

BATTERSEA METHODIST MISSION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



Caladine

Chartered Certified Accountants

BATTERSEA METHODIST MISSION

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BATTERSEA METHODIST MISSION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Church Council agreed that instead of employing an organist a sound system should be purchased as a one-off payment. The system (HT-400 Plus Digital Hymnal) offers great flexibility and has been received well by all members.

For the first half of the Church's financial year from 1st September 2019 Sunday Services continued to attract a multicultural mix of worshippers that is reflective of the local community in Battersea. The congregation gathered together after the service for food and fellowship and it is great to see the development of friendships through this.

The members have continued with their pastoral care, concern for the elderly and isolated, by making doorstep food parcel visits, phone calls and sending cards during a most difficult and challenging year.

Due to the Pandemic, worship ceased from mid March 2020 along with all other activities due to the country being in Lockdown. The Church did not reopen for worship and meetings for the rest of the financial year (ending 31st August 2020) and amongst many other losses was the loss of regular income through donations. Throughout the year the Trustees have reflected on the work of The Mission and continued to seek ways to support the Community in ways compliant with Government restrictions.

The Mission is constantly on the look-out for the needs of the community and what can be done to help.

Alongside this is the work of the organisations working within the building and they have found ways to continue to pay their rents even when unable to use the building.

The Mission Treasurer has overseen a comprehensive review of all utilities to ensure that money is put to best use. We have been blessed by donations from longstanding friends of Battersea together with a legacy and this has helped with our cash-flow.

Risk Factors

The trustees have assessed the major risks to which the mission is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Investment Policy

The Mission seeks to obtain the highest possible returns consistent with a cautious attitude to risk and short term availability of such monies. Only the Trustees for Methodist Church purposes and/or the Central Finance Board of the Methodist Church are to invest funds.

Financial review

There was a surplus on unrestricted funds in the year before transfers of £22,543 (2019: deficit of £110,220).

Reserves Policy

It is the policy of the charity that the free reserves which have not been designated for a specific use should be maintained at a level at least equivalent to between three and six months expenditure. The trustees consider that reserves at this level will ensure that, in the event of a major drop in funding, they will be able to continue the charity's activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

BATTERSEA METHODIST MISSION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BATTERSEA METHODIST MISSION

I report to the Trustees on my examination of the financial statements of Battersea Methodist Mission (the Mission) for the year ended 31 August 2020.

Responsibilities and basis of report

As the Trustees of the Mission 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 Mission'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 Mission 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.



John Caladine FCCA CTA FCIE

Chartered Certified Accountant
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Dated: 14 June 2021

BATTERSEA METHODIST MISSION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Prior financial year

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:				
Donations and legacies	3	18,197	-	18,197
Charitable activities	4	80,066	-	80,066
Investments	5	4,269	-	4,269
Total income		102,532	-	102,532
Expenditure on:				
Charitable activities	7	161,677	45,841	207,518
Other	9	4,350	-	4,350
Total resources expended		166,027	45,841	211,868
Net gains/(losses) on investments	12	(884)	-	(884)
Gross transfers between funds	20	1,376,235	(1,376,235)	-
Net movement in funds		1,311,856	(1,422,076)	(110,220)
Fund balances at 1 September 2018		1,578,863	1,422,076	3,000,939
Fund balances at 31 August 2019		2,890,719	-	2,890,719

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

All income and expenditure derive from continuing activities.

BATTERSEA METHODIST MISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the rules and regulations of the Mission and Methodist Church, 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) (effective 1 January 2019)". The Mission is a Public Benefit Entity as defined by FRS 102.

The Mission 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 Mission. 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, despite the potential long term effects of Covid 19 on operations, the Trustees have a reasonable expectation that the Mission 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.

1.3 Charitable funds

The Mission maintains the following funds:-

Unrestricted Funds

Unrestricted funds are donations and incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available for use as general and designated funds.

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of governance and support costs.

BATTERSEA METHODIST MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.7 Impairment of non-current assets

At each reporting end date, the Mission 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 Current asset investments

Current asset investments are investments which the charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year. Current asset investments are measured at market value.

1.9 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.

1.10 Financial instruments

The Mission has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Mission's balance sheet when the Mission 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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 trade and other payables 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 payables 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 payables 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 Mission's contractual obligations expire or are discharged or cancelled.

BATTERSEA METHODIST MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	12,231	-	12,231	18,197
Legacies receivable	55,000	-	55,000	-
Grants	-	3,470	3,470	-
	<u>67,231</u>	<u>3,470</u>	<u>70,701</u>	<u>18,197</u>
Donations and gifts				
Donations and gifts	9,785	-	9,785	14,651
Gift aid	2,446	-	2,446	3,546
	<u>12,231</u>	<u>-</u>	<u>12,231</u>	<u>18,197</u>

4 Charitable activities

	2020 £	2019 £
Charitable rental income	<u>74,022</u>	<u>80,066</u>

5 Investments

	2020 £	2019 £
Interest receivable	<u>1,968</u>	<u>4,269</u>

6 Other income

	2020 £	2019 £
Net gain on disposal of tangible fixed assets	<u>2,800</u>	<u>-</u>

