

**PARCHMORE ROAD METHODIST CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# PARCHMORE ROAD METHODIST CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Mr Hope Chitauru  
Mr Daniel Nartey  
Mr George Brew  
Mrs Dunstana Davies  
Ms Philana Davies  
Mrs Gloria Delopp  
Mrs Linnett Desporte  
Ms Gaynor Fraser  
Mrs Gertrude Nartey  
Mrs Collis Rochester-Pearl  
Mr Mike McCallum  
Rev Nadine Wilkinson  
Miss Lovelily Odei-Bosompeh  
Mr Davies Okyere  
Miss Maria Amuah Dyls  
Mrs Doris Appiah Ewusi  
Revd Dr Stephen Day

(Appointed 1 September  
2019)

Lucy Njomo  
Joseph Danquah

(Appointed 1 September  
2019)

### Charity number

1129382

### Principal address

53-55 Parchmore Road  
Thornton Heath  
Surrey  
CR7 8LY

### Independent examiner

Waqas Sagar  
73 Park Lane  
Croydon  
Surrey  
CR0 1JG

# **PARCHMORE ROAD METHODIST CHURCH**

## **CONTENTS**

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	<b>Page</b>
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 19

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# **PARCHMORE ROAD METHODIST CHURCH**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees present their report and financial statements for the year ended 31 August 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and "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).

#### **Objectives and activities**

In 1968 the congregation of Parchmore Road Methodist Church began to explore the interrelated development of community and church, committing Parchmore Road Methodist Church to working *with* as well as *for* people in a non-directive approach, enacting the calling of the Methodist Church to be a good neighbour to people in need and to challenge injustice. Projects are delivered wherever possible in partnership with local people and other agencies and voluntary groups. In taking this approach, the Managing Trustees have due regard for the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

#### **(1) Key Aim**

To work with the community to enhance the quality of life of the people in Thornton Heath and the surrounding area, regardless of race, colour, nationality, ethnic or national origins, culture, gender, age, religious belief, disabilities, sexual orientation and marital status.

#### **(2) Objectives**

To work with others to:

- Offer support and care to enable the development of groups and individuals
- enable individuals to develop their own sense of wholeness and wellbeing
- assist individuals, enabling them to maintain dignity and independence
- offer advocacy
- offer the high quality and accessible services required of third sector voluntary organisations
- challenge inequalities and reduce social exclusion
- encourage and develop a sense of community
- offer a resource of buildings and people to the local community
- offer opportunities for volunteering
- disseminate information from statutory and voluntary networks to local people

# **PARCHMORE ROAD METHODIST CHURCH**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **Achievements and performance**

##### ***A PRESENCE LASTING 120 YEARS***

On Sunday, 14 June 2020, Parchmore Road Methodist Church celebrated the 120th year of its presence on Parchmore Road in Thornton Heath. In an online worship opportunity hosted on behalf of Downsview and Parchmore Road Methodist churches, a chair of the London District of the Methodist Church, Revd Nigel Cowgill, prayed for the two Methodist churches working together to respond to the hardship caused by Covid-19. During the online gathering, a new Parchmore Food Stop volunteer, Simon Moreton-Bass, reflected.

#### **A JOB IN A CHARITY STORE**

I've got a job at a charity store;  
It's just across the road.  
It's fruit and veg and frozen stuff  
To lighten up their load.

I've got a job at a charity store  
For people in hard times.  
But I'm the one who benefits  
From handing over lime

I've got a job at a charity store.  
It's just two morns a week.  
I'm so enjoying helping folk,  
The vulnerable and weak.

Why didn't I do this sooner?  
A virus made me care?!  
I've got a job in a charity store.  
I may be staying there.

(© Simon Moreton-Bass).

Excepting Parchmore Food Stop and the Local Collection Point, Parchmore Methodist Church and Community Centre closed to the public from 13 March 2020 in response to the public health crisis.

#### **PARCHMORE COMMUNITY ADULT SERVICE**

##### **(1) Parchmore Lunch Club**

Parchmore Lunch Club supported 74 members and served an average of 305 meals per month in 2019/2020. Seated exercise is encouraged for 30 minutes before lunch. Activities include dominoes, word searches, colouring pictures, stamp trimming, knitting and Bingo, and a nail trimming and hearing resource service are available.

##### **(2) Community outings**

A trip to central London (attendance of 47 excluding staff and volunteers) was arranged in December 2019 to see the Christmas lights (including a fish and chip supper).

