

CHARITY REGISTRATION NUMBER: 1127992

Bridgend United Area
Unaudited Financial Statements
For the year ended
31 August 2021

Bridgend United Area
Financial Statements
Year ended 31 August 2021

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Bridgend United Area
Trustees' Annual Report
Year ended 31 August 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2021.

Reference and administrative details

Registered charity name Bridgend United Area

Charity registration number 1127992

Principal office 11 Deri Close
Pencoed
Bridgend
CF35 6UA

The trustees

Rev J Hanson
Mr N Thomas
Mrs M Harris
Mrs A Fukes (Resigned 20 March 2021)
Mrs J Lewis
Mrs S Baker
Rev J Humphreys
Mr P Benjamin
Rev V Davies
Mrs M Morgan
Mrs J Trotman
Rev B Hodges
Mr A Granville
Mrs G Hanson (Resigned 20 September 2020)
Mr M W Boyles
Mrs R J Ward
Mr P Stinton
Mrs M Kirk
Mrs E C Griffiths
Mrs M R Bradshaw
Mrs H A Phillips
Mrs I Stinton
Mrs J Stinton
Rev R Wheeler
Rev M Stinton
Rev T Kalongo
Mr P Willmer
Mr B Jordan
Mrs M James
Prof J Jones

Independent examiner James Burnett ACA ACCA

Bridgend United Area
Trustees' Annual Report *(continued)*
Year ended 31 August 2021

Structure, governance and management

The trustees who served during the year and since the year end are set out within the Legal and Administrative Information. Trustees are appointed by the board of trustees and serve for three years after which period they may put themselves forward for re-appointment.

Objectives and activities

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

The area mission policy is set out in a separate document (the area constitution) and was approved by the area meeting (as charity Trustees) on 17th March 2005.

Essentially it provides for:

- 1) Ministerial oversight and pastoral care of the eight local churches in the area.
- 2) The support of a ministry team of three Presbyters (ministers).
- 3) The maintenance of three manses.

In planning our activities for the year, we kept in mind the Charity Commission guidance on public benefit at our trustee meetings.

Bridgend United Area

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Achievements and performance

As we have moved into the new year, we have faced a new challenge as an Area: a pandemic. The way in which the Area Trustees have done business this year was significantly affected by the Coronavirus outbreak. This report reflects on administration, membership, staffing, worship, pastoral, safeguarding and the impact of the coronavirus on the life and work of the church.

Administration:

- Our experience together in the year under review, though much of that took place online, certainly brought unexpected challenges. The Trustees continued to conduct business, exercise trustee responsibilities, and carrying out administration, pastoral, worship, mission and ministry online at all levels.
- The Area adapted its ways of operation and applied new technologies, and convened its meetings across the Area without travel, working efficiently with attention to the need for improved communication and ministry, in a time of relative isolation.

Membership:

- In the year under review, there are 320 people on the current membership and adherents roll of the Bridgend United Area, drawn from Bridgend, Brynna, Cefn Cribwr, Gilfach Goch, Maesteg, Llanharan, Ogmore Vale, Porthcawl, and Tondur. There has been an evident decline in membership.

Staffing: Ministers and Officers:

- In the year under review, the full-time ministerial team reduced from three to two ministers. The Reverend Dr Jason Askew moved from his appointment as a minister in the Area to become Synod Training and Development Officer of the United Reformed Church National Synod of Wales. The United Reformed Church National Synod of Wales appointed the Reverend Martin Spain, the Synod officer for ecumenical and interfaith relations, as co-Chair for the Area to serve alongside the Methodist superintendent minister.
- The calling of a United Reformed Church minister and stationing of a Methodist superintendent minister to the Area got underway.
- The following were appointed as Area Officers: Mr Philip Stinton as Property Officer and Dr Isobel Stinton as Safeguarding Officer.
- However, the Area continues to look for people to fill the following posts: Area Clerk, Communication Officer, Mission and Evangelism Officer, GDPR Officer, and Youth Officer.

