

Penwortham Free Methodist Church
Registered Charity 701133

Legal and Administrative Information
for the year ending 31 December 2021

Section A

Reference and administration details

Charity name	Penwortham Free Methodist Church
Working name	Kings Church
Registered charity number	701133
Trustees:	<u>Leadership Team</u> Chair - Mike Giddings (Lay Delegate) Tony Cockeram Matthew Moll Mike Giddings Maira Smith Tony Morton-Jones Zena Antell Sarah Wylie 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 dated 2019 is available to read at <https://freemethodist.org.uk/resources/>) The church is 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 engaged in ministry, form the Leadership Team. One of the elected Board of Trustees serves as 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 2021

Due to the Covid 19 restrictions, King's Church continued throughout the first months of 2021 to broadcast its service online. Our IT teacher James Banks was instrumental in facilitating the online services. A small team coordinated by Pastor Kevin Jones, prepared the message, led the services and recorded music on a weekly basis for the broadcasts. These were broadcast live on YouTube.

There was an additional Expository Bible Study broadcast by Pastor Jones throughout the period of lockdown.

Members were kept encouraged and informed by pastoral phone calls, by online Zoom prayer meetings, and prayer triplets, by regular news letters, and through the prayer chain and WhatsApp group.

The pastoral committee met monthly on Zoom during the pandemic to keep in touch with the needs of the church. The Lock Down committee also met regularly via Zoom to plan a safe recommencement once that was possible.

Meetings in the School opened briefly in May 2021, but with the rise of Covid cases locally closed again until September 5th, the start of the school year. (An open-air service and BBQ was held to relaunch physical meetings on the August bank Holiday weekend.)

The King's Church CAP job club met online and ran the 'steps to employment' programme over the Spring and Summer months.

Once the church reopened in September, the Pre-School reformed on Fridays running one session from 9.30 to 11am and has been very successful. The Friday evening Children's and Youth club also reopened and have been growing steadily. With up to 30 children and 15 youth attending.

The Trustees continued to meet on Zoom, and in person, 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.

Global links held several Zoom meetings with overseas workers. A team met in the park with asylum seekers over the time of lockdown.

It has been a challenging year but thanks to 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.

Now that the church is meeting regularly at the Priory Academy, we find that the number of regular attenders is about 2/3 of the amount attending before Covid19. We continue to offer an online, as well as a physical worship service, for those who cannot attend or are continuing to isolate.

Section D Review of Community Benefits

- Lockdown greatly restricted our community presence in 2021.
- The Friday Zoom quiz night continued through lockdown.
- Two of our members regularly help with the food bank and one of our members chairs the churches together meetings.
- The CAP job club continued to offer online 'money club' and 'steps to employment' courses. Recommencing in person in September.
- The ministry to asylum seekers met outdoors in small groups for language study and friendship as restriction allowed.
- The international students group continued on Teams, though online connections with students abroad were often difficult.
- At Christmas we had a choir at the annual street market singing Carols.
- We ran an online 'Wellbeing' course which was well attending and received.
- Community groups such as Youth Club, Children's Club and pre-School began to meet again in September.
- A successful craft event for parents and children was held during the Christmas period.

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 work closely with the school property manager, to ensure covid and general security. There is a fire evacuation plan in place and a fire drill is carried out annually.

The lock down task force liaised with the school doing a risk assessment to ensure safe protocols for re-opening public worship. The Trustees are aware of risks and take appropriate steps to control these risks and mitigate any impact they might have; Including where mandated the wearing of masks, social distancing and hand sanitising. 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 2022

The Financial Report is usually presented at the Annual General Meeting but as this has been moved to November 2022 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 2021 can be requested from Matthew Moll the Church Treasurer.

2022 Statement of Financial Activities – Headline

Year	2016	2017	2018	2019	2020	2021
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	£67,466
Expenditure	£96,336	£112,276	£99,776	£97,211	£66,147	£61,853
Balance	-£1,578	+£8,477	+£4,419	+£3,744	+£3,932	+£5,613
Carried Forward reserves	£78,000	£76,000 (note we used £10,000 for purchase of minibus)	£80,000	£83,700	£87,600	£93,213

After recording the highest income in 2017 in recent times of the church, the income fell during 2018,19,20 & 21 but we recorded a small surplus of £5,613 leaving us with reserves of £93,213. (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 UK & Global Charities
55.8%	10.3%	5.8%	0.0%	2.6%	10.6%	4.0%	11.0%

Notes

The Salaries covered employment of a Pastor (full time minus manse rent value), an admin secretary (10 Hours per week)

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.

The Minibus was SORN for the full year.

It should be noted that minimal rental was paid after lockdown commenced in March 2020 up to spring 2021. 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 2021): Treasurer Matthew Moll, Mary Young, Tony Cockeram and Neil Towers. Thank you to everyone at King's Church who have given faithfully to the work each year. Thanks to God for His amazing provision.

