3.23      |
|-----------------------|--------------|--------------|
|                       | £            | £            |
| BMS World Mission     | 4,320        | 4,320        |
| Home Misson           | 4,320        | 4,320        |
| Pakistan Flood Relief | -            | 260          |
| Lives                 | <u>100</u>   | <u>-</u>     |
|                       | <u>8,740</u> | <u>8,900</u> |

The total grants paid to individuals during the year was as follows:

|                  | 31.3.24      | 31.3.23  |
|------------------|--------------|----------|
|                  | £            | £        |
| Other individual | <u>2,500</u> | <u>-</u> |

**4. TRUSTEES' REMUNERATION AND BENEFITS**

|                         | 31.3.24       | 31.3.23       |
|-------------------------|---------------|---------------|
|                         | £             | £             |
| Trustees' salaries      | 32,880        | 30,780        |
| Trustees' pensions paid | <u>3,627</u>  | <u>3,530</u>  |
|                         | <u>36,507</u> | <u>34,310</u> |

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

The above Trustees remuneration relates to pastor, Rev T W MacDonald in respect of his services as Lead Pastor.

In addition to the above T W Macdonald, lived rent-free in housing owned or leased by the church, as is customary for clergy. For pension purposes this benefit has been valued at £7,600 (2023 - £6,000)

**CONNECT CHURCH (NORTH Lincs)**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**5. STAFF COSTS**

The average monthly number of employees during the year was as follows:

|        | 31.3.24  | 31.3.23  |
|--------|----------|----------|
| Church | <u>5</u> | <u>5</u> |

No employees received emoluments in excess of £60,000.

Total paid to key management during the period inclusive of national insurance and pension contributions was £36,507 (2023 -£34,310).

**6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

|   | Unrestricted<br>fund<br>£ | Restricted<br>fund<br>£ | Total<br>funds<br>£ |
|---|---------------------------|-------------------------|---------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>             |                           |                         |                     |
| Donations and legacies                        | 124,981                   | 13,511                  | 138,492             |
| <b>Charitable activities</b>                  |                           |                         |                     |
| Core  | 14,111                    | -                       | 14,111              |
| Investment income                             | <u>11,903</u>             | <u>-</u>                | <u>11,903</u>       |
| <b>Total</b>                                  | <u>150,995</u>            | <u>13,511</u>           | <u>164,506</u>      |
| <b>EXPENDITURE ON</b>                         |                           |                         |                     |
| <b>Charitable activities</b>                  |                           |                         |                     |
| Core  | <u>147,440</u>            | <u>11,489</u>           | <u>158,929</u>      |
| Net gains on investments                      | <u>9,000</u>              | <u>-</u>                | <u>9,000</u>        |
| <b>NET INCOME</b>                             | 12,555                    | 2,022                   | 14,577              |
| Transfers to Connect Foundation (North Lincs) | <u>-</u>                  | <u>(76,908)</u>         | <u>(76,908)</u>     |
| <b>Net movement in funds</b>                  | 12,555                    | (74,886)                | (62,331)            |
| <b>RECONCILIATION OF FUNDS</b>                |                           |                         |                     |
| Total funds brought forward                   | 702,954                   | 83,280                  | 786,234             |
| <b>TOTAL FUNDS CARRIED FORWARD</b>            | <u>715,509</u>            | <u>8,394</u>            | <u>723,903</u>      |

**CONNECT CHURCH (NORTH Lincs)**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**7. TANGIBLE FIXED ASSETS**

|                       | Freehold<br>property<br>£ | Fixtures<br>and<br>fittings<br>£ | Totals<br>£    |
|-----------------------|---------------------------|----------------------------------|----------------|
| <b>COST</b>           |                           |                                  |                |
| At 1 April 2023       | 512,539                   | 86,349                           | 598,888        |
| Additions             | -                         | 1,430                            | 1,430          |
| At 31 March 2024      | <u>512,539</u>            | <u>87,779</u>                    | <u>600,318</u> |
| <b>DEPRECIATION</b>   |                           |                                  |                |
| At 1 April 2023       | 213,963                   | 75,810                           | 289,773        |
| Charge for year       | <u>10,779</u>             | <u>2,175</u>                     | <u>12,954</u>  |
| At 31 March 2024      | <u>224,742</u>            | <u>77,985</u>                    | <u>302,727</u> |
| <b>NET BOOK VALUE</b> |                           |                                  |                |
| At 31 March 2024      | <u>287,797</u>            | <u>9,794</u>                     | <u>297,591</u> |
| At 31 March 2023      | <u>298,576</u>            | <u>10,539</u>                    | <u>309,115</u> |

**8. INVESTMENT PROPERTY**

|                                      |                |
|--------------------------------------|----------------|
|                                      | £              |
| <b>FAIR VALUE</b>                    |                |
| At 1 April 2023<br>and 31 March 2024 | <u>285,000</u> |
| <b>NET BOOK VALUE</b>                |                |
| At 31 March 2024                     | <u>285,000</u> |
| At 31 March 2023                     | <u>285,000</u> |

Investment property was initially purchased for £155,000 in 2003.

