

2020

The Methodist Church - Hackney and Stoke
Newington Circuit
(London District – Circuit No 35/10)
Charity Registration Number 1134389
Accounts for the year ended 31 August 2020

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

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THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Reference and Administrative Details

Names and addresses

The address of the registered office for the Tower Hamlets Circuit for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church in Hackney and Stoke Newington
Dalston Methodist Church
13 Richmond Road
London E8 3HY
Tel: 020 7254 2399
Web: www.hackneymethodist.org.uk

Custodian Trustees:

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester M1 1JQ

Senior Management Team:

Revd Andrew Letby
Revd Hazel Forecast

Investment Managers:

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

Trustees for the Methodist Connexional Funds (registered)
9 Bonhill Street
London EC2A 4PE

Bankers:

HSBC PLC
333 Vauxhall Bridge Road
Victoria
London SW1V 1E

CAF Bank
25 Kings Hill Avenue,
ME 19 4JQ

Independent Examiner:

Stephen Simou FCA
Citroen Wells
Chartered Accountants
Devonshire House
1 Devonshire Street
London W1W 5DR

Solicitors:

Lovell Son and Pitfield
9 Gray's Inn Square
Gray's Inn
London WC1R 5JT

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Trustees' Report for the year ended 31 August 2020

The Trustees present their report and the examined accounts of the Circuit for the year ended 31 August 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and accounts of the Circuit.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Circuit'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).

Governance

The governing body of the Methodist Church is the Conference, which meets annually. The authority under which the Conference acts is given by the Methodist Church Act 1976.

We are governed by the Methodist Churches Constitutional Practice and Discipline and all Charity Law of the United Kingdom.

The Church is governed by the Methodist Church Act 1976, the deed of Union and the Model Trusts of the Methodist Church. The purposes of the Methodist Church are and shall be deemed to have been since the date of union of advancement of: (a) the Christian faith in accordance with the doctrinal standards and the 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 or 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. In setting our objectives and planning our activities, the Circuit has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing our objectives as set out above.

The Methodist Church in Hackney and Stoke Newington is part of the Methodist Church London District, and is a registered charity, number 1134389.

Full Name of Charity: Hackney Methodist Circuit

Registration Charity Number: 1134389

Date of Registration: 18 February 2010

Main Communication Address: The Methodist Church in Hackney and Stoke Newington
Dalston Methodist Church
13 Richmond Road
London E8 3HY

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Trustees' Report for the year ended 31 August 2020 (continued)

Trustees

The full list of Trustees who served during the year and up to date of signature of the accounts were as follows:

Trustees who joined during 19/20 are shown with an asterix (*) and those who left during the year with (**). Trustees who have joined during 2020/21 are denoted with three asterisks (***)

| | |
|------------------------------|-----------------------------|
| Revd Andrew Letby | Revd John Pamhare Sakutombo |
| Hazel Forecast** | Mackenzie Greer |
| Revd Paulo Bessa Da Silva*** | Roland Hagan* |
| John Richey*** | Catherine Hogan |
| Mandy Baafi* | Alexander Amarteifio* |
| Laura Dyer | Gloria Amarteifio* |
| Vera Mawu* | Valentine Baxter |
| FagINETTE Beatrice Mclean | Joyce Borley |
| Cora Woolcock | Sue Millman* |
| Eric Frempong | Mathilda Small-Byam* |
| Mary Campbell* | Icilda Lynch* |
| Rudolph Homer | Vicky Ryan |
| Eric Ayoola ** | Ernell Watson |
| Thomas Daley | Kojo Nartey* |
| Clord Dyer | Merlin Williams |
| Esther Adekunle | Allins Horne |
| Charlotte Morgan | Vanessa Baxter |
| Eunice Whyte | Doreen Williams** |
| Kwaku Anyemedu | Wilhelmina Aidoo ** |
| Jacob Ogunleye | Vera Farquharson |
| Lucinda Ansah | Anthony Jumpah |

Method to recruit new Trustees

There are a number of *ex officio* trustees – a London District Chair, Presbyters, Circuit Stewards, secretary of the Local Preachers' Meeting and one Steward from each of the Churches in the Circuit. These trustees will change when the post holders change. Additional members from each Church are confirmed by the relevant Church Council. A Secretary of the Circuit Meeting, who is a Lay Person, is appointed by the meeting.

