

# ORPINGTON METHODIST CHURCH

**Trustees' Annual Report for the period 1 September 2019 to 31 August 2020**

**Registered Charity Number: 1129331**

**Charity Principal Address:**

Orpington Methodist Church, Sevenoaks Road, Orpington, Kent. BR6 9JH

**Managing Trustees:**

Revd Terry Wright	(Chair)
Mr Christopher Price	(Secretary)
Mr Keith Hickey	(Treasurer)

Mrs Anne Barnes	Mrs Alison Lancaster
Mrs Margaret Benskin	Mr Roger Lancaster
Mrs Stephanie Boswell	Mrs Carolyn Licence
Mrs Irene Cotterell	Mr Robin Licence
Mrs Elizabeth Dobb	Mrs June Meeks
Ms Margaret Donkin	Mrs Dorrance Palmer
Mrs Lois East	Mr John Pedley
Mr Alan Gamwell	Miss Margaret Sanderson
Mrs Rosemary Gamwell (Rtd: 20/02/2020)	Mr Charles Stewart
Ms Janet Haley	Mr Sujay Surji
Mr Peter Hibble	Mrs Elizabeth Weller
Mrs Deborah Hickey	Ms Angela Willis

**Custodian Trustee:**

The Trustees for Methodist Church Purposes

**Bankers:**

National Westminster Bank  
Central Finance Board of the Methodist Church

**Independent Examiner:**

Keith Robinson

**Structure, Governance and Management**

**Type of Governing Document:** Deed of Union (1932) and Methodist Church Act (1976)

**How the Charity is Constituted:** Act of Parliament

**Trustee Selection Method:** The Minister, Church Stewards, Treasurer, Pastoral Secretary, Church Council Secretary, up to 15 representative Church Members (elected annually), up to 15 additional persons appointed by the Council and a Circuit Steward.

**Governance:** The appointment of Trustees and other officers follows the Constitutional Practice and Discipline of the Methodist Church (CPD). The primary governing body of Orpington Methodist Church, in accordance with CPD, is the Church Council. Members of the Council are the Trustees, and the Council is chaired by the Minister. Church Council representatives and Church Stewards are elected at the Annual General Meeting. All church members can attend this meeting and are entitled to vote, and

raise any issues for discussion. The Trustees actively seek nominations for new Trustees who can represent all aspects of the Church community and its activities.

**Induction/Training:**

There is a range of guidance produced by the Methodist Connexion

All Trustees receive a copy of CC3, 'The Essential Trustee: What You Need To Know'

**Structure:**

Part of the Orpington and Chislehurst Circuit

Part of the London Methodist District

Accountable to the Methodist Conference

A member of Churches Together in Orpington

**Risks:**

The Church has a Risk Management Policy and has a Risk Assessment Matrix

Risks relating to Finance are considered by the Finance Committee

Risks relating to Property are considered by the Property Committee

Both Committees report to the Church Council (Board of Trustees)

Professional advice is taken as necessary

There is a regular review process

The Church has adopted a Safeguarding Policy – covering Children and Vulnerable Adults – and has ensured all relevant members of the Church receive appropriate training which is an ongoing process

**Objectives and Activities****Objects of the Charity:**

These are set out in the Methodist Church Act 1976 (Clause 4) – Advancement of Religion and any charitable purpose of the Methodist Church or church organisation

**Summary of Main Objectives:**

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of:

- The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church
- Any charitable purpose for the time being of any Connexional, District, Circuit and local or other organisation of the Methodist Church
- Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church
- Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

**Achievements and Performance****Summary of Main Achievements During the Year:**

Orpington Methodist Church continued to provide a range of services and activities for the whole community. Worship took place every Sunday with provision for other services at other times. Service styles varied according to age group and occasion. There were regular baptisms, funerals, and marriages and opportunities to study and pray in groups both at church, in people's homes and as part of a wider Circuit organisation.

The after school club (Families Together) and holiday club in half terms attracted steady numbers of children and families attending and experiencing the life of the Church Community. The youth groups ran with large numbers and the uniformed organisations ran with maximum numbers – this was enabled by the willingness of volunteers whose commitment to training, supervision of activities and care is a significant contribution to the whole community.

The spread of Covid 19 brought activities in the Church to a halt in March due to lockdown. However, Church staff and members have been active in their support of the local community since March and continued the pastoral support of its members and the community within which we reside.

Having achieved our fundraising target of £930,000 for our building development project in 2018/19, this year we went out to tender for the main building contract. The total cost for the project increased to £1,020,000; however thanks to a large legacy we are able to meet this increased amount. Work was due to start on site in March, however, due to the lockdown for Covid 19 building work did not commence until June 2020 and is due to be finished in February 2021. We are very grateful to the Garfield Weston Foundation, The Charles Jacob Trust, the Trustees for Methodist Church Purposes, Methodist Insurance, the Methodist Church, the London District of the Methodist Church and the Orpington and Chislehurst Circuit of the Methodist Church for their support for the project.