##### **(3) Other services**

Two seated exercise classes (attended 1537 times) continue to be delivered on Monday (attendance of 30) and Friday (attendance of 19), a breathing and relaxation class on Tuesday (attendance of 7) and a Tai Chi class on Thursday (attendance of 11) alongside a beginner's class on (attendance of 9).



# PARCHMORE ROAD METHODIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### ***Parchmore Community Connect/Food Stop***

In co-operation with Croydon Council's Gateway service, Parchmore Methodist Church and Community Centre continued to develop the *Community Connect/Food Stop* for Thornton Heath to provide tailored early intervention to households in Thornton Heath to prevent homelessness, and to enable residents to address their housing, health, educational and employment aspirations. Parchmore Food Stop was accessed 1169 times, and weekly attendance increased by 500% during the year.

### ***VOLUNTEERING***

Parchmore Lunch Club continued to be supported by long-serving volunteers and occasional helpers exploring new volunteering possibilities. Volunteers from the *Pension Protection Fund* assisted with the Christmas dinner to which members of the Parchmore Lunch Club and regular volunteers were invited.

Following the onset of Covid-19, older volunteers were advised to shield and new volunteers from Downsvie Methodist Church and from the local neighbourhood joined those from St Paul's Church and Parchmore Road Methodist Church to continue the work of the Parchmore Food stop.

### ***Student placements***

A student started a placement in the Parchmore Lunch Club and continued that placement in Parchmore Food Stop before being recalled to work in response to the public health crisis.

### ***RESPONDING TO THE COVID-19 PANDEMIC***

While Parchmore Food Stop and the Local Collection Point (delivered in partnership with *FareShare*) remained open to existing and new members, public health guidance led to the suspension of all other community services delivered by Parchmore Methodist Church and Community Centre and the closure of the premises to all other activities.

Volunteers with Parchmore Food Stop were designated as key workers to ensure borough-wide provision of food to those in most need. Weekly Local Collection Point facilities were extended to two deliveries from *FareShare* to facilitate a wider food distribution service to a greater number of charities, and local community volunteers supported the second weekly allocation of food resources.

As per Parchmore Lunch Club's regular routine, Lunch Club members received a telephone call from a staff member or a volunteer to determine their needs and to provide an opportunity for conversation. The same member of staff ran errands for Lunch Club members whose care arrangements had collapsed, including shopping. Lunch Club members who needed support with food have been supported through Parchmore Food Stop as required. Minibus transport remained on standby to help both Lunch Club and Food Stop members.

Increasingly, Lunch Club members kept in touch with each other by telephone and have found ways of caring for each other, e.g. sharing food items. A member of staff supports these interactions by delivering items when asked. Some Lunch Club members donated food to Parchmore Food Stop.

# **PARCHMORE ROAD METHODIST CHURCH**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Financial review**

The total income of £205,695 and expenditure of £194,895 gives an operational surplus for the charity for the year of £10,800.

In March 2020, an annual grant of £72,000 to the Community Adult Services fund from the local authority expired and a new annual grant of £40,000 was awarded from the Croydon Community Fund for three years. In response, the staffing level of Parchmore Methodist Church and Community Centre was reduced and volunteers serving the Parchmore Community Centre Management Committee increased their involvement in delivering community services. The Ros Harding Trust awarded a grant of £1,600 to the Community Adult Services. The suspension of all services in response to public health guidance limited the potential gains from income generating activities.

Parchmore Food Stop was awarded a Croydon Community Grant of £14,000 for one year to develop its activities.

The cost of the maintenance and management of the property was principally covered by contributions from the activities using the building, rent from the flat at 55 Parchmore Road and a grant from the Croydon Methodist Circuit. The closure of the premises in response to public health guidance limited the income generated.

The Managing Trustees acknowledge that Parchmore Road Methodist Church needs to continue to review its services, structure and finance as it plans to recover from the challenges of reduced funding, uncertainty and the ongoing loss of income generating opportunities while changing public health guidance limits the use of the premises. The Managing Trustees are grateful to the London District of the Methodist Church, the Croydon Circuit of the Methodist Church, the Ros Harding Trust, the local authority and others for the grants and donations awarded to Parchmore Road Methodist Church. These enable Parchmore Road Methodist Church to develop the significant work of Parchmore Methodist Church and Community Centre.

