

**Church
Accruals Accounts
2021-22**

THE METHODIST CHURCH

**STANDARD FORM OF ACCOUNTS
ACCRUALS BASIS
FOR THE YEAR ENDED 31 AUGUST 2022**

Loughton Methodist Church

Church no **35/33**

Registered Charity - Registration number

1126831

Church Chair

Rev'd Sue Creighton

Church Stewards

Jill Geddes

Sharon Heather

Paul Davies

Stephen Murray (reappointed from December 2021)

Margaret Donoghue

Church Treasurer

Martin Howarth

LOUGHTON METHODIST CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

1 Introduction

- 1.1** The Loughton Methodist Church serves to enable and support the local community. The Chair - Revd Sue Creighton works together with a team of paid and voluntary officers to support and develop the life of the Church.

On 20 November 2008, the Church was entered into the Register of Charities and the Charity Number is 1126831.

The Managing Trustees of the Loughton Church are the members of the Church Council which meets generally 3 - 5 times per year to consider the work of God in the Church and the general management of the Church and its business. The membership of the Council is governed by the Standing Orders of the Methodist Church. The officers of the Church who are appointed by the Church Council to act upon its behalf comprise the Minister, the Ministerial Staff Team, the Church Stewards and the Church Financial Steward (treasurer).

2 Objectives and Activities

2.1 Aims and organisation

The aims of the Church Council through its officers are twofold:

- to secure and sustain the Church's viability and future
- to give assurance to the general public that the Church, which is a charity, intends to use all of the money coming into its care for the purpose of the charity.

2.2 Loughton Methodist Church Calling and Vision

The Church's vision and calling document states "At LMC we are committed to sharing life, doing mission and building community. We believe this honours Christ's call, builds God's Kingdom and brings transformation." The church will achieve this by:

- Sharing life through worship, small groups, rites of passage, pastoral care, listening, encouraging one another and social activities
- By engaging in God's mission of justice, hope and peace for the world. The church listens and responds to God's call to bring change and transformation
- Building community through welcome, respect, acceptance, tolerance, inclusivity and providing a sense belonging

During the previous year the Loughton Methodist Church council took over the responsibility for the Loughton Trinity Debden Church. The income and expenditure relating to the church is included in the SOFA on page 8 for year ended 31 August 2021 and year ended 31 August 2022.

3 Review of progress and achievements

3.1 Loughton Methodist Church Annual Report

A verbal report of the Loughton Methodist Church was presented to the Annual Church meeting, which gave full details of the activities of the Church.

LOUGHTON METHODIST CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

3.2 Plans for future years

- To develop our 5 year calling and vision which will include an upgrade of the community café and welcome area to develop a community hub
- Promote and encourage new leadership across the life of the church and equip, train and support new and existing leaders

4 Financial Plans and Review

- The Church's financial requirements are reviewed each year in the context of the aims listed above and the local congregation are invited to make offers of a share in meeting the total cost.
- The annual budget includes a provision for the general maintenance of the Church property, however, if large expenditure is needed within the year to maintain Church property, the work needed will be agreed and authorised on a case by case basis. Large capital requirements are generally met from the Vision Fund (Designated).
- Church income is drawn primarily from the offerings and letting. During the year offerings reduced to £85,516 (2021: £91,237).
- Rental income was received during the year from the letting of halls to external groups. During the year letting income increased to £73,560 (2021: £23,667).
- Expenditure reduced to £259,739 (2021: £288,679) as the property expenses regarding the toilet update are included.
- At 31 August 2022, unrestricted reserves, excluding the property fund, stood at £302,686 (2021: £316,968).

Unrestricted Funds

- General Fund – this fund together with other unrestricted funds represent at least six months expenditure of the Church's general activities and whilst this represents a significant sum, it is considered important that this level of funding be maintained to meet unexpected expenditure. The balance at the year end was £9,431,739 after adjustments for accruals, including £9,159,064 relating to the Church property within the Church but where the title lies with the Trustees for Methodist Church Purposes.
- Designated Fund - For specific purposes, but not restricted by document or deed to that purpose only (Balance at the year end £30,011 (2021: £Nil)).

Restricted Funds

- For specific purposes and restricted by document or deed to that purpose only. The balance at the year end was £Nil (2021: £Nil).

