

REGISTERED CHARITY NUMBER: 232907

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2018
for**

**The Liverpool and District Free Church
Federal Council**

DRAFT

SB&P
Chartered Accountants
Oriol House
2-8 Oriol Road
Bootle
Liverpool
Merseyside
L20 7EP

The Liverpool and District Free Church
Federal Council

Contents of the Financial Statements
for the Year Ended 31 December 2018

	Page
Report of the Trustees	1 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 13
Detailed Statement of Financial Activities	14

DRAFT

**The Liverpool and District Free Church
Federal Council**

**Report of the Trustees
for the Year Ended 31 December 2018**

The Trustees present their report and the audited financial statements of the charity for the year ended 31st December 2018. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To express the essential unity in Christ in the Free Churches and to extend and realise His Kingdom through the advancement of the Christian Religion and the advancement of education, and the relief of poverty, hardship and distress.

To foster fellowship and work to promote united Christian action.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

DRAFT

**The Liverpool and District Free Church
Federal Council**

**Report of the Trustees
for the Year Ended 31 December 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Executive Committee (Trustees)

The trustees met regularly to conduct the affairs of the council.

The Secretary and Treasurer are elected annually with no limits to length of service. The President serves a three-year term.

Each of the denominations represented in the membership appoint a representative to serve as trustee. There are also five elected members nominated by member churches and elected by vote at the Annual General Meeting.

This committee has responsibility for approving grants for ministerial and related training as agreed in the grants policy which is reviewed annually. The committee also sets an annual subscription which was maintained in 2018 at £25 per church.

The Executive sets up sub-committees to run various activities and functions on its behalf. These report regularly to the Executive. Although a Finance Committee remains in place, it is wholly made up of trustees and for 2018 conducted its business within the trustees' meetings.

The President represents the Council at Civic Services and on other occasions when this is requested. Other officers deputise for the President when appropriate.

The activities overseen by the Executive are outlined in the accompanying Secretary and President's reports.

Philip A Jump (Revd)
Secretary - 30th April 2019

DRAFT

Secretary's Report 2018

During 2018, the Liverpool and District Free Church Federal Council has continued to pursue our core aims which are:

To support and encourage free churches in their work and witness across Merseyside

To particularly encourage pioneering, by enabling new pioneer ministries and seeking to network churches to learn and be inspired by their work.

To work ecumenically, bringing a particular Free Church contribution to Church life across Merseyside.

In 2018, we have also had some preliminary discussions with Green Pastures about how we might help churches engage with their work with homeless people.

We have sought to fulfil these aims through our usual activity base:

Grant provision

We have continued to offer grants to churches in accordance with our standing policies which continue to serve us well. Grants have been within budget for 2018. We reported in 2017 that we have adopted a slightly flexible approach to student grants to reflect changing patterns of ministry formation. This has now been formalised and we hope will enable further ministry development in future years. It is encouraging to continue to receive positive feedback from those who benefit from our church project grants. The Pioneer project in South Liverpool has now come to an end, but we are delighted to have supported a North Liverpool project enabled through Richmond Baptist Church. This has had early successes and the management group is working to explore how other churches can engage and learn from this project. We remain grateful to Lynne Barker for her effectiveness in operating this, along with her significant contribution as finance officer.

Administration

**The Liverpool and District Free Church
Federal Council**

**Report of the Trustees
for the Year Ended 31 December 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Administration is currently being undertaken by the NWBA admin team, led by Mandy Howarth. Lynne Barker has continued to be employed by the Mersey Synod URC to act as finance officer - again we record our thanks for their meticulous and thorough support. The trustees review this arrangement annually and continue to believe that it best serves the operational needs of the charity.

SACRE

LFCFC is responsible for appointing Free Church representatives to the Standing Advisory Committees for Religious Education for Knowsley, Liverpool and Sefton. Jacqui Allward (Richmond Baptist Church) continues to serve in Liverpool. We continue to struggle to fill these roles.

Other Projects

LFCFC continues to operate as a representative body for Free Churches within the wider Ecumenical community on Merseyside. This has included participation in various civic events and the Merseyside Pentecost Festival. The council contributes to the travel costs of Free Church Leaders and its own officers when acting in such representative roles. We have also contributed to the Annual Pentecost Festival in Liverpool which is a focal point of Christian witness in the city. We also liaise regularly with RC and Anglican counterparts to raise relevant social issues and concerns through the Church Leaders engagements with civic authorities. We have also represented the Free Churches at the city's annual service of remembrance. We also hope to work with Green Pastures to develop some training resources to help churches engage in ministries with homeless people.