Objective and purpose

The calling of the Hackney and Stoke Newington Methodist Circuit is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. This is expressed through Worship, Learning and Caring, Evangelism and Service. The Circuit is committed to use its resources in a clearly focussed and intentional way to ensure an effective response to the needs of our congregations and wider community.

Activities

The mission of the Circuit is to worship God as it celebrates its diversity according to the teachings of Jesus Christ. Through social ministry, prayer and pastoral care we will express God's kingdom of love.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Annual Trustees' Report for the year ended 31 August 2020 (continued)

Organisational structure

The Circuit includes responsibility for the Methodist Churches at Dalston, Clapton, Clapton Park, Mare Street and Stoke Newington (Stoke Newington Methodist Church operates from 2 sites on Green Lanes and Stoke Newington High Street). In addition to the above, the Circuit runs one Project, the Chatsworth Road Lunch Club as an Internal Organisation, with its own management committee, chaired by Revd Hazel Forecast, under the umbrella of the Circuit Meeting.

Staff

The Superintendent Minister and Chair of the Managing Trustees is Revd Andrew Letby, who until August 2020 worked alongside another presbyter Revd Hazel Forecast. She was succeeded by Revd Paulo Bessa da Silva and Revd John Richety. Together they have pastoral charge of the 5 Churches in the Circuit.

There is a part time Circuit Church and Community Worker, Theresa Sam, who commenced work on 1 September 2016. The post is funded jointly by the Circuit. In addition, the Circuit Office is staffed by Joan Van Anderson (one day per week equivalent). The Circuit 'buys in' property, HR, and finance support from the Methodist Church in Tower Hamlets.

Achievements and performance

There are 4 active and 4 inactive Local Preachers in the Circuit. Circuit Stewards were Valentine Baxter, Sue Millman Kweku Anyemedu and Catherine Hogan.

A full programme of Christian education, social activity and mission outreach work continued throughout the year.

Property

Dalston Church rents out many of its rooms using the standard Methodist License. The Richmond Road Manse is let out on a managed tenancy through Courtney's Estate Agents until 30 June 2021.

At Stoke Newington High Street and Green Lanes Churches a full time premises manager has oversight of both sites, and the Listening Place Project offers drop-in and signposting for vulnerable people.

Investments

The investment of surplus funds is operated via the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide high quality investment service seeking above average returns for long term investors, whilst ensuring that the securities held by all its funds are in line with the ethical policy of the Methodist Church. The Circuit has its funds in a deposit account with CFB. The Restricted Fund which is mainly funds from sales of properties is managed by Trustees for Methodist Purposes (TMCP). These funds are also invested with CFB.

Public Benefit Requirement

The Trustees have had due regard to the guidance published by the Charities Commission in compliance with its duties under section 4 of the Charities Act 2011.

This guidance sets out two key principles:

1. The organisation must have an identifiable benefit.
2. The benefit must be to the public or a section of the public.

The Church exists to:

- increase awareness of God's presence and to celebrate God's love;
- help people to learn and grow as Christians, through mutual support and care; and
- be a good neighbour to people in need and challenge injustice.

The Trustees consider that for these reasons the charity meets these public benefit requirements.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Annual Trustees' Report for the year ended 31 August 2020 (continued)

Financial Review

Circuit ministry is funded through the offering receipts from all the Churches in the Circuit and their respective assessment contributions. This was supplemented by rent received from the Circuit property in Richmond Road (a manse) and a grant of £10,000 towards the costs of the Church and Community Worker.

The various properties are funded from their income on a day to day basis.

The value of Circuit funds (including land and buildings) as at 31 August 2020 was £1,132,397 which is a decrease of £3,605 from the previous year.

Trustees' interests

The Ministers who are Trustees of the Circuit are paid a stipend and are given a manse for the Ministers and their family to live. The Council Tax is paid for by the Circuit and also an official telephone line with broadband facilities to enable them to carry out their service as Ministers. These arrangements are practiced throughout the Connexion.

Apart from these, no other Trustees have been paid for their services to the Circuit.