### **(1) Reserves Policy**

It is the policy of Parchmore Road Methodist Church to maintain a balance of unrestricted funds (if possible) which equates to three to six months' expenditure. The Managing Trustees consider that reserves at that level will ensure that, in the event of a significant drop in funding, the charity's current activities can continue whilst ways in which additional funds may be raised are considered. With professional guidance, grant applications are being submitted to new and more diverse sources of public and private sector funding to support both the delivery of community services and management and development of the property.

### **(2) Risks**

The Managing Trustees have assessed the major risks to which Parchmore Road Methodist Church is exposed and are satisfied that systems are in place to mitigate exposure to these risks.

### **Structure, governance and management**



# PARCHMORE ROAD METHODIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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1) Parchmore Road Methodist Church is a registered charity (number 1129382). Parchmore Road Methodist Church is part of the Croydon Circuit of the Methodist Church in Britain. Parchmore Road Methodist Church is subject to *The Constitutional Practice and Discipline of the Methodist Church* which is published annually by the Methodist Church and sets out the legal and formal framework within which it carries out its life and mission. Parchmore Road Methodist Church holds an annual General Church Meeting according to the requirements of *The Constitutional Practice and Discipline of the Methodist Church*.

(2) According to the requirements of *The Constitutional Practice and Discipline of the Methodist Church*, Parchmore Road Methodist Church is required to appoint its own Managing Trustees who are known as the Church Council. The Church Council of Parchmore Road Methodist Church meets quarterly at least, and additionally as the need arises.

(3) Parchmore Road Methodist Church is an unincorporated association which undertakes church and community activities as Parchmore Methodist Church and Community Centre. This sometimes shortened to 'The Parchmore Centre' for purposes of brevity.

(4) The Church Council is authorised to appoint committees which will have authority in their own areas of responsibility to initiate action, to advise the Church Council and to report to it, being subject to its authority and oversight. The Managing Trustees of Parchmore Road Methodist Church remain ultimately responsible in law for the oversight and management of Parchmore Methodist Church and Community Centre.

(5) The varied and changing nature of both the work of Parchmore Road Methodist Church and its social and economic context requires well-resourced, effective management of changing financial and human resources, and the provision of specialist advice to the Managing Trustees and staff of Parchmore Road Methodist Church through the Parchmore Community Centre Management Committee and the Parchmore Employment Management Committee.

#### (6) Training

The Managing Trustees of Parchmore Road Methodist Church review the training offered to new and existing members of the Church Council, and other officeholders and volunteers, and continue to identify new training resources and opportunities.

## ADMINISTRATIVE INFORMATION

The trustees who served during the period were:

Mr Hope Chitauru

Mr Ian Davies

(Resigned 1 February 2020)

Mr Daniel Narthey

Mr George Brew

Mrs Dunstana Davies

Ms Philana Davies

Mrs Gloria Delopp

Mrs Linnett Desporte

Ms Gaynor Fraser

Mrs Gertrude Narthey

Mrs Collis Rochester-Peart

Mr Mike McCallum

Rev Nadine Wilkinson

Miss Lovelily Odei-Bosompeh

Mr Davies Okyere

Lawrencia Konadu Amankwaa- Konadu

(Appointed 1 September 2019 and resigned 1 September 2019)

Miss Maria Amuah Dyls

Whitney Boakye

(Appointed 1 September 2019 and resigned 1 September 2019)

Mrs Doris Appiah Ewusi



# **PARCHMORE ROAD METHODIST CHURCH**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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Revd Dr Stephen Day

(Appointed 1 September 2019)

Lucy Njomo

Joseph Danquah

(Appointed 1 September 2019)

### **Reference and Admin details**

From 1 September 2017, Revd. Nadine Wilkinson is the chair of Managing Trustees.

The title deeds to the property are not held in the name of the local trustees either during the year or the date of signing this accounts.



Rev Nadine Wilkinson

Chairman

Dated: 9 JUNE 2021

# PARCHMORE ROAD METHODIST CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF PARCHMORE ROAD METHODIST CHURCH

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I report to the trustees on my examination of the financial statements of Parchmore Road Methodist Church (the charity) for the year ended 31 August 2020.

