

SHIRLEY METHODIST CHURCH
TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
(Registered Charity Number 1133870)

Thomas & Young Limited
Chartered Accountants
Solihull

SHIRLEY METHODIST CHURCH

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SHIRLEY METHODIST CHURCH**Charity Information**

Co-Chairs Caroline (Caz) Hague

Trustees Caroline (Caz) Hague (Minister)
John Adams
Julian Bache
Steve Bache
Lois Beaumont
Barbara Boffey
Ann Butler
Jill Dunwoody
Regina Fletcher
Jean Hamilton
Malcolm Hamilton
Beverley Stuart Hollis
Robin Jones
Keith Lovell
Pat Lowe
Jean Meeson
Margaret Pike
Hannah Rednall
Bill Russell
Heather Thompson
Hilary Wilson
Nicholas Mund (Appointed 17/10/2021)
Ruth Mary Low (Appointed 17/10/2021)

Charity Number 1133870

SHIRLEY METHODIST CHURCH

Charity Information (Continued)

Charity Offices

257 Stratford Road
Shirley
Solihull
West Midlands
B90 3AL

Bankers

Lloyds TSB
238 Stratford Road
Shirley
Solihull
West Midlands
B90 3AE

Central Finance Board of the Methodist
Church
9 Bonhill Street
London
EC2A 4PE

Auditors

Thomas & Young Limited
Chartered Accountants
Carleton House
266-268 Stratford Road
Shirley
Solihull
West Midlands
B90 3AD

SHIRLEY METHODIST CHURCH

REPORT OF THE TRUSTEES

For the year ended 31 August 2022

The Trustees present their report for the purposes of Part 8 of the Charities Act 2011 for the year ended 31 August 2022.

TRUSTEES

The Trustees who served during the year are named on page 1.

PRINCIPAL OFFICE

The principal office is:

257 Stratford Road
Shirley
Solihull
West Midlands
B90 3AL

ADVISORS DURING THE YEAR

Auditors: Thomas & Young Limited

Bankers: Lloyds TSB
Central Finance Board of the Methodist Church

OBJECTIVES AND ACTIVITIES

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 the discipline of the Methodist Church; any charitable purpose for the time being of any Connexional, district, circuit, 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.

The Mission Statement of Shirley Methodist Church

The calling of the Methodist Church is to respond to the gospel of God's love in Christ, and to live out our discipleship in worship and mission.

Our purpose is:

Worship: Celebrating God's activity in our lives, the church and the world.

Outreach: Caring for and supporting individuals and communities.

Welcome: Embracing all in spiritual and social activities.

SHIRLEY METHODIST CHURCH
REPORT OF THE TRUSTEES (Continued)

In addition, we endorse a statement suggested by the **Inclusive Church network**.

We believe in inclusive Church – Church which does not discriminate on any level, on grounds of economic power, gender, mental health, physical ability, age, race or sexuality. We believe in Church which welcomes and serves all people in the name of Jesus Christ; which is scripturally faithful; which seeks to proclaim the gospel afresh for each generation; and which, in the power of the Holy Spirit, allows all people to grasp how wide and long and high and deep is the love of Jesus Christ.

ACHIEVEMENTS AND PERFORMANCE

Our Church buildings face directly onto the High Street (Stratford Road) in Shirley and are therefore ideally placed to serve the local community in Shirley. The Church buildings consist of a foyer area with adjacent main worship space, chapel and a coffee shop with servery (these were all completed in 1994). In addition, there are two halls, a smaller function room, a church office and a kitchen. The Church premises are extensively used by both Church groups and external groups throughout the week. The chapel is available for private prayer when the coffee shop is open.

Regular Services

Morning Family Worship (Sunday mornings)

Wednesday Morning Service ('Make Wednesday Special')

In addition, there are occasional 'special services' including a very popular Christingle Service at Christmas. The Church is also used by the Birmingham Methodist Circuit for joint services and occasionally by the national Methodist Church e.g. Ordination Services.

A thriving congregation of the Global Mission Church (Mandarin speaking church of Hong Kong Nationals) now meets in our Worship Space on Sunday afternoons.

