

Penwortham Free Methodist Church
Registered Charity 701133

Legal and Administrative Information
for the year ending 31 December 2020

Section A	Reference and administration details
Charity name	Penwortham Free Methodist Church
Working name	King's Church
Registered charity number	701133
Trustees:	<u>Leadership Team</u> Chair - Gordon Wardman (Lay Delegate) Beryl Clarkson Matthew Moll Mike Giddings Moira Smith Tony Morton-Jones Elder (non trustee) Rev Kevin Jones Church Administrator Carol Salisbury Church Treasurer Matthew Moll
Bankers:	CAF Bank Limited 25 Kings Hill West Malling Kent ME19 4JQ
Solicitors:	Napthens 7 Winckley Square Preston PR1 3JD
Independent examiner:	Michael J Sullivan Financial Accountants 24 Kingsway West Penwortham Preston PR1 0LA

Section B Structure, Governance & management

The controlling charity document (Charity Number 701133) was approved and established as the Scheme for the regulation of the Charity on 21st April 1983 this scheme also recognises the role of the 'Book of Discipline' of the Free Methodist Church of North America as amended from time to time (latest version is dated 2015 and is now available to read on www.freemethodistchurch.org.uk). The church is also part of the GB Conference of the Free Methodist Church and is under the discipline of the Conference as described in the Book of Discipline.

The Church members (partners) elect the Official Church Board who are also the charity's trustees and as such are elected at the Annual Society (Partners) Meeting and these together with the Church employees form the Leadership Team. One of the elected Board members is the Church's Lay Delegate and as such represents the Church at the Annual Free Methodist UK Conference.

Section C Trustees Annual Report for the year 2020

Rev D Kevin Jones was inducted as pastor on January Saturday 18th 2020 and began regular ministry on Sunday 19th. He was also appointed as the Chairman of the Missions Vision Team.

We were sad to lose the Edwards, (CMC and family Worker) the Spenders (Treasurer, Delegate and Youth Worker) and the Beatties (Church Secretary) who have all served the church faithfully for years. Also, the death of founder member Jack Kerridge was a sad loss to all.

Lockdown began in March 22nd so all church activities had to be moved to YouTube and Zoom for the rest of the year. Numbers watching the YouTube services were encouraging, with people tuning in from far and near. A Zoom fellowship chat room was opened after the services.

Two homegroups continued to meet weekly over Zoom.

Kevin recorded a weekly midweek bible study on YouTube.

The Trustees continued to meet on a regular basis. The meetings followed the new structure agreed in 2018.

In addition, the Church Nominations Team met to identify persons suitable for serving on the Church Leadership Team to fill the vacancies which had occurred during the year.

Meetings for prayer were held outdoors in small groups as restrictions allowed in the summer months.

The lockdown taskforce was established to manage the COVID-19 restrictions affecting church activities.

Global links held several Zoom meetings with overseas workers.

It has been a challenging year but thanks to the wonders of modern technology and James and Carol's ability to work it we have still been able to function as a church.

There have been many other opportunities offered to members of the church to meet/serve on a spiritual / social level (Sunday service activities and preparation, home groups, prayer meetings, mission presentations, rambles, meals etc.). These are in addition to the activities serving the community mentioned in Section D.

Section D Review of Community Benefits

Lockdown greatly restricted our community presence in 2020.
A Friday Zoom quiz night was established.

Two members continue to help the food bank.

CAP still offered online money club and steps to employment courses.
Jewels ministry to asylum seekers met outdoors in small groups for language and friendship as restriction allowed.

The international students group continued on Teams.

At Christmas we had a Carols in cars service in priory academy car park which was well attended by the community.

We ran an online Alpha before Christmas .

Section E Review of risk managements

As the church uses a local High School for its Sunday services, rather than a purpose-built building of our own, we are in a position where we need to be constantly vigilant on a week by- week basis to identify any changes to the facilities that we use on the premises and to work closely with the school property manager. There is a fire evacuation plan in place and a fire drill is carried out annually. The Trustees are aware of risks and take appropriate steps to control these risks and mitigate any impact they might have; these include an annual fire evacuation drill. Insurance policies for the buildings are in place and reviewed from time to time to ensure that valuables are insured adequately. Changes in the assets are also examined to ensure that the insurances are correctly set. All people working with children and vulnerable adults have DBS clearance, (renewed every three years) and this complemented by a safeguarding policy. Budgetary control is actively pursued by preparing an annual budget and by studying the monthly financial statements prepared by the treasurer, when necessary, spending controls are introduced in addition to regular controls to keep spending within the actual income.