The Church continued to explore how to make the best use of its facilities and work with user groups and community organisations. Hospitality is at the heart of our work and this is expressed to individuals and groups in pastoral care and provision of amenities. The Church continues to build relationships and encourage partnership with all user groups whose programs benefit the local community. Such programs include those that promote wellbeing, spiritual and mental health, children's work and charitable groups.

Alongside The Minister Rev Terry Wright and a part-time administrator and convener of children's work we employ 2 part-time cleaners. In the main the Church functions and achieves its mission through the many people who give of their time, money and energy to enable a diverse programme to be offered. The Church has 125 members (2019: 128) and around 60 (2019:60) volunteers, whose good will we rely on, many of whom are also Church members. The Church is supported by the Orpington and Chislehurst Methodist Circuit, the London District and the wider Methodist Connexion. We are thankful for the support of all those around us in helping us fulfil our responsibilities and realise our vision.

### **Public Benefit:**

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

### **Financial Review**

#### **Reserves Policy:**

Within Unrestricted Reserves there are 3 main funds:

Society Fund and Property Fund £108,925 (2019: £105,608): We aim to ideally hold in

reserve sufficient money to cover six months expenditure plus £20,000 as a capital contingency. The Church is dependent on voluntary donations and hall lettings to cover the costs of its ministerial team, property costs and general expenses. As these income and property costs can be volatile, this level of reserves is considered prudent to manage the day to day running of the Church in an organised manner and give time for thorough review if any difficult decisions have to be made. Six months expenditure plus £20,000 is £67,816, so at £108,925 reserves stand at 11 months plus £20,000

Legacies Fund £202,685 (2019: £115,376): These are monies received through legacies which the Church Council will allocate to the work of the Church as it deems appropriate. During the year legacies of £168,109 (2019: £260,000) were received. The Church Council has decided to designate £83,000 from the Legacy Fund towards the Building Development Project. Over the next year the Church will consider how to utilise the balance of Legacies to support its work in the local community.

Designated Funds £338,854 (2019: £255,854): This is made up of 3 separate funds; £319,354 is designated for use on the Building Redevelopment Project; £17,000 is designated to cover lost income when the Building Development Project goes ahead; and, £2,500 is designated towards improved Sound and Vision systems in the Church.

Within Restricted Reserves there are 3 funds:

Sound and Vision Fund £1,563 (2019: £1,563): money donated specifically towards improved sound and vision systems in the Church.

Internal Organisations £15,472 (2019: £17,813): these are balances held by separate organisations within the Church who report to the Church Council and are restricted to the use of that organisation.

Organ Fund £400 (2019: £480): these are funds given for the express purpose to develop expertise in playing the Church organ.

Within Endowed Reserves there are 2 funds:

Property £1,141,261 (2019: £1,148,931) which represents funds used in the purchasing of land and buildings for the Church's general purposes.

Building Development Fund £690,375 (2019: £277,133): A project to develop the potential of the Church building to create a flexible space in the Church, bringing the opportunity to tell the story of our faith in exciting new ways. A new bold entrance will allow immediate access and visibility into a renewed church. There will be much greater opportunities for worship, events and exhibitions and other activities to serve and involve the community.

The Church's Free Reserves are its General Fund £311,611 (2019: £220,984)

### **Financial Overview:**

The Church's income was £689,449 (2019: £467,130); the main reason for this material increase was an increase in donations of £252,076 due to the receipt of grants totalling £409,000 towards the building Development Project, although Legacies reduced from £260,000 to £168,109 as we received the final distribution from a large individual legacy. Otherwise income was lower, specifically due to reductions in Loose Cash received and Hire of Premises due to the Covid 19 lockdown. The Church's expenditure was £112,671 (2019: £136,597), the principal components of which were the Orpington and Chislehurst Circuit assessment, expenditure on the Building Development Project and repairs, maintenance, utilities and insurance costs on the Church Buildings. The reduction in expenditure in 2020 was due to lower Utility Bills and Repairs and Maintenance again due to the lockdown. The overall improvement in

funds £2,499,536 (2019: £1,922,758) was mainly due the legacies and grants for the Building Development Project referred to above.

The Trustees decided in 2014/5 to develop the Church Buildings as described in the reserves policy above and submitted plans to the London Borough of Bromley to obtain planning permission. (Planning permission was successfully re-obtained in October 2017). In 2015/6 the Church worked with consultants to develop the technical design for the development. During the year fundraising continued for the project and we reached our target of £1,020,000 through donations, fundraising and grants. At 31 August 2020 fundraising for the project was complete with work on site starting in June 2020. Fundraising included grants totalling £479,000 offered by Orpington & Chislehurst Circuit (£200,000), London District (£50,000), The Methodist Connexion (£89,000), Methodist Insurance (£50,000), The Trustees for Methodist Church Purpose (£50,000), The Charles Jacob Trust (£20,000) and The Garfield Weston Foundation (£20,000) for which we are very grateful. The project funding of £1,020,000 includes the two Sound and Vision funds as £15,000 of the project budget is allocated towards improved sound and vision in the Church.