Church Groups include:

Church Choir (which supports worship on Sunday mornings and at special services)

Bowling Club

Boys Brigade and Girls Association

House groups (meet in local houses)

Bible Study Group

Guide group (although strictly not a Church group, it nevertheless is part of our community and takes part in parade services.)

Pastoral Support

In common with many Methodist Churches, we operate a system of pastoral support whereby every member of the congregation is linked to a pastoral visitor who will ensure that members are kept in touch with what is happening in Church and is able to offer further support if needed. The Church holds some money in a Benevolent Fund which can provide small cash payments for anyone in particular need (at the discretion of the Minister).

SHIRLEY METHODIST CHURCH

REPORT OF THE TRUSTEES (Continued)

Octagon Coffee Shop

The Church's Octagon Coffee shop is open on five mornings per week. It is run entirely by volunteers and provides a welcoming environment to all, serving hot drinks and snacks at moderate prices. We are a Fairtrade Church and all tea, coffee and sugar used in the coffee shop and by Church groups carries the Fairtrade logo.

Other Groups which meet on Church premises

The church buildings are in demand throughout the week by external groups. The Shirley Community Gospel Choir meets alternately at Shirley Methodist Church and St James (Anglican) Church. Charities which use the premises include ALANON, Alzheimer's support group and the Macular Society. Other social groups include Shirley Photographic Club, WI, U3A, Quilters, dance and yoga groups and toddler groups. The main worship space provides an excellent acoustic for concerts and is used by both Church groups and other local musical groups.

Community Events

In June 2022, the Church organised an open event to celebrate the Queen's Jubilee. We were delighted to welcome approximately 300 members of our community (including members of the Global Mission Church) all who were entertained with a variety of activities for all ages. We are very grateful for a grant of £2,125 from the Heart of England Community Foundation which enabled this event to take place.

Church Window

Our window facing the High Street has provided an ideal opportunity to present displays with positive and uplifting messages to members of our community, even if they do not cross the threshold of the church building. These have included displays for festivals and special services in the church's calendar as well as marking national events such as the Jubilee.

Charitable donations

During the year 2021-22 approximately £5,000 was raised for external charities including All We Can (the Methodist Relief & Development agency); Action for Children, Methodist Homes and Christian Aid. During the year, we raised funds for a local charity (Adavu) which supports the victims of modern slavery. We also act as a drop-off point for donations to a local food bank. (Note: some of the money will have been sent directly to the Charity so will not appear in the accounts).

Ecumenical Partnerships

The Church continues to be an active partner in Shirley Churches Together. The Churches cooperate with publicity in the local press at major festivals. There are joint events such as Good Friday Walk of Witness and the churches are regularly linked by Prayer Envoys.

Safeguarding

Shirley Methodist Church commits itself to ensuring the implementation of Connexional Safeguarding Policy, government legislation, guidance and safe practice within our Church premises. There is a safeguarding officer appointed by Church Council.

SHIRLEY METHODIST CHURCH
REPORT OF THE TRUSTEES (Continued)

THE FUTURE

The Covid pandemic was undoubtedly a difficult time with 'lockdowns' reducing lettings income as well as restricting our ability to interact with and serve our community. The 'cost of living' crisis following the outbreak of the Ukraine conflict has been another challenge, with fuel costs being a particular concern. However, at the present time, the Church's finances are in a satisfactory position with reserves well in excess of our advised minimum of £30,000. We pray for God's guidance as we seek a way forward, and that Shirley Methodist Church will continue to be a hub of activity on the Shirley High Street and in our community.

FINANCIAL REVIEW

The financial statements show a surplus for the year of £31,186 (2021: £16,222 deficit), and the total fund balance at 31 August 2022 was £87,264.

During the year legacies totalling £Nil were received (2021: £4,000).

RESERVES POLICY

The Church needs to hold reserves primarily to manage the funds passing through its accounts. On the expenditure side there are a number of substantial items that arise and are settled on a quarterly basis, whilst on the income side offerings, room hire and Gift Aid tax relief claims vary widely month to month. Secondly, reserves are held to provide for funds for future projects to develop the work of the Church and/or maintain or improve the fabric and facilities of the Church buildings.

