

Accruals Accounts
2019/2020

THE METHODIST CHURCH

**STANDARD FORM OF ACCOUNTS
ACCRUALS BASIS
for the year ended 31 August 2020**

St John's Methodist Church Potters Bar

341305

Registered Charity - Registration number 1130633

Minister	Rev Alison Facey
Senior Church Steward	Mr Chris Humphreys
Treasurer	Mr Robert Ward

St John's Methodist Church Potters Bar.

Annual report of the trustees for the year to 31st August 2020

Introduction

We are governed according to the "Constitutional Practice and Discipline of the Methodist Church". The Church is located in Potters Bar and within the Methodist Church in the UK we belong to the St Albans & Welwyn Circuit, which is in turn part of the Bedfordshire, Essex and Hertfordshire District.

Our Governing body is the Church Council which meets at least three times per year. There are committees of this Council which oversee matters such as Property and Finance, Pastoral, Outreach, Communications and the Nursery Playgroup.

Aims and objectives

The Church serves people from both Potters Bar and its surrounding villages. It aims to work together to live out the Christian faith and share the good news of Jesus Christ in the local community.

Review of Church activities for the year to 31st August 2020

Up until the Covid-19 lockdown in March 2020 the church family met every Sunday for worship. There was a monthly, creative church Sunday where families could explore the Christian faith using various craft activities before joining the rest of the congregation for worship. There was a monthly service of Holy Communion and regular parade services for the Scout Group, which meets on the Church premises. The monthly Sunday evening more informal Cafe Worship has been greatly appreciated by both members and visitors. There were regular Bible study and house groups and a mid-week service of Holy Communion was held each month.

Outreach and community activities included a parent and toddler group - Jumping Johns, Junior Youth Club, Women's Guild, Women's Connect (a fellowship group for women of all ages) and Men Out Tonight (a men's fellowship group).

Sadly due to Covid-19 regulations the Church was closed from March until the last week in July 2020, which meant we had to put many of our activities on hold. Some groups like Women's Connect, Men out Tonight and the Friday Bible Study Group managed to meet regularly online. During this time our pastoral system also made sure that our members and adherents, particularly the elderly, didn't feel lonely and isolated. Up until the end of July everyone received by email or by hand a weekly newsletter and a copy of a weekly service. From Easter onwards an online version of the weekly service has been available on the church's website. Those who were unable to get to church still received a copy of the weekly service. Since we are not allowed to hold informal fellowship after Sunday services under Covid -19 regulations we have continued to host an after service coffee 'catch up' via Zoom.

From Sunday 26th July 2020 the Church re-opened for weekly Sunday worship. We have observed all the health and safety guidelines and with social distancing we can fit 70 people in to church.

Future plans

Future plans are to some extent constrained by the restrictions place upon public gatherings by Covid-19 regulations. The Church Council has been keen to resume worship and other activities where possible within the rules set out by the Government and after very careful planning and risk assessments. For example for our Harvest Festival on 4th October 2020 the Church was full with 69 people attending.

The premises have been let out to community and other groups for a variety of purposes including a ballet school and a slimming club. Some of these activities have been able to resume after initial Covid restrictions.

The Outreach Committee has been reconstituted to focus more clearly on new opportunities for reaching out to the wider community.

Finally the Church members are extremely grateful to the Circuit Superintendent Minister, Rev Rosemary Fletcher, for her help and support during the year.

Church membership

The Church membership at 31st August 2020 was 102. At 1st September 2019 there were 106 members and during the year 1 new member joined, 3 members died and 2 members resigned or transferred their membership as a result of relocation. In addition at 31st August 2020 there were 49 on our community roll, a net reduction of 4 over the year.

Nursery Playgroup

The Church runs a Nursery Playgroup ('NPG') for children from two to four years; this is operated from two settings, at Oakmere School in Potters Bar and the Church's own premises in Baker Street.

The NPG is registered with OFSTED. It has a separate management board which oversees its day to day management in conjunction with the setting manager and her team. This board includes members of the Church Council to whom it reports and has overall responsibility. The objectives of the NPG are to serve the local communities in which the two settings are located and to cover its costs. Both settings are inspected by OFSTED and during the latest inspections, in 2018, one setting received an 'Outstanding' rating and the other a 'Good' rating.