### **Plans for Future Periods**

The Trustees intend to maintain the present activities of the Church, as described elsewhere, with a focus on worship, community service and partnership with other churches and agencies in the local community. This will be strengthened by the development of our buildings to support this activity.

During the year we have reflected on how our New Space can be used in the future. During 2020/21 our Out Reach and Evangelism Committee will be fine tuning our thinking and developing a business plan. We look to a future of new and exciting projects built around the concept of a Community Hub where Orpington Methodist Church provides a welcome space not least to those most in need, the isolated, the bereaved and socially restricted. In doing so we will share the love of Christ in an up to date and relevant way to Orpington in 2020/21 and beyond.

### **Covid 19**

The Church entered lockdown early after the Sunday service on the 15<sup>th</sup> March 2020. Financially this has meant a loss of income from offertory and outside hire of the premises. Having followed a full programme for opening up the premises and undertaking Covid 19 risk assessments the Church opened for limited services and the premises opened for some outside organisations to hire in July. However, it is expected to take some time before the congregation reaches its pre lockdown levels and the hire of the premises also meets its pre lockdown levels.

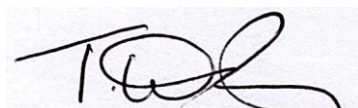
Our Finances held up during 2020 as we had lower utility bills than expected and were unable to do any repairs and maintenance to the property. However, this won't continue into the future. The Church is fortunate to have had a well-managed reserves policy £108,926 (2019:£105,608) and large legacy income during this year and last year £202,685 (2019: £115,376). The Church also set up a £17,000 reserve to cover the loss of income during the building development works which has been redesignated to cover the loss of income due to Covid-19. Whilst some of the legacy income has been

used to part finance the building development project we still have £202,685 available at the 31<sup>st</sup> August 2020. With these reserves available, total £328,611, the Church is able to cover the financial effects of Covid 19 for far more than 2 years, should it prove necessary.

**Declaration:**

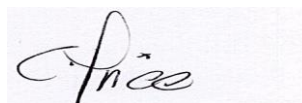
The trustees declare that they have approved the trustees' report above:

Signature:

A handwritten signature in black ink, appearing to be 'T. Wright', on a light blue background.

Revd. Terry Wright  
Chair

Signature:

A handwritten signature in black ink, appearing to be 'C. Price', on a light blue background.

Mr Christopher Price  
Church Secretary



## **Responsibilities of the Trustees**

The charity's trustees are responsible for preparing the Trustees Annual Report 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 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. The trustees 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.

## **Independent Examiners Report to the Trustees of Orpington Methodist Church**

### **Year Ended 31 August 2020**

I report on the accounts of the charity for the year ended 31 August 2020 which are set out on pages 9 to 23.

#### **Respective Responsibilities of Trustees and Examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### **Basis of Independent Examiner's Report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### **Independent Examiner's Statement**

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

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

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



Keith Robinson FCA  
Chartered Accountant  
Willowcroft, Brasted Chart, Westerham, Kent. TN16 1LX

12<sup>th</sup> November 2020



**Orpington Methodist Church**  
**Statement of Financial Activities (SOFA) for the year ended 31 August 2020**

	Note	General Fund Unrestricted £	Designated Funds Unrestricted £	Restricted Funds £	Endowment Funds £	Total 2019-2020 £
<b>Income</b>						
Offerings		41,761				<b>41,761</b>
Donations		172,306			413,021	<b>585,327</b>
Gift aid		9,045			1,102	<b>10,147</b>
Interest	4	4,294			1,347	<b>5,641</b>
Internal organisations	15			9,370		<b>9,370</b>
Other		37,203				<b>37,203</b>
<b>Total income</b>	<b>2</b>	<b>264,608</b>		<b>9,370</b>	<b>415,471</b>	<b>689,449</b>
<b>Expenditure</b>						
Circuit assessment		44,800				<b>44,800</b>
Grants & donations		5,783				<b>5,783</b>
Property maintenance		14,339				<b>14,339</b>
Insurance, utilities etc.		17,199				<b>17,199</b>
Depreciation					9,898	<b>9,898</b>
Office expenses		11,009				<b>11,009</b>
Other		2,893		80		<b>2,973</b>
Internal organisations	15			6,670		<b>6,670</b>
<b>Total expenditure</b>	<b>3</b>	<b>96,023</b>		<b>6,750</b>	<b>9,898</b>	<b>112,671</b>
<b>Net income/(expenditure)</b>	<b>5</b>	<b>168,586</b>		<b>2,620</b>	<b>405,572</b>	<b>576,778</b>
Transfers between funds		(77,959)	83,000	(5,041)	0	<b>0</b>
<b>Net movement in funds</b>		<b>90,627</b>	<b>83,000</b>	<b>(2,421)</b>	<b>405,572</b>	<b>576,778</b>
Total funds brought forward		220,984	255,854	19,856	1,426,064	<b>1,922,758</b>
<b>Total funds carried forward</b>		<b>311,611</b>	<b>338,854</b>	<b>17,435</b>	<b>1,831,636</b>	<b>2,499,536</b>

