



Free Christian Fellowship

Annual Report

8 NOVEMBER - 31 DECEMBER 2022

This first financial year runs from the date of our registration with the Charities Commission, 8 November 2021, to 31 December 2022. Future financial years will run from 1 January to 31 December.

SUMMARY

Free Christian Fellowship was formed from the merger of Free Christian Fellowship (Beacon Hill) and HERA Fiskerton (HERAF). The reasons for the merger were:

1. the Beacon Hill congregation had fallen to very low levels and income could not sustain day to day expenditure;
2. Following a professional survey it was discovered that the building was in such a state of disrepair that remedial works would cost in excess of £250k, finance for which could not be met from income or reserves.
3. The Beacon Hill fellowship had associations with HERAF and the Fiskerton building was in a good state of repair. Although the location was not ideal, there had been a history of a thriving congregation in times past irrespective of the location.

Following discussion, a letter setting out the options to continue fellowship at Beacon Hill was sent to the Beacon Hill Trustees asking for written acceptance of one of four options. Written responses were received on 9 September 2021 confirming a unanimous decision to merge with HERAF, following the completion of the sale of Beacon Hill Chapel, and transfer of worship to Fiskerton Chapel. It was further agreed that the name of Free Christian Fellowship would be retained, simplifying the administrative changeover.

It became evident that an agreement had been made in 1988 between the Trustees of Henri's Evangelical Revival Association, Basildon, (HERA) and HERAF to purchase the Fiskerton Chapel from the Methodists. It was agreed that HERA would effect the purchase, using funds raised from the HERAF congregation, and transfer the title deed in fee simple to HERAF. Owing to a misunderstanding the transfer had not been effected. This was remedied on 14 March 2022 with legal completion of the transfer of Fiskerton Chapel from HERA to FCF Trustees being the now merged organisation.

The first full year has been successful. God's presence has been evident in the meetings and His ministry of salvation, healing and deliverance has been manifest among the congregation and outside of the meetings. We have established a good rapport with our neighbours after a rocky start owing to parking issues. Although there have been some people leave the meetings for a number of reasons, there have been others who have joined us. There is a core of weekly attendees, a larger group who attend reasonably regularly and some from time to time.

The meetings are substantially different in nature to what have been known as Glory Meetings in more recent years. God is preparing His Church for the spiritual revival that has been prophesied ahead of the soon return of Christ in the rapture. Glory meetings were so named because the Glory of God was present and it is evident that God's presence is once more ministering to the church at Fiskerton. God has given clear instruction as to how the meetings

should proceed, and His leading is being followed, making disciples and strengthening the Church. However, to continue to move forward there must be a conscious effort for outreach.

Key points

From a management viewpoint, the key points are summarised as follows:

- Offerings, donations and miscellaneous income, for the period amounted to £ 7,663.02;
- Income to FCF from the sale of Beacon Hill Chapel amounted to £ 35,606.02;
- Government assistance with energy costs during the year amounted to £199, further information is available in Financial;
- Official notification has been received from the solicitors confirming completion of the transfer of Fiskerton Chapel to FCF from HERA in compliance with the 1988 agreement made between the two parties. FCF now owns the Chapel freehold. The transfer was legally completed on 14 March 2022 and the Land Registry certificate was issued on 15 November 2022;
- Coronavirus is having limited impact on attendance at the meetings and we have not had to cancel any meetings in this financial year.

Fiskerton Chapel

A number of repairs and renewals have been completed during the year. We have been very grateful to some of the contractors and church members who have carried out work at no cost or just the cost of materials. These works are detailed under Repairs and Renewals. Where the work has been completed at no cost, or reduced cost, the donated element has not been costed and recorded as a donation in the financial report.

Further work has been planned for the next financial year to bring the built environment and furnishings up to a standard that will enable the hall to be hired out for events that meet the criteria contained within FCF Codes of Conduct and operational Policies. Making the chapel available as a community resource may help build relationships and encourage locals to come to the meetings, as well as provide an income stream. The hall is currently hired as a polling station for elections.

Outreach

A total of 700 'Why Jesus' evangelism booklets have been purchased during the year at a total cost of £408. Two-hundred 'Why Jesus?' booklets were purchased during January 2022, a further order for five-hundred books was placed during April. An order for five-hundred booklets realises the maximum discount on a bulk purchase. Good use is being made of the booklets by the congregation. Small donations of booklets have also been made to a prison chaplain and a small local church.