Bridgend United Area
Trustees' Annual Report *(continued)*
Year ended 31 August 2021

Achievements and performance *(continued)*

Public Worship, Prayer, Pastoral and Outreach:

- Although most face-to-face activity had to cease, all our churches made good use of their phones, e-mails, website, Facebook and social media to reach out to each other and the community. The ministers, local preachers, and worship leaders led weekly Sunday services which were audio recorded. We are grateful to the ministry of Mr Mike and Irene Boyles. The Sunday weekly service sheets were made available to members through the post, e-mail and on the denominational webs.
- The main act of worship services in our local churches continued to be mainly the morning services with a few of the churches having an afternoon or evening service. These services incorporated all age groups, children, young people and adults. Monthly celebrations of the sacrament of Holy Communion in all our churches, in members' homes, care and nursing homes were suspended.
- In addition to the church services there were two Bible study groups, one in Bridgend and the other in Porthcawl. There was a prayer meeting each week at Bridgend United Church. Through online Bible Studies our members shared the experiences of their lives in lockdown and the gospel. We learned how to care for each other in the time of isolation.
- Weddings and baptisms were not held.
- Funerals and memorial services were held in all of our churches and the crematorium as and when requested for by families and friends.
- Regular pastoral work of the church involves the ministers, the laity and several members of the congregation visiting a large number of church people, including the elderly, the house-bound, the bereaved, and those in hospital. Visiting became more efficiently managed thanks to the work of the pastoral visitors, elders and stewards, supported by other volunteers in the community.
- The Area Weekly Update, introduced in March 2020 following the introduction of the first lockdown to keep members and friends in contact with each other, continues to be delivered to a wider readership than the congregation.

Safeguarding:

- In order to relieve the full-time ordained staff from carrying out safeguarding work, a safeguarding officer was appointed. The role of the safeguarding officer is to take responsibility on behalf of the local churches and the Area for ensuring that the work of the Church is carried out in accordance with the law and the church's policies on the protection of children and vulnerable adults.

Challenges brought about by Covid-19:

- This time of pandemic brought unprecedented challenges for all our local churches and members. The coronavirus leaves no part of our Area untouched, with its hardest impact in our communities which were already experiencing suffering resulting in income uncertainty for our churches, health issues, loss of employment and loss of income for our members.
- Coronavirus pandemic caused profound suffering among our members and churches. We have mourned the losses in our own churches and communities. We mourned the lives of so many in our churches, lost to Covid-19 and other causes. We pray for their families and their loved ones.
- It became clear that one of our churches in Maesteg was considering to close down because of financial challenges pre-Covid which worsened during the pandemic.

Bridgend United Area
Trustees' Annual Report *(continued)*
Year ended 31 August 2021

Financial review

The area assessment is reviewed annually and covers the cost of:

- a) Ministerial oversight and pastoral care of the eight local churches in the area.
- b) The support of a ministry team of three Presbyters (ministers).
- c) The maintenance of three manses.

The general fund balance at 31 August 2021 was £25,826. During the year, £116,648 income was received and £143,590 was spent on achieving the charity aims. Under Methodist standing orders the area (acting as the Methodist Circuit) must meet its financial obligations in relation to the support of its ministers and the maintenance of the manses.

Our policy is to hold a balance of at least £15,000 to £20,000 in hand.

The Circuit Model Trust Fund balance at 31 August 2021 was £107,245. The fund derives from sales of chapels and manses and is restricted by the Methodist Conference. This restriction is an internal regulation, although the fund can now be used for an increasingly wider variety of purposes.