Risk Management

The Circuit has reviewed its risk policies and is producing a Risk Register highlighting the various risks facing the Circuit, the impact and the likelihood of them happening. The main headings under which these risks have been categorised are:

- Trustees' Responsibilities
- Membership and Mission
- Resources, People and Property
- Financial
- Legal

These risks are reviewed regularly to ensure effectiveness.

Reserves Policy

The primary purposes of the Circuit are:

- (i) to support the presbyteral ministers in their responsibilities to preach, offer a sacramental ministry and provide pastoral care to the congregations of the six Methodist Churches and to the wider community within the borough of Hackney and Stoke Newington.
- (ii) to support the work of the lay employees, Circuit officers and Church members in their various responsibilities in relation to the Circuit's overall mission.

The reserves policy in connection with this purpose is to maintain sufficient funds to ensure the payment of stipends, other allowances, manse costs and contributions to the District assessment for two ministers for one year.

The unrestricted funds, excluding Manses, of £163,385 are for the purpose of the Circuit.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Annual Trustees' Report for the year ended 31 August 2020 (continued)

Plans for the future

This has been a challenging year due to consequences of Covid 19 lockdown and other restrictions. The circuit moved to offering most services of worship and fellowship groups using online platforms. Even when it is possible to resume regular worship, we will continue to develop our online offering to allow for wider participation. To support this the circuit will continue to work on addressing issues of digital exclusion through an ongoing link with Hackney Citizens.

Approved by the Trustees on the 25/5/2021 signed on their behalf by:



**Revd Andrew Letby
Superintendent Minister**

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Statement of Trustees' responsibilities for the year ended 31 August 2020

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Circuit's financial activities during the year and of its financial position at the end of the year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Circuit and enable them to ensure that the accounts comply with the Standing Orders of the Methodist Church, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other relevant regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Independent Examiner's Report to the Trustees of Hackney and Stoke Newington Methodist Church

I report to the Trustees on my examination of the accounts of Hackney and Stoke Newington Methodist Church (the Circuit) for the year ended 31 August 2020.

Responsibilities and basis of report

As the Trustees of the Circuit you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Circuit's accounts 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 Circuit has prepared accounts 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 accounts 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 by 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 Circuit as required by section 130 of the 2011 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.



Stephen Simou FCA

The Institute of Chartered Accountants in England and Wales (ICAEW)

Independent Examiner

Devonshire House
1 Devonshire Street
London, W1W 5DR

27/5/2021

Date:

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Statement of Financial Activities for the year ended 31 August 2020

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2020 Total £ | 2019 Total £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| Income and Endowments from: | | | | | |
| Circuit assessment | 3 | 167,000 | - | 167,000 | 167,000 |
| Grants and donations received | 4 | 36,271 | - | 36,271 | - |
| Investment income and interest | 5 | 936 | - | 936 | 949 |
| Rental income | | 31,547 | - | 31,547 | 33,800 |
| Other income | 6 | 18,795 | - | 18,795 | 24,652 |
| Internal organisations | 10 | - | 11,661 | 11,661 | 33,249 |
| Total income | | 254,549 | 11,661 | 266,210 | 259,650 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| Stipends and staff costs: | | | | | |
| Ministry | 7 | 112,646 | - | 112,646 | 110,897 |
| Internal organisations | 10 | - | 6,396 | 6,396 | 6,305 |
| District assessment | | 39,984 | - | 39,984 | 34,337 |
| Telephone, travel and administration | 8 | 4,959 | - | 4,959 | 4,566 |
| Maintenance on manses | 9 | 65,201 | - | 65,201 | 20,901 |
| District advance fund | | 1,212 | - | 1,212 | 4,555 |
| Other expenditure | 11 | 31,308 | - | 31,308 | 42,585 |
| Internal organisations | 10 | - | 7,859 | 7,859 | 20,731 |
| Grants and donations | 12 | 250 | - | 250 | 35,540 |
| Total expenditure | | 255,560 | 14,255 | 269,815 | 280,417 |
| Net movement in funds | | (1,011) | (2,594) | (3,605) | (20,767) |
| Funds balances at 1 September 2019 | | 1,127,873 | 8,129 | 1,136,002 | 1,156,769 |
| Funds balances at 31 August 2020 | | 1,126,862 | 5,535 | 1,132,397 | 1,136,002 |