**Orpington Methodist Church**  
**Statement of Financial Activities (SOFA) for the year ended 31 August 2019**

	Note	General Fund Unrestricted £	Designated Funds Unrestricted £	Restricted Funds £	Endowment Funds £	Total 2018-2019 £
<b>Income</b>						
Offerings		43,215				<b>43,215</b>
Donations		263,581		1000	68,670	<b>333,251</b>
Gift aid		9,636			2,227	<b>11,863</b>
Interest	4	1,368			1,060	<b>2,428</b>
Internal organisations	15			22,553		<b>22,553</b>
Other		53,820				<b>53,820</b>
<b>Total income</b>	<b>2</b>	<b>371,620</b>	<b>0</b>	<b>23,553</b>	<b>71,957</b>	<b>467,130</b>
<b>Expenditure</b>						
Circuit assessment		43,347				<b>43,347</b>
Grants & donations		4,745				<b>4,745</b>
Property maintenance		27,434				<b>27,434</b>
Insurance, utilities etc.		19,147				<b>19,147</b>
Depreciation					9,898	<b>9,898</b>
Office expenses		10,601				<b>10,601</b>
Other		2,683		520		<b>3,203</b>
Internal organisations	15			18,222		<b>18,222</b>
<b>Total expenditure</b>	<b>3</b>	<b>107,957</b>	<b>0</b>	<b>18,742</b>	<b>9,898</b>	<b>136,597</b>
<b>Net income/(expenditure)</b>	<b>5</b>	<b>263,663</b>	<b>0</b>	<b>4,811</b>	<b>62,059</b>	<b>330,533</b>
Transfers between funds		(183,718)	186,654	(5,061)	2,125	<b>0</b>
<b>Net movement in funds</b>		<b>79,945</b>	<b>186,654</b>	<b>(250)</b>	<b>64,184</b>	<b>330,533</b>
Total funds brought forward		141,039	69,200	20,106	1,361,880	<b>1,592,225</b>
<b>Total funds carried forward</b>		<b>220,984</b>	<b>255,854</b>	<b>19,856</b>	<b>1,426,064</b>	<b>1,922,758</b>

**Orpington Methodist Church**  
**Balance Sheet as at 31 August 2020**

	Note	General Fund Unrestricted £	Designated Funds Unrestricted £	Restricted Funds £	Endowment Funds £	Totals 2020 £	Totals 2019 £
<b>Fixed Assets</b>							
Church building and other property	7				1,370,912	1,370,912	1,239,614
<b>Total Fixed Assets</b>					<b>1,370,912</b>	<b>1,370,912</b>	<b>1,239,614</b>
<b>Current Assets</b>							
Debtors and prepayments	9	5,579				5,579	102,533
Investments with TMCP	8	202,685				202,685	195,469
Central Finance Board deposits	8	74,068	338,854	7,428	463,948	884,298	336,418
Cash at bank and in hand	8	32,603		10,007		42,610	49,956
<b>Total Current Assets</b>		<b>314,935</b>	<b>338,854</b>	<b>17,435</b>	<b>463,948</b>	<b>1,135,172</b>	<b>684,376</b>
<b>Current Liabilities</b>							
Creditors (due in under 1 year)	10	3,324			3,224	6,548	1,232
<b>Total Current Liabilities</b>		<b>3,324</b>			<b>3,224</b>	<b>6,548</b>	<b>1,232</b>
<b>Net Current Assets</b>		<b>311,611</b>	<b>338,854</b>	<b>17,435</b>	<b>460,724</b>	<b>1,128,624</b>	<b>683,144</b>
<b>Net Assets</b>		<b>311,611</b>	<b>338,854</b>	<b>17,435</b>	<b>1,831,636</b>	<b>2,499,536</b>	<b>1,922,758</b>
<b>Funds of the Church</b>							
General fund		311,611				311,611	220,984
Designated funds			338,854			338,854	255,854
<b>Total unrestricted funds</b>		<b>311,611</b>	<b>338,854</b>			<b>650,465</b>	<b>476,838</b>
Restricted funds				17,435		17,435	19,856
Endowment funds					1,831,636	1,831,636	1,426,064
<b>Total Funds</b>	11,12	<b>311,611</b>	<b>338,854</b>	<b>17,435</b>	<b>1,831,636</b>	<b>2,499,536</b>	<b>1,922,758</b>

Approved by the Board of Trustees on 12<sup>th</sup> November 2020 and signed on their behalf by:



Keith Hickey, Treasurer

## 1. Accounting Policies

### (a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Land and Buildings owned on the 1<sup>st</sup> September 2017 are valued at deemed cost as permitted by FRS102 when accounts are first prepared under the transitional arrangements. For land a market value was made by Ibbett Mosely and for fixed assets the discounted replacement cost (DRC) was calculated.

