

Harpenden Methodist Church

Report of the Trustees and

Financial Statements for the Year Ended 31 August 2021

Harpenden Methodist Church

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for the Year Ended 31 August 2021

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The trustees present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Continuing the church's mission in the midst of pandemic

In this year of global pandemic, we have sought to find new and creative ways to enable our work, worship and witness to continue in line with our Vision, Strategy and Values

As part of the Methodist "discipleship movement shaped for mission":

OUR VISION is:

Lives, relationships and communities in this world transformed by the love of God in Jesus Christ.

OUR STRATEGY for sharing in this work of God is to:

Encounter God;
Equip God's people;
Extend God's Kingdom.

GOING FORWARD:

We would like:

More members of all ages
More worshippers of all ages
More joyfully generous givers

And proportionally:
More children and teenagers
More men
More young adults

THE SIX VALUES THAT SHAPE US:

1. Christ-centred Discipleship (which is God-reliant, Spirit-filled and disciplined in prayer and Bible reading)
2. Other-centred Care (which is love-fuelled, person-to-person and attentive)
3. Non-judgemental Welcome (Which is open, hospitable and genuine)
4. All-embracing Unity (which is unconditionally-loving, mutually-concerned and non-partisan)
5. Outward-focused Service (which is humble, generous and self-sacrificial)
5. Authentic Witness (which is honest, real and confident).

The Leadership Team is currently comprised of:

- Rev Mark Hammond Presbyteral Minister
- Deacon Sarah Wickett Diaconal Minister
- Richard Atkins Chair
- Charlotte Ballard Scott Deputy Chair
- Lewis Cox Worship and Communications Coordinator
- Sally Hammond Coordinator for Equipping God's People
- Louise Schlich Coordinator for Extending God's Kingdom
- Pamela Atkins Coordinator for Children and Youth
- Peter Black Operational Coordinator
- Margaret Woods Treasurer
- Fran Gardner Co-lead Steward
- Claire Wollaston Co-lead Steward

As the Covid-19 pandemic continued, and we experienced various levels of lockdown, the Church Stewards and Leadership Teams continued to meet monthly via Zoom, and the trustees were also able to fulfil their governance duties meeting as a Church Council via Zoom on five occasions.

OBJECTIVES AND ACTIVITIES

Charitable status and public benefit

High Street Methodist Church continues to provide many opportunities for the wider community to raise funds for good causes, and we see this as a key part of our world-transforming work. We also support and encourage our members to get involved in local, national and international charities.

Our SHARE scheme continued to provide the means by which our membership could help those locally who are in need. Through this we have also made monetary donations to Azalea and the Harpenden Cares food bank and supported the Harpenden Hygiene Bank. In addition, we also supported a number of local families over the holiday times with food and craft boxes. The SHARE Christmas Appeal raised £2,020, which was donated to the Harpenden Trust who distributed supermarket vouchers on our behalf. During May our church staff team covered over 2000 miles under their own steam, raising over £3,000 for Azalea. For our Summer SHARE Appeal, we partnered local schools to fund the provision of age-appropriate craft and activity bags for more than 20 children most in need of such support and paid for 31 weeks of summer holiday camp provision for the schools to allocate.

We also raised money for our agreed charities, including Azalea, All We Can, Christian Aid, MHA, Action for Children and the Prison Fellowship Angels.

In partnership with Our Lady of Lourdes Roman Catholic Church in Harpenden, we ended August by hosting a Jigsaw Festival at which over a 1000 completed Jigsaw puzzles were sold, 50% of the proceeds going to Azalea, the other 50% to a charity chosen by the Roman Catholic Church.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The Trustees therefore consider that our church is charitable both in its intention and practice and provides substantial public benefit to the local community and wider world.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

For much of the year, we continued to operate mainly off-site, connecting with the vast majority of our congregation either online or through the delivery of CDs and DVDs for those not online. We continued to set up pastoral support groups and many new friendships have continued to develop. In addition, we have reached through our online worship many new people who would never have come to our site, and many Methodists from across the nation have connected with God through our weekly online worship.

Our Property Secretary Peter Black has continued carry out the duties of preparing risk assessments and ensuring we complied with the various government and church guidelines as we planned our transition back to the re-use of our buildings. We continued, as seemed sensible for operational purposes, to take advantage of the Government's furlough scheme for our caretaking staff.

From 1 September 2020 Deacon Sarah Wickett joined our ministry team and, despite for much of the time being unable to meet physically with people, she has settled in very well and made a tremendous contribution to church life and mission.

PASTORAL CARE

Our Pastoral Secretary Maggie Grand has continued to oversee our adapted pastoral system, ensuring that all are known and cared for. We are delighted that, having earlier in the crisis answered the call for retired NHS nurses to return to help meet the pandemic crisis, our former Lay Pastoral Worker Fran Gardner has re-joined our Pastoral Team as volunteer Pastoral Visitor with particular responsibility for bereavement support and our extended communion team. The Pastoral Team now meets regularly and consists of Maggie Grand, Fran Gardner, Deacon Sarah Wickett and Rev Mark Hammond.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

MISSION SHAPED PREMISES

Whilst the larger part of our building project has been put on hold due to the pandemic, we have this year successfully completed the first phase, which comprises a full upgrade of our audio-visual systems. This required a rather involved process of seeking consents, raising funds, installing the equipment and then starting the ongoing process of recruiting and training a team of volunteers.

This first phase of our larger building project has been completed in time to enable our on-site services to be live streamed online from 5 September 2021. We plan, in the coming year, to progress the consents/permissions required for the remaining phases of the building project and, at the same time, explore possible sources of funding.

BUILDING IMPROVEMENTS

As well as installing the new audio-visual system, this year we refurbished our Wesley's café, laid a new parquet floor in the Hall, resurfaced the parquet floor in the Foyer, and decorated much of the outside paintwork.