As Trustees, the members of Church Council believe that the Church should seek to hold, in the General Fund, primary reserves of £30,000. The secondary reserves, held in the Designated Funds, arise from surpluses transferred from the general operations of the Church plus individual substantial donations and legacies received from time to time. The size of such reserves varies over time because of the nature of the income and also the adoption of particular projects. These typically see work to raise funds prior to the project being undertaken and the costs incurred. These reserves are also held against unforeseen contingencies. The target for secondary reserves is a further sum equal to that for the primary reserves.

For the year to 31 August 2022 annual expenditure totalled £103,206 and the reserves held stood at £44,810 in the Unrestricted Fund and a further £42,454 in the Restricted Funds.

The Restricted Funds received a substantial legacy in the year 2013 and this is being used to fund developments over a few years.

The position on reserves is reviewed in quarterly figures and this policy will be formally considered in the preparation of the annual accounts each year.

SHIRLEY METHODIST CHURCH
REPORT OF THE TRUSTEES (Continued)

RISK MANAGEMENT

The Trustees have examined the principal strategic and operational risks, which the Charity faces and confirm that the systems have been established to minimise these risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The governing document for the Church is the Deed of Union (1932) and the 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 at the AGM of the Church.

A range of guidance by the Methodist Connexion to support the effective running of the Church and the role of Trustees is given to the Church Trustees at various meetings and/or training sessions.

RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE

Charity law requires the management committee to prepare financial statements for each financial year, which show a true and fair view of the state of affairs of the Charity and its financial activities for that period. In preparing those financial statements, the management committee are required to:

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

SHIRLEY METHODIST CHURCH
REPORT OF THE TRUSTEES (continued)

The management committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL

This report was approved by the Trustees on 22/6/23 and signed on their behalf by:

Caroline (Caz) Hague (Minister)

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SHIRLEY METHODIST CHURCH**Independent Auditors' Report to the Trustees of
Shirley Methodist Church****Opinion**

We have audited the financial statements of Shirley Methodist Church (the 'charity') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

SHIRLEY METHODIST CHURCH**Independent Auditors' Report to the Trustees of
Shirley Methodist Church (Continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2019 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

SHIRLEY METHODIST CHURCH**Independent Auditors' Report to the Trustees of
Shirley Methodist Church (Continued)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our audit approach included the following elements:

- Assessment of the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur.
- Assessment of the laws and regulations identified as being of significance in the context of the charity.
- We obtained an understanding of the charity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.
- We ensured that our audit personnel have the experience and knowledge to identify or recognise non-compliance with laws and regulations.

Taking into account all of these points, our procedures are appropriate to detect material misstatements in respect of irregularities, including fraud.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2019. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



James Carty FCA FCCA
Thomas and Young Limited
Chartered Accountants
Statutory Auditor

22 June 2023
Carleton House
266-268 Stratford Road
Shirley
Solihull
West Midlands
B90 3AD

Thomas and Young Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

SHIRLEY METHODIST CHURCH

**Statement of Financial Activities
Including Income & Expenditure Account
for the year ended 31 August 2022**

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|--|------|----------------------------|--------------------------|----------------------|----------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 107,710 | - | 107,710 | 69,368 |
| Other trading activities | 4 | 26,650 | - | 26,650 | 5,606 |
| Investments | 5 | 11 | 21 | 32 | 29 |
| Total income | | <u>134,371</u> | <u>21</u> | <u>134,392</u> | <u>75,003</u> |
| Expenditure on: | | | | | |
| Raising funds | 6 | 4,673 | - | 4,673 | 842 |
| Charitable activities | 7 | 95,797 | - | 95,797 | 87,803 |
| Other | 10 | 2,736 | - | 2,736 | 2,580 |
| Total resources expended | | <u>103,206</u> | <u>-</u> | <u>103,206</u> | <u>91,225</u> |
| Net (expenditure)/ income for the year/net movements in funds | | 31,165 | 21 | 31,186 | (16,222) |
| Fund balances at 1 September 2021 | | <u>13,645</u> | <u>42,433</u> | <u>56,078</u> | <u>72,300</u> |
| Fund balances at 31 August 2022 | | <u><u>44,810</u></u> | <u><u>42,454</u></u> | <u><u>87,264</u></u> | <u><u>56,078</u></u> |

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

All income and expenditure derive from continuing activities.