The average number attending the meetings during this financial year is 19, the largest number being 44 and the smallest 10.

Donations

A collection was made for Ukrainian refugees escaped to Poland. Tomasz Wenclewski's Mother is involved with a number of hotels, run by the Polish Government, providing accommodation for the refugees. The volume of refugees means the Polish Government provide nothing more than basic food and accommodation. Many refugees arrive with nothing other than the clothes they stand in. £1,320 was raised, which was used to buy gift packs for the children and much needed toiletries for the adults. Our grateful thanks for all who contributed so generously.

Donations amounting to £330 have been made from October 2022 to assist a local food bank.

A donation of £100 was made to Beaumont House Hospice in memory of Jose Berry.

FINANCIAL

The cash position for FCF for the 2021/22 financial period remains healthy with income levels exceeding day to day running costs. Costs are carefully managed and there are no foreseeable debts or expenditure that cannot be met from income or bank reserves. Utilities costs remain a concern and work is ongoing to ensure the building is as well insulated as possible given its age and construction. Further recommendations are made under the heading Utilities.

The opening cash position on 8 November 2021 was £81,670.61, comprising bank account of £81,422.47 and cash in hand of £248.14. This included the hammer price of £70,494 for the auction sale of Beacon Hill Chapel on 28 September 2021. Excess of expenditure over income was £33,040.14 leaving a cash balance at the year end of £48,630.47.

Under an agreement made between HERA and the Trustees of Beacon Hill Chapel fifty-percent of the income from the sale of Beacon Hill Chapel less sales costs was to be paid to HERA amounting to £34,887.98. Gross income to FCF from the Beacon Hill Chapel sale amounted to £35,606.02.

Operating performance for this financial period, excluding the capital movements, indicates an increase of £2,134.32 over the previous year using a monthly average income for each period.

Income

Total income for the year amounts to £7,663.02, comprised as follows:

Collections and donations: £ 7,345.04

Specified income: British Gas: £ 199.00 Government utilities assistance

Miscellaneous cash receipts: £ 118.98

Of the total income £ 1,680.00 was donated for specified projects, as follows:

Purchase of 'Why Jesus' books £.100.00

Ukraine Appeal £ 1,311.00

Ukraine gift £ 70.00 Donated post appeal closure, held in reserve

A further £535.00 was paid by Mr Stansfield to repair accidental damage to the boundary fence following a collision with a car driven by Mrs Stansfield. Trojan Landscapes quoted £535 to complete the repairs but they were able to complete the work for £ 500.00. £35 was refunded to Mr Stansfield.

Expenditure

Total expenditure for the period from 8 November 2021 to 31 December 2022 is £ 40,703.16 excluding the costs for reinstating the damaged fencing, which is being recorded separately as a one off event. Items have been recorded under the Charity Commission report headings and are as follows, exceptional items are listed in the comments:

Light and heat: £ 993.00 the actual cost was £ 794.00 but as previously recorded the Government provided £199 utilities assistance;

Legal and Insurance: £ 1,971 .66 Legal fees of £ 780.00 were paid to Taylor Bracewell for services to transfer Fiskerton chapel from HERA to FCF in fee simple;

The insurance premium of £ 528.87 for FCF building and contents for 2022 was paid to Integra Insurance on 10 November 2021. A further premium of £572.79

		for building and contents insurance for 2023 was paid to Integra Insurance on 28 December 2022; Accountancy fees of £90 were paid to Marshall Walker on 11 July 2022.
Donations, Catering, Sundries:	£ 2013.64	The refund of £35.00 made to Mr Stansfield, is not accounted under this heading; A donation amounting £ 1,320.00 was made on 21 March 2022, to benefit Ukraine refugees taking refuge in Polish Government accommodation; Weekly donations amounting to £ 330.00 were made to support a local food bank from 8 October to 28 December 2022; A donation of £100.00 was made to Beaumond House Hospice in memory of Jose Berry on 23 November 2022.
Repairs and renewals:	£ 406.99	£500.00 cost for the fence repair is not recorded so that expenditure is not skewed by an extraordinary event; Nottingham Fire replaced fire extinguishers and signage at a cost of £ 292.48 to comply with the annual Health and Safety review; Zoom subscription is shared with Prison Fellowship, our contribution amounted to £ 72.00.
Outreach:	£ 407.98	A total of 700 'Why Jesus' books have been purchased during the year.
Stationery and postage:	£ 21.91	
Capital:	£ 34,887.98	In compliance with an agreement made between HERA and the trustees of Beacon Hill Chapel, 50% of the purchase price less sale costs was to be paid to HERA on financial completion.