THE MINISTRY TEAM

Our Ministry Team now includes our two ordained staff, Rev Mark Hammond and Deacon Sarah Wickett, plus two lay members, Charlotte Ballard Scott (volunteer PA to Rev Hammond) and Lewis Cox (whose employed role was expanded to Communications and Worship Coordinator from 1 September 2020). This newly reshaped Ministry Team has met weekly and has been instrumental in helping to transition High Street into a "hybrid" church beginning to operate and minister both onsite and on-line.

SUPPORT STAFF

Our staff team, made up of employees plus a number of practically full-time volunteers, has continued to support and help develop and communicate all that we do as a church. Throughout the pandemic this team has continued to meet weekly via Zoom, to coordinate their work and provide prayerful mutual support. As has always been the case, the staff team supports and is supported by, a vast team of volunteers, who are engaged in all activities across the church.

YOUTH WORK

Our youth work has continued to operate online, led by a very able team of volunteers. We will be seeking to employ a new full time youth worker from January 2022. A job profile has now been agreed and funding is in place to employ for an initial period of three years.

CHILDREN'S CHURCH

Our Children's Church Team have been tireless in their provision of weekly online content and occasional delivery of goody-bags to 130 children plus 90 youth.

WORSHIP AND PRAYER

During November 2020, just before the winter lockdown, we trialled opening up our building for two hours a week for private prayer, and this provided valuable experience in planning for our later phased reopening.

At Christmas 2020, though our buildings remained closed, we were able to provide a full range of festive online services, including a pre-recorded carol service led by our choir, a Christingle and nativity led by our Children's Church, and a series of advent dramas led by our drama team. Likewise, during Lent and Holy Week 2021 we were able to provide a range of creative opportunities for prayer and worship. A huge number of people from across our diverse church community have participated in these endeavours.

Throughout the lockdown we were able to continue to provide various themed preaching series, including one with guest preachers from around the globe which was picked up and plugged by the British Methodist Church's World Church Office. Throughout Advent and Lent, and at various other times, our church windows, which front the High Street, have contained creative displays through which we have been able to communicate the message of God's love to the thousands of shoppers who pass-by, a number of whom have clearly engaged with our messaging and connected with us online and through our social media.

WORSHIP AND PRAYER (continued)

Our social media campaigns have been ably led by a volunteer, Janice Stephens, who has provided a phenomenal amount of mainly sermon-theme-related output via our Facebook, Twitter and Instagram accounts. These have included posting regular "three-second-prayers".

Following the winter lockdown, a route map for gradual reopening of our building was presented to our General Church Meeting which met via Zoom on Sunday 21 March 2021. The route map comprised the following three steps, alongside an ongoing commitment to keep providing online services:

- Step 1 - Opening weekly for Private Prayer (this began on 29 March 2021);
- Step 2 - Opening weekly for a single service of Sunday morning worship for limited numbers and using a pre-booking service, with social distancing, face coverings and no live singing (this began on 2 May 2021); and
- Step 3 - The resumption of our weekly 09:15 Informal and 11:00 Traditional Sunday morning worship, with live music and singing, plus provision for children and youth, following any recommended guidelines (this final step started from 5 September 2021).

In the event, not long after we had taken step 2, we were then soon able to incorporate live music into our Sunday morning onsite worship (alternating each week between informal and traditional styles) with congregational singing permitted with masks on.

Towards the end of this past church year, we were deeply saddened by the sudden death of our Choir Director Malcolm Thatcher. His thanksgiving service on Monday, 23 August 2021 was the first time in eighteen months that our choir led worship in our building. This was also our first live streamed broadcast using our new technology.

OUTREACH

We held an online Alpha course during the autumn of 2020 and are planning to hold an onsite course this coming autumn.

Our refurbished Wesley's coffee shop reopened in the Summer of 2021, with the introduction of a new no-charge policy where our "guests" are invited to make a donation of their choosing for the food and drink we provide for them. We have also introduced the technology for contactless payment of donations and gifts.

FINANCIAL REVIEW

Financial position

Overall income for the church in the year increased by £20,804 to £489,455 over 2019/2020 with major contributory factors being higher legacies received and donations for the Audio-Visual project offset by lower major gifts and grants. Overall expenditure increased by £35,257 to £348,354 in the year with the major contributory factor being the repairs incurred in the Property Fund which were up £40,924 on 2019/2020 primarily as a result of the replacing the hall floor. These factors are dealt with in more detail below.

Sadly, Coronavirus continued to restrict the operations of the Church throughout the financial year. An overall surplus after fund transfers on unrestricted funds of £48,412 was recorded, but this was significantly lower than 2019/2020's £86,983.

Total income in the unrestricted funds rose by £19,423 on last year to £388,223. However, this is only thanks to two non-recurring items, a legacy of £50,000 which, with Church Council approval, will be applied to Youth Work, and a designated gift of £12,500 for the production of videoed services for online transmission. Overall giving income actually fell by 3.0% to £266,721.

Pledged giving for the year came in at £210,340, a little over £10k ahead of our conservative budget but some £7,222 below 2019/20: the growth in giving from existing members did not quite make up for the loss arising from the death last year of two significant donors. In contrast, Gift Aid rose by £2,308 on last year due to prior year claims. Unpledged giving, primarily in the form of appeals during online services, was £3,516 below budget. Overall giving was therefore £8,113 down on 2019/20 but £12,221 ahead of budget. This can be regarded as a solid and pleasing outcome in a pandemic year.

FINANCIAL REVIEW

Financial position (continued)

Ground rent income from Davenport House and revenue from Herts County Council held constant in line with their budgets. Lettings were depressed by COVID last autumn, ceased completely during the winter and re-opened only cautiously in the spring. Lettings' income finished the year at circa £11,934, again ahead of a conservative budget but down £4,578 on last year and materially down on 2018/19, the last 'normal' year. Routine gifts and donations at £2,593 were in line with budget and earlier years. Wesley's re-opened on 'Freedom Day', 19 July 2021, with a new donations-based pricing system and, despite the costs of a full re-stocking, booked a small profit. There was no income from internal organisations.