Both settings had to close during the lockdown from March 2020 but reopened in June 2020 after carrying out the necessary risk assessments and ensuring compliance the Government Covid regulations.

Brief financial review of the year

The Church has two main funds. The General or unrestricted fund which maintains the Church's fabric and contributes to the cost of Circuit ministry and other Circuit, District and Connexional (National Methodist Church) work. The main restricted fund is the Nursery Playgroup.

General Fund

Income

The main source of income for the General Fund is the Sunday collections and related Gift Aid recoverable from HMRC. The second major source is lettings income from use of the premises by external organisations.

Income from regular giving declined by £4,200, a reduction of about 7%, compared with the previous year reflecting a small reduction in membership and the closure of the Church for several months because of the lockdown. In addition the Church received several one off donations from members and friends.

Lettings income for the year fell by £6,751 as no lettings could take place from March 2020 due to the national lockdown. External lettings did not resume until September 2020.

Expenditure

The major expenditure of the Church's General Fund is the assessment paid to the St Albans & Welwyn Circuit. The total was £65,400 and was the same as in the previous year. This assessment is the Church's contribution to the remuneration and accommodation costs of the Circuit's stipendiary ministers and our contribution towards the costs of the work of the Methodist Church regionally and nationally.

The car park was resurfaced at a cost of £7,696; the poor condition of its surface was reported on in the quinquennial inspection of the premises in 2019. The resurfacing has also addressed a safety concern about the poor condition of the old surface as well as improving the appearance of the area.

Other property repair costs were lower in 2020 mainly as a result of lower routine repair costs for the flat roof.

Overall the general fund incurred a loss for the year of £6,099, compared to a surplus of £6,490 in 2019. However, this loss was after taking into account the cost of resurfacing of the car park, referred to above, which was £7,696.

Nursery Playgroup

The Nursery Playgroup had a fairly satisfactory year financially considering the period of closure as a result of the Covid pandemic. Total income was £252,000, down 4%, with staff costs of £228,000, only marginally up on the previous year. After taking into account other costs, which were lower in 2020, it incurred a small operating loss of £221 before unrealised gains on investments were taken into account compared to a surplus of £4,000 in the previous year.

We were fortunate that Hertfordshire County Council, who fund over 80% of the hours pupils spend at the two settings, maintained funding at pre lockdown levels throughout the financial year.

Fund balances

As at 31st August 2020 the net current assets of the Church General Fund were £101,526 giving over 10 months cover for expenditure. The trustees are building up additional reserves in the general fund beyond the level needed to comply with the reserves policy set out below; this is to enable the replacement, in due course, of old single glazed windows in the Church which are beyond repair.

Unrestricted funds	Current year £	Prior year £
General Fund	101,526	107,625
Designated funds		
Church buildings	2,299,767	2,299,767
Unrestricted legacies	7,257	7,527
Restricted funds		
Internal organisations	578	1,126
Nursery Playgroup	113,497	112,764
Legacies	208	206
Total funds	2,522,833	2,529,015

Reserves

The Reserves Policy for the Church is to hold in excess of 6 months' average expenditure. This should be sufficient to meet any unforeseen items of major expenditure on the Church buildings and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise sufficient funds to discharge running costs including the Annual Assessment payable to the Circuit.

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2019 have been prepared in accordance with the Charities Act 2011 and the Charities: Statement of Recommended Practice 2015 as applicable to the Financial Reporting Standard(FRS) 102

Full Name of Charity: St John's Methodist Church Potters Bar

Registration Charity Number: 1130633

Date of registration: 21st July 2009

Main communication address: 67 Baker Street Potters Bar EN6 2EX

The members of the St John's Methodist Church, Church Council are the Charity Trustees. The membership is set out below.

