

## **Penwortham Free Methodist Church**

Registered Charity 701133

### **Legal and Administrative Information** **for the year ending 31 December 2022**

#### **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) Zena Antell (Deputy Lay Delegate) Ian Simpson Tony Morton-Jones Penny Carey Sarah Wylie Matthew Moll
Elder (non trustee)	Rev Kevin Jones
Church Administrator	Carol Salisbury (until June 2022)
Church Treasurer	Matthew Moll
Bankers:	CAF Bank Limited 25 Kings Hill West Malling Kent ME19 4JQ
Solicitors:	Naphens 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 21<sup>st</sup> 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 2022

King's Church began to meet in person, whilst continuing to broadcast service on YouTube for those unable to attend, throughout 2022. We are thankful to our Service and worship leaders who work on a rota basis and to our IT team for making this possible.

Life groups (house groups) have been re-established following covid. There are 4 evening groups and one day time group, as well as a group for Chinese ex-students and friends of King's Church that meets on Zoom.

We have also begun to refocus our mission program around invitational events. The first of which was well attended on Pancake Day 2022. Invitation and welcome have been the focus for church growth throughout the year.

The pastoral committee meet monthly, in person or on Zoom during the year, to keep the needs of members in mind and flag up needs for pastoral care.

Meetings in the School were sparsely attended over Christmas 2021, but have grown over the year. Many more now attend in person than online. (A united open-air service was held in the park with the other local churches on Penwortham gala day.)

The King's Church job club celebrated their 10<sup>th</sup> anniversary. We have run the steps to employment course and the CAP money course. The relationship with the job centre continues to be strong.

The Toddlers has continued running on Fridays though it now runs one session 9.30 to 11 rather than the 2 sessions pre covid19. 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 each quarter as a Full board of trustees and, as Mission and Vision Team (MVT) and Church Action team (CAT), monthly. The meetings follow the new governance structure agreed in 2018. In addition, the Church Nominations Team met to identify persons suitable for serving on the Church Leadership Team and to fill any vacancies on the board of trustees.

Meetings for prayer are held in small groups (Triplets) and on a Sunday evening. They were often held outdoors in gardens in the summer months. A leader's prayer meeting has been established.

Global links (Our overseas support and giving arm) held several Zoom meetings with overseas partners, as well as inviting preachers we are linked with to participate in Sunday services.

It has been a challenging year but we are gathering again after covid and all the community and mission arms of the church are functioning again.

A large proportion of the membership is involved in the mission and ministry of the church: from visiting the sick; to helping run job club, parents and toddlers, youth and kids clubs; to visiting asylum seekers; and participating in the Sunday service.

Now that the church is meeting regularly at the Priory Academy, we find that the number of regular attenders is about 75% of the amount attending before Covid19. We continue to offer an online, as well as a physical worship service, for those who cannot attend.

## **Section D Review of Community Benefits**

- Three of our people regularly help with the food bank.
- One of our members chairs the Churches Together meetings.
- The CAP job club continued to its “steps to employment” eight-week course, offering 4 full courses as well as the CAP money course throughout the year.
- The ministry to asylum seekers continues with home visits and help with English and form filling.
- The international students group continued on Teams, though online connections with students abroad were often difficult.
- At Christmas our choir sang Carols at the annual street market, and members went Carol singing at a local residential home.
- Community groups such as Youth Club, Children’s Club and pre-School have grown throughout the year.
- A monthly women’s friendship and craft event has been successfully started.

## **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 all aspects of safety VSV covid and general security. There is a fire evacuation plan in place and a fire drill is carried out annually.

We keep our risk assessment current with the school and the Town council. We have liaised with the school to ensure safe protocols for 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 equipment stored at various locations 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 is complemented by our 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 budget.

## 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 31<sup>st</sup> December 2022 can be requested from Matthew Moll the Church Treasurer.

