



Fareham Methodist Church

TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2021

Objectives and activities

In setting our objectives and planning our activities, the Church Council Meeting has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Our Mission as a local church of the East Solent and Downs Circuit is to pursue the mission of God through worship, learning and caring, service and evangelism.

This is done for as many people as possible within the Fareham area through the provision of Christian Worship, spiritual development and pastoral care both to church members and to the wider communities in which the church is located.

Fareham Methodist Church supports the advancement of the Christian Faith through ecumenical liaison with other Christian groups in Fareham.

Achievements and performance

Current year

The year started in September 2020 with restricted numbers allowed in church for services. The stewards instigated a booking system with many church members continuing to partake online through Zoom. Hybrid services combining online with physically in the church building have continued and will continue into the future. Weekly services are recorded and access is provided to these. DVD copies were provided to people unable to access online.

Various user groups have come back to using the building. The Trinity pre-school has kept going although numbers have been reduced. Slimming World and Yoga restarted using the building but some groups were unable to continue. This has meant that lettings income has been significantly reduced on previous years.

Thankfully the government's job retention scheme has provided support so that the two employees could continue in their roles. Careful management of the premises has ensured that there has been no deterioration to the fabric of the building through the period of reduced use.

At the start of the year procedures were put in place to provide one-way systems and social distancing. Even though some of these restrictions have eased the church retained a number of the measures as best practice.

Although income has been significantly reduced the church has continued to be able to make donations to various other charities and appeals.

Future years

- To continue to focus on mission activity that will lead new people into faith and so grow the number of Christians.
- To focus on worship and spiritual development and continue the use of technology to stream services to people who cannot access the premises

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- To continue to work with Christians Together in Fareham to promote Christianity in the Borough.
- To provide pastoral support to those in need.

Financial review

Income and expense

During the year the Church received total income of £70,279 (2019-20: £88,113) and made payments of £71,861 (2019-20: 87,855). No bequests were received and £1,400 was drawn down to cover the costs of a new computer, camera and microphones. Funds held at TMCP in Trust Number 21694 stands at £8,808. Total restricted reserves held in endowment funds at TMCP amount to £15,967. The interest from these funds is paid into the General Fund as it is received.

Unrestricted reserves carried forward were £87,830 (2019-20: £89,332). £48,342 of these reserves are designated: £500 for benevolence payments; £6,034 in the Organ and Keyboard Fund; £25,000 in the Major Property Repair Fund; £8,000 set aside for contribution to the Methodist Church Pension Reserve Fund; £8,808 as bequests held at TMCP for longer term or specific use.

(Nb. In the first meeting of Trustees after the end of the year it was agreed to reduce the Major Property Repair Fund and set these monies aside as a donation to the Methodist Church Pension Reserve Fund – this is reflected in the reserves described above.)

The trustees of the Church have every reason to believe that the Charity is a going concern, principally because the majority of the donated income is not reliant on attendance within the church building but is paid directly to the church accounts by standing order. There are no subsidiary undertakings. The restriction in use of the church building occasioned by Covid-19 restrictions has significantly reduced the income from lettings. The Trustees anticipate that this reduction will reverse to some extent in 2021-2022 but perhaps not return to pre-Covid levels until the following year. The Trustees are confident that there are sufficient reserves to cover this situation.

Remuneration policy

The church currently has two employees, a caretaker working 6 hours per week and a cleaner working 11 hours per week. The cleaner post is paid at the Real Living Wage set annually by the Living Wage Foundation. The caretaker post is paid at a rate above this base level. Pay reviews are undertaken with effect from 1st April each year with rates set by the Managing Trustees at the Church Council prior to this date.

Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP).

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract interest. The Trustees are not minded to invest in higher risk funds.

Reserves level and policy

The General Fund contains three designated funds, the Benevolence Fund, a fund for Organ and Musical Instruments and a fund for Major Property Repair. It also contains unrestricted bequests held in Trust number 21694 at TMCP.