SHIRLEY METHODIST CHURCH

BALANCE SHEET
As at 31 August 2022

| | Note | 2022 | 2021 |
|---|------|----------------------|----------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 11 | 24,400 | 3,752 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 25,616 | 10,924 |
| Cash at bank and in hand | | 39,198 | 43,352 |
| | | <u>64,814</u> | <u>54,276</u> |
| CREDITORS: amounts falling due within one year | 13 | <u>(1,950)</u> | <u>(1,950)</u> |
| Net current assets | | <u>62,864</u> | <u>52,326</u> |
| Total assets less current liabilities | | <u><u>87,264</u></u> | <u><u>56,078</u></u> |
| INCOME FUNDS | | | |
| Restricted | 14 | 42,454 | 42,433 |
| Unrestricted | | 44,810 | 13,645 |
| | | <u>87,264</u> | <u>56,078</u> |

Approved by the Trustees on

22/6/23

and signed on its behalf by:

Caroline (Caz) Hague (Minister)



SHIRLEY METHODIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2022

1 Accounting Policies

Charity information

Shirley Methodist Church is a registered charity.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applied from 1 January 2019. This is a Public Benefit Entity as defined by FRS 102.

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

The accounts 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 accounts, they have a reasonable expectation that they have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the in furtherance of their charitable objectives unless the funds have been designed for other purposes.

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 accounts.

1.4 Incoming resources

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.

SHIRLEY METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS (Continued)****for the year ended 31 August 2022****1 Accounting Policies (Continued)****1.4 Incoming resources (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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cashflows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

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

SHIRLEY METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS (Continued)****for the year ended 31 August 2022****1 Accounting Policies (Continued)****1.7 Tangible fixed assets for use by the charity and depreciation**

Tangible fixed assets for use by the charity are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, over their expected useful lives on the following basis:

| | |
|-------------------------------|----------------------|
| Computer and office equipment | 33.33% straight line |
|-------------------------------|----------------------|

1.8 Church land and buildings

It is not considered relevant to include a valuation for the church land and buildings on the Balance Sheet. The church building and halls are insured for £3,246,659 and contents for £173,445.

1.9 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, they are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SHIRLEY METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS (Continued)****for the year ended 31 August 2022****3 Income from donations and legacies**

| | 2022 | 2021 |
|----------------------|----------------|---------------|
| | £ | £ |
| Offering plate | 5,264 | 7,261 |
| Other donations | 6,098 | 1,178 |
| Standing orders | 42,643 | 42,960 |
| Gift Aid – donations | 14,778 | 11,969 |
| Octagon Coffee Shop | 6,000 | 2,000 |
| Legacies | - | 4,000 |
| Benevolent fund | 264 | - |
| Grant income | 32,663 | - |
| | <u>107,710</u> | <u>69,368</u> |

4 Income from charitable activities

| | 2022 | 2021 |
|----------|---------------|--------------|
| | £ | £ |
| Lettings | <u>26,650</u> | <u>5,606</u> |

Income from lettings was £26,650 (2021: £5,606) of which £26,650 (2021: £5,606) was attributable to unrestricted reserves.

5 Income from investments

| | 2022 | 2021 |
|------------------------|-------------|-------------|
| | £ | £ |
| Interest from deposits | <u>32</u> | <u>29</u> |

Income from investments was £32 (2021: £29) of which £21 (2021: £15) was attributable to restricted funds and £11 (2021: £14) was attributable to unrestricted funds.

SHIRLEY METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

for the year ended 31 August 2022

6 Analysis of expenditure on charitable activities

| | Activities Undertaken Directly £ | Support Costs £ | Total £ |
|--|--|-----------------------|--------------|
| Activities support costs towards youth worker | | | |
| Charity appeals and donations | 4,673 | - | 4,673 |
| | <u>4,673</u> | <u>-</u> | <u>4,673</u> |

£Nil was attributable to restricted funds (2021: £Nil) and £4,673 was attributable to unrestricted funds (2021: £842).

