

## Treasurer's Report

The Chapel has two bank accounts. One relates to the Trustees' affairs and is concerned primarily with the maintenance of the buildings and with salaries and wages. Income is derived chiefly from rent from the commercial properties. The other is the Congregation account, where the main sources of income are the Sunday collections and coffee mornings but there is also income from hiring out the Schoolroom and from conducting rites of passage. During 2016 collections were boosted by gift aid reimbursement, for which I should like to thank Dr Kerr. As well as this, there were donations to the Garden Fund, which now stands at over £3,000, and other donations for particular causes, which were then disbursed.

At the beginning of 2016 the combined balance of the two accounts stood at nearly £40,000. Income for the year totalled £85,000. This included £62,000 from rents, £8,000 from Sunday collections, and £7,000 from coffee mornings. Expenditure was £90,000. This resulted in a balance of £35,000 at the end of the year. This is a good result as it includes a payment of over £19,000 for work on our properties, for which we did not need to draw on our investments with the Charities Aid Foundation. The other main items of expenditure were salaries, wages etc (£30,000), HMRC and professional fees (£9,000), which are detailed on a separate schedule. It should also be noted that we pay our managing agents, Peill & Co, whose fees are deducted before we receive the rents and do not therefore appear in the bank statements.

As a postscript I should like to bring matters up to date. All our commercial properties are now let, as is the former manse, which has been completely refurbished. Present expenses include final work on the New Shambles (£25,000), rebuilding the Garden Wall (£12,000), and re-tank-ing and refurbishing the basement at 40 Market Place (£30,000). After this we hope to commence work on the Chapel and Schoolroom (£60,000), where we are advised that the vestry chimney should be dealt with before the onset of the coming winter. When all this has been done, we shall have put everything in good order. I believe that we shall then have fulfilled our duty to our forebears who founded this Chapel three centuries ago and to have done our best to ensure its existence into the future.

John Campbell, Treasurer

## Trustees' Report

Trustees: Hazel Clarke (chair), Jayne Finch, Katie Hall, Fred Jordan, Don Kerr, John Pickering, Jo Rogers, Ann Wilcox, Graeme Wilcox

Treasurer: John Campbell (*ex officio* trustee)

Secretary: Barbara Duff

Invited to meetings: Mandy Reynolds (as head of ministry team)

The trustees, who meet twice a year, are responsible for overseeing the chapel's finances and ensuring that the chapel operates in line with its governing document, approved by the Charity Commission, to whom the trustees are ultimately accountable.

This year the congregation has taken up the challenge of shared ministry in a really positive way. The ministry team have been doing a fantastic job, and the trustees want to offer huge thanks to Mandy and her team, and to other members of the congregation, who have organised and delivered a great range of services and brought a freshness and vitality to our Sunday mornings. They have also provided sensitive and celebratory rites of passage throughout the year to members of the chapel and the local community. As head of the ministry team, Mandy attends the twice-yearly trustees' meetings, and the trustees aim to provide a useful source of support to her and the team.

It's right that the issue of ministry should be discussed by everyone at chapel on a regular basis, and there have been two congregational meetings on the matter. As was requested at the last of these (in April), such meetings will be held every three months – the next being after the AGM. The trustees are keeping the financial situation under review, and will let the congregation know when the finances allow for the possibility of appointing a minister.

With regard to our let properties (shops), work is coming to an end on the redevelopment of The Shambles. The economic climate is difficult at the moment, and many provincial town centres are struggling - some of our shops are doing well, others less so. On the plus side, several new shops opened this year (vintage wear, soaps), and all our shops have had tenants during the past year. The shop rents continue to be a crucial source of income for the chapel.

With regard to the manse, the trustees agreed that this should be let out, in the absence of a minister, to provide much needed revenue. However, extensive cleaning and a programme of repairs were necessary to prepare it for letting (a big thanks are due to Fred and Gaynor for their work on this). We have appointed a letting agent to manage the house, and have a tenant currently lined up.

There is still work outstanding on the chapel buildings (the roof and chimneys), and the trustees were recently advised that the electrical system in the chapel needed a significant overhaul, which is taking place in July. Due to ongoing expenses, the trustees gave no grants this year and were unable to increase wages for chapel employees.

Recognising the importance of social media in attracting people to the chapel, the trustees approved (and are funding) the development of a new chapel website and facebook page. A small team is working on this with a professional web designer, and we hope both will be up and running by the autumn. Our digital sites will provide a lively and attractive 'window' into chapel life and the Unitarian ethos, and are an important way to engage with a wide range of people.

Looking forward, the trustees have started thinking about the chapel tercentenary in 2020. This is a great opportunity to celebrate the history of the chapel and initiate some imaginative projects and events. The trustees have put forward some broad initial ideas, and have requested further input from the congregation, which we'll discuss at the AGM. Exciting times ahead!

Hazel Clarke, Chair of Trustees

KENDAL UNITARIAN CHAPEL TRUST

ACCOUNTS FOR THE YEAR ENDED

31<sup>ST</sup> DECEMBER 2016

KENDAL UNITARIAN CHAPEL TRUST

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INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF  
KENDAL UNITARIAN CHAPEL TRUST

We report on the accounts of the Kendal Unitarian Chapel Trust for the year ended 31<sup>st</sup> December 2016, which are attached.