LOUGHTON METHODIST CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

4.1 Investment Policy

The investment of surplus funds is operated through the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide high quality investment service seeking above average returns for long term investors, whilst ensuring that the securities held by all its funds are in line with the ethical policy of the Methodist Church. The Church has its funds in a deposit account with CFB.

4.2 Reserves Policy

Our Reserves Policy relates to our unrestricted funds which are freely available for any or all of the purposes of the Church. It is our policy to hold at least six months expenditure in hand to enable us to meet any calls for funding requirements.

5 Trustees Responsibilities

For each financial year ending 31 August, the trustees are required to prepare financial statements that give a true and fair view of the Church's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare accounts to comply with the Charities SORP;
- follow applicable accounting standards subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for ensuring that sufficient accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Methodist Church - Loughton Church and enables them to ensure that the financial statements comply with the law and Standing Orders of the Methodist Church.

They are also responsible for safeguarding the assets of the Church and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

5.1 Risk Management

The Church has been considering the various risks facing the Church and the impact and the likelihood of issues happening, which will be reviewed every few years.

The headings under which the risks are being categorised include:

- Governance Risks including Trustees' Responsibilities
- Operational Risks including Resources, People and Property
- Financial Risks
- External Risks and Legal Risks

LOUGHTON METHODIST CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

6 Structure, governance and management

6.1 Structure

The Loughton Methodist Church is an unincorporated association and is governed by the Methodist Church Act 1976, the deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commissioners on 20 November 2008.

Churches are the coordinating charities for local public. Most decisions are made at or ratified by the Church Council. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- 1 Overall regulatory authority rests with the Methodist Conference.
- 2 The Connexional office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Churches within the Circuit.
- 3 The Church Council passes regulatory control down to church councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by church councils as Managing Trustees of their charity.

6.2 Purpose of the Church

The purposes of the Loughton Methodist Church are and deemed to have been since the date of the union the advancement of:

- a the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- b any charitable purposes for the time being of any connexional, District, Circuit, local or other organisation of the Methodist Church, and
- c any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- d any purpose for the time being of any charity being a subsidiary or ancillary of the Methodist Church.

The primary purpose of this Church is to advance the mission of the Church in the local community.

- 1 providing opportunities for Churches to work together and support each other
- 2 offering to Churches resource of finance, personnel and expertise.

6.3 Governance

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by the order of the annual conference (CPD).

Day to day management of the Church is undertaken by the Church Leadership Team, the Church Finance and Property Committee and the Church Coordination Group.

6.4 Public Benefit Requirement

The trustees had due regard to the guidance published by the Charities Commission in compliance with its duties under section 4 of the Charities Act 2011.

This guidance sets out two key principles:

1. The organisation must have an identifiable benefit.
2. The benefit must be to the public or a section of the public.

The Church exists to:

- increase awareness of God's presence and to celebrate God's love;
- help people to learn and grow as Christians, through mutual support and care; and
- be a good neighbour to people in need and challenge injustice.

The trustees consider that for these reasons the charity meets these public benefit requirements.

LOUGHTON METHODIST CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

6.5 Related Parties

The Church is part of the Forest Methodist Circuit and is also accountable to the Methodist Conference.

7 Reference and Administration Details

7.1 The full name of the Charity is Loughton Methodist Church.

7.2 The Loughton Methodist Church is registered as a charity with the Charity Commission in England and Wales. The organisation's Charity No is 1126831.

7.3 The address of the Church for correspondence is 260 High Road, Loughton, Essex, IG10 1RB. The name of the person to whom correspondence should be addressed is the Minister.

7.4 The trustees who served during the year are listed on the last page of these financial statements.

The Church's Bankers are: HSBC, CAF Bank and the Central Finance Board of the Methodist church "CFB".

7.5 Investments managed by the Church are held by Trustees for Methodist Church Purposes "TMCP"

7.6 Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the Church, specifically the leaflet 'The role of a Trustee in the Methodist Church' is given to all new Church Council members as induction to their role as trustees.

7.7 Disclosure of information to auditors

In so far as the trustees are aware:

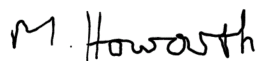
- there is no relevant audit information of which the Charity's auditors are unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

7.8 Auditors

The auditors Clay Ratnage Strevens & Hills had been reappointed as auditors to the Church for this year.