Overall income in the General Fund at £325,207 (including government furlough receipts, see below) was £21,056 lower than in 2019/20 but £11,335 above the original budget for 2020/21.

Overall unrestricted expenditure totalled £335,229, a net increase of £33,211 on last year with expenditure in the General Fund totalling £290,926 (up £5,108 on 2019/2020) and expenditure in the Property Fund at £42,855 (up from £1,931 in the previous year).

Maintenance of on the Church buildings was therefore substantial, the major elements of which were: a) a new hall floor (£27,314), b) the foyer floor skimmed and re-sealed (£2,259), c) the outside of the Church re-decorated (£9,550) and d) the vestry and Wesleys re-decorated (£3,732). These were all financed out of the Property Fund. There was also a drawdown of £1,448 on the new designated Video Production Fund, financing online services as the restricted Video Production Fund had been exhausted.

Costs in the General Fund were also higher than in 2019/2020 by £5,108 but £22,613 below the budget which had been based on a March 2021 re-opening. We were delighted to welcome Deacon Sarah Wickett to the High Street team, having struggled through the previous year without a deacon. Our Circuit assessment rose accordingly by £39,893 but other costs were much lower, particularly Youth Activities without a paid Youth Worker (£22,968 down on 2019/2020). Training, worship, prayer team, outreach, etc. were all down on the previous year with activities curtailed across the board for the majority of the year.

The Operations staff were furloughed but brought back gradually in the spring as needed. This produced income of £4,751 from the government's job retention scheme (JRS) but this has now ceased. Utilities were nearly £3k below budget with the extended closure and routine repairs £4.8k under budget. Operations overall was £7,129 under budget before the JRS receipt mentioned above.

Communications continued at full throttle with services, virtual Wesleys and weekday meetings online, but came in £4,862 below budget with the costs of the video production of online services, including Children's Church, booked directly to the two Video Production Funds.

After a drawdown of £750 from the restricted Youth Work Fund and transfers to the Organ Fund of £2,000, the Property Fund of £15,228, the Heating fund of £2,360 (depreciation) and the new Audio Visual (AV) Fund of £1,992 (also depreciation), the net operating surplus on the General Fund for the year was £13,450 in contrast to 2019/2020's surplus of £76,639 and the budgeted deficit of £15,619.

The upshot of all of the above was a net surplus (after funds transfers) in the unrestricted funds for 2020/21 of £48,412 (2019/2020: surplus of £86,983).

The trustees have agreed to transfer £7,176 from the designated Mission Development Fund to support the activities in the General Fund and ensure that the Reserves Ratio in the General Fund is maintained at the agreed 50% level. This stands in contrast to 2019/2020 when a transfer from the General Fund to the Mission Development Fund was agreed to reflect the higher surplus in that year. A further £105,000 has been approved for transfer to the designated Youth Work Fund, including the £50,000 legacy mentioned above.

FINANCIAL REVIEW

Reserves policy

The Church's Financial Reserves Policy deals with our General Unrestricted Fund. Other Funds, detailed in these accounts but which do not form part of Reserves for purposes of measurement of the Financial Reserves Policy below, are:

Property Repair Fund (Designated)	Organ Refurbishment Fund (Designated)
Mission Development Fund (Designated)	Youth Work Fund (Designated)
Youth Work Project (Restricted)	Video Production Fund (Designated)
Video Production Fund (Restricted)	Audio Visual Fund (Restricted)
Cost Alleviation Fund (Restricted)	Special Collections (Restricted)
Development Project (Restricted)	Legacy Fund for Flowers (Restricted)
Heating Project Fund (Restricted)	Church Premises (Permanent Endowment)

1. General Fund

As a large Church with a considerable range of local and overseas mission activities, the Church aims to hold sufficient liquid reserves in the unrestricted General Fund to cover circa six months' expenditure of a non-discretionary nature. We exclude from the Reserves Ratio calculation unrestricted donations to Methodist Funds and discretionary transfers to/from other Funds.

Thus, the Trustees' long-term policy is cover of 50% of the annual expenditure levels as defined above. Any significant reduction in gross income that the Trustees considered likely to be permanent would activate cost reduction measures. In framing this policy, the Trustees are mindful of establishing the correct balance between financial prudence and properly expending funds raised for the Church's charitable objectives. They acknowledge that the Reserves Policy should be assessed not just on an historic basis but also against medium and longer-term financial projections which they review on an annual basis.

The 2020/2021 financial year opened with the Reserves Ratio at 52.47% and it only fell to 47.6% at 31 August 2021 because of the unusually low expenditures during the past financial year, had the Church been operating as normal, it would have fallen significantly further. As mentioned above, £7,176 was transferred from the designated Mission Development Fund to the General Fund post year end in order to restore the Reserves Ratio to the targeted 50%.

The year ahead is uncertain, but hopefully less so than a year ago! The Church re-opened in early September 2021 with our regular informal and traditional Sunday services. Lettings have resumed and Wesleys re-opened. Our Circuit Assessment has risen with inflation. Church Council has approved recruiting a paid Youth Worker early in 2022 which will increase operating costs by some £26.0k in 2021/2022 and by £37.6k in 2022/2023. The Operational staff have returned more fully to maintain our building but also to support re-emergent lettings. The new audio visual and public address system was installed following a successful fundraising, enabling our Sunday services to be livestreamed; however, the required depreciation of £12,000 p.a. will have a material adverse impact on operating performance. The restricted Video Production Fund was exhausted during the year but a further unrestricted donation of £12,500 was received and placed in a new designated Video Production Fund, the balance of which will continue to be used to finance an experimental new online midweek service (see below).

Based on current estimates and having agreed to recruit a Youth Worker, material operating deficits are to be expected in the General Fund in the church's latest 5-year plan - but these deficits will be covered by transfers from designated funds, both the Youth Worker Fund (see below) and the Mission Development Fund. Trustees have noted that the augmentation of the designated Youth Work Fund has been specially tailored to allow for the increased Youth Work expenditure to be sanctioned bearing in mind that the Youth Funds now cover this level of expenditure for 5 years. The accumulation of unrestricted and designated reserves over past years is proving prudent, and the Trustees are of the view that the financial position of the Church is currently sound. They will however, of course, be vigilant to react should any of the current assumptions be called into question. Longer term improvements in giving will be sought in any event, in order to ensure continuing financial stability.