Section F Review of Financial Performance

King's Church Annual Financial Report for 2020

The Financial Report is usually presented at the Annual General Meeting but as this has been moved to November 2021 the Church Board Trustees requested a summary presented to the congregation to coincide with the Accounts being posted to the Charities Commission.

The Financial Report has been written by Matthew Moll on behalf of the Church Administration Team and the Board of Trustees.

Further detailed copy of the audited accounts for year ending 31st December 2020 can be requested from Matthew Moll the Church Treasurer.

2020 Statement of Financial Activities – Headline

Year	2016	2017	2018	2019	2020
Income Includes designated giving/grants for youth work, job club, and restricted funds e.g. Church Holiday)	£94,758	£120,753	£104,195	£100,099	£69,983
Expenditure	£96,336	£112,276	£99,776	£97,211	£66,147
Balance	-£1,578	+£8,477	+£4,419	+£3,744	+£3,932
Carried Forward reserves	£78,000	£76,000 (note we used £10,000 for purchase of minibus)	£80,000	£83,700	£87,600

After recording the highest income in 2017 in recent times of the church, the income fell during 2018,19 & 20 but we recorded a small surplus of £3,932 leaving us with reserves of £87,600. (note the church aims to keep approximately £50,000 in reserves so we have a least six months to cover salaries and rentals)

Breakdown in Expenditure

Salaries Including Pensions, NI etc	Church Accommodation (Rentals, equipment)	Church Ministries	Minibus	Restricted giving i.e. Church Holiday, Job Club	Governance, audit, insurance depreciation etc	Other (inc. Manse & equipment)	Gifts and Tithes to Global Links
42.1%	8.2%	9.8%	0.4%	2.4%	9.2%	15.9%	12.0%

Notes

The Salaries covered employment of a Pastor (full time minus manse rent value), an admin secretary (10 Hours from September) and contracted administrative services to Beattie Consultancy (Meriel Beattie 10 hours until September).

Church Accommodation Rentals included Priory Academy for Sunday Services.

Penwortham Community Centre for the Church Offices, Job Club and CAP Money, Prayer Meeting, Leadership meeting, Family Group and other meetings at the centre. Penwortham Young Peoples Centre for Toddlers, Kids Club and Youth Club.

It should be noted that minimal rental was paid after lockdown commenced in March 2020.

Church Ministries covers all the ministry groups in the church, examples include, Pre School, Children's Work, Messy Church, Schools and Youth Work, Alpha Course, Evangelism and Discipleship, CAP Job Club and CAP Money, Music and Media and International Students.

Summary

Thank you to the Finance Team (in 2020): Treasurer Matthew Moll, Mary Young, Meriel Beattie, Tony Cockeram and Neil Towers. Thank you to everyone at King's Church who have given faithfully to work each year. Thanks to God for His amazing provision.

Penwortham Free Methodist Church

Annual Accounts for the year ended 31 December 2020

(Registered charity number 701133)

Section G Statement of Financial Activities

		Unrestricted fund £	Restricted funds £	Total Funds 31 December 2020 £	Total Funds 31 December 2019 £
Incoming resources					
<i>Voluntary Income :</i>					
Donations & Grants		53,056		53,056	66,375
Tax Refunds		12,063		12,063	15,357
Interest		1,177		1,177	1,244
Manse Rent		0		0	6,418
Office Rent		1,000		1,000	0
Misc. Income		75		75	3,388
<i>Charitable Activities :</i>					
Ministry Income		1,385		1,385	3,388
Designated Income			1,227	1,227	3,929
Total Incoming Resources		<u>68,756</u>	<u>1,227</u>	<u>69,983</u>	<u>100,099</u>
Resources Expended					
Charitable activities					
Staff Costs	3.2	31,892		31,892	33,294
Church Personnel Expenses		1,245		1,245	565
Manse Costs		2,509		2,509	1,371
Church Services		2,471		2,471	10,451
Operating Expenses	4	3,592		3,592	4,965
Ministries (inc catering)	5	6,161		6,161	18,228
Gifts and Tithing		7,940		7,940	12,600
Designated Giving Expenditure			1,323	1,323	4,785
Depreciation (after Donations/Grants w/off)		2,808		2,808	3,541
Governance Costs	6	6,110		6,110	6,555
Total Resources Expended		<u>64,728</u>	<u>1,323</u>	<u>66,051</u>	<u>96,355</u>
Net Incoming Resources for the year		4,028		4,028	4,600
Net Resources Expended			-96	-96	-856
Balances brought forward at 1 January 2020		<u>264,219</u>	<u>11,267</u>	<u>275,486</u>	<u>271,742</u>
Balances carried forward at 31 December 2020		<u>268,247</u>	<u>11,171</u>	<u>279,418</u>	<u>275,486</u>