#### **Responsibilities and basis of report**

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Waqas Sagar  
Chartered Accountants  
73 Park Lane  
Croydon  
Surrey  
CR0 1JG

Dated: 28 June 2021

# PARCHMORE ROAD METHODIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>							
Donations and legacies	2	51,390	70,283	121,673	52,983	72,153	125,136
Charitable activities	3	39,887	34,129	74,016	58,820	45,787	104,607
Investments	4	9,979	27	10,006	10,560	46	10,606
<b>Total income</b>		<b>101,256</b>	<b>104,439</b>	<b>205,695</b>	<b>122,363</b>	<b>117,986</b>	<b>240,349</b>
<b>Expenditure on:</b>							
Charitable activities expenditure	5	96,270	98,625	194,895	130,379	131,066	261,445
<b>Net income/(expenditure) for the year/</b>							
<b>Net movement in funds</b>		<b>4,986</b>	<b>5,814</b>	<b>10,800</b>	<b>(8,016)</b>	<b>(13,080)</b>	<b>(21,096)</b>
Fund balances at 1 September 2019		1,496,345	19,581	1,515,926	1,504,361	32,659	1,537,020
<b>Fund balances at 31 August 2020</b>		<b>1,501,331</b>	<b>25,395</b>	<b>1,526,726</b>	<b>1,496,345</b>	<b>19,579</b>	<b>1,515,924</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.



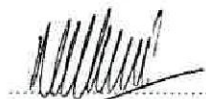
# PARCHMORE ROAD METHODIST CHURCH

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	8		1,505,343		1,505,010
<b>Current assets</b>					
Debtors	9	8,130		11,437	
Cash at bank and in hand		33,913		29,765	
		42,043		41,202	
<b>Creditors: amounts falling due within one year</b>	11	(13,660)		(17,288)	
Net current assets			28,383		23,914
<b>Total assets less current liabilities</b>			1,533,726		1,528,924
<b>Creditors: amounts falling due after more than one year</b>	12		(7,000)		(13,000)
<b>Net assets</b>			1,526,726		1,515,924
<b>Income funds</b>					
Restricted funds	13		25,395		19,579
<u>Unrestricted funds</u>					
General unrestricted funds		1,331		(3,655)	
Revaluation reserve		1,500,000		1,500,000	
			1,501,331		1,496,345
			1,526,726		1,515,924

The financial statements were approved by the Trustees on 9 JUNE 2021



Rev. Nadine Wilkinson  
Trustee

# **PARCHMORE ROAD METHODIST CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **1 Accounting policies**

##### **Charity information**

Parchmore Road Methodist Church is an Unincorporated Charity.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

From projections through to August 2019 the charity remains a going concern. However ongoing reductions in funding from the local authority (Croydon) are causing concerns as to the future viability of the charity. The trustees will continue to monitor the situation as it evolves.

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

# **PARCHMORE ROAD METHODIST CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **1 Accounting policies**

**(Continued)**

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### **1.5 Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT, which cannot be recovered, and is reported as part of the expenditure to which it relates.

The church has incurred no expenditure that can be directly attributed to the cost of generating funds.

Other than the independent examiner's remunerations, all expenditure of the church has been included in the Statement of Financial Activities as resources expended on charitable activities. This includes both costs directly attributable to specific activities and those costs of an indirect nature necessary to support them. No part of these support costs has been allocated to the cost of generating funds or governance costs in view of the materiality of the amounts involved. Support costs include the operating lease rentals in respect of the only leased asset, a photocopier, which are charged to the Statement of Financial Activities when they become payable.

Governance costs are those costs associated with meeting the constitutional and statutory requirements of the church, including independent examination fees, and any costs relating to the strategic management of the church. Other than the independent examiner's remuneration and bank charges, no expenditure has been incurred which can be directly attributed to governance costs.

Those costs attributable to more than one of the three areas of the church's activities referred above, with the exception of governance costs, principally relate to the church's property. Each of the three areas makes a contribution in respect of its use of the property to the Property Account, which also receives income from third parties using the premises. This is considered more appropriate than allocating the individual costs to each activity.

Grants receivable in respect of services provided and projects undertaken comprise amounts in reimbursement of costs specifically incurred in relation to those services and projects and contributions to certain general costs included in support costs and property resources expended. Costs reimbursed from grants receivable are included in the resources expended of the respective restricted fund. Contributions to general costs included in grants receivable are treated in the same way, with the balance of such costs included under unrestricted funds.



