

EMSWORTH METHODIST CHURCH
ANNUAL REPORT AND
FINANCIAL STATEMENTS

for the year ended 31st August 2021

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Trustees' Report for 2020-21

1. Introduction

Emsworth Methodist Church & Pastoral Centre (EMCPC) is a serving and worshipping Christian Church in the heart of Emsworth, working closely with other churches and with the local community. This report year has inevitably been greatly affected by the Coronavirus Pandemic, but our ongoing aims and purpose remain the same. We seek to offer a variety of different styles of Sunday Worship during the month and during the week we are open as a Pastoral Centre and welcome all for refreshment, friendship or just to offer a quiet space.

For further details see: www.emsworthmethodistchurch.org

We hope all who come will feel part of this supportive and caring church family as we seek to serve God in this place.

2. Administrative Information

Emsworth Methodist Church is registered with the Charity Commission as Charity Number 1127747. Correspondence should be addressed to either The Minister or Senior Steward or Treasurer at Emsworth Methodist Church & Pastoral Centre, 19 High Street, Emsworth, PO10 7AQ.

The Trustees are the members of the Church Council of Emsworth Methodist Church. The following are the Trustees at the date of this report, and served as Trustees during the year:

Ex officio members

Superintendent Minister	Revd David Muskett
Ministers	Revd Stephen Wright Revd Bill Stillwell (to 31.8.21) Deacon Laura Evans (to 31.8.21)
Circuit Steward	Matthew Thomas
Church Stewards	David Sawyer, Dot Warren
Treasurer	Peter Gregory
Pastoral Secretary	Diana Harris
Church Council Secretary	Alan Hickox

Other members

Rosemary Baker, Ruth Beechey, Marian Coles, Gill Cooper, David Cornelius, Sue Dudman, Geoffrey Eardley, Pamela Eardley, Diana Elliott, Veronica Hickox, Marian Hughes, Margaret Sawyer, Amy Senior (to 31.8.21), Alison Vaughan, Vivien Watson

Anglican PCC observer	James Mant
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3. Purpose and Mission

EMCPC is part of the Methodist Church of Great Britain whose purposes are the advancement of:

- a) the Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- b) any charitable purpose for the time being of any Connexional, District, Circuit, local or other organization of The Methodist Church;
- 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 charity subsidiary or ancillary to The Methodist Church.

The calling of The Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this through:

- worship
- learning and caring
- service
- evangelism

EMCPC is in the Southampton District whose Vision states 'We will be a District where Circuits, Local Churches and individuals of all ages are accompanied and encouraged to respond to the gospel of Jesus Christ and participate in God's mission in the power of the Holy Spirit.'

EMCPC's mission is to be a serving and worshipping Christian Church in the heart of Emsworth, working closely with other churches and with the local community. To achieve this mission we will:

- provide regular opportunities for worship and prayer, and explore new and different ways of worshipping;
- provide opportunities for people to explore and grow in the Christian faith and to enter into an experience that meets their needs;
- express the Christian gospel's servant role through the work of the Pastoral Centre, offering to all users a welcome, friendship and refreshment without prejudice or expectation;
- explore new community links and widen our network of volunteers;
- provide well-maintained premises, ensuring maximum flexibility of use, and make multifunctional use of the worship area, particularly as a Pastoral Centre;
- be a member of Christians Together in Emsworth, promoting ecumenical activity and seeking to strengthen our links with other Emsworth Churches;
- provide an enriching pastoral network for members and friends, and develop the provision of similar support for users of the Pastoral Centre;

- encourage community use of our premises;
- support Christian mission both at home and overseas;
- express Christian social responsibility in response to human need; and
- promote both education and support for the fight against world poverty.

4. Structure and Governance

The Trustees are appointed either by the General Church Meeting or the Church Council as defined in the Constitutional Practice and Discipline of the Methodist Church.

EMCPC is governed by the Church Council whose membership is listed in Section 2 of this report. The Council met on three occasions during the year, two of the meetings being through Zoom.

During the year, the Church Council paid due diligence to its statutory responsibilities for areas such as the protection of children, young people and vulnerable adults (Safeguarding), Data Protection, Health and Safety, and Environmental Health. We confirm that the Trustees have had regard to the Charity Commission's guidance on public benefit.

The Church Council has identified and recorded major risks and adopted management actions to mitigate these. These include Covid-19 risk assessments, which have been undertaken prior to the church building being re-opened for worship and other activities following their suspension during the Coronavirus pandemic. Professional advice has been taken as required.

The internal organisations linked to this church are The Emsworth Methodist Church Ladies Group and The Wesley Guild although neither met during this year.

5. Review of the Year's Activities

This year has been very different. There have been periods when our premises have had to be closed, both for worship on Sundays and for other activities during the week. However, even when the premises were closed, we were able to provide services 'virtually' enabling people to share in worship from their homes. This also gave us an opportunity to link with other churches in the area.