23/3/2023

Approved by the managing trustees on and signed on their behalf by:



.....
Martin Howarth

Treasurer

LOUGHTON METHODIST CHURCH**INDEPENDENT AUDITORS' REPORT****TO THE TRUSTEES OF THE LOUGHTON METHODIST CHURCH**

Opinion

We have audited the financial statements of Loughton Methodist Church (the 'charity') for the year ended 31 August 2022 which comprise Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LOUGHTON METHODIST CHURCH**INDEPENDENT AUDITORS' REPORT (CONTINUED)****TO THE TRUSTEES OF LOUGHTON METHODIST CHURCH****Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Obtaining an understanding of the legal and regulatory frameworks applicable to the charity.
- Obtained an understanding of how the charity is complying with those legal and regulatory frameworks by making enquiries to the trustees.
- The susceptibility of the charity's financial statements to material misstatement caused by fraud or other irregularities were assessed with the following procedures:
 - Identifying and assessing the design effectiveness of controls which trustees have in place to prevent and detect fraud
 - Understanding how those charged with governance considered the potential for override of controls and management biases
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations

Potential fraud risks that had been identified throughout the planning and commencement of the audit were communicated to the audit team.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Clay Ratnage Strevens & Hills**Chartered Accountants****& Statutory Auditors**

Suite D, The Business Centre

Faringdon Avenue

Romford, Essex RM3 8EN



Date: 23/3/2023

Clay Ratnage Strevens & Hills is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

LOUGHTON METHODIST CHURCH

Church No. 35/33

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | General Fund (Unrestricted) | Designated Funds (Unrestricted) | Other Funds (Restricted) | Endowment Funds | Total 2021-22 | Total 2020-21 |
|---------------------------------------------------|------|--------------------------------|---------------------------------------|-----------------------------|--------------------|------------------|------------------|
| | | £ | £ | £ | £ | £ | £ |
| Income | | | | | | | |
| Donations and Legacies | 2 | 17,631 | 30,000 | - | - | 47,631 | 71,264 |
| Interest and Investment Income | | 578 | 11 | - | - | 589 | 478 |
| Other income | 3 | 25,286 | - | - | - | 25,286 | 5,681 |
| Offerings and Tax recoverable | 4 | 85,516 | - | - | - | 85,516 | 91,237 |
| Connexional Advance and Property Fund | | - | - | - | - | - | - |
| Capital Receipts | | - | - | - | - | - | - |
| Grants | 5 | 12,875 | - | - | - | 12,875 | 57,453 |
| Lettings | | 73,560 | - | - | - | 73,560 | 23,667 |
| Total Income | | 215,446 | 30,011 | - | - | 245,457 | 249,780 |
| Expenditure | | | | | | | |
| Grants and Donations | 6 | 6,120 | - | - | - | 6,120 | 6,120 |
| Salaries and associated costs | 7 | 85,336 | - | - | - | 85,336 | 92,516 |
| Property (incl Ins., C tax, utilities etc) | 8 | 54,240 | - | - | - | 54,240 | 88,363 |
| Office Expenses (Admin., tel. travel etc.) | 9 | 7,329 | - | - | - | 7,329 | 7,387 |
| Circuit assessment | | 67,269 | - | - | - | 67,269 | 72,095 |
| Depreciation | | 9,795 | - | - | - | 9,795 | 4,685 |
| Other Expenditure (incl training) | 10 | 25,462 | - | - | - | 25,462 | 13,517 |
| Audit | 11 | 4,188 | - | - | - | 4,188 | 3,996 |
| Capital Expended | | - | - | - | - | - | - |
| | | - | - | - | - | - | - |
| Total Expenditure | | 259,739 | - | - | - | 259,739 | 288,679 |
| Net Income/(Expenditure) | | (44,293) | 30,011 | - | - | (14,282) | (38,899) |
| Transfers between funds | | - | - | - | - | - | - |
| Sub Total | | (44,293) | 30,011 | - | - | (14,282) | (38,899) |
| Gains/(losses) on revaluation of fixed assets | | - | - | - | - | - | - |
| Trinity Debden introduced | | - | - | - | - | 0 | 1,003,744 |
| Net investment in funds | | (44,293) | 30,011 | - | - | (14,282) | 964,845 |
| Total funds brought forward from last year | | 9,476,032 | - | - | - | 9,476,032 | 8,511,187 |
| Total funds carried forward at end of year | | 9,431,739 | 30,011 | - | - | 9,461,750 | 9,476,032 |