### 2022 Statement of Financial Activities – Headline

Year	2017	2018	2019	2020	2021	2022
Income Includes designated giving/grants for youth work, job club, and restricted funds e.g. Church Holiday)	£120,753	£104,195	£100,099	£69,983	£67,466	£77,864
Expenditure	£112,276	£99,776	£97,211	£66,147	£61,853	£81,515
Balance	+£8,477	+£4,419	+£3,744	+£3,932	+£5,613	-£3,651
Carried Forward reserves (note we used £10,000 for purchase of minibus)	£76,000	£80,000	£83,700	£87,600	£93,213	£88,147

After recording the highest income in 2017 in recent times of the church, the income fell during 2018,19,20 & 21 has risen again slightly in 2022. However, we still recorded a deficit of £3,651 though in reality this is £5,066 when restricted funds are excluded. (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
40.7%	19.1%	6.6%	2.0%	7.3%	7.8%	9.1%	7.3%

### Notes

The Salaries covered employment of a Pastor (full time minus manse rent value), an admin secretary (10 Hours per week), the latter only for half the year.

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 returned to the road in May.

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 2022): 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 2022**

(Registered charity number 701133)

**Section G Statement of Financial Activities**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Funds</u>	<u>Total Funds</u>
<u>Notes</u>	<u>funds</u>	<u>funds</u>	<u>31.12.22</u>	<u>31.12.21</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b><u>Voluntary Income :</u></b>				
Donations & Grants	58,403		58,403	54,871
Tax Refunds	9,409		9,409	9,189
Interest	753		753	821
Office rent	1,000		1,000	0
<b><u>Charitable Activities :</u></b>				
Ministry Income	780		780	413
Designated Income	<u>0</u>	<u>7,519</u>	<u>7,519</u>	<u>2,097</u>
<b>Total Incoming Resources</b>	<b><u>70,345</u></b>	<b><u>7,519</u></b>	<b><u>77,864</u></b>	<b><u>67,391</u></b>
<b><u>Resources Expended</u></b>				
<b><u>Charitable Activities</u></b>				
Staff Costs	1	31,158	31,158	31,864
Church Personnel Expenses		1,563	1,563	939
Manse Costs		5,385	5,385	1,057
Church Services		6,816	6,816	3,975
Operating Expenses	2	10,077	10,077	3,513
Ministries	3	5,932	5,932	3,445
Gifts and Tithing		7,487	7,487	7,195
Designated Giving Expenditure			6,004	1,519
Depreciation		1,092	1,092	2,508
<b><u>Governance Costs</u></b>	4	<u>5,901</u>	<u>5,901</u>	<u>5,838</u>
<b>Total Resources Expenses</b>		<b><u>75,411</u></b>	<b><u>6,004</u></b>	<b><u>81,415</u></b>
<b><u>Net Incoming Resources for the year</u></b>			1,515	5,035
<b><u>Net Resources Expended</u></b>		-5,066	-5,066	
<b><u>Balances brought forward 1.1.22</u></b>		<u>273,282</u>	<u>11,749</u>	<u>285,031</u>
<b><u>Balances carried forward 31.12.22</u></b>		<b><u>268,216</u></b>	<b><u>13,264</u></b>	<b><u>281,480</u></b>
			<b><u>284,453</u></b>	

**Penwortham Free Methodist Church**  
**Annual Accounts**  
**for the year ended 31 December 2022**  
(Registered charity number 701133)

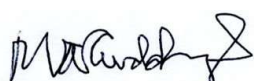
**Section H Balance sheet**

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		<u>£</u>	<u>£</u>
<b><u>Fixed Assets</u></b>			
<b><u>Tangible Fixed Assets</u></b>			
Moorhey Drive	5	180,000	180,000
Equipment and Refurbishments	5	<u>1,053</u>	<u>1,777</u>
		<b><u>181,053</u></b>	<b><u>181,777</u></b>
<b><u>Current Assets</u></b>			
Debtors, Prepayments and accrued Income	7	2,673	2,282
Cash at Bank and in Hand		<u>98,718</u>	<u>102,463</u>
		101,391	104,745
<b><u>Accruals</u></b>	<b>8</b>	964	1,491
<b><u>Net Current Assets</u></b>		<b><u>100,427</u></b>	<b><u>103,254</u></b>
<b><u>Total Assets less Current Liabilities</u></b>		<b><u>281,480</u></b>	<b><u>285,031</u></b>
 <b><u>Funds</u></b>			
<b><u>Unrestricted</u></b>			
General Funds		88,216	93,282
Designated Funds			
Property	6	180,000	180,000
Building	9	10,171	10,171
<b><u>Restricted Funds</u></b>	<b>10</b>	<u>3,093</u>	<u>1,578</u>
<b><u>Total Funds</u></b>		<b><u>281,480</u></b>	<b><u>285,031</u></b>