The Trustees have estimated the fair value of the investment property at each period end using publicly available government information on local house prices.

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                 |               |              |
|-----------------|---------------|--------------|
|                 | 31.3.24<br>£  | 31.3.23<br>£ |
| Gift aid debtor | 6,128         | 4,976        |
| Other debtors   | <u>14,479</u> | <u>3,244</u> |
|                 | <u>20,607</u> | <u>8,220</u> |

**CONNECT CHURCH (NORTH LINCS)**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                 | 31.3.24<br>£  | 31.3.23<br>£ |
|-----------------|---------------|--------------|
| Other creditors | <u>14,548</u> | <u>8,221</u> |

**11. MOVEMENT IN FUNDS**

|                           | At 1.4.23<br>£ | Net<br>movement<br>in funds<br>£ | At<br>31.3.24<br>£ |
|---------------------------|----------------|----------------------------------|--------------------|
| <b>Unrestricted funds</b> |                |                                  |                    |
| General fund              | 715,509        | (8,847)                          | 706,662            |
| <b>Restricted funds</b>   |                |                                  |                    |
| Restricted                | 8,394          | 1,820                            | 10,214             |
| <b>TOTAL FUNDS</b>        | <u>723,903</u> | <u>(7,027)</u>                   | <u>716,876</u>     |

Net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | 166,178                    | (175,025)                  | (8,847)                   |
| <b>Restricted funds</b>   |                            |                            |                           |
| Restricted                | 14,484                     | (12,664)                   | 1,820                     |
| <b>TOTAL FUNDS</b>        | <u>180,662</u>             | <u>(187,689)</u>           | <u>(7,027)</u>            |

**Comparatives for movement in funds**

|                           | At 1.4.22<br>£ | Net<br>movement<br>in funds<br>£ | Transfers to<br>Connect Foundation<br>(North Lincs)<br>on 1.4.22<br>£ | At<br>31.3.23<br>£ |
|---------------------------|----------------|----------------------------------|---|--------------------|
| <b>Unrestricted funds</b> |                |                                  |   |                    |
| General fund              | 702,954        | 12,555                           | -   | 715,509            |
| <b>Restricted funds</b>   |                |                                  |   |                    |
| Restricted                | 83,280         | 2,022                            | (76,908)  | 8,394              |
| <b>TOTAL FUNDS</b>        | <u>786,234</u> | <u>14,577</u>                    | <u>(76,908)</u>   | <u>723,903</u>     |

**CONNECT CHURCH (NORTH Lincs)**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**11. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 150,995                    | (147,440)                  | 9,000                    | 12,555                    |
| <b>Restricted funds</b>   |                            |                            |                          |                           |
| Restricted                | 13,511                     | (11,489)                   | -                        | 2,022                     |
| <b>TOTAL FUNDS</b>        | <u>164,506</u>             | <u>(158,929)</u>           | <u>9,000</u>             | <u>14,577</u>             |

A current year 12 months and prior year 12 months combined position is as follows:

|                           | At 1.4.22<br>£ | Net<br>movement<br>in funds<br>£ | Transfers to<br>Connect Foundation<br>(North Lincs)<br>on 1.4.22<br>£ | At<br>31.3.24<br>£ |
|---------------------------|----------------|----------------------------------|---|--------------------|
| <b>Unrestricted funds</b> |                |                                  |   |                    |
| General fund              | 702,954        | 3,708                            | -   | 706,662            |
| <b>Restricted funds</b>   |                |                                  |   |                    |
| Restricted                | 83,280         | 3,842                            | (76,908)  | 10,214             |
| <b>TOTAL FUNDS</b>        | <u>786,234</u> | <u>7,550</u>                     | <u>(76,908)</u>   | <u>716,876</u>     |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 317,173                    | (322,465)                  | 9,000                    | 3,708                     |
| <b>Restricted funds</b>   |                            |                            |                          |                           |
| Restricted                | 27,995                     | (24,153)                   | -                        | 3,842                     |
| <b>TOTAL FUNDS</b>        | <u>345,168</u>             | <u>(346,618)</u>           | <u>9,000</u>             | <u>7,550</u>              |

Included within restricted funds in the current and comparative periods are as follows:

**Next Generation**

This is a one-off legacy donation that was given with the express purpose of being used to develop future leaders for service within the charity.

**Christmas Hampers**

Donations were made to sponsor a Christmas hamper. The Christmas hampers were then prepared and delivered in partnership with local children's services, ensuring that the most vulnerable and needy families, received a full Christmas dinner and gifts for children.