Utilities

From 1 January to 12 April 2022 the monthly direct debit for Gas and Electricity was £25.02. This low rate was the consequence of reduced usage owing to Coronavirus closures. Owing to the volatility of the market we had not been able to negotiate a fixed price contract with anyone including British Gas the current supplier. When the contract period came to an end on 12 April 2022 we secured a 12 month fixed price contract to provide some ongoing price stability at a cost of £150 per month (£1,800 per annum) until 30 April 2023. The direct debit increase was not implemented by British Gas until 1 August 2022, consequently it was increased to £173.51 (£1,488.08 per annum). During November 2022 a bill was received that indicated that a monthly payment of £ 98.80 would meet our forecast usage by the end of the term. A request was made to British Gas to reduce the direct debit payment accordingly and the payment has been revised from 1 December 2022.

Energy cost directly relates to usage. If we use more energy than our forecast usage the direct debit will increase accordingly. It is the standing charges and the kWh rate that is fixed. There was another price cap review in October 2022. Utilities costs have increased, further reviews will be made in January and April 2023. The fixed price contract renews in April 2023 a marked increase in costs is likely.

Recommendation - Our usage in July 2022 for gas and electricity supply, including standing charges amounted to £87. At 27 August we had a debit of £72.31 compared to a debit of £479 in

March 2022. The strategy employed was to continue paying the direct debit amount each month until the account was in a credit at the end of the month. There is a monthly review on the British Gas app, which has proved to be inaccurate. Despite submission of monthly meter readings they insist on using estimated readings.

A smart meter was installed on 5 May 2022 to eliminate estimated readings, therefore increasing billing accuracy and enabling the monitoring of gas and electricity usage particularly during the week, when the building is unoccupied. The meter has indicated that gas and electricity usage during the unoccupied period in the week for maintaining supply to the refrigerator, freezer and gas boiler, is minimal.

British Gas invoicing has been haphazard, the statement date of 28 March 2022 covered the period from 24 August 2021 to 28 March 2022, seven months. The charge was £613.46. Surprisingly our payments for the seven month period of £175.14 were considered to be 'spot on' to recover forecast usage, despite having a closing debit against the account of £479.11. The invoice for March to May, less than three months, did not include any charge for electricity. British Gas are difficult suppliers to manage, but because of current market constraints there are no alternatives available.

Recommendation - an alternative supplier be found as soon as is practicable, but that may not be possible in the foreseeable future.

Professional services

Taylor Bracewell solicitors have completed the transfer of title of Fiskerton Chapel from HERA to FCF and have tendered their invoice for £280 accordingly. The total cost for their services is £780, £500 having been paid in Q4, 2021. Free Christian Fellowship now own the building. The certificate confirming the Land Registry was received on 15 November 2022.

Marshall Walker, Accountants, were engaged to examine the accounts for the 2022 year end in compliance with Charities Commission requirements. Marshall Walker were the accountants for Beacon Hill Fellowship and have provided a professional service at a very reasonable cost for many years.

Recommendation - Marshall Walker to be considered for accountancy work for FCF, subject to annual appointment at the AGM.

Insurance for building, contents and third party cover has historically been managed by Integra Insurance. Normally an increase of 6% per annum is applied, which has been well above market cost increases for some years. The costs are fixed to Grade 1 listed building costs, so many centuries old Church of England churches. Our chapel is brick built without any of the stone work embellishments, fixtures and fittings of a centuries old church. FCF is tied to Integra through a Long Term Undertaking which reportedly gives a 25% reduction on the premium. Applying building value increases of 6% when building values, materials and labour costs have remained broadly static up until the recent surge in property values, has inflated the building value and the insurance premium. Discussions for a more market led approach to the annual valuation has resulted in the threat to only pay a percentage of any claim. The insurance valuation of the building currently stands at £446,631.