All activities are classified as continuing.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Statement of Financial Activities for the year ended 31 August 2020

Comparative year information

Year ended 31 August 2019

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2019 Total £ |
|---|-------|----------------------------|--------------------------|--------------------|
| Income and Endowments from: | | | | |
| Circuit assessment | 3 | 167,000 | - | 167,000 |
| Investment income and interest | 5 | 949 | - | 949 |
| Rental income | | 33,800 | - | 33,800 |
| Other income | 6 | 24,652 | - | 24,652 |
| Internal organisations | | - | 33,249 | 33,249 |
| Total income | | 226,401 | 33,249 | 259,650 |
| Expenditure on: | | | | |
| Charitable activities: | | | | |
| Stipends and staff costs: | | | | |
| Ministry | 7 | 110,897 | - | 110,897 |
| Internal organisations | | - | 6,305 | 6,305 |
| District assessment | | 34,337 | - | 34,337 |
| Telephone, travel and administration | 8 | 4,566 | - | 4,566 |
| Maintenance on manses | 9 | 20,901 | - | 20,901 |
| District advance fund | | 4,555 | - | 4,555 |
| Other expenditure | 10 | 42,585 | - | 42,585 |
| Internal organisations | | - | 20,731 | 20,731 |
| Grants and donations | | 35,540 | - | 35,540 |
| Total expenditure | | 253,381 | 27,036 | 280,417 |
| Net movement in funds | | (26,980) | 6,213 | (20,767) |
| Funds balances at 1 September 2018 | | 1,154,853 | 1,916 | 1,156,769 |
| Funds balances at 31 August 2019 | | 1,127,873 | 8,129 | 1,136,002 |

All activities are classified as continuing.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Balance Sheet as at 31 August 2020

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2019 Total £ | 2018 Total £ |
|-------------------------------------|-------|----------------------------|--------------------------|--------------------|--------------------|
| Fixed Assets | | | | | |
| Tangible assets | 13 | 963,477 | - | 963,477 | 963,477 |
| | | 963,477 | - | 963,477 | 963,477 |
| Current Assets | | | | | |
| Debtors | 14 | 8,850 | - | 8,850 | 42,733 |
| T.M.C.P. Interest funds | | 48,483 | - | 48,483 | 74,908 |
| Central Finance Board Deposits | | 78,386 | - | 78,386 | 38,286 |
| Cash at bank and in hand | | 62,040 | - | 62,040 | 14,943 |
| Fund held by internal Organisations | | - | 5,535 | 5,535 | 8,129 |
| | | 197,759 | 5,535 | 203,294 | 178,999 |
| Creditors | | | | | |
| Amounts falling due within one year | 15 | (34,374) | - | (34,374) | (6,474) |
| Net Current Assets | | 163,385 | 5,535 | 168,920 | 172,525 |
| Net Assets | | 1,126,862 | 5,535 | 1,132,397 | 1,136,002 |
| Accumulated funds | | | | | |
| Unrestricted funds | | 1,126,862 | - | 1,126,862 | 1,127,873 |
| Restricted funds | | - | 5,535 | 5,535 | 8,129 |
| Total Funds | | 1,126,862 | 5,535 | 1,132,397 | 1,136,002 |

The accounts were approved by the Trustees on 25/5/2021

and signed on their behalf by:



.....
Revd Andrew Letby
 Chair of Circuit



.....
Susan Millman
 Circuit Steward

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2020

1. Accounting policies

a) Circuit information

The Methodist Church in Hackney and Stoke Newington is an unincorporated Charity in England and Wales. The main address is given on page 3 of these accounts. The nature of the Circuit's operations and principal activities are set out in the Trustees' Report.

b) Accounting convention

The accounts have been prepared in accordance with 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). The Circuit is a Public Benefit Entity as defined by FRS 102.

The Circuit 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 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 of the Circuit. Monetary amounts in these accounts are rounded to the nearest pound.