**Ukraine Appeal Fund**

One off donations were received and distributed to some of our partner organisations and/or churches who were supporting refugees on the Ukrainian border, following the Russian invasion.

**CONNECT CHURCH (NORTH Lincs)**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**11. MOVEMENT IN FUNDS - continued**

**Fuelled Fund**

The delivery of holiday clubs in Crosby as part of the local authority campaign to support those who receive school meals.

**Interfaith**

Supporting the promotion and delivery of equality and diversity training within North Lincolnshire as part of national interfaith week.

**Trauma Training**

Providing training to those from within local education settings to ensure that children and young adults are being cared for in a way that is appropriate for their needs.

**Burglary**

Raising funds to support a family who were the victims of a burglary, leading to significant financial losses.

**University Fees**

Raising funds toward university fees.

**Mission All**

One off donations were made to support the work of various partner charities who are seeking to share the Christian message in areas that are considered to be missionally challenging. These donations followed those involved in these charities sharing their stories and providing some training to Connect Church.

**Transfers**

Transfers are amounts transferred to Connect Foundation (North Lincs) on 1st April 2022.

**12. RELATED PARTY DISCLOSURES**

During the year elected Trustees donated £17,180 (2023 - £9,330) to the church.

During the year management fees of £15,000 (2023 - £12,000) were received from Connect Foundation (North Lincs).

Amounts outstanding at the 31st March 2024 from Connect Foundation (North Lincs) were £13,330 (at 31 March 2023 £2,534).

**13. PENSIONS**

The Church is a participating employer in the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Broadstone Corporate Benefits Ltd. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members if they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited. [Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.]

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

The Minister is eligible to join the Scheme.

**CONNECT CHURCH (NORTH LINC'S)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**13. PENSIONS - continued**

**Actuarial Valuation as at 31 December 2019**

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:

| <b>Type of financial assumption</b>  | <b>% pa</b> |
|--|-------------|
| RPI price inflation assumption   | 3.20        |
| CPI price inflation assumption   | 2.70        |
| Minimum Pensionable Income Increase Adjustments (above CPI)  | 0.50        |
| Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)   | 2.95        |
| Post retirement assumed investment returns (including benefits matched by the insurance policy)<br>(gilt yield plus 0.5% pa) | 1.70        |
| Minimum Pensionable Income increases (CPI plus 0.5%)   | 3.20        |
| Deferred pension increases (based on RPI)  |             |
| - Pre April 2009   | 3.20        |
| - Post April 2009  | 2.50        |
| Pension increases  |             |
| - Based on CPI with an annual floor of 0% and annual cap of 5%   | 2.70        |

Mortality was assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme was due to take place not later than as at 31 December 2022. However, the DB Plan is to be wound up, and the process to wind it up was started with effect from 31 March 2024 and therefore no formal valuation is due to take place.

**Recovery Plan**

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and, following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022. These contributions are payable under the recovery plan until June 2026. The outstanding deficiency contributions due under the Recovery Plan are not considered material and therefore have not been included in the balance sheet.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

| <b>Accounting date (year ending):</b>                             | <b>31 March 2024</b> | <b>31 March 2023</b> |
|---|----------------------|----------------------|
| Balance sheet liability at year start                             | £-                   | £23,200              |
| Minus deficiency contributions paid                               | £-                   | -£1,878              |
| Interest cost (recognised in SoFA)                                | £-                   | £-                   |
| Remaining change to balance sheet liability *(recognised in SoFA) | £-                   | £21,322              |
| Balance sheet liability at year end                               | £-                   | £-                   |



**CONNECT CHURCH (NORTH LINCS)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**14. RELATED CHARITIES**

The custodian trustee of the church is the Baptist Union Corporation Limited (Charity no. 249635) which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union Great Britain and the East Midlands Baptist Association.

The church has made donations to the Baptist Union Home Mission Scheme and BMS World Mission as set out in note 3.

**15. CHARITY RECONSTRUCTION**

From 1 April 2022 the activities and restricted funds relating to Scunthorpe Foodbank and Change for Change were transferred to Connect Foundation (North Lincs), a Charitable Incorporated Organisation, which was set up by Connect Church (North Lincs).

The minister of Connect Church (North Lincs) is automatically a Charity Trustee of Connect Foundation (North Lincs), and the members of Connect Church (North Lincs) shall nominate candidates for election as Charity Trustees to the board of Connect Foundation (North Lincs) when appropriate.

On 1st April 2022 £3,049 was transferred from Connect Church (North Lincs) to Connect Foundation (North Lincs) held in relation to Change for Change and £73,859 was transferred from Connect Church (North Lincs) to Connect Foundation (North Lincs) held in relation to Foodbank.