Reserves policy

The Charity Commission have agreed that it is appropriate for the trustees to set a policy for the management of this fund and that policy is set out below:

- a) £10,000 for current property schemes.
- b) £20,000 for anticipated property schemes in the next 2 years.
- c) £10,000 for general circuit purpose, mainly manse repairs and decoration.
- d) £30,000 for future staffing costs.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Bridgend United Area
Trustees' Annual Report *(continued)*
Year ended 31 August 2021

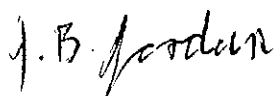
Plans for future periods

- All in all, the year under review saw new opportunities and new ways of working emerge, which will inspire innovative approaches for the future, to continue even when face-to-face meetings become possible once again.
- An Area consultation and re-visioning is planned in all our local churches and at Area level to discern the future ministry of the Area when the two new ministers are in post.
- Whilst we kept a physical distance from one another during the pandemic, we were able to touch one another's heart. Whilst there was less travel for a long time, our hearts remained united as a Christian community, living and serving together in faith, hope and love.
- The Bridgend United Area plans to continue to enforce its objectives and activities within the local area during the forthcoming year.

Independent examiner

Clay Shaw Thomas Ltd has been re-appointed as Independent examiner for the ensuing year.

The trustees' annual report was approved on 6th June 2022 and signed on behalf of the board of trustees by:



Mr B Jordan
Treasurer

Bridgend United Area

Independent Examiner's Report to the Trustees of Bridgend United Area

Year ended 31 August 2021

I report to the trustees on my examination of the financial statements of Bridgend United Area ('the charity') for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements 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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable 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.



Mr David Gwyn J. Williams B.A., F.C.A.
Independent Examiner

For and on behalf of
Clay Shaw Thomas Ltd
Chartered accountant
2 Oldfield Road
Bocam Park
Bridgend
CF35 5LJ

07/06/2022

Bridgend United Area
Statement of Financial Activities
Year ended 31 August 2021

		Unrestricted funds	2021 Restricted funds	Total funds	2020 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	–	–	–	286
Investment income	5	49	130	179	1,403
Other income	6	116,599	–	116,599	143,232
Total income		<u>116,648</u>	<u>130</u>	<u>116,778</u>	<u>144,921</u>
Expenditure					
Expenditure on charitable activities	7,8	143,590	3,006	146,596	155,469
Total expenditure		<u>143,590</u>	<u>3,006</u>	<u>146,596</u>	<u>155,469</u>
Net expenditure and net movement in funds		<u>(26,942)</u>	<u>(2,876)</u>	<u>(29,818)</u>	<u>(10,548)</u>
Reconciliation of funds					
Total funds brought forward		52,768	110,121	162,889	173,437
Total funds carried forward		<u>25,826</u>	<u>107,245</u>	<u>133,071</u>	<u>162,889</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 16 form part of these financial statements.

Bridgend United Area
Statement of Financial Position
31 August 2021

	Note	2021 £	£	2020 £
Fixed assets				
Tangible fixed assets	14		83	3,090
Current assets				
Cash at bank and in hand		155,902		195,820
Creditors: amounts falling due within one year	15	<u>22,914</u>		<u>36,021</u>
Net current assets			132,988	159,799
Total assets less current liabilities			<u>133,071</u>	<u>162,889</u>
Funds of the charity				
Restricted funds			107,245	110,121
Unrestricted funds			<u>25,826</u>	<u>52,768</u>
Total charity funds	16		<u>133,071</u>	<u>162,889</u>

These financial statements were approved by the board of trustees and authorised for issue on 6th June 2022, and are signed on behalf of the board by:

B. Jordan

Mr B Jordan
Treasurer

The notes on pages 10 to 16 form part of these financial statements.

Bridgend United Area
Notes to the Financial Statements
Year ended 31 August 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 11 Deri Close, Pencoed, Bridgend, CF35 6UA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The trustees have assessed whether there are any 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. In assessing whether the going concern assumption is appropriate, the trustees have taken in to account all available information about the future, including the impact of the Coronavirus on the charity and conclude that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Fund accounting

The charity's funds are split into general funds and restricted funds.