The accounts of the Methodist Church in Hackney and Stoke Newington have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

c) Going concern

At the year end, the Circuit had unrestricted general reserves of £163,385 and it will continue to receive income from the churches in the Circuit and from property rentals during 2021. If required, it can also seek financial support from other Methodist Church entities. The Trustees acknowledge the adverse effect that the Covid pandemic has had on not only the services it offers to its worshippers but also on its finances but most of the challenges have been overcome. Thus, at the time of approving these accounts, the Trustees have a reasonable expectation that the Circuit will have sufficient financial resources to continue in operational existence for the foreseeable future.

d) Funds

Unrestricted funds

Unrestricted funds are held for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors and grantors. The aim and use of the major restricted funds are set out in the notes to the accounts.

e) Income recognition

Church assessment

The Church assessment is accounted for on a receivable basis.

Benevolence

Benevolence funds have been historically contributed by the six Churches from their general funds and are accounted for on a receipts basis in accordance with Standing Order 527 of the Constitution of the Methodist Church.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

Grants and donations received

Grants from third parties are included when the relevant conditions for the grant have been met.

Voluntary income comprises donations and contributions and is accounted for when entitlement has been confirmed, the amount can be measured and receipt is probable.

Rental income

Rental income from investment properties is accounted for on a receivable basis.

Other income

Other income is accounted for on a receivable basis.

Lunch Club

Lunch Club is the project of Hackney and Stoke Newington Methodist Church Circuit. The income is either derived from voluntary income, grants or by way of charitable activities.

Investment income and interest

Interest on deposits and investments is accounted on a receivable basis.

f) Expenditure recognition

Expenses

All expenditure is accounted for on an accruals basis. Any ensuing liabilities are recognised as soon as a legal or constructive obligation arises.

District assessment

District assessment is accounted for on an accruals basis.

g) Tangible fixed assets

Properties are stated at cost or in the case of donated assets at valuation at the date that the assets are gifted to the Circuit. The Trustees consider that the lives of the properties are so long and their residual values so high based on prices prevailing at the time of acquisition that the annual depreciation charge and accumulated depreciation is not material. Accordingly, no depreciation is provided on freehold properties used for charitable activities. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Statement of Financial Activities.

Assets having an initial cost of £1,000 or less are written off on acquisition. Fixtures and fittings, office and computer equipment having an initial cost greater than £1,000 are stated at cost less depreciation. Depreciation rates calculated to write off the cost less estimated residual value of each asset over its expected useful life are as follows:

- Fixtures, fittings and equipment: 10% - 20% on a straight line basis

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 the Statement of Financial Activities for the year.

h) 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.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

i) Financial instruments

The Circuit 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 Circuit's balance sheet when the Circuit becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the accounts, 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 other 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 other payables 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.

j) 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 Circuit is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

k) Retirement benefits

Stipendiary Circuit Ministers are eligible to join the Methodist Ministers' Pension Scheme (MMPS). The MMPS is a funded defined benefit scheme maintained by The Methodist Church of Great Britain. As the Circuit is unable to identify its share of the underlying assets and liabilities of the scheme, the Circuit has taken the advantage of the exemption in Financial Reporting Standard 102, Retirement Benefits, and has accounted its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contribution payable by the Circuit in the year. The contribution rates are set each year by the Methodist Conference.

Access to a stakeholder pension scheme is provided to all eligible lay employees and the Circuit contributes an amount equal to 6% of the employee's gross salary into this scheme. Three employees are contributing to the scheme.

2. Critical accounting estimates and judgements

In the application of the Circuit's accounting policies, the Trustees 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.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON**Notes to the accounts for the year ended 31 August 2020 (continued)****3. Circuit assessment**

| | 2020 | 2019 |
|---|----------------|-------------|
| | £ | £ |
| Clapton Methodist Church | 31,000 | 31,000 |
| Clapton Park Methodist Church | 28,000 | 28,000 |
| Dalston Methodist Church | 26,000 | 26,000 |
| Green Lane / Stoke Newington Methodist Church | 57,000 | 57,000 |
| Mare Street Methodist Church | 25,000 | 25,000 |
| | 167,000 | 167,000 |

4. Grants and donations received

| | 2020 | 2019 |
|---------------------------|---------------|-------------|
| | £ | £ |
| London District | 4,929 | - |
| TMCP 16035 | 14,000 | - |
| MCTH | 5,000 | - |
| HMRC Job Retention Scheme | 11,640 | - |
| Others | 702 | - |
| | 36,271 | - |