On the basis that there is no evidence of a permanent endowment, it is assumed that the money donated to build the premises was on the expectation of their long term use and so the fair value of the land, the buildings and the organ on a DRC basis is taken as their deemed historical cost under FRS102, and treated as belonging to an expendable endowment for the Church's general purposes.

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

### (b) Fixed assets

All fixed assets costing over £5,000 are capitalised.

### (c) Depreciation

Land	Not Depreciated
Buildings in the course of Construction	Not Depreciated
Buildings	75 years
Organ	75 years
Furniture and Fixtures	5 years

These expected useful lives, which represent a standard/initial assessment for each asset-class, have been reviewed against current assumptions of each asset's likely further useful life. No significant changes are considered necessary at this time.

### (d) Income recognition

Income is brought into account when there is entitlement and the amount is reliably measureable once it is more likely than not that the economic benefit of the income will be forthcoming.

Individual amounts categorised as other income in the SOFA will be shown separately if they are considered material

(e) Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, where the amount is reliably measureable and it is considered more likely than not that there will be an outflow of economic benefit.

(f) VAT

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

(g) Receivables and Payables, Bank and Cash (Basic Financial Instruments)

Debtors are stated at the amounts owed to the Church or prepaid. Creditors are initially recognised at settlement amount after trade discounts, where normal credit terms apply, or the amount advanced to the Church. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values. Monetary Assets are held either by the Trustees for Methodist Purposes (TMCP) as custodian trustees if received through a legacy of greater than £20,000, or as Methodist Central Finance Board Deposits or in local bank accounts.

(h) Funds

The funds held constitute General Funds held for any purpose of the Church which are unrestricted. Restricted Funds are held for a narrower purpose. Where the Church holds money that may not be spent and must be retained (as capital) to generate an income the money or assets to be retained are classified as an Endowment Fund. The capital will be shown in the balance sheet in the column for endowment funds. The income may be restricted or unrestricted depending upon the terms of the endowment. Details of each material fund are disclosed in notes 11 and 12.

(i) Monies raised for Other Organisations

From time to time the Church has appeals for other Charities; for example at Lent, Harvest and Christmas. As the Church is acting as an agent the funds received are not recognised as an asset because the funds are not within the Church's control. Consequently, the receipt of funds where the Church is acting as an agent are not recognised as income, nor is its distribution recognised as expenditure. Details of these funds are shown in Note 14.

(j) Prior Year Adjustment

The Church had treated work on the Building Development Project as Work in Progress. The Trustees believe that this was in error as these monies represent the cost of purchasing, constructing and installing a tangible fixed asset ahead of its productive use this work should be classified as an Asset in the Course of Construction. The entries to correct this error are laid out in Note 19.

## 2. Income analysis

	General Fund 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £
<b>Offerings</b>					
Loose cash	3,693				3,693
Stewardship	38,068				38,068
<b>Total Offerings</b>	<b>41,761</b>	<b>0</b>	<b>0</b>		<b>41,761</b>
<b>Donations</b>					
Legacies	168,109				168,109
Building development				413,021	413,021
Church organisations	2,100				2,100
Other	2,097				2,097
<b>Total Donations</b>	<b>172,306</b>	<b>0</b>	<b>0</b>	<b>413,021</b>	<b>585,327</b>
<b>Gift Aid</b>	<b>9,045</b>			<b>1,102</b>	<b>10,147</b>
<b>Interest</b>	<b>4,294</b>			<b>1,347</b>	<b>5,641</b>
<b>Internal organisations</b>			<b>9,370</b>		<b>9,370</b>
<b>Other Income</b>					
Hire of premises	36,414				36,414
Other	789				789
<b>Total Other Income</b>	<b>37,203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,203</b>
<b>Total Income</b>	<b>264,609</b>	<b>0</b>	<b>9,370</b>	<b>415,470</b>	<b>689,449</b>

	General Fund 2019 £	Designated Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £
<b>Offerings</b>					
Loose cash	7,042				7,042
Stewardship	36,173				36,173
<b>Total Offerings</b>	<b>43,215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,215</b>
<b>Donations</b>					
Legacies	260,000				260,000
Building development				68,670	68,670
Church organisations	3,100				3,100
Other	481		1,000		1,481
<b>Total Donations</b>	<b>263,581</b>	<b>0</b>	<b>1,000</b>	<b>68,670</b>	<b>333,251</b>
<b>Gift Aid</b>	<b>9,636</b>			<b>2,227</b>	<b>11,863</b>
<b>Interest</b>	<b>1,368</b>			<b>1,060</b>	<b>2,428</b>
<b>Internal organisations</b>			<b>22,553</b>		<b>22,553</b>
<b>Other Income</b>					
Hire of premises	53,362				53,362
Other	458				458
<b>Total Other Income</b>	<b>53,820</b>	<b>0</b>	<b>22,553</b>	<b>3,287</b>	<b>53,820</b>
<b>Total Income</b>	<b>371,620</b>	<b>0</b>	<b>23,553</b>	<b>71,957</b>	<b>467,130</b>