Penwortham Free Methodist Church
Annual Accounts
for the year ended 31 December 2020

(Registered charity number 701133)

Section H	Balance sheet		
	<i>Notes</i>	2020 £	2019 £
Fixed Assets			
Tangible Fixed Assets			
Moorhey Drive	7.4	180,000	180,000
Minibus (After Donations)		1,508	3,316
Equipment and Refurbishment (Less Grants received)	7.3	<u>2,777</u>	<u>675</u>
		<u>184,285</u>	<u>183,991</u>
Current Assets			
Debtors, repayments and Accrued Income	8	1,991	4,811
Cash at Bank and in Hand		94,486	89,121
		<u>96,477</u>	<u>93,932</u>
Accruals	9	1,344	2,437
Net Current Assets		<u>95,133</u>	<u>91,495</u>
Total Assets less Current Liabilities		<u>279,418</u>	<u>275,486</u>
Funds			
Unrestricted			
General Funds		88,247	84,219
Designated Funds			
Property		180,000	180,000
Building	10	10,171	10,171
Restricted Funds	11	1,000	1,096
		<u> </u>	<u> </u>
Total Funds		<u>279,418</u>	<u>275,486</u>

The notes on page 7 to 11 form part of these accounts

Declaration

I approve the above accounts and sign on behalf of the Trustees.


Gordon Wardman : Chair of the Trustees

Note 1 Basis of preparation**1 Basis of accounting**

These accounts have been prepared on the basis of historic cost in accordance with Accounting Standards, Accounting and Reporting by Charities – Statement of Recommended practice (SORP 2015 FRSSEE) and the Charities Act 2011. There has been no change to the accounting policies since last year.

2 Accounting policies *Please see Section I Note (1) for the detailed accounting policies applied by the charity.***3.1 Independent Examiners Fees**

The amount payable for the year will be £500 .

3.2 UK Staff costs

	2020 £	2019 £
Stipends, salaries and NHI - (Pastor)	22,643	0
Stipends, salaries &NHI (Family Worker)		11,349
Youth Worker	0	16,193
Admin Secretary	7,269	4,320
Pension costs	<u>1,980</u>	<u>1,432</u>
	<u>31,892</u>	<u>33,294</u>

No employees earned over £50000 p.a. in 2020 or 2019
Average number of employees in the year was 2

4 Operating Expenses

Office Rent	1,880	1,295
Other Rent Charges	900	1,890
Advertising	500	
Recruitment	0	896
Zoom Costs	180	
Other Expenses	<u>132</u>	<u>884</u>
	<u>3,592</u>	<u>4,965</u>

5 Ministries

Catering	112	910
Chinese Ministries	0	545
Minibus	1,219	3,479
Evangelism	60	18
Emergency and Contingency Fund	650	
Job Club	2,083	3,611
Media/Worship	1,389	187
Stewarding	79	
Toddlers	12	1,560
Children	288	4,879
Youth	149	2,991
Miscellaneous	<u>120</u>	<u>48</u>
	<u>6,161</u>	<u>18,228</u>

6 Governance Costs

FM Conference payments	4,424	4,824
Liability Insurance	744	738
Independent Examiner	500	500
DBS & Miscellaneous	<u>442</u>	<u>493</u>
	<u>6,110</u>	<u>6,555</u>

Section I**Notes to the accounts (continued)****7 Tangible fixed assets****7.1 Cost or valuation**

	Unrestricted Freehold Property	Equipment /Refurb.	Minibus	Total
	£	£	£	£
at 1 January 2020	<u>180,000</u>	23,696	<u>7,232</u>	210,928
Old Equipment written off		<u>22,796</u>		<u>22,796</u>
	<u>180,000</u>	900	<u>7,232</u>	188,132
Additions		<u>3,102</u>		<u>3,102</u>
at 31 December 2020	<u>180,000</u>	<u>4,002</u>	<u>7,232</u>	<u>191,234</u>