5. Investment income and interest

| | 2020 | 2019 |
|------------------------|-------------|-------------|
| | £ | £ |
| Interest from CFB Bank | 338 | 294 |
| Interest from Trust | 598 | 655 |
| | 936 | 949 |

6. Other Income

| | 2020 | 2019 |
|-----------------|---------------|-------------|
| | £ | £ |
| Management fees | 16,241 | 23,757 |
| Other income | 2,554 | 895 |
| | 18,795 | 24,652 |

7. Stipends and staff costs

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|-------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| <u>Ministry</u> | | | | |
| Stipends | 67,968 | - | 67,968 | 50,363 |
| Salaries | 41,332 | - | 41,332 | 40,325 |
| Employer's National Insurance | 1,101 | - | 1,101 | 4,690 |
| Pension costs | 2,245 | - | 2,245 | 15,519 |
| | 112,646 | - | 112,646 | 110,897 |

The average monthly number of staff employed during the year was 4 (2019: 4).

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

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON**Notes to the accounts for the year ended 31 August 2020 (continued)****7a. Trustees' emoluments**

One or more Trustees have been paid remuneration or have received other benefits from their employment with the Circuit. Trustees only receive remuneration in respect of services they provide undertaking their employment roles under their contracts of employment and not in respect of their services as Trustees.

| | 2020 | 2019 |
|---------------------|---------------|---------------|
| | £ | £ |
| Joan Van Anderson | 4,766 | 4,893 |
| Revd Catherine Bird | - | 29,797 |
| Rev Andrew Letby | 36,668 | 2,835 |
| Revd Hazel Forecast | 31,142 | 30,764 |
| | 72,576 | 68,289 |

7b. Key Management Personnel

The key management personnel of the Circuit comprise of the Trustees and the senior management team as listed on page 3. The total amount of the employee benefits (including employer pension contributions received by the key management personnel for their services to the Circuit was £72,576 (2019: £67,989).

7c. Pension costs

The total pension cost for the Circuit for the year ended 31 August 2020 was £2,245 (2019: £2,486). There were no outstanding or prepaid pension contributions at 31 August 2020.

| 8. Telephone, travel and administration | Unrestricted | Restricted | 2020 | 2019 |
|--|---------------------|-------------------|--------------|--------------|
| | Funds | Funds | Total | Total |
| | £ | £ | £ | £ |
| Travel | 178 | - | 178 | 55 |
| Printing | 611 | - | 611 | 732 |
| Stationery and postage | 530 | - | 530 | 936 |
| Telephone, internet and website | 3,475 | - | 3,475 | 2,636 |
| Bank charges | 15 | - | 15 | - |
| Investment management fees | 150 | - | 150 | 207 |
| | 4,959 | - | 4,959 | 4,566 |

9. Maintenance on manses

| | Unrestricted | Restricted | 2020 | 2019 |
|---|---------------------|-------------------|---------------|---------------|
| | Funds | Funds | Total | Total |
| | £ | £ | £ | £ |
| Building repairs and maintenance | 57,961 | - | 57,961 | 14,428 |
| Fire and security systems | 1,663 | - | 1,663 | 270 |
| Manse Council tax | 2,918 | - | 2,918 | 2,778 |
| Insurance | 2,520 | - | 2,520 | 2,454 |
| Utilities, telephone and other services | 139 | - | 139 | 971 |
| | 65,201 | - | 65,201 | 20,901 |

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON**Notes to the accounts for the year ended 31 August 2020 (continued)****10. Internal organisations**

The Hackney and Stoke Newington has a lunch club project and the income and expenditure was as follows:

| | Total Restricted Funds £ |
|---|---|
| Income and Endowments from: | |
| Grants received * | 8,013 |
| Activities for generating funds | 263 |
| Charitable activities | 3,385 |
| Total Income | 11,661 |
| Expenditure | |
| Charitable activities | 4,700 |
| Staff costs | 6,396 |
| Support costs | 3,159 |
| Total expenditure | 14,255 |
| Net movement in funds | (2,594) |
| Funds balances at 1 September 2019 | 8,129 |
| Funds balances at 31 August 2020 | 5,535 |

Notable grants were received during the year from the following organisations:

*London Borough of Hackney Fund (£5,881) and HMRC Job Rentention Scheme (£2,132) provided funding for the lunch club **Project**.