### 3. Expenditure analysis

	General Fund 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £
Circuit assessment	44,800				44,800
Grants and donations	5,783				5,783
<b>Property Maintenance</b>					
Caretaker	8,044				8,044
Cleaning	1,260				1,260
Repairs & maintenance	5,035				5,035
<b>Total Property Maintenance</b>	<b>14,338</b>	<b>0</b>			<b>14,339</b>
<b>Insurance, Utilities, etc.</b>					
Insurance	5,228				5,228
Utilities	11,971				11,971
<b>Total Insurance, utilities, etc.</b>	<b>17,199</b>	<b>0</b>			<b>17,199</b>
Depreciation				9,898	9,898
Office expenditure	11,009				11,009
Other expenditure	2,893		80		2,973
Internal organisations			6,670		6,670
<b>Total Expenditure</b>	<b>96,023</b>	<b>0</b>	<b>6,750</b>		<b>112,671</b>

	General Fund 2019 £	Designated Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £
Circuit assessment	43,347				43,347
Grants and donations	4,745				4,745
<b>Property Maintenance</b>					
Caretaker	7,063				7,063
Cleaning	906				906
Repairs & maintenance	19,465				19,465
<b>Total Property Maintenance</b>	<b>27,434</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,434</b>
<b>Insurance, Utilities, etc.</b>					
Insurance	5,200				5,200
Utilities	13,947				13,947
<b>Total Insurance, Utilities, etc.</b>	<b>19,147</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,147</b>
Depreciation				9,898	9,898
Office expenditure	10,601				10,601
Other expenditure	2,683		520		3,203
Internal organisations			18,222		18,222
<b>Total Expenditure</b>	<b>107,957</b>	<b>0</b>	<b>18,742</b>	<b>9,898</b>	<b>136,597</b>

#### 4. Interest income

	2020 £	2019 £
TMCP	2,591	446
Central Finance Board	3,050	1,982
<b>Total</b>	<b>5,641</b>	<b>1,428</b>

TMCP	Trustees Interest Fund	Interest Rate @ 31/08/20	0.78%
Central Finance Board	Reserve Account	Interest Rate @ 31/08/20	0.70%

#### 5. Net income/(Expenditure

These are stated after charging

	2020 £	2019 £
Depreciation	9,898	9,898
Independent Examiner's Remuneration	0	0

#### 6. Trustees and employee information

##### a) Trustee information

No remuneration was paid to or waived by any Trustee during the year (2019:£nil). No expenses were reimbursed to Trustees during the year (2019: £nil)

The Church has insurance with Methodist Insurance with a total cost of £5,228 (2019: £5,200). This premium includes indemnity insurance for the Trustees.

##### b) Employee information

Employee numbers		
	2020	2019
Number of staff	3	3
Full time equivalent	0.666	0.666
Employee costs		
	2020	2019 £
Salaries	16,062	14,675
Social security		
Pensions		
<b>Total employee costs</b>	<b>16,062</b>	<b>14,675</b>

No employee received remuneration of more than £60,000 during the year (2019:£nil)

The charity considers its key management personnel to be the Trustees and the Minister. The Trustees give their time freely and the Minister's salary is paid by the Circuit, so there are no costs of key management personnel to report (2019: £nil)

## 7. Tangible fixed assets

	Land	Buildings	Organ	Furniture & Fixtures	Buildings in the Course of Construction	Total
	£	£	£	£		£
<b>Cost</b>						
At 1 September 2019	589,000	513,191	62,080	11,138	84,001	1,259,410
Additions					141,196	141,196
Disposals						
<b>At 31 August 2020</b>	<b>589,000</b>	<b>513,191</b>	<b>62,080</b>	<b>11,138</b>	<b>225,197</b>	<b>1,400,606</b>
<b>Depreciation</b>						
At 1 September 2019		13,686	1,656	4,454		19,796
Charged in the year		6,842	828	2,228		9,898
Disposals						
<b>At 31 August 2020</b>	<b>0</b>	<b>20,528</b>	<b>2,484</b>	<b>6,682</b>	<b>0</b>	<b>29,694</b>
<b>Net Book Value</b>						
At 1 September 2019	589,000	499,505	60,424	6,684	84,001	1,239,614
(restated)						
<b>At 31 August 2020</b>	<b>589,000</b>	<b>492,663</b>	<b>59,596</b>	<b>4,456</b>	<b>225,197</b>	<b>1,370,912</b>

## 8. Cash and bank

	2020	2019
	£	£
TMCP	202,685	195,469
Central Finance Board	884,298	336,418
Bank accounts	41,350	49,341
Cash	1,260	615
<b>Total</b>	<b>1,129,592</b>	<b>581,843</b>

## 9. Debtors and prepayments

	2020	2019
	£	£
Gift aid	2,997	4,261
Legacies	0	80,000
Hire of premises	486	5,247
Circuit prepayment	0	11,200
Other prepayments	2,096	1,825
<b>Total</b>	<b>5,579</b>	<b>102,533</b>