Circuit Ministers

Rev Rosemary Fletcher

Rev Alison Facey

Rev Andrew Prout

Church Stewards

Robin Burns
Christopher Humphreys
Myra Sloper
Gill Hutley (resigned January 2020)
Dave Best
Helen Jeckells (appointed May 2020)

Church Treasurer

Robert Ward

Other members of the Church Council

Peter Barlow
David Carter
Roger Croughton
Patricia Griffith
Valerie Vessey
Jo Hutton
Kathryn Krause
Stephen Krause
David Bowler
Steve Matthews
Dawn Fenner
John Sloper
Helen Barlow
Val Parker (appointed 15th September 2020)

Church Treasurer: Robert Ward acted as the principal officer overseeing the day to day financial management and accounting for the Church during the year.

Independent examiner: Newman Morris, Chartered Accountants, London Colney Herts AL2 1HA

Bankers: Central Finance Board of the Methodist Church
Trustees for Methodist Church Purposes
CAF Bank Ltd

Aims and organisation

Charity objective is to work together as a local Methodist Church to live out the Christian faith and share the good news of Jesus Christ in our community.

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

- a) The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- b) Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;

- c) Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- d) Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

Worshipping God through prayer, song and other acts of worship.

"The organisation and resourcing of regular public acts of worship open to members of the church and non members alike.

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university and other institutions.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Structure, Governance and Management

"The governing document for the Church is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Church is undertaken by the Church Leadership team along with the Minister. The trustees are appointed by the Annual Church Meeting.

Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the Church, specifically the leaflet 'The Role of a Trustee in The Methodist Church' is given to all new Circuit meeting members as induction to their role as trustees.

From time to time members of the Church Council, as managing trustees, attend specific training courses run by the Circuit.

Related Parties

The Church is part of the St Albans Welwyn Circuit and the Beds, Herts and Essex District and is also accountable to the Methodist Conference.

Risk Management

The major risks have been identified and recorded by the Church Finance and Property Committee. There is a regular annual review process undertaken and recorded.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm. Methodist Connexional practice outlines commitment to the following principles:

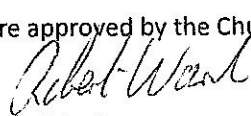
- The care and nurture of, and respectful pastoral ministry with, all children, young people and adults
- The safeguarding and protection of all children, young people and adults when they are vulnerable
- The establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice. St John's Methodist Church commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the circuit and in the churches. St John's Methodist Church commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

The Trustees' report and the financial statements were approved by the Church Council on 22nd February 2021.

Rev Alison Facey
Minister



Robert Ward
Church Treasurer



Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	Notes to the accounts	General Fund (Unrestricted)	Designated Funds (unrestricted)	Other Restricted Funds	Restricted Fund Nursery Playgroup	Total 2019-20	Prior Year 2018-19
		£	£	£	£	£	£
Income							
1 Offerings		57,809				57,809	62009
2 Donations		6,162				6,162	7790
3 Gift aid		18,634				18,634	13359
4 Interest and investment income		588	62	2	1,063	1,715	2,240
5 Nursery Playgroup Fees					252,606	252,606	261533
6 Internal organisations				1,701		1,701	3591
7 Other charitable income		15,445				15,445	24796
8 Total income		98,638	62	1,703	253,669	354,072	375,318
Expenditure							
9 Circuit assessment or share		65,400				65,400	65400
10 Grants and donations		3,951				3,951	3429
11 Property maintenance		27,536			1,062	28,598	24578
12 Insurance, utilities etc		14,155			868	15,023	16896
13 Nursery Playgroup staff costs					228,271	228,271	227797
14 Office expenses		3,487	235		2,256	5,978	4537
15 Other expenditure		2,912	50		9,779	12,741	19010
16 Internal organisations				1,246		1,246	3233
17 Total charitable expenditure		117,441	285	1,246	242,236	361,208	364,880
18 Gains/(losses) on monetary investments					954	954	4503
19 Gains/(losses) on investment properties					0	0	0
20 Net income/(expenditure)		-18,803	-223	457	12,387	-6,182	14941
21 Transfers between funds		12,704 -	47 -	1,003 -	11,654	0	0
22 Other gains/(losses)						0	0
23 Net movement in funds		-6,099	-270	-546	733	-6,182	14941
24 Total funds brought forward		107,625	2,307,294	1,332	112,764	2,529,015	2514074
25 Total funds carried forward		101,526	2,307,024	786	113,497	2,522,833	2529015

