

Charity registration number: 1127462

The Potters House Methodist Church

known as

Potters Church

Annual Report and Financial Statements

for the Year Ended 31 August 2020

The Potters House Methodist Church
known as Potters Church

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8 to 9
Balance Sheet	10
Notes to the Financial Statements	11 to 23

The Potters House Methodist Church

known as Potters Church

Reference and Administrative Details

Trustees	Mr L Cooke
	Mr PA Butterworth AIB
	Mrs H Brindley
	Mr PE Graham
	Mr D Phillips BA
	Mrs L Wilde
	Mrs S Willoughby
	Mrs P Drew
	Mr A Williamson
	Mrs A Price
	Rev P Hancock
	Mr B Barber
	Rev A Clowes to 28 February 2020
	Mrs A Price
	Rev P Hancock
Senior Management Team	
Principal Office	Potters Church
	The Bridge Centre
	Birches Head
	Stoke on Trent
	ST2 8QD
Charity Registration Number	1127462
Independent Examiner	Daryl Denson ACMA
	VAST
	The Dudson Centre
	Hope Street
	Stoke on Trent
	ST1 5DD

The Potters House Methodist Church

known as Potters Church

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2020.

Trustees

Mr L Cooke, Chair of Church Council

Rev A Clowes (resigned 28 February 2020)

Mr PA Butterworth AIB, Treasurer

Mrs H Brindley (appointed 5 September 2019)

Mr PE Graham

Mr D Phillips BA

Mrs L Wilde, Safeguarding Officer (appointed 5 September 2019)

Mrs S Willoughby, Lead for Pastoral Care

Mr J Molyneaux (resigned 31 May 2020)

Mrs P Drew

Mr A Williamson

Mrs A Price, Lead Pastor

Rev P Hancock, Pastor

Mr B Barber, Circuit Steward

Mrs K Kenyon, Safeguarding Officer (resigned 30 November 2019)

The Potters House Methodist Church

known as Potters Church

Trustees' Report

Objectives and activities

Objects and aims

The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of-

- (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;
- (b) any charitable purpose for the time being of any Connexional, district, circuit, local or other organisation of the Methodist Church;
- (c) any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church;
- (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

Public benefit

We are a Christian Church. We offer regular worship and activities for all ages.

In usual times, on Sunday, Potters Church organises Christian acts of worship for a combined congregation of between 300 - 450 people. At present the Potters Church holds worship services in Birches Head and Longton.

The Potters Church provides a wide variety of weekday activities for the benefit of the public within the Stoke-on-Trent community. Such activities include: youth work, a parents and toddlers group, a weekly meeting for retired and elderly individuals, a craft club and a community choir.

Due to the impact of Covid-19, much of our work has moved online through streamed worship and other meetings using online platforms.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

Under usual circumstances, we are supported by a number of volunteers (around 100), whom enable our activities to run well and safely.

The Potters House Methodist Church

known as Potters Church

Trustees' Report

Achievements and performance

During the year September 2019 to August 2020 Potters Church continued to expand its' objectives in a wide variety of ways.

In Stoke on Trent, we supported projects which challenged issues of modern day slavery, gave food to the hungry and supported the local Foodbank, provided opportunities for ex-offenders and responded to the issues faced by refugees and asylum seekers who have been sent into our area.

We supported work with the homeless in our city, focusing on support and rehabilitation.

As a local church we successfully hosted a weekly community group for the elderly and retired and parents and toddlers.

As a multigenerational church we continued during this period to provide faith based activities for all ages.

On Sundays we met to celebrate our faith and challenge people to respond with God's love, to the needs and challenges of modern society.

During this period we continued to develop a second Sunday congregation in the south of our city whilst at the same time, in partnership with Swan Bank Church, we launched a new congregations in Newcastle-under-Lyme.

We worked in unity with other Christians and provided weekly acts of worship online due to the Covid-19 pandemic, as well as adapted and found other ways of building community and supporting individuals both within our church community and those outside.

Our craft group provided face masks (PPE) for those who requested it using a grant received from Stoke on Trent City Council to support our local community during Covid-19.