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- ✓ Since in accordance with its stewardship policy, the church does not take separate collections for benevolence, a benevolence reserve is maintained in the General Fund for disbursement at the discretion of the minister.
- ✓ Church Council agreed that the church should start to build up a reserve to go towards replacement of the organ and other major musical instruments in the future. The designation of this fund is Organ and Keyboard with an ultimate target fund of £20,000.
- ✓ The major property reserve was re-assessed in October 2021 and reduced. This enabled £8,000 to be released for a donation to the Pension Reserve Fund of the Connexion. The target property reserve has been reduced to £40,000 to cover major repair, renewals and improvements not included in the operating costs of the Church. This is designated CAPEX within the budget set each year. There is budgeted expenditure in the next 12 months of £0. The Quinquennial did not indicate any short-term major spend requirements. Two new heaters were fitted in the church. It is anticipated that the remaining 4 will need replacement over the next few years at a cost of approximately £8000.
- ✓ No bequests were received in 2020-2021.

Withdrawal of money from the three Designated Funds and unrestricted bequests requires Managing Trustee approval.

The remainder of the funds are held as Free Reserves. The target is for free reserves to cover approximately 6 months of operating costs with a target range of 40%-60%

Designated Funds:

Benevolence	£ 500
Organ and Keyboard	£ 6,034
Major Property Repair (target £40k)	£25,000
Unrestricted bequests	£ 8,808
Money set aside for donation to PRF	£ 8,000

Free Reserve:	£39,488 - 51% operating costs
costs [forecast operating costs 2021/22 = £76,999]	

Trustees' responsibilities

For each financial year ending on 31st 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 apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Church and enables them to ensure that the financial statements comply with the law. 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.

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Safeguarding children and vulnerable adults. The Church's policy is to adhere to the Methodist Church's policy on Safeguarding Children and Vulnerable Adults. A Safeguarding Officer is appointed. The Circuit provides regular safeguarding training that can be accessed by the church as required. The Safeguarding Officer keeps records of training and ensures that this is up to date.

The Church does not hold any funds as custodian trustees on behalf of others.

Structure, governance and management

The 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 and was registered with the Charity Commissioners on 2 February 2009. Prior to this the charity had an excepted registration.

Structure

The Church is one of a number that make up the East Solent and Downs Circuit.

The Circuit is the coordinating charity and pay the stipends of the ministers and employ lay staff to serve the Churches in the Circuit; most decisions are made at or ratified by the Circuit Meeting.

The Circuit is part of the Southampton District which is the coordinating charity for a group of contiguous Circuits. District decisions are made at the half yearly synod to which the Circuit appoints both lay and ordained representatives. 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 Circuits.
3. Connexional decisions are passed via Districts to Circuits for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
4. The Circuit Meeting 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.

Governance

The Church operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the Church.

Reference and Administrative Details

Name of the charity

Fareham Methodist Church.

Charity registration number

1127814, registered in England and Wales

Fareham Methodist Church
Year ended 31 August 2021

Principal Office

Fareham Methodist Church
Kings Road
Fareham
PO16 0NU

Minister with pastoral oversight

Revd Claire Simpson

Church Treasurer

Mr Michael Petter

Names of trustees

The following served as trustees throughout part or all of the year 2020-21 or were trustees at the time of this report being approved:

Mrs	Brenda	Bennett	
Mrs	Sally	Bland	
Mr	Mark	Brooks	
Mr	Nigel	Cox	
Mrs	Patricia	Croker	
Mrs	Linda	Foster	
Mr	Kevin	Foster	
Mrs	Jill	Groom	
Mrs	Shirley	Henderson	
Mr	Antony	Hollinghurst	Deceased 29 th October 2021
Mr	Anthony	Jackson	
Mrs	Edith	Livingstone	
Mr	Peter	Moody	
Mrs	Jean	Petter	
Mr	Michael	Petter	
Mrs	Jillian	Race	
Mrs	Margaret	Shepherd	
Mr	Michael	Shepherd	
Revd.	Claire	Simpson	
Mrs	Catherine	Stevenson	
Mrs	Roberta	Watson	
Mrs	Margaret	Wheeler	
Mr	Andrew	Wilcock	
Mrs	Elizabeth	Wilcock	
Mr	Christopher	Woodhams	Appointed 1 st May 2021
Mrs	Linda	Young	

No trustee claims exemption from disclosure of his or her name here.