**Respective responsibilities of the trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts.

The charity's trustees consider that an audit is not required for the year ended 31<sup>st</sup> December 2016 under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is our responsibility to:-

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and
- to state whether particular matters have come to our attention.

**Basis of independent examiner's statement**

Our examination was carried out in accordance with General Directions given by the Charity Commission. 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 the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

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

- (1) which gives us reasonable cause to believe that in, any material respect, the requirements
  - to keep accounting records in accordance with section 130 of the Charities Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Chartered Accountants  
Date

Jackson & Graham  
Lynn Garth  
Gillinggate  
Kendal  
Cumbria LA9 4JB

KENDAL UNITARIAN CHAPEL TRUST  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED  
31<sup>ST</sup> DECEMBER 2016

		<u>This Year</u>		<u>Last Year</u>	
	Note	Restricted Funds	Unrestricted Funds	Restricted Funds	Unrestricted Funds
<u>Incoming Resources</u>	3				
Donations and legacies		68	200	71	-
Income from investments		-	83684		83946
Other income		<u>-</u>	<u>5199</u>	<u>-</u>	<u>3540</u>
Total income and endowments		<u>68</u>	<u>89083</u>	<u>71</u>	<u>87486</u>
 <u>Resources Expended</u>	4				
Expenditure on raising funds			52207		132211
Expenditure on charitable activities		68	50680	71	60330
Other expenditure		<u>-</u>	<u>252</u>	<u>-</u>	<u>-</u>
Total resources expended		<u>68</u>	<u>103139</u>	<u>71</u>	<u>192541</u>
 Net income before investment gains			(14056)		(105055)
Net gains on investments			<u>-</u>		<u>26247</u>
Net Income			(14056)		(78808)
Gains/(losses) on revaluation of fixed assets			<u>7114</u>		<u>(18123)</u>
Net movement in funds			(6942)		(96931)
Reconciliation of funds:					
Total funds brought forward			<u>1244065</u>		<u>1340996</u>
Total funds carried forward			<u>1237123</u>		<u>1244065</u>

KENDAL UNITARIAN CHAPEL TRUST  
BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2016

		<u>This Year</u> <u>Unrestricted</u> <u>Funds</u>	<u>Last Year</u> <u>Unrestricted</u> <u>Funds</u>
	Note		
<u>FIXED ASSETS</u>			
Tangible assets	8	264222	265998
Investments	9	<u>958352</u>	<u>948743</u>
		1222574	1214741
<u>CURRENT ASSETS</u>			
Debtors	10	5409	15319
Cash at bank and in hand	11	<u>28861</u>	<u>29332</u>
		34270	44651
<u>CREDITORS</u>			
Amounts falling due within one year	12	<u>19721</u>	<u>15327</u>
NET CURRENT ASSETS		<u>14549</u>	<u>29324</u>
NET ASSETS		<u>1237123</u>	<u>1244065</u>
<u>FUNDS OF THE CHARITY</u>			
Unrestricted funds		<u>1237123</u>	<u>1244065</u>
Total Funds		<u>1237123</u>	<u>1244065</u>

The notes on pages 4 to 8 form part of these accounts.

	Signature	Name	Date of Approval
Signed by:	.....	.....	.....
On behalf of all the Trustees	.....	.....	.....



## KENDAL UNITARIAN CHAPEL TRUST

### NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED

31<sup>ST</sup> DECEMBER 2016

#### 1. Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value (except that investments are shown at market value). The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16<sup>th</sup> July 2014, and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and with the Charities Act 2011.

#### 2. Accounting Policies

##### 2.1 Reconciliation with previous generally accepted accounting practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

##### 2.2 Income

###### (i) Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

###### (ii) Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

###### (iii) Grants and donations

Grants and donations are only included on the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).

###### (iv) Tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

###### (v) Income from interest, royalties and dividends

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

###### (vi) Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in Donations and Legacies.

###### (vii) Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

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KENDAL UNITARIAN CHAPEL TRUST

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED

31<sup>ST</sup> DECEMBER 2016

2.3 Expenditure and Liabilities

(i) Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

(ii) Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

(iii) Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

2.4 Assets

(i) Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £100. They are valued at cost. The depreciation rates and methods used are disclosed in note 8.

(ii) Investment Properties

These are let properties included at a valuation at 31<sup>st</sup> December 2013 by Peill & Co, Kendal. They are not depreciated and are revalued every 5 years.

(iii) Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are valued initially at cost and subsequently at fair value (their market value) at the year end.

(iii) Debtors

Debtors are measured on initial recognition at settlement amount after any trade discounts or amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

3. Incoming Resources

Donations and legacies:

Donations and gifts

Income from investments:

Rental income

Bad Debts recovered

Bank and other interest

Dividends (from Investment Assets)

Other income

Sundry income

From Kendal Unitarian Congregation Accounts

This Year

Last Year

268

71

268

71

81200

80771

30

180

27

19

2427

2976

83684

83946

-

2357

5199

1183

5199

3540

Cont...