Financial review

The results for the year are set out in the Statement of Financial Activities. Covid-19 has impacted the money received through giving at Potters Church by 17%

Policy on reserves

It is the trustees' policy to maintain a balance on unrestricted funds (if possible), which equates to three months staff wages and three months contribution to the Stoke on Trent Mission Circuit, equivalent to approximately £40,000. This should be sufficient to cover statutory payments due to staff should it be necessary to cease our activities. Unrestricted free reserves (excluding fixed assets) at the year end were £69,554 (2019: £67,500).

Investment policy and objectives

The trustees have the power to invest in such assets as they see fit.

Structure, governance and management

Nature of governing document

The Potters House Methodist Church was established as a charity in England and Wales (Number 1127462) on 9th January 2009 under the Deed of Union (1932) and Methodist Church Act (1976).

The Potters House Methodist Church

known as Potters Church

Trustees' Report

Recruitment and appointment of trustees

Appointment of trustees is governed by the constitution of the charity. Trustees are nominated by church members and must be committed members of the church. The trustees will conduct an interview with the prospective new trustee at which the responsibilities of trustees will be discussed and a schedule of expected duties is provided. The trustees will then review the position and ensure that the prospective trustee meets the charity's 'Trustee person specification' guidance and then a final decision will be taken. They are elected at the annual general meeting.

Induction and training of trustees

The induction process for a new trustee involves an initial meeting with the current trustees to discuss in detail the responsibilities of the position, the governing trust deed and the objectives of the charity. The new trustee will be provided with a copy of the Charity Commissions Guidance 'The Essential Trustee: What you Need to Know'.

Arrangements for setting key management personnel remuneration

The pay scales for key management personnel are set by the trustees and are benchmarked against other similar size organisations operating in the area. Pay of individual members of the management team are reviewed annually and this review takes into account performance and any additional responsibilities as well as increases in average earnings.

Organisational structure

The Church is governed according to the constitution and practice of the Methodist Church. Church Councils are held four times each year and a Congregational meeting is held annually. In addition the Church Council have delegated most of the day to day running of the Church to the Church Leadership Team (who are all trustees).

The Potters House Methodist Church

known as Potters Church

Trustees' Report

Major risks and management of those risks

The trustees actively review the major risks that the charity faces on a regular basis and believe that maintaining reserves at the current levels combined with an annual review of the controls over key financial systems will continue to provide sufficient resources through adverse economic conditions. The trustees regularly examine other operational and business risks faced by the charity and confirms that systems have been established to mitigate the significant risks.

Important non-adjusting events after the financial period

The current pandemic has caused both Potters Church congregations to move the majority of its activities online. We have been able to work collaboratively with other churches within our Methodist Circuit which has enabled us to make good use of resources. Through the first few months of the pandemic, we observed an income decrease of around 17%. In the current circumstances, we will continue to review our finances through the guidance of the trustees and finance committee and will assess how this decrease may impact any future plans. We have not been required to furlough any employed staff at the current time. A future return to worship at both of our physical congregations will depend on the success of the national vaccination programme and we continue to monitor the national picture.

The annual report was approved by the trustees of the charity on and signed on its behalf by:



.....
Mr L Cooke
Trustee

The Potters House Methodist Church

known as Potters Church

Independent Examiner's Report to the trustees of The Potters House Methodist Church

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2020 which are set out on pages 8 to 23.

Respective responsibilities of trustees and examiner

As the charity's trustees of The Potters House Methodist Church 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 The Potters House Methodist Church's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the 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 Potters House Methodist Church 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 accounting 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 have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Daryl Denson ACMA

VAST
The Dudson Centre
Hope Street
Stoke on Trent
ST1 5DD

Date: 06/04/21
.....

The Potters House Methodist Church
known as Potters Church

Statement of Financial Activities for the Year Ended 31 August 2020

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	154,145	14,235	168,380
Charitable activities	3	5,093	2,676	7,769
Investment income	4	54	-	54
Total Income		<u>159,292</u>	<u>16,911</u>	<u>176,203</u>
Expenditure on:				
Charitable activities	5	<u>(162,050)</u>	<u>(13,955)</u>	<u>(176,005)</u>
Total Expenditure		<u>(162,050)</u>	<u>(13,955)</u>	<u>(176,005)</u>
Net (expenditure)/income		(2,758)	2,956	198
Gross transfers between funds		<u>3,973</u>	<u>(3,973)</u>	-
Net movement in funds		1,215	(1,017)	198
Reconciliation of funds				
Total funds brought forward		<u>68,819</u>	<u>9,527</u>	<u>78,346</u>
Total funds carried forward	15	<u><u>70,034</u></u>	<u><u>8,510</u></u>	<u><u>78,544</u></u>