## 10. Creditors (due in under 1 year)

	2020	2019
	£	£
Utilities	3,324	1,089
Building Development	3,224	0
Other	0	163
<b>Total</b>	<b>6,548</b>	<b>1,232</b>

## 11. Funds

	Balance at 31 August 2019 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 August 2020 £
<b>Endowed Funds</b>					
Property	1,148,931		7,670		1,141,261
Building Development	277,133	415,470	2,228		690,375
<b>Total</b>	<b>1,426,064</b>	<b>415,470</b>	<b>9,898</b>	<b>0</b>	<b>1,831,636</b>
<b>Restricted Funds</b>					
Sound & Visions	1,563				1,563
Internal Organisations	17,813	9,370	6,670	(5,041)	15,472
Organ	480		80		400
<b>Total</b>	<b>19,856</b>	<b>9,370</b>	<b>6,750</b>	<b>(5,041)</b>	<b>17,435</b>
<b>Designated Funds</b>					
Sound & Vision	2,500				2,500
Lost Income Fund	17,000				17,000
Building Development	236,354			83,000	319,354
<b>Total</b>	<b>255,854</b>	<b>0</b>	<b>0</b>	<b>83,000</b>	<b>338,854</b>
<b>General Funds</b>					
Property	49,323	38,810	33,297	(4,263)	50,572
Society	56,285	55,099	62,335	9,304	58,353
Legacies	115,376	170,700	391	(83,000)	202,685
<b>Total</b>	<b>220,984</b>	<b>264,609</b>	<b>96,023</b>	<b>(77,959)</b>	<b>311,611</b>
<b>Total Unrestricted Funds</b>	<b>476,838</b>	<b>264,609</b>	<b>96,023</b>	<b>5,041</b>	<b>650,465</b>
<b>Total Funds</b>	<b>1,922,758</b>	<b>689,649</b>	<b>112,871</b>	<b>0</b>	<b>2,499,536</b>

## 11. Funds (continued)

	Balance at 31 August 2018 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 August 2019 £
<b>Endowed Funds</b>					
Property	1,156,601		7,620		1,148,931
Building Development	205,279	71,957	2,228	2,125	277,133
<b>Total</b>	<b>1,1361,880</b>	<b>71,957</b>	<b>9,898</b>	<b>2,125</b>	<b>1,426,064</b>
<b>Restricted Funds</b>					
Sound & Visions	1,563				1,563
Internal Organisations	18,543	22,553	18,222	(5,061)	17,813
Organ		1,000	520		480
<b>Total</b>	<b>20,106</b>	<b>23,553</b>	<b>18,742</b>	<b>(5,061)</b>	<b>19,856</b>
<b>Designated Funds</b>					
Sound & Vision	2,500				2,500
Lost Income Fund	17,000				17,000
Building Development	49,700			186,654	236,354
<b>Total</b>	<b>69,200</b>	<b>0</b>	<b>0</b>	<b>186,654</b>	<b>255,854</b>
<b>General Funds</b>					
Property	45,323	56,742	48,678	(4,064)	49,323
Society	54,062	54,432	59,209	7000	56,285
Legacies	41,654	260,446	70	(186,654)	115,376
<b>Total</b>	<b>141,039</b>	<b>371,620</b>	<b>107,957</b>	<b>(183,718)</b>	<b>220,984</b>
<b>Total Unrestricted Funds</b>	<b>210,239</b>	<b>371,620</b>	<b>107,957</b>	<b>2,936</b>	<b>476,838</b>
<b>Total Funds</b>	<b>1,592,225</b>	<b>467,130</b>	<b>136,598</b>	<b>0</b>	<b>1,922,758</b>

## 11. Funds (continued)

### Endowed Funds

Property	Represents funds used in purchasing land and buildings for the Church's general purposes.
Building Development	Represents funds donated to the Church with the express wish to fund the building development project.

### Restricted Funds

Sound & Vision	Represents funds given expressly for the purposes of improving the sound and vision in the Church.
Internal Organisations	Represents funds held in the various Church organisations to carry out their activities. (Note 16).
Organ	Represents funds given expressly to develop expertise in playing the Church organ.

### Designated Funds

Sound & Vision	Represents funds designated from general funds towards improving sound and vision in the Church.
Lost income Fund	Represents funds allocated to cover any loss of income for premises hire during the redevelopment project.
Building Development	Represents funds designated from general funds towards the building development project.

### General Funds

Property	Represents undesignated monies retained to provide working capital to enable the Church to run and maintain its buildings and equipment.
Society	Represents undesignated monies retained to provide working capital to enable the Church to carry out its activities.
Legacies	Represents undesignated monies received from legacies.

£9,898 (2019: £9,898) was expended from endowed funds representing the conversion of expendable endowment trust capital into income to the extent needed to offset the year's expenditure charge in the SOFA as depreciation of the functional fixed assets belonging to these endowments.