FINANCIAL REVIEW

Reserves policy (continued)

1. General Fund (continued)

With the exception of the balances between the General Fund and the Mission Development Fund (amount due at 31 August 2021: £7,176) and the Mission Development Fund and the designated Youth Fund (amount due at 31 August 2021: £105,000), all the remaining inter-fund balances between unrestricted, designated and restricted funds were settled at the year-end by cash transfers. New bank accounts were opened for the designated Video Production and the restricted Audio-Visual Funds for this purpose.

At the 2021 Methodist Conference, a decision was taken to ask all churches, circuits and districts to make a voluntary contribution to the Connexional Pension Reserve Fund. This was in response to the triennial actuarial valuations of the Methodist Ministers' Pension Scheme and the Pension and Assurance Scheme for Lay Employees of the Methodist Church at 31 August 2020 being in deficit. The Pension Reserve Fund (PRF) has sufficient reserves to cover the existing deficits, but further funding is requested from within the Church to replenish the PRF and reduce risk. Contributions are only for a reserve, not to fund actual deficits, and would not be returned in the event of not being required. Guidance from both the Connexion and the District indicates, rightly, that the request was designed to release excess reserves and not to jeopardise mission development. Therefore, restricted and designated funds should not be so denuded and unrestricted funds (the General Fund) are only to be considered if they exceed the 50% cover. In these circumstances, a contribution from High Street's reserves would not be appropriate as any such contribution would dilute our identified mission objectives and our reserves strategy. However, in the spirit of Conference asking all churches *"to consider giving freely, generously and according to their ability"*, Church Council nevertheless decided to contribute £10,000 in 2021/2022 to support of this request. This approval does come with the request that Pension Trustees meet with our Treasurer to discuss substantive unanswered questions over the investment management of the pension schemes.

2. Restricted Funds

One new restricted fund was opened during the year, the Audio-Visual Fund, to house the new equipment, which cost £119,531. Of this, £92,716 was financed by donations/legacies and related Gift Aid and the remainder by a transfer from the Cost Alleviation Fund (see below). The equipment will be depreciated over 10 years.

The restricted Cost Alleviation Fund, which houses significant one-off donations and is available to fund/contribute to one-off projects, benefited from one donation during the year of £7,795. As mentioned above, there was a transfer, with donor consent, of £26,815 to top up the fundraising for the AV equipment. The Fund also financed a drum kit at a cost of £2,700. The Fund ended the year with a balance of £48,889.

The restricted Video Production Fund was opened last year to hold a generous one-off gift of £10,000 (including Gift Aid) received in January 2020 to fund a trial period of videoing Sunday services - prescient (God inspired?) given the subsequent arrival of the coronavirus! The fund defrayed the costs of the production of videoed services in 2019/2020 and continued to do so through most of the financial year just ended until it was exhausted. The remaining costs during the financial year were financed by a further gift from the original donor which has been booked to a new designated fund for greater flexibility (see below).

Following the termination of the Youth Work joint venture in 2013, the Trustees decided to continue with this important initiative and to seek funding to secure this objective. Significant external funding from the Circuit, the District and charitable trusts was secured in the period from then to 31 August 2016 and these funds, together with the £15,000 received in 2018/2019 and £12,500 in 2019/2020, have ensured that the project was fully funded for the period to 31 August 2021. An amount of £750 was transferred from this restricted Fund to the unrestricted General Fund in 2020/21 in order to finance the year's (very limited) Youth expenditures. The balance on this fund (£16,360) will be used to contribute towards such expenditures over the next three years when it is anticipated it will be exhausted.

Special collections are regularly mounted in support of third-party charities that share the Church's charitable objectives. These funds (which are clearly restricted as to use) are passed to the third-party charities without delay. In 2020/21, these totalled £585, a significant reduction on the previous year's £6,558 reflecting the Church's closure.

FINANCIAL REVIEW

Reserves policy (continued)

2. Restricted Funds (continued)

The one restricted legacy fund held at TMCP (account 19706) had a balance of £1,451 at 31 August 2021. There was no drawdown on the fund during the year. The remaining balance is subject to the settlor's restriction that the funds be used to finance the provision of flowers in the Church and will cover this objective for a while yet.

The heating system project was completed in 2014/15 and the fixed property element of the expenditure was transferred to the Endowed Property Fund where it was revalued to the new insurance value. The balance of the expenditure, primarily the new boilers and controls, has been charged against this restricted Fund and capitalised and depreciated over 30 years (see below).

The restricted Development Project Fund was dormant during the year with the project currently on hold.

3. Designated Funds

As mentioned above, one new designated fund was opened during the year, the designated Video Production Fund, following another generous unrestricted gift of £12,500 (including Gift Aid) from the donor who initiated the restricted Video Production Fund. This gift is to fund a new, experimental midweek service using the previous Sunday's sermon but presented in a more informal style to reach new audiences. The decision to make this designated enables greater flexibility going forward.

A designated Property Fund was established some years ago to recognise both the long-term repair commitments of our premises as well as their unpredictable timing and nature. Trustees undertake a comprehensive assessment of such longer-term cyclical liabilities annually, estimating their likely cost and probable timing. The opening balance at 1 September 2020 was £87,928. During the year, planned expenditure of £42,855 was incurred (net of VAT recovery), detailed above. Each of these items came in above the estimate in the 20-year plan, and the annual contribution to the Property Fund from the General Fund has consequently been increased with the aim of ensuring that the Church can at all times finance the necessary expenditures. In the year just ended it was £15,228, an increase of 5% on 2019/20's £14,510. The closing balance was £60,423, held at the Central Finance Board. The Trustees are comfortable that this is adequate for future major repair liabilities.