The Pastoral Centre has continued, when our premises have been open, to provide a place of welcome, friendship and refreshment to all comers with tea, coffee and light refreshments. We have been without a paid manager for the second half of this report year, so our opening hours have been limited to three mornings a week from late May onwards. We are very grateful to our volunteers from all the churches of Emsworth and the wider community who staff the Centre and

support its work with prayer. With a new manager in post next year, we plan to increase the hours of operation, to enable us to continue to fulfill this part of our outreach.

In addition to the regular services of worship, the church, as always, marked the passing of the Christian year by appropriate celebrations, particularly at Harvest and Christmas. At Harvest we donated to our local Beacon Food Bank, and over the Christmas period there were donations to Stop Domestic Abuse and Portsmouth Homeless, and a collection for Action for Children. Other causes to benefit from special collections and donations during the year included Methodist Homes for the Aged (MHA), Methodist Missions (Home and Overseas), Methodist Ministers Housing Society, The Fund for the Support of Presbyters and Deacons, Methodist Church Fund for Property, The Methodist Church Fund for Human Need, Leaders of Worship & Preachers Trust, Leprosy Mission, Christians Together in Emsworth and Traidcraft Exchange.

We are a collection point in Emsworth receiving donations for the local Beacon Food Bank, which operates throughout the Borough of Havant. We have maintained this as and when we were able.

We continue to be an active member of Christians Together in Emsworth. Events have been different this year, some offered 'virtually' and some 'in person'.

This last year, with the impact of the Coronavirus Pandemic, has been a real challenge, but we have responded creatively and in different ways. Worship has been offered in alternative formats including via Zoom. Pastoral care has been offered by our network of pastoral carers, and others, in a variety of ways including personal visits, regular telephone calls and the distribution of printed material. It has been a real challenge for us in terms of the future work of the Pastoral Centre but we are optimistic that we will be able to continue with our mission of service in our local community.

6. Financial Review

Income trends

Because of the Covid pandemic, income from hall lettings and sales at the pastoral centre was severely reduced (to about £7,400) with only a few months of opening. However, offerings were largely unaffected because a high proportion are given via standing order, and we benefitted from the Government's furlough scheme (£4,844) for support for the Pastoral Centre Manager until she left at the end of December. As in previous years, income was derived from four main sources: offerings (£33,594) and associated gift aid (£8,415), lettings of the buildings and flats (£18,765)

and much reduced sales in the Pastoral Centre (£1,753). These, together with donations and other assorted income, gave a total income for the year of £70,869.

Expenditure trends

The major item of expenditure was the assessment paid to the East Solent and Downs Circuit of £40,944 and was 58.1 % of the total expenditure – up from 42.3% the previous year.

The other major items of expenditure relate to the employment of the Pastoral Centre Manager (£6,884) and maintenance and services for the property (£14,881).

Total expenditure for the year was £70,603, so there was a positive balance at year end of £266.

Assets and reserves

At the year end, the unrestricted assets in the General Fund amounted to £94,840. This fund is significantly more than the 6 months specified in the reserves policy (see section 7). Designated Funds (development, pastoral centre support) remained almost unchanged at £41,631 compared with the end of August 2020.

Insurance values of the buildings and contents are £2,294,605 and £165,875 respectively.

Budget for 2021-22

A budget showing a deficit of about £15,000 was approved by the Church Council. There are marked uncertainties in the likely level of income to be received from pastoral centre sales and lettings of the buildings. The Church Council also approved a payment of £15,000 to the Methodist Ministers' Pension Fund. Any shortfall at year end will be met from the General Fund.

7. Reserves Policy

The Reserves Policy of the Trustees is to hold a minimum sum equivalent to six months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on the church building and/or to sustain payment of the assessment payable to the Circuit.

8. Trustees' Responsibilities in relation to the Accounts

The Trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year that give a true and fair view of the state of affairs of the charity and of the

incoming resources and application of resources of the charity for that period. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

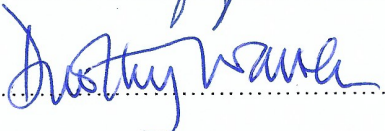
The Trustees are responsible for the maintenance and integrity of the charity and financial information on the charity's website in accordance with legislation in the United Kingdom.

During the year, the recorded donations from Trustees to the general funds of EMCPC totalled £18,837.

Signed on behalf of the Trustees, following acceptance of this report at their meeting on 23 November 2021.