Penwortham Free Methodist Church

Annual Accounts for the year ended 31 December 2021

(Registered charity number 701133)

Section G Statement of Financial Activities

	<i>Notes</i>	Unrestricted fund £	Restricted funds £	Total Funds 31 December 2021 £	Total Funds 31 December 2020 £
Incoming resources					
<i>Voluntary Income :</i>					
Donations & Grants		54,871		54,871	55,106
Tax Refunds		9,189		9,189	10,013
Interest		821		821	1,177
Manse Rent		0		0	0
Office Rent		0		0	1,000
Misc. Income		75		75	75
<i>Charitable Activities :</i>					
Ministry Income		413		413	1,385
Designated Income			2,097	2,097	1,227
Total Incoming Resources		<u>65,369</u>	<u>2,097</u>	<u>67,466</u>	<u>69,983</u>
Resources Expended					
Charitable activities					
Staff Costs	3.2	31,864		31,864	31,892
Church Personnel Expenses		940		940	1,245
Manse Costs		1,057		1,057	2,509
Church Services		3,974		3,974	2,471
Operating Expenses	4	3,513		3,513	3,592
Ministries (inc catering)	5	3,446		3,446	6,161
Gifts and Tithing		7,195		7,195	7,940
Designated Giving Expenditure			1,519	1,519	1,323
Depreciation (after Donations/Grants w/off)		2,508		2,508	2,808
Governance Costs	6	5,837		5,837	6,110
Total Resources Expended		<u>60,334</u>	<u>1,519</u>	<u>61,853</u>	<u>66,051</u>
Net Incoming Resources for the year		5,035	578	5,613	4,028
Net Resources Expended					-98
Balances brought forward at 1 January 2021		<u>268,247</u>	<u>11,171</u>	<u>279,418</u>	<u>275,486</u>
Balances carried forward at 31 December 2021		<u>273,282</u>	<u>11,749</u>	<u>285,031</u>	<u>279,418</u>

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

Penwortham Free Methodist Church
Annual Accounts
for the year ended 31 December 2021

(Registered charity number 701133)

Section H	Balance sheet			
		<i>Notes</i>	2021	2020
			£	£
Fixed Assets				
Tangible Fixed Assets				
Moorhey Drive		7.4	180,000	180,000
Minibus (After Donations)			0	1,508
Equipment and Refurbishment (Less Grants received)		7.3	<u>1,777</u>	<u>2,777</u>
			<u>181,777</u>	<u>184,285</u>
Current Assets				
Debtors, repayments and Accrued Income		8	2,282	1,991
Cash at Bank and in Hand			102,463	94,486
			<u>104,745</u>	<u>96,477</u>
Accruals		9	1,491	1,344
Net Current Assets			<u>103,254</u>	<u>95,133</u>
Total Assets less Current Liabilities			<u>285,031</u>	<u>279,418</u>
Funds				
Unrestricted				
General Funds			93,282	88,247
Designated Funds				
Property			180,000	180,000
Building		10	10,171	10,171
Restricted Funds		11	1,578	1,000
Total Funds			<u>285,031</u>	<u>279,418</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.

Mike Giddings : 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

	2021	2020
	£	£
Stipends, salaries and NHI - (Pastor)	25,316	22,643
Stipends, salaries & NHI (Family Worker)		0
Youth Worker	0	0
Admin Secretary	5,022	7,269
Pension costs	<u>1,526</u>	<u>1,980</u>
	<u>31,864</u>	<u>31,892</u>

No employees earned over £50000 p.a. in 2021 or 2020

Average number of employees in the year was 2

4 Operating Expenses

Office Rent	1,880	1,880
Other Rent Charges	1,305	900
Promotion	291	500
Internet/Zoom	37	180
Other Expenses	<u>0</u>	<u>132</u>
	<u>3,513</u>	<u>3,592</u>

5 Ministries

Catering	243	112
Emergency/Hardship and Contingency Fund	300	650
Job Club	2,140	2,083
Media/Worship	644	1,389
Stewarding	0	79
Toddlers	0	12
Children	95	288
Youth	0	149
Jewels	24	0
Miscellaneous	<u>0</u>	<u>120</u>
	<u>3,446</u>	<u>6,161</u>

6 Governance Costs

FM Conference payments	4,305	4,424
Liability Insurance	745	744
Independent Examiner	500	500
DBS & Miscellaneous	<u>287</u>	<u>442</u>
	<u>5,837</u>	<u>6,110</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 2021	<u>180,000</u>	<u>4,002</u>	<u>7,232</u>	<u>191,234</u>
at 31 December 2021	<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 2021	--	1,225	5,724	6,949
charge for year		<u>1,000</u>	<u>1,508</u>	<u>2,508</u>
at 31 December 2021	-	<u>2,225</u>	<u>7,232</u>	<u>9,457</u>

7.3 Net book values

at 31 December 2021	<u>180,000</u>	<u>1,777</u>	<u>0</u>	<u>181,777</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>2021</u> £	<u>2020</u> £
Prepayments		
Insurance paid in advance	764	721
Manse Insurance	320	309
Gift Aid Due	929	669
Other prepayments/debtors	269	292
Total	<u>2,282</u>	<u>1,991</u>

9. Creditors and Accruals

	<u>2021</u> £	<u>2020</u> £
Independent Examiners fee	500	500
Property Rent	582	108
Advertising	0	500
Other Creditors	409	236
Total	<u>1,491</u>	<u>1,344</u>

Section I

Notes to the accounts (continued)

10 Restricted Funds

	<u>2021</u>	<u>2020</u>
	£	£
Balance at 1.1.21	1,000	1,096
Income	2,097	1,227
Paid out during year	(1,519)	(1,323)
Balance at 31.12.21	<u>1,578</u>	<u>1,000</u>

11 Designated Building Fund

	<u>2021</u>	<u>2020</u>
	£	£
Balance at 1.1.21	<u>10,171</u>	<u>10,171</u>
Balance at 31.12.21	<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 2021 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 FTA FIPA
Financial Accountants
24 Kingsway West
Penwortham
Preston
PR1 0LA

10/03/2022