The notes on page 7 to 10 form part of these accounts

**Declaration**

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



Mike Giddings : Chair of the Trustees

<b>1 <u>UK staff Costs</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b>£</b>	<b>£</b>
Stipends, salaries & NHI (Pastor)	26,942	25,316
Admin Secretary	2,560	5,022
Pension Costs	<u>1,656</u>	<u>1,526</u>
	<b><u>31,158</u></b>	<b><u>31,864</u></b>
<b>2 <u>Operating Expenses</u></b>		
Office Rent	5,640	1,880
Other Rent Charges	3,710	1,305
Advertising	128	291
Recruitment	331	0
Others	<u>268</u>	<u>37</u>
	<b><u>10,077</u></b>	<b><u>3,513</u></b>
<b>3 <u>Ministries</u></b>		
Catering	320	243
Minibus	1,158	0
Evangelism	840	300
Job Club	1,597	2,140
Media / Worship	829	643
Kids Club	589	0
King's Kids	313	0
Jewels	45	0
Sunday Children	104	95
Various	<u>137</u>	<u>24</u>
	<b><u>5,932</u></b>	<b><u>3,445</u></b>
<b>4 <u>Governance Costs</u></b>		
FM Conference Payments	3,118	4,305
Liability Insurance	1,940	745
Independent Examiner	500	500
DBS & Miscellaneous	<u>343</u>	<u>287</u>
	<b><u>5,901</u></b>	<b><u>5,837</u></b>

**Section I****Notes to the accounts (continued)****5 Tangible Fixed Assets**

<u>Cost or Valuation</u>	<u>Unrestricted Freehold Property</u>	<u>Equipment</u>	<u>Minibus</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
at 1 January 2022	180,000	4,002	7,232	191,234
Additions		<u>368</u>		<u>368</u>
<b><u>at 31 December 2022</u></b>	<b><u>180,000</u></b>	<b><u>4,370</u></b>	<b><u>7,232</u></b>	<b><u>191,602</u></b>

**Accumulated depreciation and replacement provisions**

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

	<u>£</u>	<u>£</u>	<u>£</u>
at 1 January 2022	-	2,225	7,232
charge for year		<u>1,092</u>	<u>1,092</u>
<b><u>at 31 December 2022</u></b>	<b>-</b>	<b><u>3,317</u></b>	<b><u>7,232</u></b>
<b><u>at 31 December 2022</u></b>	<b><u>180,000</u></b>	<b><u>1,053</u></b>	<b><u>181,053</u></b>

**6 Property Valuation**

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

**7 Debtors and Prepayments**

Analysis of debtors and prepayments falling due within one year

	<u>2022</u>	<u>2021</u>
<u>Prepayments</u>	<u>£</u>	<u>£</u>
Insurance paid in advance	845	764
Manse Insurance	334	320
Gift Aid due	730	929
Minibus Licence & Insurance	487	0
Other Prepayments	<u>277</u>	<u>269</u>
	<b><u>2,673</u></b>	<b><u>2,282</u></b>

**8 Creditors and Accruals**

	<u>2022</u>	<u>2021</u>
Independent Examiner's Fee	500	500
Rent	317	582
Other Creditors	<u>147</u>	<u>409</u>
	<b><u>964</u></b>	<b><u>1,491</u></b>

**9 Designated Building Fund**

	<u>2022</u>	<u>2021</u>
Balance at 1.1.22	10,171	10,171
Restricted Giving in Year	0	
<b><u>Balance at 31.12.22</u></b>	<b><u>10,171</u></b>	<b><u>10,171</u></b>

**Section I****Notes to the accounts (continued)**

<b>10 <u>Restricted Funds</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Balance at 1.1.22	1,578	1,000
Income	7,519	2,097
Paid out during year	-6,004	-1,519
<b><u>Balance at 31.12.22</u></b>	<b><u>3,093</u></b>	<b><u>1,578</u></b>

**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 FRS 102**

The accounts have been prepared on an income and expenditure basis in accordance with Financial Reporting for Small Entities (FRS 102) as directed from 1st January 2016.

**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 2022 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.

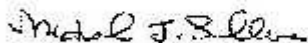
**Basis of independent examiner's report**

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 May 2023