Balance Sheet as at 31 August 2020

Notes to the Accounts	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Restricted funds Nursery Playgroup	Totals 2020	Totals 2019
	£	£	£	£	£	£
Fixed Assets						
Church building and other property		2,299,767			2,299,767	2,299,767
Investment properties					0	
Investments					0	
Total fixed assets	0	2,299,767	0	0	2,299,767	2,299,767
Current Assets						
Debtors and prepayments	12,623			2,389	15,012	23,621
					0	
Investments with TMCP		7,256	209	84,073	91,538	89,621
Central Finance Board Deposits	82,395			19,062	101,457	106,599
Cash at Bank and in hand	7,282		579	12,413	20,274	21,724
Total current assets	102,300	7,256	788	117,937	228,281	241,565
Current liabilities						
Creditors (due in under 1 year)	771			4,444	5,215	12,318
Grants payable within 2018-19					0	
Total current liabilities	771	0	0	4,444	5,215	12,318
Net current assets/liabilities	101,529	7,256	788	113,493	223,066	229,247
Total assets less current liabilities	101,529	2,307,023	788	113,493	2,522,833	2,529,014
Long term liabilities (due after more than one year)						
Grants payable after 2018-19					0	
Loans to the Church					0	
					0	
Net assets	101,529	2,307,023	788	113,493	2,522,833	2,529,014
Funds of the Church						
General Fund (Unrestricted)	101,529				101,529	2,407,397
Designated Funds (Unrestricted)		2,307,023			2,307,023	7,526
Total Unrestricted Funds					2,408,552	2,414,923
Restricted Funds			788		788	2,731
Restricted Funds Nursery Playgroup				113,493	113,493	111,360
Total Funds	101,529	2,307,023	788	113,493	2,522,833	2,529,014

Signed



Robert Ward Church Treasurer

St John's Methodist Church Potters Bar

Notes to the Accounts for year to 31 August 2020

1 Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

2 Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast doubt on the ability of the Church to continue as a going concern. As explained in the Trustees Annual Report, since the year end the global pandemic and spread of COVID-19 has severely impacted many economies throughout the world. The Trustees have assessed the impact Covid-19 may have on the Church's forecast and projections and have made this assessment for a period of at least one year from the date of approving these financial statements. The trustees have concluded that the Church has sufficient resources to continue in operational existence for the foreseeable future and consequently it is appropriate to continue to adopt the going concern basis in preparing its financial statements.

3 Funds

The funds held constitute the following: General Funds held for any purpose of the Church which are Unrestricted. Restricted funds which are held for a narrower purpose. There are no Endowment funds. Details of each material fund are disclosed in the final note to these accounts. Any funds may be represented by more than just cash.

4 Accounting policies

Basis

These accounts have been prepared on the basis of historical cost, except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Church's financial position and activities.

Incoming Resources

Income is included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

Grants and donations

Donations made by the Church from its own funds are recognised in full at the time of agreement or when the Church accepts that there is a legal or operational obligation to make the payment.

VAT

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

Investments

In January 2017 £75,000 from the Playgroup Fund was invested in a Corporate Bond with the Central Finance Board of the Methodist Church via the Trustees for Methodist Church Purposes. Dividends received in the year are credited to the SOFA and the unrealised gain or loss on the market value of the bond at the year-end is shown separately on the SOFA as a gain or loss on monetary investments.

Debtors and Prepayments

Debtors include Gift Aid applicable to the latter part of the financial year receivable from HMRC and a refund due from Hertfordshire County Council in respect of an overpayment for goods supplied.

Prepayments include amounts paid in advance for insurance, other services and the Circuit assessment.

Creditors

Creditors include, PAYE tax due to HMRC for salaries paid in August 2020, rent payable for the Nursery Playgroup premises at Oakmere School and professional fees incurred but not billed.

5 Payment to Trustees

There were no payments made to trustees for additional services provided to the Church. This also applies to the previous year.