DRAFT

Presidents Report 2018

Over many years, the Liverpool and District Free Church Federal Council has supported local churches, ministers and students through grants and allowances. This year has been no exception. Fruitful investment of the legacies from our work in past decades allows us to continue to support the mission of Free Churches in our area by offering small grants towards projects such as holiday activities, and work with children or the elderly. Free Church ministers, and students studying for Free Church ministry, are supported with allowances for books and grants for holidays.

The Council also offers grants towards larger innovative mission projects, with an emphasis on the most deprived areas of Merseyside.

The new constitution has been filed with the Charities Commission. The objects of the charity are:

1. To express the essential unity in Christ in the Free Churches and to extend and realise His Kingdom through the advancement of the Christian Religion, the advancement of education and the relief of poverty, hardship and distress.
2. To foster fellowship in worship and work, and to promote united Christian action

At the Annual General Meeting on the 12th May Major Drew McCombe retired as President, as he is moving out of the area. I would like to take this opportunity to thank him for his contribution to the Free Church Federal Council over the time he has been in the Liverpool Area. Revd Jacky Embrey was nominated as President by the Executive, and Revd Phil Jump as Secretary. These nominations were unanimously approved. It was proposed by the Executive Committee that the position of Treasurer should be fulfilled by the Executive Committee as is the current arrangement. This was unanimously approved. The meeting appointed SB&P LLP, Oriol House, Bootle as auditors/independent examiners.

The meeting was followed by a presentation by Pastor Pete Cunningham on 'A place to call home.' This is an exciting project with the aim of ending homelessness in Merseyside. His organisation, Green Pastures, buys property for churches and Christian charities so that they can reach out and house the homeless in their area. Green Pastures provides all the paperwork, expertise and ongoing support to operate a successful supported housing project.

Finally, I would take this opportunity to thank Ian Hu, who has contributed to the work for a number of years as a member of the Executive and our Administrative Assistants, Lynne Barker and Mandy Howarth, who ensure that grants are paid and that minutes of meetings are produced.

Jacky Embrey

**The Liverpool and District Free Church
Federal Council**

**Report of the Trustees
for the Year Ended 31 December 2018**

FINANCIAL REVIEW

Reserves policy

The Council shall retain a reserve of at least one year's total running costs, not including the amount of any grants or other discretionary payments it may regularly choose to make.

It is recognised that the present reserves are considerable compared to the running costs of the charity. The current priority of the trustees is to maximise income while retaining capital, and to expend generated income on an annual basis to further the objectives of the charity.

The trustees will remain open to capital projects and investments which further the objectives of the charity on a strategic and long term basis. Subject to appropriate consultation with member churches, the charity's operational strategy can be adjusted to enable such investments and projects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

Recruitment and appointment of new trustees

The charity appoints new trustees when necessary. Appropriate training is provided by the charity, if the trustee is not a trustee of another charity. As part of the induction process, each new trustee is given a copy of the Charity's scheme and the latest report and statement of accounts.

DRAFT

Membership

Membership is open to any church within the boroughs of Liverpool, Knowsley, Sefton and Wirral whose denomination is in membership of the National Free Churches Group. Churches are invited to register annually.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

232907

Principal address

c/o North Western Baptist Association
The Resource Centre
Fleet Street
Wigan
WN5 0DS

Trustees

Mrs D Little	
Revd P Jump	Secretary
Revd I Smith	
Revd I Hu	- resigned 30.9.18
Major D McCombe	- resigned 30.6.18
Revd Dr S Anderson	
Revd J Embrey	President

Independent examiner

SB&P
Chartered Accountants
Oriol House
2-8 Oriol Road
Bootle
Liverpool
Merseyside
L20 7EP

**The Liverpool and District Free Church
Federal Council**

**Report of the Trustees
for the Year Ended 31 December 2018**

Approved by order of the board of trustees on and signed on its behalf by:

.....
Revd J Embrey - Trustee

DRAFT

**Independent Examiner's Report to the Trustees of
The Liverpool and District Free Church
Federal Council**

Independent examiner's report to the trustees of The Liverpool and District Free Church Federal Council

I report to the charity trustees on my examination of the accounts of the The Liverpool and District Free Church Federal Council (the Trust) for the year ended 31 December 2018.