 Minister & Chair of the Church Council

 Treasurer

 Senior Steward

EMSWORTH METHODIST CHURCH
Statement of Financial Activities
For The Year Ended 31st August 2021

	Note	Unrestricted Funds	Restricted Funds	Total Funds	
				2021	2020
Incoming Resources					
Pastoral Centre Sales	(2)	1,753		1,753	12,369
Offerings & Donations	(2)	35,355		35,355	40,801
Miscellaneous	(2)	25,068		25,068	26,823
Bank Interest	(2)	278		278	1,005
Tax Rebates	(2)	8,415		8,415	10,342
Total Incoming Resources		<u>70,869</u>	<u>0</u>	<u>70,869</u>	<u>91,340</u>
Resources Used					
Circuit Assessment	(3)	40,944		40,944	40,836
Property	(3)	9,128		9,128	21,393
General Expenses	(3)	20,531		20,531	34,400
Total Recourses Used		<u>70,603</u>	<u>0</u>	<u>70,603</u>	<u>96,629</u>
Net Incoming Resources		<u>266</u>	<u>0</u>	<u>266</u>	<u>(5,289)</u>
Net Movement on Funds		266	0	266	(5,289)
Transfers between Funds		0	0	0	0
Other Gains/(Losses)		42,784	0	42,784	33,306
Balances Brought Forward as at 01.09.20	(4)	2,388,026	0	2,388,026	2,360,009
Balance Carried Forward at 31.08.21		<u>2,431,076</u>	<u>0</u>	<u>2,431,076</u>	<u>2,388,026</u>

EMSWORTH METHODIST CHURCH
Balance Sheet as at 31st August 2021

	Note	2021	2020
Fixed Assets			
Church Buildings		2,294,605	2,251,821
Current Assets			
Stock		0	244
Debtors	(7)	9,301	10,112
Cash at Bank	(5)	18,870	9,809
Cash in Hand (Pastoral)		148	148
Short Term Deposits	(6)	<u>112,505</u>	<u>117,293</u>
		140,824	137,606
Current liabilities			
Amounts Falling Due Within One Year	(8)	(4,353)	(1,401)
Net Current Assets		<u>136,471</u>	<u>136,205</u>
Liabilities Falling due in more than one year		0	0
Net Assets		<u>2,431,076</u>	<u>2,388,026</u>
Represented by			
Unrestricted Funds			
General	(4)	94,840	94,651
Pastoral Centre Support	(4)	14,351	14,303
Development Fund	(4)	27,280	27,251
Property Fund	(4)	2,294,605	2,251,821
		<u>2,431,076</u>	<u>2,388,026</u>

Internal Organisations

	Opening balances	Receipts	Payments	Closing balances
Wesley Guild	47			47
Womens Group	900		(25)	875
	<u>947</u>	<u>0</u>	<u>(25)</u>	<u>922</u>

Signed _____
Church Treasurer *P.J. Gregory*

1 Accounting Policies

The financial statements have been prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2015) - the Charities SORP (FRS 102).

Public Benefit Entity

Emsworth 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 note below.

Basis

These accounts have been prepared on the basis of historical cost except that investments are 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.

Going Concern

Based on monetary assets and human resources available at 31st August 2021 the trustees believe that the Church is a going concern.

Income

Income is included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

The Church acts as agent for certain monies collected for other charities and related parties. These transactions are not reflected in the SOFA as they are not income of the Church. Instead the transactions are detailed in note 10 below.

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 legal or constructive obligation committing the Church to pay out resources.

Grants

Grants made by the Church from its own funds are recognised in full at the time of agreement or when the Church accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

VAT

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

Tangible Fixed Assets for use by the Church

No value is placed on church furniture and fittings held by the Church Council on special trust for the Church. Any expenditure on such items whether maintenance or improvement is written off at the time of the expenditure. The freehold property is shown at insured value.

Investment Properties

No property is currently deemed to not be held for the long term purposes of the charity.

Investments

Investments are valued in the balance sheet at the market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

Debtors and Prepayments

Debtors include outstanding lettings invoices in August.

Creditors

Creditors include outstandings relating to utilities, telephones etc in August.

EMSWORTH METHODIST CHURCH

Notes to the Financial statements for the Year Ended 31st August 2021

	Unrestricted Funds			Total	2020
	General	Pastoral Support	Development		
2 Incoming Resources					
<u>Pastoral Centre Sales</u>	1,753			1,753	12,369
<u>Offerings & Donations</u>					
Offerings	33,594			33,594	38,784
Donations	556			556	2,017
Legacies	1,205			1,205	0
	35,355	0	0	35,355	40,801
<u>Miscellaneous</u>					
Rent (flats)	13,052			13,052	10,856
Use of Premises	5,713			5,713	11,340
Photocopier	26			26	0
Government Grants	4,844			4,844	0
Other	1,433			1,433	4,627
	25,068	0	0	25,068	26,823
<u>Interest Received</u>					
CFB Deposit Fund	90			90	524
Trustees Interest Fund		117	71	188	481
	90	117	71	278	1,005
<u>Tax Rebates</u>					
Offerings	8,415			8,415	9,386
Pastoral Support				0	0
Fundraising				0	956
Development				0	0
	8,415	0	0	8,415	10,342
<u>Total Incoming Resources</u>	70,681	117	71	70,869	91,340