The Property is shown at its market revaluation amount.
Old equipment with a nil value has been totally written off

7.2 Accumulated depreciation and replacement provisions

Capital equipment is depreciated on a straight line basis over four years. .

at 1 January 2020	--	23,021	<u>3,916</u>	26,937
Accumulated charge written off		<u>22,796</u>		<u>22,796</u>
		225	3,916	4,141
charge for year		<u>1,000</u>	<u>1,808</u>	<u>2,808</u>
at 31 December 2020	-	<u>1,225</u>	<u>5,724</u>	<u>6,949</u>

7.3 Net book values

at 31 December 2020	<u>180,000</u>	<u>2,777</u>	<u>1,508</u>	<u>184,285</u>
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7.4 Property Valuation

The property of 42 Moorhey Drive was re-valued in 2011 and has been shown at its valuation of £ 180,000.

8 Debtors and prepayments

Analysis of debtors and prepayments falling due within one year.

	<u>2020</u>	<u>2019</u>	
	£	£	
Prepayments			
Insurance paid in advance	721	720	
Manse Insurance	309	298	
Gift Aid Due	669	1,640	
Other prepayments/debtors	183	1,603	
Loan to Church Members	0	550	(Written off)
Total	<u>1,882</u>	<u>4,811</u>	

9. Creditors and Accruals

	<u>2020</u>	<u>2019</u>
	£	£
Independent Examiners fee	500	500
Property Rent	108	1,349
Advertising	500	
Other Creditors	236	588
Total	<u>1,344</u>	<u>2,437</u>

10 Restricted Funds

	<u>2020</u>	<u>2019</u>
	£	£
Balance at 1.1.20	1,096	1,990
Income	1,227	3,891
Paid out during year	<u>(1,323)</u>	<u>4,785</u>
Balance at 31.12.20	<u>1,000</u>	<u>1,096</u>

11 Designated Building Fund

	<u>2020</u>	<u>2019</u>
	£	£
Balance at 1.1.20	10,171	10,133
Restricted Giving in Year	<u>0</u>	<u>38</u>
Balance at 31.12.20	<u>10,171</u>	<u>10,171</u>

1 ACCOUNTING POLICIES**INCOMING RESOURCES**

Grants, donations and investment income are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources and any conditions for performance, delivery or receipt are met; and the trustees are reasonably certain they will receive it; and the trustees are reasonably certain that the monetary value can be measured.

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SOFA.

Incoming resources from tax claims are included on the SOFA at the same time as the gifts to which they relate.

EXPENDITURE AND LIABILITIES

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance costs include payments to FMC (UK), insurance and the costs of the preparation and examination of statutory accounts.

ASSETS

Tangible fixed assets have this year been capitalised if they can be used for more than one year. They are valued at cost less provision for depreciation over a 4 year period.. Several small items of equipment have been treated as revenue expenses and included in Pastoral Expenses

2 ADDITIONAL DISCLOSURES

The charity does not have any material commitments not provided for in the accounts.

The charity has not given any guarantees to third parties that could be called on at year end

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed.

3 FRSSE 2015

The accounts have been prepared on an income and expenditure basis in accordance with Financial Reporting for Small Entities (FRSSE) as directed from 1st January 2015.

Penwortham Free Methodist Church
Independent Examiner's report to the Trustees of
Penwortham Free Methodist Church

We report on the accounts of the charity for the year ended 31 December 2020 which are set out on pages 1 to 6. Charity number 701133.

Respective responsibilities of trustees and examiner

the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 144 (2) of the Charities Act 2011 (the act) does not apply and that an independent examination is needed.

It is our responsibility to a) examine the accounts (under section 145 of the Act); b) to follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145 (a) of the Act: and c) to state whether particular matters have come to our attention.

Basis of independent examiner's report

Our 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 we do not express an audit opinion on the accounts.

Independent examiner's report

In the course of our examination, no matter has come to our attention: :

- 1) which gives us reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure that
 - a) proper accounting records are kept (in accordance with section 130 of the 2011 Act); and
 - b) accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act;or
- 2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Michael J Sullivan FFA FFTA FIPA
Financial Accountants
24 Kingsway West
Penwortham
Preston
PR1 0LA

30/03/2021