7 Charitable activities

| | 2022 £ | 2021 £ |
|-------------------------------|---------------|---------------|
| Staff costs | 19,733 | 6,766 |
| Depreciation and impairment | 9,328 | 3,322 |
| Circuit assessment | 45,000 | 60,350 |
| Printing and stationery | 299 | 1,404 |
| Telephone | 1,364 | 1,279 |
| Organist and music | 410 | 200 |
| Preacher's expenses | 321 | 462 |
| Copyright and TV Licences | 712 | 745 |
| Cleaning and materials | 3,349 | 3,385 |
| Heating, lighting and water | 8,071 | 2,518 |
| Insurance | 3,759 | 3,621 |
| Miscellaneous | 416 | 106 |
| Bank charges | 346 | 300 |
| Building repairs and renewals | 2,689 | 3,346 |
| | <u>95,797</u> | <u>87,804</u> |

SHIRLEY METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

for the year ended 31 August 2022

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

| | 2022 | 2021 |
|--|-------------|-------------|
| Number of employees during the year was: | - | 1 |

Employment costs

| | 2022 £ | 2021 £ |
|--------------------|-------------------------|-------------------------|
| Wages and salaries | - | 6,766 |

10 Other

| | 2022 £ | 2021 £ |
|----------------|-------------------------|-------------------------|
| Auditors' fees | 2,736 | 2,580 |

SHIRLEY METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

for the year ended 31 August 2022

11 Tangible Fixed Assets

| | Computer & Equipment £ | Total £ |
|---|---|--------------------|
| COST OR VALUATION | | |
| 1 September 2021 | 33,314 | 33,314 |
| Additions | 29,976 | 29,976 |
| Disposals | - | - |
| | <hr/> | <hr/> |
| 31 August 2022 | 63,290 | 63,290 |
| | <hr/> | <hr/> |
| DEPRECIATION | | |
| 1 September 2021 | 29,562 | 29,562 |
| Charge for year | 9,328 | 9,328 |
| | <hr/> | <hr/> |
| 31 August 2022 | 38,890 | 38,890 |
| | <hr/> | <hr/> |
| NET BOOK VALUE | | |
| 31 August 2022 | 24,400 | 24,400 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 31 August 2021 | 3,752 | 3,752 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 12 Debtors | 2022 £ | 2021 £ |
| Other debtors | 25,616 | 10,924 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 13 Creditors amounts falling due within one year | 2022 £ | 2021 £ |
| Accruals and deferred income | 1,950 | 1,950 |
| | <hr/> <hr/> | <hr/> <hr/> |
| | 1,950 | 1,950 |
| | <hr/> <hr/> | <hr/> <hr/> |

SHIRLEY METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

for the year ended 31 August 2022

14 Restricted Funds

| | Balance 1 September 2021 £ | Movement in Resources Including Gains/Losses Incoming Outgoings £ £ | | Transfer £ | Balance 31 August 2022 £ |
|------------------------------------|-------------------------------------|--|-----------|---------------|-----------------------------------|
| Building and Contingencies Fund | 30,851 | - | - | - | 30,851 |
| Benevolent Fund | 333 | - | 24 | - | 309 |
| Model Trust Fund | 11,249 | 45 | - | - | 11,294 |
| | <u>42,433</u> | <u>45</u> | <u>24</u> | <u>-</u> | <u>42,454</u> |

The Model Trust Fund represents bequests received by the Church and invested through the Trustees for Methodist Church Purposes under the Methodist Church Act 1976. This trust has been classed as type 'B', unconditional bequests, and upon application the monies may be used for any local purpose for Shirley Methodist Church.

15 Auditors Ethical Standards

In common with many businesses of our size and nature, we use our auditors to assist with the preparation of the financial statements.

16 Related party transactions

During the year, the following Trustees of the church recovered costs incurred on behalf of the church for goods and services amounting to:

Steve Bache £733 (2021: £187)
 Bill Russell £304 (2021: £468)
 Julian Bache £48 (2021: £Nil)
 Keith Lovell £32 (2021: £Nil)
 Kath Ralph £Nil (2021: £79)
 Ann Butler £Nil (2021: £468)
 Jeremy Brett £Nil (2021: £Nil)
 Rev Caroline Hague £289 (2021: £79)
 G K Lowe £385 (2021: £Nil)
 Hilary Wilson £71 (2021: £Nil)
 L C Beaumont £261 (2021: £Nil)
 Ruth Low £20 (2021: £Nil)