### Fund Transfers

During the year ended 31 August 2020 the following fund transfers were made:

- £83,000 (2019: £186,654) from the General Fund to the Designated Building Development Fund
- £5,041 (2019: £2,936) from the Internal Organisations Fund to the General Fund

During the year ended 31 August 2019 the following further fund transfers were made:

- £186,654 (2018: £44,700) from the General Fund to the Designated Building Development Fund
- £2,125 (2018: £626) from the Internal Organisations Fund to the Endowed Building Development Fund
- £2,936 (2018: £6,222) from the Internal Organisations Fund to the General Fund



## 12. Analysis of net assets by funds

<b>2020</b>	<b>General £</b>	<b>Designated £</b>	<b>Restricted £</b>	<b>Endowed £</b>	<b>Total £</b>
Tangible fixed assets				1,145,715	1,145,715
Work in progress				225,197	225,197
Cash and bank	309,356	338,854	17,435	463,948	1,129,593
Other current assets	5,579				5,579
Current liabilities	3,324			3,224	6,548
Funds at 31 August 2020	311,611	338,854	17,435	1,831,636	2,499,536

<b>2019</b>	<b>General £</b>	<b>Designated £</b>	<b>Restricted £</b>	<b>Endowed £</b>	<b>Total £</b>
Tangible fixed assets				1,155,613	1,155,613
Work in progress				84,001	84,001
Cash and bank	120,236	255,584	19,856	185,897	581,843
Other current assets	101,980			553	102,533
Current liabilities	1,232				1,232
Funds at 31 August 2019	220,984	255,584	19,856	1,426,064	1,922,758

## 13. Taxation

The Church is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the Church is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in this period.

## 14. Agent funds

At times during the year and specifically at Lent, Harvest and Christmas, the Church raises monies for specific Charities, and passes the monies raised directly to them. As the Church is acting as those Charities Agent it does not include the amounts donated in its income and expenditure. The amounts concerned are detailed below

	<b>2020 £</b>	<b>2019 £</b>
Action for Children	339	291
Methodist Homes	350	462
Living On	292	448
Friends of Matthew Rusike	20	5
LWPT		524
Christian Aid		3
Tools with a Mission		30
Street Child	956	
Porchlight	10	
<b>Total</b>	<b>1,967</b>	<b>1,763</b>

## 15. Internal organisations

	Balance at 31 August 2019	Incoming Resources	Outgoing Resources	Transfers	Balance at 31 August 2020
	£	£	£	£	£
Sparklers	944	404	51	(600)	697
Families Together	1,583	366	357		1,592
Junior Youth Club	1,144	2,596	1,377		2,363
Senior Youth Club	623	1,200	261	(300)	1,262
Wednesday Circle	125	251	38	(80)	258
Amateur Dramatics	1,579	2,957	1,033	(1,507)	1,996
Luncheon Club	2,204			(2,204)	0
Voluntary Youth Project	8,933	1,099	3,258		6,774
Art Club	678	497	295	(350)	530
<b>Total</b>	<b>17,813</b>	<b>9,370</b>	<b>6,670</b>	<b>(5,041)</b>	<b>15,472</b>

	Balance at 31 August 2018	Incoming Resources	Outgoing Resources	Transfers	Balance at 31 August 2019
	£	£	£	£	£
Sparklers	834	636	126	(400)	944
Families Together	1,476	1,668	1,061	(500)	1,583
Junior Youth Club	1,292	3,613	1,761	(2,000)	1,144
Senior Youth Club	584	965	926		623
Wednesday Circle	95	256	126	(100)	125
Amateur Dramatics	1,366	3,778	1,979	(1,586)	1,579
Luncheon Club	1,585	1,789	1,170		2,204
Voluntary Youth Project	10,513	9,084	10,664		8,933
Art Club	798	764	409	(475)	678
<b>Total</b>	<b>18,543</b>	<b>22,553</b>	<b>18,222</b>	<b>(5,061)</b>	<b>17,813</b>

## 16. Cash flow

	2020 £	2019 £
Net income	576,778	330,533
(Increase)/Decrease in fixed assets	(141,196)	(259)
Add back depreciation	9,898	9,898
(Increase)/Decrease in debtors	96,954	(80,654)
Increase/(Decrease) in creditors	5,317	(290)
	<b>547,750</b>	<b>259,228</b>
Opening cash and bank	581,843	322,615
<b>Closing cash and bank</b>	<b>1,129,593</b>	<b>581,843</b>

## 17. Related party transactions

There were no related party transactions during the year

## 18. Capital commitments

	2020 £	2019 £
Building Development Project	738,535	0

## 19. Prior year adjustment

The Church had treated work on the Building Development Project as Work in Progress. The Trustees believe that this was in error as these monies represent the cost of purchasing, constructing and installing a tangible fixed asset ahead of its productive use this work should be classified as an Asset in the Course of Construction. The prior year adjustments are as follows:

As previously stated:

Work in Progress at 31 August 2019	£84,001
Buildings in the Course of Construction at 31 August 2019	£0

As restated:

Work in Progress at 31 August 2019	£0
Buildings in the Course of Construction at 31 August 2019	£84,001