For information only: Money received and passed on to External Organisations

Balance brought forward from last year

Offerings/Gifts - received for External Organisations

Offerings/Gifts - passed to External Organisations

Balance still to be paid

| | |
|---------|-------|
| 87 | 87 |
| (4,691) | (160) |
| 4,494 | 160 |
| (110) | 87 |

The notes on pages 10 to 15 form part of these accounts.

LOUGHTON METHODIST CHURCH

Church No. 35/33

BALANCE SHEET

AS AT 31 AUGUST 2022

| Notes | General Fund (Unrestricted) | Designated Funds (Unrestricted) | Other Funds (Restricted) | Endowment Funds | Total 2022 | Total 2021 |
|-------|--------------------------------|---------------------------------------|-----------------------------|--------------------|---------------|---------------|
| | £ | £ | £ | £ | £ | £ |

Tangible Fixed Assets

| | | | | | | | |
|----------------------------------------|----|------------------|----------|----------|----------|------------------|------------------|
| Church Property and other fixed assets | 12 | 9,180,096 | - | - | - | 9,180,096 | 9,169,451 |
| Investment properties | | - | - | - | - | - | - |
| Investments | | - | - | - | - | - | - |
| Total fixed assets | | 9,180,096 | - | - | - | 9,180,096 | 9,169,451 |

Current Assets

| | | | | | | | |
|-------------------------------------------------------------------------------------|----|----------------|---------------|----------|----------|----------------|----------------|
| Debtors and Prepayments | 13 | 18,268 | - | - | - | 18,268 | 63,526 |
| Central Finance Board and Trustees for Methodist Church Purposes deposits etc | 14 | 58,338 | - | - | - | 58,338 | 130,958 |
| Cash at Bank and in hand | 15 | 189,524 | 30,011 | - | - | 219,535 | 140,281 |
| Total current assets | | 266,130 | 30,011 | - | - | 296,141 | 334,765 |

| | | | | | | | |
|-----------------------------------------------------------|-----------|---------------|----------|----------|----------|---------------|---------------|
| Creditors and Accruals (due in under one year) | 16 | 14,487 | - | - | - | 14,487 | 28,184 |
|-----------------------------------------------------------|-----------|---------------|----------|----------|----------|---------------|---------------|

| | | | | | | | |
|-----------------------------------------|--|----------------|---------------|----------|----------|----------------|----------------|
| Net current (liabilities)/assets | | 251,643 | 30,011 | - | - | 281,654 | 306,581 |
|-----------------------------------------|--|----------------|---------------|----------|----------|----------------|----------------|

| | | | | | | | |
|----------------------------------------------|--|------------------|---------------|----------|----------|------------------|------------------|
| Total assets less current liabilities | | 9,431,739 | 30,011 | - | - | 9,461,750 | 9,476,032 |
|----------------------------------------------|--|------------------|---------------|----------|----------|------------------|------------------|

Long term liabilities

| | | | | | | | |
|--------------------------------------|----|---|---|---|---|---|---|
| Loans to the Church | | - | - | - | - | - | - |
| Grants Payable | 17 | - | - | - | - | - | - |
| Other liabilities due after one year | | - | - | - | - | - | - |

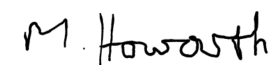
| | | | | | | | |
|-------------------|--|------------------|---------------|----------|----------|------------------|------------------|
| Net assets | | 9,431,739 | 30,011 | - | - | 9,461,750 | 9,476,032 |
|-------------------|--|------------------|---------------|----------|----------|------------------|------------------|