KENDAL UNITARIAN CHAPEL TRUST

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED

31<sup>ST</sup> DECEMBER 2016 (continued)

4. Resources Expended

		<u>This Year</u>		<u>Last Year</u>
	Restricted	Unrestricted	Restricted	Unrestricted
	Funds	Funds	Funds	Funds
<u>Expenditure on Raising Funds</u>				
Let property expenses		15454		26916
Bad debts written off		8157		-
Professional fees		2298		3222
Repairs to let properties		21432		99256
Property insurance		<u>4866</u>		<u>2817</u>
		<u>52207</u>		<u>132211</u>
<u>Expenditure on Charitable Activities</u>				
Costs of Minister	68	11865	71	28063
Pulpit supply		1515		119
Caretaker		10461		10083
Administrators		8424		810
Treasurer Honorarium		600		600
Organists		877		-
Travel expenses		1193		1856
Property expenses - Chapel		1608		7044
- Manse		4577		1772
Building alterations depreciation		1986		1986
Donations (Note 7)		20		70
General assembly quota		1645		1935
General assembly meetings		1460		1225
Publicity		89		246
Governance & support costs (Note 5)		<u>4360</u>		<u>4521</u>
	<u>68</u>	<u>50680</u>	<u>71</u>	<u>60330</u>
<u>Other Expenditure</u>				
To Kendal Unitarian Congregation Accounts		252		-

5. Governance & support costs

Accountancy	2540	2878
Telephone & internet	429	360
Equipment depreciation	249	204
Sundries and training	<u>1142</u>	<u>1079</u>
	<u>4360</u>	<u>4521</u>

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KENDAL UNITARIAN CHAPEL TRUST

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED

31<sup>ST</sup> DECEMBER 2016 (continued)

	<u>This Year</u>	<u>Last Year</u>
6. <u>Paid Employees</u>		
Gross wages	29857	35616
Employers NIC	416	622
Pension costs	<u>1337</u>	<u>3208</u>
	<u>31610</u>	<u>39446</u>

The Ministers' Pension Fund is a defined contribution scheme operated by London Scottish Bank and the pension costs represent the amount payable to the fund in respect of the year. There were no contributions outstanding at the year end.

7. Donations

The following donations were made during the year ended 31<sup>st</sup> December 2016:-

SLACC	20
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8. Tangible Fixed Assets

	<u>Computer Equipment</u>	<u>Chapel Alterations</u>	<u>Let Properties &amp; Manse</u>	<u>Plant &amp; Equipment</u>	<u>Total</u>
ASSET COST/VALUE					
At 1 <sup>st</sup> January 2016	3891	99274	187250	3497	293912
Additions	<u>      </u>	<u>-</u>	<u>-</u>	<u>459</u>	<u>459</u>
At 31 <sup>st</sup> December 2016	<u>3891</u>	<u>99274</u>	<u>187250</u>	<u>3956</u>	<u>294371</u>
DEPRECIATION					
At 1 <sup>st</sup> January 2016	3798	21248	-	2868	27914
Charge for year	<u>31</u>	<u>1986</u>	<u>-</u>	<u>218</u>	<u>2235</u>
At 31 <sup>st</sup> December 2016	<u>3829</u>	<u>23234</u>	<u>-</u>	<u>3086</u>	<u>30149</u>
WRITTEN DOWN VALUE					
At 31 <sup>st</sup> December 2015	<u>93</u>	<u>78026</u>	<u>187250</u>	<u>629</u>	<u>265998</u>
At 31 <sup>st</sup> December 2016	<u>62</u>	<u>76040</u>	<u>187250</u>	<u>870</u>	<u>264222</u>

Depreciation is provided for at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Chapel alterations	2% straight line basis
Computer equipment	33% straight line basis
Plant & equipment	20% reducing balance basis

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KENDAL UNITARIAN CHAPEL TRUST

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED

31<sup>ST</sup> DECEMBER 2016 (continued)

9. <u>Fixed Asset Investments</u>	Listed Investments	Investment Properties
Carrying value at 1 <sup>st</sup> January 2016	98743	850000
Acquisitions at cost	2495	-
Net gain on revaluation	<u>7114</u>	<u>-</u>
Carrying value at 31 <sup>st</sup> December 2016	<u>108352</u>	<u>850000</u>

10. <u>Debtors &amp; Prepayments</u>	<u>This Year</u>	<u>Last Year</u>
Other debtors	1210	1745
Prepayments	3435	3488
Other debtors (accrued rents)	<u>764</u>	<u>10086</u>
	<u>5409</u>	<u>15319</u>

11. <u>Cash at Bank and in Hand</u>	<u>This Year</u>	<u>Last Year</u>
Cash at bank and in hand	28861	29332

12. <u>Creditors &amp; Accruals</u>		
Amounts falling due within one year		
	<u>This Year</u>	<u>Last Year</u>
Other creditors	11	87
Accruals & deferred income	<u>19710</u>	<u>15240</u>
	<u>19721</u>	<u>15327</u>

Deferred income comprises rent paid in advance.