6 Analysis of Income and Expenditure

Other Charitable Income	2020 £	2019 £
lettings	11,615	18,366
Jumping John's - toddlers	1,646	2,556
Fees for weddings and funerals	1,075	685
Copying charges	642	1,160
Fund raising	98	542
Sundry	369	1,337
Total : General Fund	15,445	24,646
Nursery Playgroup fund- grants	0	150
Total	15,445	24,796

Expenditure	2020 £	2019 £
Property maintenance	4,363	9,640
Repairs and maintenance		

Equipment	1,551	2,904
Property Improvement, car park re surfacing	7,696	0
Cleaning materials	2,069	1,935
Statutory inspections	3,123	1,734
Cleaners' salaries	8,734	8,365
Total: General Fund	27,536	24,578
Nursery Playgroup	1062	0
Total	27598	24,578

7. Fees for independent examination of the accounts

The independent examination of the accounts has been carried out by Newman Morris, a firm of Chartered Accountants based in London Colney. The fee charged was £960 inclusive of VAT (2019 £960). No fees have been paid to this firm for any other services during this year, (2019 nil).

8. Paid employees

The Church employs two cleaners who are paid from the General Fund. The average number of staff employed by the Playgroup in the year was 20 who were paid from the Nursery Playgroup restricted fund (NPG). (2019, 20).

Staff costs paid in respect of the year

	General Fund £	NPG £	Total £
Gross salaries and wages and National Insurance	8,734	215,464	224,198
Employer's pension costs	0	11,140	11,140
Total staff costs	8,734	226,604	235,338

9. Capital commitments and contingent liabilities

At 31st August 2020 there were no capital commitments. No contingent liabilities were identified as at 31st August 2020.

10. Analysis of funds 2019 -2020

Fund name	Opening Balance £	Incoming Resources £	Resources Expended £	Unrealised gains & losses	Transfers £	Closing Balance £
General: unrestricted	107,625	98638	(117,441)		12,704	101,526
Designated: Church buildings	2,299,767	0	0	0	0	2,299,767
Designated: Unrestricted legacies	7,207	62	(12)	0	0	7,257
Designated:	320	0	(273)	0	(47)	0

outreach worker						
Restricted: Nursery playgroup	112,764	253669	(242236)	954	(11654)	113,497
Restricted: Internal organisations	1,126	1,701	(1,246)	0	(1,003)	578
Restricted: legacies	206	2	0	0	0	208
Totals	2,529,015	354072	(361208)	954	0	2,522,833

11. Related party transactions

During the year the following payment was made to the St Albans Welwyn Circuit as a contribution towards the remuneration and accommodation costs of the Circuit's stipendiary ministers and a contribution towards the cost of the work of the Methodist Church regionally and nationally.

	2020	2019
St Albans Welwyn Circuit	£65,400	£65,400

12 for information only: money received and passed onto external organisations.

	2019/20	2018/19 £	
Balance brought forward from last year	(211)	(157)	
Offerings /gifts received for external organisations	5370	11,867	
Offerings /gifts passed to external organisations	(5157)	(11,921)	
Balance carried forward	2	(211)	

Name of ChurchSt John's Methodist Church Potters Bar No...341305.....

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2020 have been prepared from the records of the Church and that they include all funds under the control of the Church trustees.

Signature of treasurer



Date.....

16th June 2021

Name and address of treasurerRobert Ward C/o St John's Methodist Church Baker Street
Potters Bar EN6 Post Code...EN6 2DZ.....

Presentation to the Church trustees

I confirm that the annual report and accounts for the year ended 31 August 2020 were/will be* presented to the meeting of the Church trustees held on 22nd February 2021

Signature of the Chair of the meeting



Name of the Chair of the meeting

Rev Alison Facey...

Date

16/6/21

Independent Examiner's Report

To the Trustees of the St John's Methodist Church Potters Bar

I report to the trustees on my examination of the accounts of the St John's Methodist Church Potters Bar for the year ended 31 August 2020, which are set out on pages 9 to 14.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). The Church Trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

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

Independent examiner's statement

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

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

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

Signed:

Name: CHRISTOPHER MORRIS

Relevant professional qualification or membership of professional body (if any): CHARTERED ACCOUNTANT.

Address:

Date: 18/06/2021.

NEWMAN MORRIS
WELLINGTON HOUSE
273-275 HIGH STREET
LONDON COLNEY
HERTS AL2 1HA