EMSWORTH METHODIST CHURCH
Notes to the Financial Statements for the Year Ended 31st August 2021

	Unrestricted Funds			Total	2,020
	General	Pastoral Support	Development		
3 Resources Used					
<u>Circuit Assessment</u>	40,944			40,944	40,836
<u>Property Expenses</u>					
Light and Heat	2,913			2,913	4,848
Water	363			363	995
Repairs and Renewals	1,892			1,892	9,623
Cleaning	2,255			2,255	4,246
Insurance	1,705			1,705	1,681
	9,128	0	0	9,128	21,393
<u>General Expenses</u>					
Pastoral Centre Manager	6,884			6,884	20,688
Telephone	436			436	405
Office supplies	631			631	1,078
Subscriptions and Donations (see note 9)	2,942			2,942	2,905
Pastoral Centre Food etc	737			737	3,228
Repairs and Renewals	5,753			5,753	2,305
Bank Charges	254			254	407
Independent Examiners Fee	1,020			1,020	1,350
TMCP Admin. Charge		69	42	111	111
Miscellaneous	1,763			1,763	1,923
	20,420	69	42	20,531	34,400
<u>Total resources Used</u>	70,492	69	42	70,603	96,629

EMSWORTH METHODIST CHURCH
Notes to the Financial Statements for the Year Ended 31st August 2021

4 Analysis of Movement of Funds

	---Unrestricted Funds---			
	General Fund	Pastoral Centre Support Fund	Development Fund	Property Fund
Balance Brought Forward 01.09.2020	94,651	14,303	27,251	2,251,821
Incoming Resources	70,681	117	71	
Outgoing Resources	(70,492)	(69)	(42)	
Revaluation				42,784
Transfers between Funds				
Balance Carried Forward 31.08.2021	<u>94,840</u>	<u>14,351</u>	<u>27,280</u>	<u>2,294,605</u>
	<u>£2,431,076</u>			

	2021	2020
5 <u>Analysis of Cash at Bank</u>		
Barclays Bank General Account	16,239	7,007
Barclays Bank SO Account	2,631	2,802
	<u>18,870</u>	<u>9,809</u>
6 <u>Analysis of Short Term Deposits</u>		
Central Finance Board of the Methodist Church	56,062	60,927
TMCP Trustees Interest Fund	56,443	56,366
	<u>112,505</u>	<u>117,293</u>
7 <u>Analysis of Debtors</u>		
Prepayments - General Fund	2,149	2,148
Tax Repayments	3,740	4,552
Circuit Assessment in Advance	3,412	3,412
Other Debtors		
	<u>9,301</u>	<u>10,112</u>
8 <u>Analysis of Creditors Payable in One Year</u>		
Independent Examiners Fees	1,020	1,020
Accruals	200	156
Other Creditors	3,133	225
	<u>4,353</u>	<u>1,401</u>

EMSWORTH METHODIST CHURCH
Notes to the Financial Statements for the Year Ended 31st August 2021

9 Analysis of Subscriptions and Donations (Payments)

2021

Portsmouth Homeless	200
PCC	132
Leaders Worship	100
Methodist Fund Property	120
Methodist Ministers Housing	125
FSPD	135
All We Can	200
MHA	200
Traidcraft Exchange	200
Action For Children	300
Fund For Human Need	520
Leprosy Mission	100
Stop Domestic Abuse	200
Christians in Emsworth	410
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	2942
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10 Agency Collections & Payments

	Brought forward 1 Sep 20	Receipts	Payments	Carried forward 31 Aug 21
All We Can	1		(1)	0
Home Mission	7	234	(241)	0
Action for Children	12	293	(305)	0
Beacon Food Bank		463	(463)	0
Methodist Homes		430	(430)	0
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	20	1420	(1440)	0
	<hr/>	<hr/>	<hr/>	<hr/>

**Independent Examiner's Report to the Trustees of Emsworth Methodist Church
For the Year Ended 31 August 2021**

This report on the accounts of the Church for the year ended 31 August 2021, which is set out on pages 8 to 14, is in respect of an examination carried out in accordance with Section 145 of the Charities Act 2011 (the Act).

Respective Responsibilities of the Trustees and Examiner

As Trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of the Regulations and Section 144(2) of the Act do not apply. It is my responsibility to issue this report on those accounts in accordance with the terms of the Regulations.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission under Section 145(5)(b) of the Act. That examination includes a review of the accounting records kept by the Church and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

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

- (1) which gives me any reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the requirements of the Act, as also contained in the Church Accounting Regulations 2006

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



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21 October 2021