The Potters House Methodist Church
known as Potters Church

Statement of Financial Activities for the Year Ended 31 August 2020

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Donations and legacies	2	180,492	6,636	187,128
Charitable activities		9,772	19,434	29,206
Investment income	4	<u>68</u>	<u>-</u>	<u>68</u>
Total Income		<u>190,332</u>	<u>26,070</u>	<u>216,402</u>
Expenditure on:				
Charitable activities	5	<u>(185,168)</u>	<u>(33,108)</u>	<u>(218,276)</u>
Total Expenditure		<u>(185,168)</u>	<u>(33,108)</u>	<u>(218,276)</u>
Net income/(expenditure)		5,164	(7,038)	(1,874)
Gross transfers between funds		<u>(1,450)</u>	<u>1,450</u>	<u>-</u>
Net movement in funds		3,714	(5,588)	(1,874)
Reconciliation of funds				
Total funds brought forward		<u>65,105</u>	<u>15,115</u>	<u>80,220</u>
Total funds carried forward	15	<u><u>68,819</u></u>	<u><u>9,527</u></u>	<u><u>78,346</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 15.

The Potters House Methodist Church

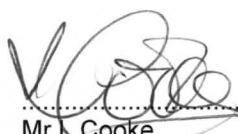
known as Potters Church

(Registration number: 1127462)

Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	770	2,767
Current assets			
Debtors	12	10,473	15,457
Cash at bank and in hand		<u>75,363</u>	<u>61,030</u>
		85,836	76,487
Creditors: Amounts falling due within one year	13	<u>(8,062)</u>	<u>(908)</u>
Net current assets		<u>77,774</u>	<u>75,579</u>
Net assets		<u>78,544</u>	<u>78,346</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	15	8,510	9,527
Unrestricted income funds			
Unrestricted funds		<u>70,034</u>	<u>68,819</u>
Total funds	15	<u>78,544</u>	<u>78,346</u>

The financial statements on pages 8 to 23 were approved by the trustees, and authorised for issue on and signed on their behalf by:



 Mr L Cooke
 Trustee

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

Statement of compliance

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

The Potters House Methodist Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class

Fixtures & fittings

Depreciation method and rate

straight line over 5 years

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2020 £
Donations and legacies;			
Donations from individuals	126,733	5,533	132,266
Gift aid reclaimed	26,912	480	27,392
Grants, including capital grants;			
Government grants	500	-	500
Grants from other charities	-	8,222	8,222
	<u>154,145</u>	<u>14,235</u>	<u>168,380</u>
	Unrestricted funds General £	Restricted funds £	Total 2019 £
Donations and legacies;			
Donations from individuals	150,880	1,636	152,516
Gift aid reclaimed	29,612	-	29,612
Grants, including capital grants;			
Grants from other charities	-	5,000	5,000
	<u>180,492</u>	<u>6,636</u>	<u>187,128</u>

3 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2020 £
	<u>5,093</u>	<u>2,676</u>	<u>7,769</u>
	Unrestricted funds General £	Restricted funds £	Total 2019 £
	5,801	19,434	25,235
	3,971	-	3,971
	<u>9,772</u>	<u>19,434</u>	<u>29,206</u>

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

4 Investment income

	Unrestricted funds General £	Total 2020 £
Interest receivable and similar income;		
Interest receivable on bank deposits	54	54
	<u>54</u>	<u>54</u>
	Unrestricted funds General £	Total 2019 £
Interest receivable and similar income;		
Interest receivable on bank deposits	68	68
	<u>68</u>	<u>68</u>

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

5 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2020 £
Church Activities	157,676	13,955	171,631
Youth Holiday	3,426	-	3,426
Governance Costs	948	-	948
	<u>162,050</u>	<u>13,955</u>	<u>176,005</u>
	Unrestricted funds General £	Restricted funds £	Total 2019 £
Church Activities	177,848	33,108	210,956
Youth Holiday	6,370	-	6,370
Governance Costs	950	-	950
	<u>185,168</u>	<u>33,108</u>	<u>218,276</u>

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2020 £
Independent examiner fees		
Examination of the financial statements	948	948
	<u>948</u>	<u>948</u>
	Unrestricted funds General £	Total 2019 £
Independent examiner fees		
Examination of the financial statements	950	950
	<u>950</u>	<u>950</u>

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

7 Government grants

A £500 grant was given to the charity by Stoke-on-Trent City Council to assist with the church's work during the COVID-19 pandemic.