Fareham Methodist Church
Year ended 31 August 2021

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

Investment managers and custodian trustees

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

Independent Examiner

Mrs Joanne Gregory
19/21 High Street
Emsworth
Hants
PO10 7AQ

Approvals

The Trustees' Report and the Financial Statements were approved by the Church Council Meeting on 20th January 2022.

THE METHODIST CHURCH STANDARD FORM OF ACCOUNTS

Fareham Methodist	Church
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FOR THE YEAR ENDED

31 August 2021

East Solent & Downs	Circuit	Circuit no	26/07
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Registered Charity - Charity Registration number

1127814

If not a registered charity Her Majesty's Revenue and
Customs Gift Aid number

(The HMRC number is equivalent to a registered charity number in terms of evidence of charitable status and may be used to give to donors or grant funders wishing to see evidence of the organisation's charitable status. Methodist charities in England and Wales that are not registered charities are excepted from registration under Statutory Instrument 2014 No.242)

Minister:

Revd Claire Simpson

Church Stewards:

Mrs Maggie Wheeler
Mrs Jill Groom
Mrs Brenda Bennett
Mr Mike Shepherd
Mr Chris Woodhams

Treasurer:

Mr Mike Petter

SECTION A		Unrestricted Funds	Trust No 21694	Totals this year	Totals last year
		£	£	£	£
a1	RECEIPTS	Note			
a2	Offerings and Tax recovered	56,029		56,029	59,236
a3	Bank and CFB interest and Investment income	113		113	507
a4	Lettings	12,589		12,589	18,421
a5	Other receipts	1,548		1,548	9,949
a6	TOTAL RECEIPTS	70,279		70,279 (a7)	88,113

SECTION B					
b1	PAYMENTS				
b2	Circuit Assessment or Share	47,328		47,328	50,430
b3	Donations	2,722		2,722	4,496
b4	Repairs and Maintenance	2,073		2,073	9,235
b5	Utilities (Insurances, water charges, heating & lighting)	10,502		10,502	10,788
b6	Caretaking & Cleaning	6,852		6,852	9,752
b7	Other payments	2,384		2,384	3,154
b8	TOTAL PAYMENTS	71,861		71,861 (b9)	87,855

SECTION C					
c1	NET RECEIPTS/PAYMENTS FOR THE YEAR	(a6-b8)	(1,582)	(1,582)	258
c2	Total funds brought forward from last year	79,125	10,207	89,332 (c6)	89,409
c3	Sub total	(c1+c2)	77,543	10,207	87,750
c4	Transfers and adjustments	1,479	(1,399)	80 (c7)	(335)
c5	TOTAL FUNDS AT END OF YEAR	(c3+c4)	79,022	8,808	87,830 (c8)
					89,332 (c6)

SECTION D					
FOR INFORMATION ONLY: MONEY RECEIVED AND PASSED ON TO EXTERNAL ORGANISATIONS					
d	(these amounts are not to be included in total receipts/payments figures)		£		£
d1	Balance brought forward from last year		36		
d2	Offerings/Gifts - received for external organisations		4		4,858
d3	Offerings/Gifts - passed to external organisations		40		4,822
d4	BALANCE STILL TO BE PAID	(d1+d2-d3)			36

SUMMARY OF CHURCH ACCOUNTS AND INTERNAL ORGANISATIONS REPORTING TO THE CHURCH COUNCIL**SECTION E**

Please follow the Guidance Notes to complete this page

Summary of the Church accounts for the year ended 31 August 2021 and Internal Organisations reporting to the Church Council/Church Meeting. Note that the funds of an Internal Organisation would normally be Restricted funds unless it could be clearly shown that they could be used for any Methodist purpose. This section must be completed to arrive at the gross income and expenditure totals of the Church. If gross income exceeds the Accruals threshold, then the Accruals method of accounting AND A DIFFERENT FORM must be used to report the accounts (see Methodist website). Please refer to the guidance notes regarding transfers between the District and connected District Organisations.