One outstanding major repair is an existing leak in the roof above the hall, for which the Property Steward is having difficulty finding a qualified contractor but will continue his search.

Since the year end, the Property Steward, concerned about continuing water ingress in the church roof and external surfaces, met with our Quinquennial Surveyor. He advises that three pieces of coping stonework have eroded and there are issues with the type of plaster on the prayer room wall. Replastering and stone masonry will be required at a preliminary estimated cost of £13,300. However, similar issues almost certainly exist elsewhere and a more comprehensive survey will be carried out. The potential costs will be refined, based on expert external advice, during 2021/2022 and a transfer from the designated Mission Development Fund to the designated Property Fund will be made to fund the expected expenditure when known. As this potential liability is not currently certain with any precision, no provision is being made in the accounts this year.

The objective of the Mission Development Fund is to support the cost of implementing the mission strategy developed at the Church's Vision Days. It benefited in 2020/21 from an unrestricted legacy of £50,000 which Church Council has therefore agreed should be applied toward the cost of the paid Youth worker over 3 years. This sum has been transferred post year end to the designated Youth Work fund. A further transfer of £55,000 has been undertaken in 2020/2021 from this Fund to the designated Youth Work Fund and will also be transferred post year end. These transfers will underpin this important work for the next five years. As above, a transfer of £7,176 is being made, also post year end, to the General Fund to shore up the Reserve Ratio to the targeted 50%. The closing balance of the Mission Development Fund at 31 August 2021 was £284,303, held at the Central Methodist Board (£155,288) and in a Model Trust Fund account at TMCP (£129,015 - unrestricted). The three post year end transfers will reduce this to £172,127, which could be put toward the Development project if approved.

FINANCIAL REVIEW

Reserves policy (continued)

3. Designated Funds (continued)

During 2016/2017, the Trustees agreed to supplement a major legacy by establishing a designated Youth Work Fund to ensure that, over the time, the Church's reliance on external grant funding to finance this core activity could be underpinned by financing from the General Fund. As above, another legacy of £50,000 was received during 2020/2021 and, with Church Council approval, was transferred post year end to this fund, supplemented by a further £55,000 from the Mission Development Fund in order to underwrite this vital activity for the next five years. As at 31 August 2021, the designated Youth Work fund had £39,376 in the bank, split as to £30,574 in a Model Trust Fund account at TMCP (unrestricted) and £8,803 at the Central Methodist Board. The two post year end transfers will take this balance to £144,376.

The annual transfer from the General Fund to the Organ Refurbishment Fund of £2,000 took its year-end balance to £12,826.

4. Endowment Funds

Following the implementation of FRS 102, a revised accounting policy was established and implemented as at 31 August 2017 (see Accounting Policies).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Organisational structure and management

Harpenden Methodist Church was originally formed during the 19th century but moved to its current premises in 1929 and is a church within the Methodist Connexion in Great Britain. Its address is High Street, Harpenden, Herts, AL5 2RU. Its constitution is governed by an Act of Parliament and, on 1 April 2009, it became a registered charity with registered number 1128950.

Correspondence relating to financial matters should be sent to M. R. Woods at the Church Office at the address shown below. All other correspondence should be directed to the Minister, also at the Church Office at the address shown below.

Trustees are appointed to Church Council by the General Church Meeting and Church Council as and when vacancies arise.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees, advised by the Finance and Property Committees, regularly examine the principal areas of the Church's operations and consider the major risks faced in each of these areas.

The Leadership Team has developed a detailed plan to ensure the identified risks are reviewed at least annually and, where possible, action is taken to minimise such risks. The last such review was undertaken for Church Council's November 2020 meeting and trustees considered the risks identified by the Leadership Team's review (particularly in the light of the current COVID pandemic). They agreed the actions proposed and the systems established to allow these risks to be mitigated to an acceptable level in its day-to-day operations.

The Finance Committee undertakes regular reviews of the Church's inventory of assets and ensures that the sums assured under its global insurance policy adequately reflect the replacement value of such assets. A comprehensive review of such values was last undertaken in 2014/2015 and the increases in sums assured actioned with effect from that date. A further review was due for the insurance renewal at end of September 2021.

Harpenden Methodist Church

Report of the Trustees
for the Year Ended 31 August 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1128950

Principal address

Harpenden Methodist Church
High Street
Harpenden
Hertfordshire
AL5 2RU

Trustees - principal officers

Rev M Hammond Minister
Deacon S Wickett Deacon
M R Woods Treasurer

Those who served as trustees during the year and to the date of this report are as follows:

Ministerial Team

Rev M Hammond
Deacon S Wickett (appointed 01/09/2020)

Circuit Appointees

S Dyer (Minister - Southdown Methodist Church)
K Spall (Circuit Steward) (retired 01/09/20)
D Edney (appointed 26/01/2021)

Church Stewards

P Carr
S Carr (retired 27/07/2021)
P Crowther-Newman
J Allwright (retired 29/09/2020)
C Meilton
D Lambert (retired 29/09/2020)
J Polley (retired 27/07/2021)
F Gardner
J Hall
C Wollaston
A Schlich
K Jackson-Robbins
E Wane (appointed 28/09/2020)
A Sonola (appointed 28/09/2020)

Secretary of the Church Council

P Bayfield

Church Treasurer

M R Woods (appointed 01/09/2019)

Pastoral Secretary

M Grand

Harpenden Methodist Church

Report of the Trustees
for the Year Ended 31 August 2021

Those who served as trustees during the year and to the date of this report are as follows (continued):

Members appointed by Council

S Hammond
P Black
P Atkins
L Cox
R Atkins
C Ballard Scott
L Schlich

Representatives from the General Church Meeting

A Bird
D Crew
K Crew
J Buchanan
D Noble
P Scott
R Swain

B Richards (retired 21/03/2021)
R Swanston (retired 21/03/2021)
B Carter (appointed 21/03/2021)
J Prentice (appointed 21/03/2021)

Auditors

Hicks and Company
Chartered Accountants and
Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Bankers