Funds of the Church

| | | | | | | | |
|---------------------------------|----|------------------|---------------|----------|----------|------------------|------------------|
| General Fund (Unrestricted) | 18 | 9,431,739 | | | | 9,431,739 | 9,476,032 |
| Designated Funds (Unrestricted) | 18 | | 30,011 | | | 30,011 | - |
| Total Unrestricted funds | | 9,431,739 | 30,011 | | | 9,461,750 | 9,476,032 |
| Other Funds (Restricted) | 18 | | | - | | - | 0 |
| Endowment Funds (Restricted) | 18 | | | | - | - | - |
| Total Restricted funds | | | | | | - | 0 |
| Total Funds | | 9,431,739 | 30,011 | - | - | 9,461,750 | 9,476,032 |

23/3/2023

Approved by the managing trustees on and signed on their behalf by:



Martin Howarth

Treasurer

The notes on pages 10 to 15 form part of these accounts.

LOUGHTON METHODIST CHURCH**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022**

1 Accounting framework and accounting policies**i Accounting framework**

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

ii Public benefit entity

The Church meets the definition of a public benefit entity under FRS 102.

iii Basis

These accounts have been prepared on the basis of historical cost except that Church Property is shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Church's financial position and activities. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes below.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

v Going concern

Based on the monetary assets and human resources available at 31 August 2022, the trustees believe that the Church is a going concern.

vi Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Church. No attempt is made to measure the value of services donated by volunteers. In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised.

vii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

viii Grants

Grants are recognised annually only as and when any performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Grants Committee being satisfied, on the basis of progress reports from the grantee, that the grant's achievements to date justify the payment of further instalments of that grant. Such commitments are noted as contingent liabilities and included within other relevant designated fund in these accounts.

LOUGHTON METHODIST CHURCH

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

ix VAT

Since the Church is not VAT registered, all input VAT is charged with the expenses to which it relates.

x Tangible fixed assets

These are capitalised if they can be used for more than one year. The Church Property is shown in the accounts at market valuation at the end of the financial year.

Other fixed assets have been depreciated using the straight-line method over four years.

xi Debtors and creditors; bank and cash

Debtors are stated at the amounts owed to the Church or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or amount advanced to the Church. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

xii Ministers' manse costs

The Church is not required to provide accommodation for the Minister and his / her family. This is the responsibility of the Circuit.

LOUGHTON METHODIST CHURCH**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022**

| | | | |
|----------|------------------------------------------------|----------------|----------------|
| 2 | Donations and legacies | 2021-22 | 2020-21 |
| | Donation and gift day | 16,876 | 15,185 |
| | Donation (Flower fund) | 278 | - |
| | Church Vision Fund | - | 50,000 |
| | Bosnia Fund | 12 | 9 |
| | Donations (Property projects) | 30,000 | - |
| | Property project fund - Various donations | 465 | 6,070 |
| | | <u>47,631</u> | <u>71,264</u> |
| 3 | Other income | 2021-22 | 2020-21 |
| | Welcome area receipts | 20,627 | 3,980 |
| | Bank compensation | - | 550 |
| | Bookstall fund | 999 | - |
| | PALS fund | - | 306 |
| | Holiday club | 1,673 | - |
| | Falcon's flight | 1,751 | - |
| | Trinity - Street party | 236 | - |
| | Job retention scheme | - | 845 |
| | | <u>25,286</u> | <u>5,681</u> |
| 4 | Offerings and tax recoverable | 2021-22 | 2020-21 |
| | Offerings | 71,168 | 72,273 |
| | Tax recoverable | 14,348 | 18,964 |
| | | <u>85,516</u> | <u>91,237</u> |
| 5 | Grants and donations received | 2021-22 | 2020-21 |
| | Property project fund - Biffa grant | - | 51,304 |
| | Forest circuit - Trinity Debden | - | 6,149 |
| | Art Council grant | 10,000 | - |
| | Grant - Epping Forest District Council | 2,875 | - |
| | | <u>12,875</u> | <u>57,453</u> |
| 6 | Grants and donations paid | 2021-22 | 2020-21 |
| | Donations paid | 4,560 | 4,560 |
| | Contributions to Connexional and circuit funds | 1,560 | 1,560 |
| | | <u>6,120</u> | <u>6,120</u> |