BATTERSEA METHODIST MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Support costs

	Support costs £	Governance costs £	Total 2020 £	Support costs £	Governance costs £	Total 2019 £
Staff costs	-	-	-	10,406	-	10,406
Printing, postage and stationery	394	-	394	619	-	619
Telephone	3,073	-	3,073	2,938	-	2,938
Computer costs	414	-	414	669	-	669
Office equipment and expenses	2,214	-	2,214	1,885	-	1,885
Accountancy	-	2,020	2,020	-	2,740	2,740
Legal and professional	-	-	-	-	10,742	10,742
Fund Manager costs	-	184	184	-	380	380
Bank charges	-	308	308	-	298	298
Independent examination fees	-	1,100	1,100	-	1,100	1,100
	<u>6,095</u>	<u>3,612</u>	<u>9,707</u>	<u>16,517</u>	<u>15,260</u>	<u>31,777</u>
<u>Analysed between</u>						
Charitable activities	<u>6,095</u>	<u>3,612</u>	<u>9,707</u>	<u>16,517</u>	<u>15,260</u>	<u>31,777</u>

9 Other

	2020 £	2019 £
Building Development	-	3,002
Financing costs	1,348	1,348
	<u>1,348</u>	<u>4,350</u>

10 Trustees

None of the trustee's received any benefits from the Mission. The Minister received a stipend from The Battersea and Wandale Valley circuit.

BATTERSEA METHODIST MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

13 Property, plant and equipment

	Land and Buildings	Fixtures, fittings and equipment	Ambulance vehicle	Total
	£	£	£	£
Cost				
At 1 September 2019	2,872,227	103,987	31,508	3,007,722
Additions	-	2,830	-	2,830
Disposals	-	-	(31,508)	(31,508)
At 31 August 2020	2,872,227	106,817	-	2,979,044
Depreciation and impairment				
At 1 September 2019	82,335	83,241	31,508	197,084
Depreciation charged in the year	27,445	18,962	-	46,407
Eliminated in respect of disposals	-	-	(31,508)	(31,508)
At 31 August 2020	109,780	102,203	-	211,983
Carrying amount				
At 31 August 2020	2,762,447	4,614	-	2,767,061
At 31 August 2019	2,789,892	20,746	-	2,810,638

There is no record of the original cost of the Mission premises at 14-28 York Road, Battersea, SW11 3QE.

The Freehold site was revalued by Michael Edwards & Associates at £1.5 million at 31 August 2008 at site value. Following the sale of the West Wing in 2014/15 the Mission valued the remaining site at £1.5 million. Refurbishment and renovation costs in 2015 to 2017 of £1,372,227 have been added to the cost figure.

There is no record of the cost of the Freehold Property known as The Manse at 56 Spencer Park, SW18. This was valued at £475,000 on 15 November 2000 by John D Wood and Co and is an asset owned by the Battersea and Wandle Valley Circuit and held in trust by the Trustees for Methodist Church purposes.

14 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Other receivables	45,911	4,357
Prepayments and accrued income	6,465	6,568
	52,376	10,925

BATTERSEA METHODIST MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Deferred income

	2020 £	2019 £
Grants (TMCP)	17,000	-

20 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:

	Balance at 1 September 2018 £	Resources expended £	Transfers £	Balance at 1 September 2019 £	Movement in funds		Balance at 31 August 2020 £
					Incoming resources £	Resources expended £	
Development works	1,422,076	(45,841)	(1,376,235)	-	-	-	-
Renovation work	-	-	-	-	3,470	(3,470)	-
	1,422,076	(45,841)	(1,376,235)	-	3,470	(3,470)	-

The Development works fund represents the proceeds from the sale of the West Wing of the building used for the refurbishment and renovation of the remaining parts of the building. As this was completed in 2019 the remaining funds were transferred to the general fund.

The Renovation work fund represents a grant received for the renovation of two office spaces.

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		Balance at
	Balance at 1 September 2018 £	Incoming resources £	Balance at 1 September 2019 £	Incoming resources £	31 August 2020 £
Special Legacies fund	119,230	-	119,230	-	119,230

This fund was established from legacies to provide for specific welfare projects.

BATTERSEA METHODIST MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 Operating lease commitments

At the reporting end date the Mission had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	1,293	1,293
Between two and five years	646	1,939
	<u>1,939</u>	<u>3,232</u>

24 Related party transactions

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

25 Battersea and Wandle Valley Circuit (BWVC)/Wandle Valley Methodist Circuit

There had been confusion with the relationship between Battersea Methodist Mission and the BWVC caused by accounts held in the name of BWVC by the Trustees for Methodist Church Purposes when no charity existed. The Circuit is now registered at the charity commission no 1185469 (September 2019) but no financial statements are filed.

There is a long outstanding debt of £53,940 to Wandle Valley Circuit (no 1131208) which appears now removed at the Charity Commission, or possibly BWVC. However no financial statements have been filed at the charity commission for this charity either for many years.

Therefore whether the debt of £53,940 in note 17 exists is not known.