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Restricted funds are funds that can only be used for particular restricted purposes within the object of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

TMCP CMTF (Circuit Model Trust Fund) Bridgend - This fund can only be used for particular restricted purposes within the objects of the church. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Bridgend United Area

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Bridgend United Area

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - Straight line over 3 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	—	—	286	286

Bridgend United Area

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

5. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Deposit fund interest	49	—	49
TMCP interest	—	130	130
	<u>49</u>	<u>130</u>	<u>179</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Deposit fund interest	298	—	298
TMCP interest	—	1,105	1,105
	<u>298</u>	<u>1,105</u>	<u>1,403</u>

6. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Church assessment	<u>116,599</u>	<u>116,599</u>	<u>143,232</u>	<u>143,232</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Ministerial oversight and pastoral care of the eight local churches	49,292	—	49,292
Support of ministry team	77,605	—	77,605
Maintenance of manses	9,749	—	9,749
Donations	50	—	50
Support costs	6,894	3,006	9,900
	<u>143,590</u>	<u>3,006</u>	<u>146,596</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Ministerial oversight and pastoral care of the eight local churches	50,932	—	50,932
Support of ministry team	78,783	—	78,783
Maintenance of manses	12,037	—	12,037
Donations	450	—	450
Support costs	8,827	4,440	13,267
	<u>151,029</u>	<u>4,440</u>	<u>155,469</u>

Bridgend United Area

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

14. Tangible fixed assets

	Equipment £
Cost	
At 1 September 2020 and 31 August 2021	<u>13,596</u>
Depreciation	
At 1 September 2020	10,506
Charge for the year	<u>3,007</u>
At 31 August 2021	<u>13,513</u>
Carrying amount	
At 31 August 2021	<u>83</u>
At 31 August 2020	<u>3,090</u>

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Assessments received in advance	<u>22,914</u>	<u>36,021</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 September 2020 £	Income £	Expenditure £	Transfers £	At 31 August 2021 £
General funds	<u>52,768</u>	<u>116,648</u>	<u>(143,590)</u>	<u>—</u>	<u>25,826</u>

	At 1 September 2019 £	Income £	Expenditure £	Transfers £	At 31 August 2020 £
General funds	<u>39,981</u>	<u>143,816</u>	<u>(151,029)</u>	<u>20,000</u>	<u>52,768</u>

Bridgend United Area

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

16. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 September 2020 £	Income £	Expenditure £	Transfers £	At 31 August 2021 £
TMCP CAF (Circuit Advance Fund) Bridgend	<u>110,121</u>	<u>130</u>	<u>(3,006)</u>	<u>–</u>	<u>107,245</u>

	At 1 September 2019 £	Income £	Expenditure £	Transfers £	At 31 August 2020 £
TMCP CAF (Circuit Advance Fund) Bridgend	<u>133,456</u>	<u>1,105</u>	<u>(4,440)</u>	<u>(20,000)</u>	<u>110,121</u>

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	83	–	83
Current assets	48,657	107,245	155,902
Creditors less than 1 year	<u>(22,914)</u>	<u>–</u>	<u>(22,914)</u>
Net assets	<u>25,826</u>	<u>107,245</u>	<u>133,071</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	3,090	–	3,090
Current assets	85,699	110,121	195,820
Creditors less than 1 year	<u>(36,021)</u>	<u>–</u>	<u>(36,021)</u>
Net assets	<u>52,768</u>	<u>110,121</u>	<u>162,889</u>

18. Additional disclosure

Please note that Bridgend United Area acts as an umbrella or resource for the religious activities delivered to the general public by the churches in the Bridgend United area. As such, each church makes 'assessments' to Bridgend United Area from which payments are then made to the ministers for their work, for repairs to the various manses, ministers travel, area meetings etc. The income and expenditure has been analysed in notes 4 to 12. Considering that this is a small charity, this has been deemed sufficient and that this does not fall under the related party disclosure requirement.