Responsibilities and basis of report

As the charity trustees of the Trust 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 Trust'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 Trust 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 confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

DRAFT

Suzanne Draper FCCA ACA
ICAEW
SB&P
Chartered Accountants
Oriol House
2-8 Oriol Road
Bootle
Liverpool
Merseyside
L20 7EP

Date:

The Liverpool and District Free Church
Federal Council

Statement of Financial Activities
for the Year Ended 31 December 2018

	Notes	Unrestricted fund £	Restricted fund £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,001	-	1,001	900
Investment income	3	<u>25,952</u>	<u>-</u>	<u>25,952</u>	<u>25,966</u>
Total		26,953	-	26,953	26,866
EXPENDITURE ON					
Raising funds	4	5,824	-	5,824	5,805
Charitable activities					
General		26,262	-	26,262	30,385
Other		<u>936</u>	<u>-</u>	<u>936</u>	<u>912</u>
Total		33,022	-	33,022	37,102
Net gains/(losses) on investments		<u>(62,599)</u>	<u>-</u>	<u>(62,599)</u>	<u>31,947</u>
NET INCOME/(EXPENDITURE)		(68,668)	-	(68,668)	21,711
RECONCILIATION OF FUNDS					
Total funds brought forward		819,768	-	819,768	798,057
TOTAL FUNDS CARRIED FORWARD		<u>751,100</u>	<u>-</u>	<u>751,100</u>	<u>819,768</u>

The notes form part of these financial statements

**The Liverpool and District Free Church
Federal Council**

**Balance Sheet
At 31 December 2018**

	Notes	31.12.18 £	31.12.17 £
FIXED ASSETS			
Investments	9	616,448	705,491
CURRENT ASSETS			
Cash at bank		135,582	115,159
CREDITORS			
Amounts falling due within one year	10	(930)	(882)
NET CURRENT ASSETS		<u>134,652</u>	<u>114,277</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>751,100</u>	<u>819,768</u>
NET ASSETS		<u>751,100</u>	<u>819,768</u>
FUNDS			
Unrestricted funds	12	751,100	819,768
TOTAL FUNDS		<u>751,100</u>	<u>819,768</u>

DRAFT

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

.....
Revd J Embrey -Trustee

.....
Revd P Jump -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention.

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.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

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 and donations are accounted for when paid over.

DRAFT

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds are General Funds that 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. The cost of raising and administering such funds are charged against the specific fund.

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

Investments

Investments are shown at market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities.

Tangible Assets

Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired.

The Liverpool and District Free Church
Federal Council

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

2. DONATIONS AND LEGACIES

	31.12.18	31.12.17
	£	£
Subscriptions and donations	<u>1,001</u>	<u>900</u>

3. INVESTMENT INCOME

	31.12.18	31.12.17
	£	£
Investment income	25,803	25,953
Bank interest	<u>149</u>	<u>13</u>
	<u>25,952</u>	<u>25,966</u>

4. RAISING FUNDS

Investment management costs

	31.12.18	31.12.17
	£	£
Support costs	<u>5,824</u>	<u>5,805</u>

DRAFT

5. GRANTS PAYABLE

	31.12.18	31.12.17
	£	£
General	<u>20,152</u>	<u>24,219</u>

The total grants paid during the year was as follows:

	31.12.18	31.12.17
	£	£
Ministry/Church support	12,155	15,812
Pioneer Projects	7,175	7,775
Strategic Projects	<u>822</u>	<u>632</u>
	<u>20,152</u>	<u>24,219</u>

6. SUPPORT COSTS

	31.12.18	31.12.17
	£	£
Investment management costs	5,824	5,824
Other resources expended	936	<u>936</u>
	<u>6,760</u>	<u>6,760</u>

**Governance
costs
£
5,824
936
6,760**

The Liverpool and District Free Church
Federal Council

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2018 nor for the year ended 31 December 2017.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	900	-	900
Investment income	<u>25,966</u>	<u>-</u>	<u>25,966</u>
Total	26,866	-	26,866
EXPENDITURE ON			
Raising funds	5,805	-	5,805
Charitable activities			
General	30,385	-	30,385
Other	<u>912</u>	<u>-</u>	<u>912</u>
Total	37,102	-	37,102
Net gains/(losses) on investments	<u>31,947</u>	<u>-</u>	<u>31,947</u>
NET INCOME/(EXPENDITURE)	21,711	-	21,711
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>798,057</u>	<u>-</u>	<u>798,057</u>
TOTAL FUNDS CARRIED FORWARD	<u>819,768</u>	<u>-</u>	<u>819,768</u>