LOUGHTON METHODIST CHURCH**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022**

| | | | |
|-----------|------------------------------------------------------------------------------------|----------------|----------------|
| 7 | Salaries and associated costs | 2021-22 | 2020-21 |
| | Gross Pay | 74,772 | 80,903 |
| | Employer's National Insurance Contribution | 5,240 | 6,300 |
| | Employer's pension contribution to the defined benefit scheme | 4,470 | 4,429 |
| | Apprentiship levy | 374 | 404 |
| | Administration cost | 480 | 480 |
| | | <u>85,336</u> | <u>92,516</u> |
| 8 | Property costs | 2021-22 | 2020-21 |
| | Church repairs | 13,414 | 70,072 |
| | Accident costs (amounts paid £45,914 less amounts received from insurance £45,211) | 703 | - |
| | Insurance and utilities | 5,694 | 6,640 |
| | Property management and cleaning | 21,336 | 15,282 |
| | Heat and light | 13,093 | (3,631) |
| | | <u>54,240</u> | <u>88,363</u> |
| 9 | Office expenses | 2021-22 | 2020-21 |
| | Telephone | 1,603 | 2,029 |
| | Computer expenses | 839 | 1,322 |
| | Copier expenses | 3,558 | 3,259 |
| | Postage and stationery | 1,329 | 777 |
| | | <u>7,329</u> | <u>7,387</u> |
| 10 | Other expenditure | 2021-22 | 2020-21 |
| | Pastoral work | 3,835 | 4,161 |
| | Sundries | 159 | 199 |
| | Training cost | 385 | 741 |
| | Welcome area cost | 6,494 | 3,497 |
| | Flower fund | 389 | - |
| | Life works - Falcon Flight | 11,825 | - |
| | Covid-19 sanitisers | - | 769 |
| | Youth work projects | 915 | 854 |
| | Art centre cost | - | 888 |
| | Lifework - Indefinite leave to remain charge | - | 2,408 |
| | Trinity - Expenses | 949 | - |
| | Trinity - Publicity | 511 | - |
| | | <u>25,462</u> | <u>13,517</u> |
| 11 | Fees for examination or audit of the accounts | 2021-22 | 2020-21 |
| | Auditors' fees | 2,548 | 2,432 |
| | Other fees (e.g.: advice, accountancy services) | 1,640 | 1,564 |
| | | <u>4,188</u> | <u>3,996</u> |

LOUGHTON METHODIST CHURCH**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022****12 Total Tangible Fixed Assets**

| | Land and Buildings | Other Fixed Assets | Total |
|----------------------------------------|-------------------------------|-----------------------------------|-------------------------|
| Cost or valuation | | | |
| Balance at 1st Sept 2021 | 9,159,064 | 135,122 | 9,294,186 |
| Additions in the year | - | 20,440 | 20,440 |
| Write off in the year | - | - | - |
| Revaluations in the year | - | - | - |
| Balance at 31st August 2022 | <u>9,159,064</u> | <u>155,562</u> | <u>9,314,626</u> |
| Depreciation | | | |
| Balance at 1st Sept 2021 | - | 124,735 | 124,735 |
| Charge in the year | - | 9,795 | 9,795 |
| Depreciation on write off | - | - | - |
| Balance at 31st August 2022 | <u>-</u> | <u>134,530</u> | <u>134,530</u> |
| Net Book Value @ 31 August 2022 | <u>9,159,064</u> | <u>21,032</u> | <u>9,180,096</u> |
| Net Book Value @ 31 August 2021 | <u>9,159,064</u> | <u>10,387</u> | <u>9,169,451</u> |

The Land and Buildings (Church Property) were revalued in the year by the Trustees and there was no change in value. No depreciation is provided on the building because the trustees consider the current fair value of the church buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material. The church property has been reviewed for impairment.

13 Debtors and prepayments

All sums paid in advance at 31 August 2022 were for purposes required during 2022-23.

| | 2021-22 | 2020-21 |
|-----------------------------------------------|----------------------|----------------------|
| Prepayments and accrued income | | |
| Circuit assessment paid in advance | 17,899 | 16,817 |
| Light and heat | - | 1,570 |
| Other debtors | 369 | 10,087 |
| Gift aid tax recoverable | - | 18,964 |
| Accident expenses to be received from insurer | - | 16,088 |
| Total | <u>18,268</u> | <u>63,526</u> |

14 Trustees for Methodist Church Purposes

The funds that support the Vision Fund are held by TMCP. TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated funds. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

LOUGHTON METHODIST CHURCH**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022****15 Central Finance Board (CFB) and cash at bank**

The Church has one current account at HSBC Plc (closed in Dec 2022), one current account with Barclays Plc, two accounts with NatWest Bank and two accounts with CAF Bank, two deposits with Shawbrook Bank, all are authorised institutions. The sums held on the account are immediately available. In addition, the Church has one deposit account at CFB. Interest is earned on this CFB account and credited monthly.