# PARCHMORE ROAD METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The Church's freehold property, including 55 Parchmore Road, the adjoining residential property the ground floor of which is used by the Pop-In, is included in the accounts at a Valuation of £1.5 million as at 31st March 2008, being the estimated disposal proceeds from a sale of the entire site on the basis of its continuing use as a church. This valuation was based on informal advice from consultant surveyors received in January 2008 as, in the opinion of the Church Council, the cost of obtaining a formal valuation would exceed the benefits to be obtained therefrom.

Having regard to the valuation of the buildings for insurance purposes, of in excess of 4.8 Million, it is considered impractical to apportion the value of the property between land and buildings and accordingly, to provide depreciation on the buildings. The Church Council intends to keep the value of the property under review, any material change being credited or debited as appropriate to the Statement of Financial Activities as an unrealised gain or loss on revaluation of property. No expenditure on the buildings is capitalised, all expenditure on building work, including that in respect of the recent building scheme, being included as resources expended in the Statement of Financial Activities.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	Enter depreciation rate via StatDB - cd74
Plant and machinery	5 Years
Fixtures, fittings & equipment	7 Years
Motor vehicles	7 Years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# PARCHMORE ROAD METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

From projections through to August 2019 the charity remains a going concern. However ongoing reductions in funding from the local authority (Croydon) are causing concerns as to the future viability of the charity. The trustees will continue to monitor the situation as it evolves.

# PARCHMORE ROAD METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	31,980	283	32,263	33,573	153	33,726
Grant from Government and Other	19,410	70,000	89,410	19,410	72,000	91,410
	<u>51,390</u>	<u>70,283</u>	<u>121,673</u>	<u>52,983</u>	<u>72,153</u>	<u>125,136</u>
<b>Donations and gifts</b>						
Other Donations	320	283	603	1,522	153	1,675
Gift Aid	5,561	-	5,561	4,600	-	4,600
Church Collections	26,099	-	26,099	27,351	-	27,351
Choir Fund	-	-	-	100	-	100
	<u>31,980</u>	<u>283</u>	<u>32,263</u>	<u>33,573</u>	<u>153</u>	<u>33,726</u>
<b>Grants receivable for core activities</b>						
London Borough of Croydon	-	56,000	56,000	-	72,000	72,000
District Grant	10,000	-	10,000	10,000	-	10,000
Croydon Circuit	9,410	-	9,410	9,410	-	9,410
Ros Harding Trust	1,600	-	1,600	-	-	-
London Borough of Croydon Grant for Food stop shop	-	14,000	14,000	-	-	-
Other	(1,600)	-	(1,600)	-	-	-
	<u>19,410</u>	<u>70,000</u>	<u>89,410</u>	<u>19,410</u>	<u>72,000</u>	<u>91,410</u>



# PARCHMORE ROAD METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 3 Charitable activities

	Community Adult Services 2020 £	Property and Management 2020 £	Total 2020 £	Total 2019 £
Sales within charitable activities heading	-	2,160	2,160	2,171
Lunch Club Pop in Food Income	12,466	-	12,466	18,570
Minibus and Holiday Income	8,385	-	8,385	19,001
Income from Exercise Groups	5,189	-	5,189	6,380
Charitable Property Rent and Management income	-	37,727	37,727	56,649
Other charitable income	8,089	-	8,089	1,836
	<u>34,129</u>	<u>39,887</u>	<u>74,016</u>	<u>104,607</u>
Analysis by fund				
Unrestricted funds	-	39,887	39,887	58,820
Restricted funds	34,129	-	34,129	45,787
	<u>34,129</u>	<u>39,887</u>	<u>74,016</u>	<u>104,607</u>
For the year ended 31 August 2019				
Unrestricted funds	-	58,820		58,820
Restricted funds	45,787	-		45,787
	<u>45,787</u>	<u>58,820</u>		<u>104,607</u>

### 4 Investments

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Rental income	9,979	-	9,979	10,560	-	10,560
Interest receivable	-	27	27	-	46	46
	<u>9,979</u>	<u>27</u>	<u>10,006</u>	<u>10,560</u>	<u>46</u>	<u>10,606</u>