HSBC Bank Plc
1 High Street
Harpenden
AL5 2RS

Central Finance Board
9 Bonhill Street
London
EC2A 4PE

Trustees for Methodist Church Purposes

Central Buildings
Oldham Street
Manchester
M1 1JQ

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2JB

TRUSTEES' RESPONSIBILITY STATEMENT

The trustees are responsible for preparing the Report of the Trustees and the 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 9 November 2021 and signed on its behalf by:



Rev M Hammond - Trustee

Opinion

We have audited the financial statements of Harpenden Methodist Church (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the charity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the trustees and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the charity's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charity Commission
- reading the minutes of board of trustees' meetings
- checking for any actual and potential litigation and claims

Report of the Independent Auditors to the Trustees of
Harpenden Methodist Church

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

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



Philip Dean BA, FCA (Senior Statutory Auditor)
for and on behalf of Hicks and Company
Chartered Accountants and Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

25 November 2021

Harpenden Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	31.8.21 Total funds £	31.8.20 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	331,814	101,096	-	432,910	388,465
Other trading activities	3	51,045	-	-	51,045	67,923
Investment income	4	613	136	-	749	3,378
Other income	5	4,751	-	-	4,751	8,885
Total		388,223	101,232	-	489,455	468,651
EXPENDITURE ON Charitable activities						
Charitable activities	6	335,229	13,125	-	348,354	313,097
NET INCOME		52,994	88,107	-	141,101	155,554
Transfers between funds	16	(4,582)	4,582	-	-	-
Net movement in funds		48,412	92,689	-	141,101	155,554
RECONCILIATION OF FUNDS						
Total funds brought forward		545,517	218,521	964,716	1,728,754	1,573,200
TOTAL FUNDS CARRIED FORWARD		593,929	311,210	964,716	1,869,855	1,728,754

The notes form part of these financial statements

Harpenden Methodist Church

Statement of Financial Position
31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	31.8.21 Total funds £	31.8.20 Total funds £
FIXED ASSETS						
Tangible assets	12	14,073	225,939	964,716	1,204,728	1,096,451
CURRENT ASSETS						
Debtors	13	57,772	-	-	57,772	52,456
Cash at bank	14	550,263	85,271	-	635,534	617,998
		608,035	85,271	-	693,306	670,454
CREDITORS						
Amounts falling due within one year	15	(28,179)	-	-	(28,179)	(38,151)
NET CURRENT ASSETS		579,856	85,271	-	665,127	632,303
TOTAL ASSETS LESS CURRENT LIABILITIES		593,929	311,210	964,716	1,869,855	1,728,754
NET ASSETS		593,929	311,210	964,716	1,869,855	1,728,754
FUNDS	16					
Unrestricted funds					593,929	545,516
Restricted funds					311,210	218,522
Endowment funds					964,716	964,716
TOTAL FUNDS					1,869,855	1,728,754

The financial statements were approved by the Board of Trustees and authorised for issue on 9 November 2021 and were signed on its behalf by:



Rev M Hammond - Trustee



M R Woods - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Harpenden Methodist Church is a church within the Methodist Connexion in Great Britain and these accounts are prepared in accordance with the constitution, practice and discipline of that Church. They are also prepared in accordance with the Charities SORP (FRS 102) '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 the Republic of Ireland (FRS 102) (effective 1st January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets. These accounts relate to the Church and its various internal organisations. Harpenden Methodist Church is a public benefit entity under FRS 102.

Income and expenditure

Income, which is mainly donations, is accounted for in the accounting period to which it relates providing that any unpaid income at the end of each accounting period is considered by Trustees to be fully recoverable. Expenditure is accounted for on an accruals basis.

Income tax is recoverable from the HM Revenue and Customs on Gift Aid donations and is accounted for on an accruals basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

The trustees have undertaken a review of the disclosure of charitable activities costs in the accounts. In their opinion, the Church has only one overall activity for accounts disclosure purposes. Also in their opinion, it would be more appropriate to analyse the charitable activities costs in line with the expenditure headings used in the Church's management accounts. The accounts have therefore been prepared on this basis and the comparatives shown similarly.

Allocation of costs

Costs are allocated to the specific fund to which they relate.

Tangible fixed assets

Church land and buildings:

The Trustees for Methodist Church Purposes are custodian trustee for the church land and premises, which is Model Trust property, and they hold freehold title. In 1978, two leases for terms of 125 years were granted on land at the rear of the church. One, a head lease was granted to T&E Neville Ltd. (now Neville Trust) and Davenport House was built by them on that leased land. The other lease was granted to St Albans District Council, at a peppercorn rent, for what is now the council car park. In accordance with the implications of Standing Orders, these funds are shown as Endowed.

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or at capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. This similarly applies to the Church Organ which has a capitalised historic cost of £nil.

The expenditure mentioned in note 12 on professional fees for the Development Project has been capitalised in restricted funds (to match the restricted donation) but will be transferred to Endowment Funds when the project is complete. It is not depreciated.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES – continued

Tangible fixed assets (continued)

The depreciation policy for Church Premises is 2% per annum on cost. As the depreciation calculation is based on cost less residual value and as the residual value is not expected to fall below cost, the depreciation charge is £nil.

Other fixed assets:

Following the completion of the heating system project during 2014/2015, the equipment element has been capitalised and depreciated over 30 years on a straight-line basis.

Historic computer and AV Equipment has an estimated useful life of 5 years and is therefore being depreciated at 20% per annum on a straight-line basis. However, trustees believe the expenditure on the major project to install additional updated AV Equipment in the church has a longer estimated useful life of 10 years and is therefore being depreciated at 10% per annum on a straight-line basis.

Trustees have adopted a revised policy for asset capitalisation with effect from 1st September 2012. Items of fixed capital expenditure above £3,000 are capitalised and depreciated at an appropriate rate.

Taxation

The Church's surpluses are derived from, and are applied towards, the maintenance of charitable activities and as such are not subject to taxation.

Fund accounting

Details of the nature and purpose of each fund is set out in note 16.