The amount of grants recognised in the financial statements was £500 (2019 - £Nil).

There were no unfulfilled conditions at the year end.

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Rev A Clowes

Rev A Clowes received remuneration of £22,217 (2019: £46,387) and £1,834 (2019: £2,871) of expenses were reimbursed to Rev A Clowes during the year.

Salary of £5,327 (2019: £12,786) was paid directly and £16,890 (2019: £32,834) via the circuit. £320 (2019: £767) of pension contributions were made for Rev A Clowes. Expenses reimbursed were for Rev A Clowes' paid employment and not in relation to his role as a trustee. Rev A Clowes left the church's employment and resigned as a trustee in February 2020.

Pension contributions have been paid to a defined contribution scheme.

Rev P Hancock

Rev P Hancock received remuneration of £14,021 (2019: £13,596) during the year.

This remuneration was paid via the district and circuit.

Mrs A Price

Mrs A Price received remuneration of £21,280 (2019: £13,518) and £66 (2019: £42) of expenses were reimbursed to Mrs A Price during the year.

Salary of £20,074 (2019: £12,586) was paid directly. £1,206 (2019: £932) of pension contributions were made for Mrs A Price. Expenses reimbursed were for Mrs A Price's paid employment and not in relation to her role as a trustee.

Pension contributions have been paid to a defined contribution scheme.

The legal authority under which remuneration was given to those also acting as trustees of the charity is the Constitutional Practice and Discipline of the Methodist Church, which states that subject to compliance with Standing Orders as to conflicts of interest, the trustees may employ or engage the services of any managing trustee or connected person at remuneration and on terms not more preferential than would be accorded to a member of the public with the same qualifications and experience.

Donations made by the trustees without any conditions attached totalled £17,504 for the year (2019 - £23,580).

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	49,924	30,082
Pension costs	<u>3,094</u>	<u>2,288</u>
	<u>53,018</u>	<u>32,370</u>

The monthly average number of persons (including senior management team) employed by the charity during the year:

	2020 No	2019 No
Ministry	<u>3</u>	<u>3</u>

The total number of staff employed during the year was 5, 3 of which were not employed for the full year. 5 (2019 - 3) of the charity's employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £3,094 (2019 - £2,288).

No employee received emoluments of more than £60,000 during the year

The total employee benefits of the key management personnel of the charity were £26,927 (2019 - £27,071), which includes statutory maternity pay then recovered from HMRC.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

The Potters House Methodist Church
known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

11 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 September 2019	25,819	25,819
At 31 August 2020	25,819	25,819
Depreciation		
At 1 September 2019	23,052	23,052
Charge for the year	1,997	1,997
At 31 August 2020	25,049	25,049
Net book value		
At 31 August 2020	770	770
At 31 August 2019	2,767	2,767

12 Debtors

	2020 £	2019 £
Prepayments	4,391	7,297
Other debtors	6,082	8,160
	10,473	15,457

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	494	-
Other taxation and social security	826	-
Other creditors	2,294	-
Accruals	4,448	908
	8,062	908

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

14 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £3,094 (2019 - £2,288).

15 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2020 £
Unrestricted funds					
<i>General</i>					
Unrestricted general fund	68,819	159,292	(162,050)	3,973	70,034
Restricted funds					
Misc Restricted Funds	4,450	1,160	(1,662)	(3,144)	804
Open House	1,844	1,516	(1,530)	-	1,830
Longton Church	1,826	-	(1,669)	-	157
Seedbed	829	-	-	(829)	-
Methodist Youth Activities	-	1,800	-	-	1,800
Castle Connect Church Newcastle	578	12,435	(9,094)	-	3,919
Total restricted funds	<u>9,527</u>	<u>16,911</u>	<u>(13,955)</u>	<u>(3,973)</u>	<u>8,510</u>
Total funds	<u><u>78,346</u></u>	<u><u>176,203</u></u>	<u><u>(176,005)</u></u>	<u><u>-</u></u>	<u><u>78,544</u></u>