# PARCHMORE ROAD METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 5 Charitable activities expenditure

	Church General Fund	Community Adult Service	Property and Managemen t	Total 2020	Total 2019
	2020 £	2020 £	2020 £	£	£
Staff costs	-	59,671	22,491	82,162	124,062
Depreciation and impairment	-	1,074	2,123	3,197	3,219
Other Charitable expenditure	66	1,761	1,086	2,913	8,702
Professional fees	-	1,494	5,520	7,014	7,732
Property Repairs and maintenance	-	-	9,042	9,042	10,606
Exercise Instructors costs	-	5,218	-	5,218	5,810
Minibus and Holiday Expenses	-	7,045	-	7,045	23,090
Lunch Club Pop in Food	-	3,362	-	3,362	6,949
Light, Heat & Water Expenses	-	-	10,659	10,659	12,866
Insurance expenses	-	-	5,592	5,592	5,113
Printing, postage, and Stationery Expenses	-	-	3,451	3,451	4,012
Telephone expenses	-	-	2,038	2,038	1,543
Property Rent and Management Expenses	-	19,000	-	19,000	16,500
Subscriptions	-	-	1,592	1,592	992
Equipment repairs & replacement	-	-	-	-	384
Circuit Assessment	32,610	-	-	32,610	29,865
	32,676	98,625	63,594	194,895	261,445
	32,676	98,625	63,594	194,895	261,445
<b>Analysis by fund</b>					
Unrestricted funds	32,676	-	63,594	96,270	130,379
Restricted funds	-	98,625	-	98,625	131,066
	32,676	98,625	63,594	194,895	261,445
<b>For the year ended 31 August 2019</b>					
Unrestricted funds	34,416	-	95,963		130,379
Restricted funds	-	131,066	-		131,066
	34,416	131,066	95,963		261,445

#### 6 Trustees

The stipend of Revd. Nadine Wilkinson, the Chairman of the Managing Trustees, who was Management Team Leader of the community centre staff, is paid by the Croydon Methodist Circuit and is therefore not included in these accounts.

# PARCHMORE ROAD METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Property	1	2
Adult Services and Community Centre	3	5
Total	4	7

### Employment costs

	2020 £	2019 £
Wages and salaries	79,279	121,154
Other pension costs	2,883	2,908
	82,162	124,062

There were no employees whose annual remuneration was £60,000 or more.

### 8 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2019	1,500,000	30,245	15,179	2,550	1,547,974
Additions	-	3,530	-	-	3,530
At 31 August 2020	1,500,000	33,775	15,179	2,550	1,551,504
<b>Depreciation and impairment</b>					
At 1 September 2019	-	30,728	10,780	1,457	42,965
Depreciation charged in the year	-	1,407	1,425	364	3,196
At 31 August 2020	-	32,135	12,205	1,821	46,161
<b>Carrying amount</b>					
At 31 August 2020	1,500,000	1,640	2,974	729	1,505,343
At 31 August 2019	1,500,000	2,397	1,520	1,093	1,505,010



# PARCHMORE ROAD METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,258	6,057
Other debtors	4,872	4,600
Prepayments and accrued income	-	780
	<u>8,130</u>	<u>11,437</u>

### 10 Loans and overdrafts

	2020 £	2019 £
Other loans	<u>13,000</u>	<u>19,000</u>
Payable within one year	6,000	6,000
Payable after one year	<u>7,000</u>	<u>13,000</u>

### 11 Creditors: amounts falling due within one year

	2020 £	2019 £
Borrowings	6,000	6,000
Trade creditors	79	4,000
Other creditors	3,688	3,688
Accruals and deferred income	3,893	3,600
	<u>13,660</u>	<u>17,288</u>

### 12 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Borrowings	<u>7,000</u>	<u>13,000</u>

# PARCHMORE ROAD METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 31 August 2020
	£	£	£	£
Community Adult Services	9,168	48,440	(42,624)	14,983
Grants L B of Croydon	-	72,000	(72,000)	-
Pop-in Legacies	9,387	-	-	9,387
Benevolence Fund	1,024	-	-	1,024
	<u>19,581</u>	<u>120,440</u>	<u>(114,624)</u>	<u>25,395</u>

The Pop in Legacies include Ramanathan Legacy of £6,293 which provides for free meals for Senior Citizens in need.

#### 14 Analysis of net assets between funds

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:						
Tangible assets	1,505,343	-	1,505,343	1,505,010	-	1,505,010
Current assets/ (liabilities)	28,383	-	28,383	23,914	-	23,914
Long term liabilities	(7,000)	-	(7,000)	(13,000)	-	(13,000)
	<u>1,526,726</u>	<u>-</u>	<u>1,526,726</u>	<u>1,515,924</u>	<u>-</u>	<u>1,515,924</u>

#### 15 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).