16 Creditors and accrued expenses

| | 2021-22 | 2020-21 |
|---------------------------------------------------|---------------|---------------|
| Audit and accountancy fees | 4,188 | 3,996 |
| Owed to other charity | 111 | - |
| Cleaning accruals | 1,563 | 2,817 |
| EBAC Grant - Livestreaming | 8,625 | |
| Property project fund - Livestreaming grant | - | 11,500 |
| Arts Council Grant for Falcon Flight 21 | - | 9,000 |
| Ticket receipt less expenses for Falcon Flight 21 | - | 871 |
| | <u>14,487</u> | <u>28,184</u> |

17 Grant commitments

There were no future commitments at 31 August 2022

18 Church funds (Unrestricted and Restricted)

The Church maintains a number of separate funds. The purpose, type, movement and state as at the end of year is documented below.

The funds held constitute: General Funds for any purpose, Designated Funds for specific purposes, but not restricted for that purpose only and Restricted Funds for specific purposes and restricted for that purpose only. Details of each material fund are disclosed in the notes below.

Project

| | | 2021-22 | 2020-21 |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| General Funds - Unrestricted | For use at the discretion of the trustees in the furtherance of the objectives of the Church. This excludes funds which have been designated for a specific purpose. | 9,431,739 | 9,476,032 |
| Designated Funds - Unrestricted | For specific purposes, but not restricted by document or deed to that purpose alone. | 30,011 | - |
| Other Funds - Restricted | For specific purposes and restricted by document or deed to that purpose alone. | - | - |
| | | <u>9,461,750</u> | <u>9,476,032</u> |

19 Transfer between funds

| | 2021-22 | 2020-21 |
|------------------|---------|---------|
| Restricted funds | - | - |

The trustees have concluded the Church does not hold any funds which are considered to be for a specific purpose and as a result have decided to transfer the Restricted Funds balance to the General Funds.

20 Volunteer contribution

Every entity (Connexion, District, Circuit, Church) within the Methodist church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. It is the volunteers who are involved in every activity in the church and without them the church would not function. We are grateful to all of them for their help and commitment.

LOUGHTON METHODIST CHURCH DECLARATIONS**Treasurer**

I confirm that I have prepared the accounts from the records of the Church and that they include all funds under the control of the Church Council .

Signature of Treasurer



Name

Martin Howarth

Date

23/3/2023

Address

16 Marjorams Avenue, Loughton, Essex IG10 1PT

Presentation to the Church Council for approval.

I confirm that the Accounts have been ~~or will be (*)~~ presented to the Church Council on

20/10/2022

and were ~~or will be (*)~~ approved on

20/10/2022

Signature of the Chair of the meeting



Name of the Chair of the meeting

Rev Sue Creighton

Date

23/3/2023

* Delete as appropriate

LOUGHTON METHODIST CHURCH**TRUSTEES****FOR THE YEAR ENDED 31 AUGUST 2022**

Date appointed / resigned

| | | |
|-------------------|-----------|-----------------|
| | Andrea | Moles |
| | Chris | Beament |
| | Christine | Baker |
| | Christine | Watson |
| | David | Hobbs |
| | Jill | Angold-Stephens |
| | Jill | Geddes |
| | Keith | Aldred Dr |
| | Margaret | Buttress |
| | Margaret | Donoghue |
| | Martin | Howarth |
| | Mary | Knapman |
| | Paul | Davies |
| | Peter | Moles |
| | Sharon | Heather |
| | Stephen | Perry |
| | Sue | Creighton |
| 01 September 2021 | Stephen | Murray |
| 08 May 2022 | Julie | Maule |
| 08 May 2022 | Paul | Hay |
| Resigned | | |
| 08 May 2022 | Susan | Judd |