DRAFT

9. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2018	705,491
Additions	131,973
Disposals	(159,445)
Revaluations	<u>(61,571)</u>
At 31 December 2018	<u>616,448</u>
MARKET VALUE	

The Liverpool and District Free Church
Federal Council

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

9. FIXED ASSET INVESTMENTS - continued

At 31 December 2018	<u>616,448</u>
At 31 December 2017	<u>705,491</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Other creditors	<u>930</u>	<u>882</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	31.12.18 Total funds £	31.12.17 Total funds £
Investments	616,448	-	616,448	705,491
Current assets	135,582	-	135,582	115,159
Current liabilities	<u>(930)</u>	<u>-</u>	<u>(930)</u>	<u>(882)</u>
	<u>751,100</u>	<u>-</u>	<u>751,100</u>	<u>819,768</u>

12. MOVEMENT IN FUNDS

DRAFT

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	819,768	(68,668)	751,100
TOTAL FUNDS	<u>819,768</u>	<u>(68,668)</u>	<u>751,100</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	26,953	(33,022)	(62,599)	(68,668)
TOTAL FUNDS	<u>26,953</u>	<u>(33,022)</u>	<u>(62,599)</u>	<u>(68,668)</u>

The Liverpool and District Free Church
Federal Council

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

12. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.17	Net movement in funds	At 31.12.17
	£	£	£
Unrestricted Funds			
General fund	798,057	21,711	819,768
	<u>798,057</u>	<u>21,711</u>	<u>819,768</u>
TOTAL FUNDS	<u>798,057</u>	<u>21,711</u>	<u>819,768</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	26,866	(37,102)	31,947	21,711
	<u>26,866</u>	<u>(37,102)</u>	<u>31,947</u>	<u>21,711</u>
TOTAL FUNDS	<u>26,866</u>	<u>(37,102)</u>	<u>31,947</u>	<u>21,711</u>

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

	At 1.1.17	Net movement in funds	At 31.12.18
	£	£	£
Unrestricted funds			
General fund	798,057	(46,957)	751,100
	<u>798,057</u>	<u>(46,957)</u>	<u>751,100</u>
TOTAL FUNDS	<u>798,057</u>	<u>(46,957)</u>	<u>751,100</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	53,819	(70,124)	(30,652)	(46,957)
	<u>53,819</u>	<u>(70,124)</u>	<u>(30,652)</u>	<u>(46,957)</u>
TOTAL FUNDS	<u>53,819</u>	<u>(70,124)</u>	<u>(30,652)</u>	<u>(46,957)</u>

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2018.

14. UNRESTRICTED FUNDS

The general fund may be used at the discretion of the trustees for the furtherance of the charity's objects.

The Liverpool and District Free Church
Federal Council

Detailed Statement of Financial Activities
for the Year Ended 31 December 2018

	31.12.18 £	31.12.17 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Subscriptions and donations	1,001	900
Investment income		
Investment income	25,803	25,953
Bank interest	<u>149</u>	<u>13</u>
	<u>25,952</u>	<u>25,966</u>
Total incoming resources	26,953	26,866
EXPENDITURE		
Charitable activities		
Insurance	257	241
Telephone and postage	84	173
Sundries	1,217	1,249
Merseypray/lectures	120	115
Administrative charges	4,432	4,324
Website costs	-	64
Grants	<u>20,152</u>	<u>24,219</u>
	26,262	30,385
Support costs		
Governance costs		
Management fees	5,824	5,805
Independent examination fee	<u>936</u>	<u>912</u>
	<u>6,760</u>	<u>6,717</u>
Total resources expended	33,022	37,102
Net expenditure before gains and losses	(6,069)	(10,236)
Realised recognised gains and losses		
Gains on disposal of fixed asset investments	(1,028)	4,255
Unrealised gains/(losses) on revaluation	<u>(61,571)</u>	<u>27,692</u>
Net (expenditure)/income	<u>(68,668)</u>	<u>21,711</u>

DRAFT

This page does not form part of the statutory financial statements