INTERNAL ORGANISATIONS	Receipts	Payments	Net Receipts/ Payments	Adjustments	Opening balances	Closing balances
e1 Flower Fund	10	16	(6)		70	64
e2 Friday Lunches					124	124
e3 Junior Church		20	(20)		112	92
e4 Ladies Night		350	(350)		444	94
e5 Mini Market					1,581	1,581
e6 Parents & Toddlers	9	24	(15)		403	388
e7						
e8 Sub total of Internal Organisations funds	19	410	(391)		2,734 (e11)	2,343 (e12)
Church accounts (totals brought forward from page 2 - totals column)	70,279 (a7)	71,861 (b6)	(1,582)	80 (c7)	89,332 (c6)	87,830 (c8)
e9 TOTAL CASH FUNDS HELD BY CHURCH	70,298	72,271	(1,973)	80	92,066 (x)	90,173 (y)
e10						
Continue on a separate sheet if necessary and bring the totals forward	TOTAL RECEIPTS	TOTAL PAYMENTS				

SECTION F**STATEMENT OF ASSETS AND LIABILITIES****CHURCH - CASH FUNDS HELD at 31 August 2021**

	OPENING BALANCES	CLOSING BALANCES
f1 Cash in hand		
f2 Bank Current Account	14,659	21,035
f3 Bank Deposit Account		
f4 Central Finance Board	84,801	57,987
f5 Trustees for Methodist Church Purposes	10,207	8,808
f6 Other funds	(335)	
f7 SUB TOTAL - Church accounts	89,332 (c6)	87,830 (c8)
f8 Total funds held by Internal Organisations (the closing balance total from above) (e12)	2,734 (e11)	2,343 (e12)
f9 TOTAL CASH FUNDS HELD BY CHURCH	92,066 (x)	90,173 (y)

SECTION G**OTHER ASSETS and LIABILITIES**

	At 1 September 2020	At 31 August 2021
g1 Investments (include Endowments)		
g2 Land & Buildings (see notes re Insurance value)		
g3 Other Assets		
g4 Loan(s) - show amount outstanding at year end		
g5 Other Liabilities		

f4 Include only Funds held at the Central Finance Board

f5 Include only Funds held at Trustees for Methodist Church Purposes

g1 Include any other investments (not the cash element of TMCP trusts accounts this is included in line f5)

Name of Church FAREHAM METHODIST No. 1127814

Declarations and Scrutiny

I confirm that these Receipt and Payment based accounts for the year to 31 August 2021 have been prepared from the records of the Church and that they include all funds under the control of the Church trustees.

Signature of treasurer  Date 20-1-2022

Name and address of treasurer
Mike Petter
4 Romyns Court, Fareham, PO14 1NB

Presentation to the Church trustees

I confirm that the annual report and accounts for the year ended 31 August 2021 were ~~will be~~ presented to the meeting of the Church trustees held on 20th January 2022

Signature of the Chair of the meeting 

Name of the Chair of the meeting Date 23-01-2022

Independent Examiner's Report to the Trustees of the

Fareham Methodist Church

Charity Number 1127814

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the Fareham Methodist Church for the year ended 31 August 2021 set out on pages 1 to 3. As the Church's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

No 1127814

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination (other than that disclosed below*) which give me cause to believe that in, any material respect:

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I have/have not* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Relevant professional qualification of independent examiner

Date 3rd January 2022

Sep-20