Legacies

Legacies are credited on receipt to the relevant fund as indicated by the wishes of the testator.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.8.21 Total funds £	31.8.20 Total funds £
Pledged collections	210,340	-	-	210,340	217,561
Gifts and donations	15,093	80,916	-	96,009	93,632
Income tax refunds	49,397	15,180	-	64,577	47,089
Legacies received	50,000	5,000	-	55,000	-
Grants received	-	-	-	-	20,000
Unpledged collections	6,984	-	-	6,984	10,183
	<u>331,814</u>	<u>101,096</u>	<u>-</u>	<u>432,910</u>	<u>388,465</u>

Grants received, included in the above, are as follows:

	31.8.21 £	31.8.20 £
West Herts and Borders Methodist Circuit	-	10,000
Beds, Essex Herts Methodist District	-	2,500
Williams Church Music Trust	-	7,500
	<u>-</u>	<u>20,000</u>

The first two of the above grants recognised in 2020 were received in support of the Church's Youth Work activities and the third towards the cost of urgent repairs needed to the organ.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.8.21 Total funds £	31.8.20 Total funds £
Contributions for use of premises	30,530	-	-	30,530	36,097
Ground rent Davenport House	19,203	-	-	19,203	18,765
Coffee lounge	1,312	-	-	1,312	13,061
	<u>51,045</u>	<u>-</u>	<u>-</u>	<u>51,045</u>	<u>67,923</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.8.21 Total funds £	31.8.20 Total funds £
Interest and investment income	613	136	-	749	3,378

5. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.8.21 Total funds £	31.8.20 Total funds £
Furlough income	4,751	-	-	4,751	8,885

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Charitable activities	176,127	172,227	348,354

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.21 £	31.8.20 £
Ministerial / Administrative staff costs	155,364	120,804
Encountering God costs	3,435	5,371
Equipping God's People costs	329	1,256
Extending God's Kingdom costs	14,226	22,690
Youth Work costs	1,660	24,628
Coffee Lounge costs	1,113	3,559
	<u>176,127</u>	<u>178,308</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

8. SUPPORT COSTS

	Operations £	Finance £	Comms / Marketing £	Totals £
Charitable activities	<u>105,332</u>	<u>7,771</u>	<u>59,124</u>	<u>172,227</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

Details of trustees' remuneration and benefits are included in notes 10 and 18 below.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

10. STAFF COSTS

	2021 £	2020 £
Wages and salaries	73,221	90,509
Employer's pension contributions	3,075	2,780
Employer's social security costs	4,035	4,236
	-----	-----
Total Staff Costs	<u>80,331</u>	<u>97,525</u>
	=====	=====

With effect from 1 September 2015, qualifying employees are 'opted-into' the government's auto-enrolment pension scheme with matched contributions from the Church to a maximum of 6%.

Other than as shown below and in Note 18, none of the trustees nor persons connected with them received any remuneration, expenses or other benefits from the Church. The contracts of employment for the 2 trustees detailed below were entered into by the church with the due authority of Church Council.

The church benefited by £4,751 in 2020/2021 from the receipts under the government's Job Retention Scheme for furloughed members of staff. The staff costs shown in this note are before any such subsidy.

Lewis Cox, the church's Worship and Communications Coordinator, is (and was at 1 September 2020) a trustee. He received remuneration of £33,000 in 2020/2021 under his employment contract (2019/2020 - £25,722). Additionally, the church paid £1,980 of employer pension contributions in 2020/2021 under this contract (2019/2020 - £1,543).

Louise Schlich, the church's Office Administrator is (and was at 1 September 2020), a trustee and her services were provided to date under a contract of employment with the church. In 2020/2021, she received remuneration of £11,270 under her employment contract (2019/2020 - £11,103). Additionally, the church paid £564 of employer pension contributions in 2020/2021 under this contract (2019/2020 - £555).

The average monthly number of employees during the year was as follows:

31.8.21	31.8.20
<u>6</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	288,907	99,558	-	388,465
Other trading activities	67,923	-	-	67,923
Investment income	3,085	293	-	3,378
Other income	8,885	-	-	8,885
Total	368,800	99,851	-	468,651
EXPENDITURE ON				
Charitable activities				
Charitable activities	302,018	11,079	-	313,097
NET INCOME	66,782	88,772	-	155,554
Transfers between funds	20,201	(20,201)	-	-
Net movement in funds	86,983	68,571	-	155,554
RECONCILIATION OF FUNDS				
Total funds brought forward	458,533	149,951	964,716	1,573,200
TOTAL FUNDS CARRIED FORWARD	545,516	218,522	964,716	1,728,754

12. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Fittings £	Computer and PA/AV Equipment £	Totals £
COST				
At 1 September 2020	1,018,829	70,807	34,508	1,124,144
Additions	-	-	119,531	119,531
At 31 August 2021	1,018,829	70,807	154,039	1,243,675
DEPRECIATION				
At 1 September 2020	-	14,160	13,533	27,693
Charge for year	-	2,360	8,894	11,254
At 31 August 2021	-	16,520	22,427	38,947
NET BOOK VALUE				
At 31 August 2021	1,018,829	54,287	131,612	1,204,728
At 31 August 2020	1,018,829	56,647	20,975	1,096,451

12. TANGIBLE FIXED ASSETS – continued

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. Expenditure on architect and other professional fees on the proposed Buildings Project totalling £54,113 were capitalised as freehold additions in 2018/2019 and 2019/2020.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Other debtors	18,115	14,326
Prepayments	39,657	38,130
	<u>57,772</u>	<u>52,456</u>

14. CASH AT BANK

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
Trustee for Methodist Purposes accounts	159,589	1,451	-	161,040
Deposits with Central Finance Board	272,693	83,780	-	356,473
Other bank accounts	117,982	41	-	118,023
	-----	-----	-----	-----
	550,264	85,272	-	635,536
	=====	=====	=====	=====

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade creditors	504	13,125
Social security and other taxes	9,172	8,323
Other creditors	5,362	3,399
Accruals and deferred income	13,141	13,304
	<u>28,179</u>	<u>38,151</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

16. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	172,497	34,281	(13,654)	193,124
Designated fund - Property Fund	87,929	(42,734)	15,228	60,423
Designated fund - Mission				
Development	234,957	50,326	(113,156)	172,127
Designated fund - Youth Work	39,323	54	105,000	144,377
Designated fund - Organ Repair Fund	10,811	15	2,000	12,826
Designated fund - Video Production	-	11,052	-	11,052
	<u>545,517</u>	<u>52,994</u>	<u>(4,582)</u>	<u>593,929</u>
Restricted funds				
Heating Project	70,809	(2,360)	2,360	70,809
Youth Work	17,080	30	(750)	16,360
Legacies	1,449	2	-	1,451
Development Project	53,190	-	980	54,170
Cost Alleviation	70,513	5,191	(26,815)	48,889
Video Production	5,480	(5,480)	-	-
AV Project	-	90,724	28,807	119,531
	<u>218,521</u>	<u>88,107</u>	<u>4,582</u>	<u>311,210</u>
Endowment funds				
Church Premises	964,716	-	-	964,716
	<u>1,728,754</u>	<u>141,101</u>	<u>-</u>	<u>1,869,855</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	325,207	(290,926)	34,281
Designated fund - Property Fund	121	(42,855)	(42,734)
Designated fund - Mission			
Development	50,326	-	50,326
Designated fund - Youth Work	54	-	54
Designated fund - Organ Repair Fund	15	-	15
Designated fund - Video Production	12,500	(1,448)	11,052
	<u>388,223</u>	<u>(335,229)</u>	<u>52,994</u>
Restricted funds			
Special Collections	585	(585)	-
Heating Project	-	(2,360)	(2,360)
Youth Work	30	-	30
Legacies	2	-	2
Cost Alleviation	7,891	(2,700)	5,191
Video Production	8	(5,488)	(5,480)
AV Project	92,716	(1,992)	90,724
	<u>101,232</u>	<u>(13,125)</u>	<u>88,107</u>
TOTAL FUNDS	<u>489,455</u>	<u>(348,354)</u>	<u>141,101</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Unrestricted funds				
General fund	166,464	60,445	(54,412)	172,497
Designated fund - Coffee Lounge	9,395	9,502	(18,897)	-
Designated fund - Property Fund	74,809	(1,391)	14,510	87,928
Designated fund - Mission				
Development	156,869	1,088	77,000	234,957
Designated fund - Youth Work	39,060	263	-	39,323
Designated fund - Organ Repair Fund	11,936	(3,125)	2,000	10,811
	458,533	66,782	20,201	545,516
Restricted funds				
Heating Project	70,807	-	-	70,807
Youth Work	27,584	12,698	(23,201)	17,081
Legacies	1,439	10	-	1,449
Development Project	50,121	71	3,000	53,192
Cost Alleviation	-	70,513	-	70,513
Video Production	-	5,480	-	5,480
	149,951	88,772	(20,201)	218,522
Endowment funds				
Church Premises	964,716	-	-	964,716
TOTAL FUNDS	<u>1,573,200</u>	<u>155,554</u>	<u>-</u>	<u>1,728,754</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	346,263	(285,818)	60,445
Designated fund - Coffee Lounge	13,061	(3,559)	9,502
Designated fund - Property Fund	540	(1,931)	(1,391)
Designated fund - Mission			
Development	1,088	-	1,088
Designated fund - Youth Work	263	-	263
Designated fund - Organ Repair Fund	7,585	(10,710)	(3,125)
	368,800	(302,018)	66,782
Restricted funds			
Special Collections	6,558	(6,558)	-
Youth Work	12,698	-	12,698
Legacies	10	-	10
Development Project	71	-	71
Cost Alleviation	70,513	-	70,513
Video Production	10,001	(4,521)	5,480
	99,851	(11,079)	88,772
TOTAL FUNDS	<u>468,651</u>	<u>(313,097)</u>	<u>155,554</u>

16. MOVEMENT IN FUNDS - continued

Restricted funds:

Legacies Fund: Unless a Model Trust Direction has been secured to allow for local use, legacies received are deposited with the Trustees for Methodist Church Purposes (TMCP). All applications for the release of such monies must be made to, and approved by, TMCP. As at 31 August 2021, the balances available were as follows - for use in relation to the provision of church flowers (Fund No. 19706) - £1,451.

Endowment funds:

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716.

17. CAPITAL COMMITMENTS

During 2017/2018, Trustees authorised expenditure on architects and other professional fees to a maximum of £50,000 with regard to the Buildings Development Project currently being considered. Expenditure of £42,936 was expended in 2018/2019 and £7,064 in 2019/2020 on professional fees relating to the project thereby utilising the £50,000 approval limit. An anonymous donation for the same amount (including Gift Aid) was received in September 2018 to finance these costs.

A further £20,000 was authorised by trustees for expenditure to allow the project to the next stage and £4,113 was expended in 2019/2020.

It remains the church's intention to continue with this project over time. Trustees are therefore comfortable carrying forward this aggregate expenditure to date of £54,113 as freehold additions.

There are no other liabilities, contingent or otherwise, that are not provided for in these accounts.

18. RELATED PARTY DISCLOSURES

David Noble, the church organist, was appointed as a trustee on 1 April 2017 and receives an annual honorarium for services provided to the church as a self-employed contractor, not as a trustee. Because of the COVID pandemic and the fact that the church was not open during the year, he agreed to waive his remuneration entitlement for the whole of 2020/2021 (2019/2020 - £1,740).

The church received aggregate donations from trustees of £78,030 in 2020/2021 (2019/2020 - £114,004). Of these donations, £16,100 was restricted by the donors to support of the Audio-Visual project and this donation has therefore been placed in the restricted Audio-Visual Fund. Furthermore, of these donations, the donor of a gift of £10,000 expressed a wish that this donation should be applied in support of the church's video production activity and, accordingly, this donation has been placed in the church's designated Video Production Fund.