The Potters House Methodist Church
known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2019 £
Unrestricted funds					
<i>General</i>					
Unrestricted general fund	65,105	190,332	(185,168)	(1,450)	68,819
Restricted					
Misc Restricted Funds	8,830	23,850	(29,102)	1,450	5,028
Open House	1,961	2,220	(2,337)	-	1,844
Longton Church	3,495	-	(1,669)	-	1,826
Seedbed	829	-	-	-	829
Total restricted funds	<u>15,115</u>	<u>26,070</u>	<u>(33,108)</u>	<u>1,450</u>	<u>9,527</u>
Total funds	<u>80,220</u>	<u>216,402</u>	<u>(218,276)</u>	<u>-</u>	<u>78,346</u>

The specific purposes for which the funds are to be applied are as follows:

Misc Restricted funds - various small projects including Craft, Voice of Hope, Flourish, Little Bridges, Choir and Reach. Income includes small grants from The Community Foundation for Staffordshire, as well as donations and income from specific charitable activities.

Open House - a friendship group for elderly and retired people

Longton Church - outreach programme in Longton

Seedbed - work with asylum seekers and refugees

Methodist Youth Activities - to provide youth activities and holidays to asylum seekers

Castle Connect Church - for the church plant in Newcastle-under-Lyme including grants from The Methodist Church - Chester and Stoke-on-Trent District.

Three amounts have been transferred from restricted to unrestricted funds in the year. The remaining Seedbed grant was to fund a project which ceased in 2015 and the charity which gave the grant no longer exists. The second amount transferred was included in misc restricted funds and given to provide family support services. The project ceased in 2015 and the trustees have made the decision to transfer the remaining balance to unrestricted funds to fund further church activities. The final amount transferred was also included in misc restricted fund and was given to fund donations to Compassion UK. The donations have been paid to Compassion UK but were not allocated to this fund which has now been rectified by the transfer.

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

16 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 August 2020 £
Tangible fixed assets	480	290	770
Current assets	77,616	8,220	85,836
Current liabilities	(8,062)	-	(8,062)
Total net assets	<u>70,034</u>	<u>8,510</u>	<u>78,544</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 August 2019 £
Tangible fixed assets	941	1,826	2,767
Current assets	68,786	7,701	76,487
Current liabilities	(908)	-	(908)
Total net assets	<u>68,819</u>	<u>9,527</u>	<u>78,346</u>

17 Related party transactions

During the year the charity made the following related party transactions:

Mrs C Clowes

(Mrs Clowes is the wife of Trustee and Senior Pastor Rev A Clowes - resigned February 2020)

Mrs Clowes was employed between February 2018 and February 2020 as an administrator and was paid a salary of £9,873 (2018: £5,547), pension contributions of £589 (2018: £333) and reimbursed travel expenses of £102 (2018: £nil). At the balance sheet date the amount due to/from Mrs C Clowes was £Nil (2019 - £Nil).

The Methodist Church - Chester and Stoke-on-Trent District

(Brian Barber is a trustee of The Potters House Methodist Church and The Methodist Church - Chester and Stoke-on-Trent District.)

The charity received grants of £6,422 from The Methodist Church - Chester and Stoke-on-Trent District during the year. . At the balance sheet date the amount due to/from The Methodist Church - Chester and Stoke-on-Trent District was £Nil (2019 - £Nil).

The Potters House Methodist Church

known as Potters Church

Notes to the Financial Statements for the Year Ended 31 August 2020

18 Non-adjusting events after the financial period

The current pandemic has caused both Potters Church congregations to move the majority of its activities online. We have been able to work collaboratively with other churches within our Methodist Circuit which has enabled us to make good use of resources. Through the first few months of the pandemic, we observed an income decrease of around 17%. In the current circumstances, we will continue to review our finances through the guidance of the trustees and finance committee and will assess how this decrease may impact any future plans. We have not been required to furlough any employed staff at the current time. A future return to worship at both of our physical congregations will depend on the success of the national vaccination programme and we continue to monitor the national picture.