Recommendation - Our commitment to Integra ends in November 2024, it is recommended that we seek an alternative insurance provider, offering at least the same cover for less cost and with an annual uplift related to a nationally recognised inflation increase index.

Capital

A replacement counter top oven has been purchased at a cost of £34.99 to provide a more reliable method of reheating cooked food for after meeting refreshments.

Plans are being formulated for the refurbishment of the building to make it more thermally secure and a more welcoming place for visitors to worship the Lord with us. Upgrading all facilities within the building will provide an opportunity for the resource to be hired out to local organisations that conform to the FCF Code of Conduct and Policies. The building is already hired by Newark District Council as a polling station for local and national elections.

Charities Commission

Preparation for the submission of accounts and annual report for the period-ending 31 December 2022 to the Charities Commission, will be completed following an AGM to agree the accounts and this report. There is a further quantity of supporting work necessary as part of this first submission to the Commission. Governance documents, Codes of Conduct and operational Policies will need to be approved by the Trustees before publication. We are grateful to Christine Key who has kindly drafted policies for Trustee approval. The draft policies are undergoing review and editing and will be published to the Trustees for consideration and comment in due course. Appropriate notes regarding implications for the Fellowship will be provided, where decisions need to be made in light of guidance and FCF ethics and Statement of Faith.

Forecast

Currently our financial position, in terms of cash reserves, is healthy and forecast expenditure is not likely to exceed our income on current performance. We must be good stewards of what God has given us charge over, but we can trust the Lord to meet our needs, as He has done for many years. We are not a commercial organisation focused on profitability, therefore no forecast is made regarding future income or our end of year performance. That is not to say that we should not make plans and provisions for the foreseeable future to accommodate expected liabilities and growth. Our financial focus is to trust the Lord to cover our general running costs with regular income, using the excess income and reasonable levels of our reserves to evangelise in preparation for the soon return of the Lord.

Michael Copeman
Chair of Trustees

16 June 2023

FREE CHRISTIAN FELLOWSHIP
INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD 8 NOVEMBER 2021 TO 31 DECEMBER 2022

Period 08/11/2021
to 31/12/2022

INCOME

Collections & Donations	7,345.04
British Gas	199.00
Misc Cash Receipts	<u>118.98</u>
	7,663.02

LESS EXPENDITURE

Henris Evangelical (50% of Beacon Hill Chapel Sale)	34,887.98	
Legal & Professional Fees	780.00	
Light & Heat	993.00	
Insurances	1,101.66	
Donations, Catering & Sundries	363.64	
Repairs & Renewals	406.99	
Accountancy	90.00	
Food Bank Donations	330.00	
Donation to Ukraine	1,320.00	
Teaching Materials	407.98	
Stationery & Postage	<u>21.91</u>	40,703.16
Excess of Expenditure over Income		<u><u>- 33,040.14</u></u>

Represented by:

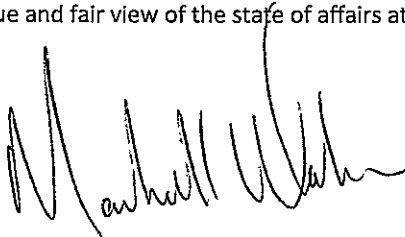
Opening Cash at Bank at 8 November 2021	81,422.47
Opening Cash in Hand at 8 November 2021	248.14
Excess of Expenditure over Income	<u>- 33,040.14</u>
	<u><u>48,630.47</u></u>

Cash at Bank at 31 December 2022	48,623.36
Cash in Hand at 31 December 2022	<u>7.11</u>
	<u><u>48,630.47</u></u>

Audit Report

I have examined the books and receipts of the Fellowship and report that the above Income & Expenditure Account gives a true and fair view of the state of affairs at that date.

Marshall Walker & Co
Accountants
The Croft Barn
Syerston
Newark
Nottinghamshire
NG23 5NE



23rd March 2023

Independent Examiner's Report to the Trustees of The Free Christian Fellowship

I report on the accounts of the fellowship.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the 1993 Act and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act have not been met or:
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed.....

Date 23rd March 2023

Stephen Walker FFA.FFTA.FPA

Marshall Walker & Co Accountants, The Croft Barn, Syerston, Newark, Nottinghamshire
NG23 5NE.