11. Other expenditure

| | Unrestricted Funds £ | Restricted Funds £ | 2020 Total £ | 2019 Total £ |
|--------------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Youth expenses | 121 | - | 121 | 349 |
| Tower Hamlets Methodist Circuit fees | 9,900 | - | 9,900 | 9,900 |
| Dalston | 3,810 | - | 3,810 | - |
| Training, conference and workshops | 396 | - | 396 | 4,649 |
| Ministry costs | 7,227 | - | 7,227 | 6,759 |
| Relocation expenses | - | - | - | 4,518 |
| Profession fees | 825 | - | 825 | 5,335 |
| Independent examiner's fees | 3,120 | - | 3,120 | 3,120 |
| Letting agent fees | 4,056 | - | 4,056 | 4,056 |
| Subscription | 1,567 | - | 1,567 | 1,556 |
| Tenant Compensation | - | - | - | 1,300 |
| Apprenticeship Levy | 286 | - | 286 | 254 |
| Other expenses | - | - | - | 789 |
| | 31,308 | - | 31,308 | 42,585 |

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2020 (continued)

12. Grants and donations

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|----------------------------------|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Chatsworth Road Methodist Church | - | - | - | 7,000 |
| Dalton Methodist Church | - | - | - | 8,500 |
| Stoke Newington Methodist Church | - | - | - | 20,000 |
| Others | 250 | - | 250 | - |
| Action for children | - | - | - | 40 |
| | 250 | - | 250 | 35,540 |

13. Tangible assets

| | Freehold Land & Buildings |
|--------------------------|---------------------------------|
| Cost or valuation | |
| At 1 September 2019 and | |
| At 31 August 2020 | 963,477 |

The carrying value of freehold land and building comprises of:

| | 2020 £ | 2019 £ |
|--------|----------------|----------------|
| Manses | 963,477 | 963,477 |
| | 963,477 | 963,477 |

14. Debtors

| | 2020 £ | 2019 £ |
|---------------|--------------|-----------|
| Other debtors | 8,850 | 42,733 |

15. Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|-----------------|---------------|--------------|
| Other Creditors | 28,821 | 1,482 |
| Accruals | 5,553 | 4,993 |
| | 34,374 | 6,475 |

16. Analysis of net assets between funds

| | Unrestricted Funds | Restricted Funds | 2020 Total |
|---|-----------------------|---------------------|------------------|
| | £ | £ | £ |
| Fund balances at 31 August 2020 are represented by: | | | |
| Tangible fixed assets | 963,477 | - | 963,477 |
| Net current assets | 163,385 | 5,535 | 168,920 |
| | 1,126,862 | 5,535 | 1,132,397 |

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2020 (continued)

17. Related party transactions

The Circuit is part of The London District and is also accountable to the Methodist Conference, the ultimate controlling body. Related parties also include Ministers, other Circuit and Churches, Central Finance Board of the Methodist Church and The Trustees for Methodist Church Purposes ("TMCP").

Details of the transactions occurring during the year were as follows:

Methodist church in Tower Hamlets (MCTH)

During the year, the Circuit paid management and administration fees of £9,900 (2019: £9,900) to MCTH for services provided by MCTH Circuit's Chief Executive Officer and other members of staff.

During the year, MCTH advanced a loan of £18,000 to the Circuit and this amount was outstanding at 31 August 2020. Capital is repayable in eight equal instalments of £2,250 and interest, calculated based on HMRC's official rate of interest, will be paid when the capital is fully repaid.

**THE METHODIST CHURCH - HACKNEY AND STOKE NEWINGTON CIRCUIT
DALSTON METHODIST CHURCH
13 RICHMOND ROAD
LONDON E8 3HY**

Stephen Simou
Citroen Wells
Chartered Accountants
Devonshire House
1 Devonshire Street
London
W1W 5DR

25/5/2021

Dear Sirs,

RE: FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your report on the financial statements for the year ended 31 August 2021. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

GENERAL

1. We acknowledge that the work performed by you is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK) and that you do not express an audit opinion.
2. We confirm that the Charity was entitled to exemption under section 144(2) of the Charities Act 2011 from the requirement to have its financial statements for the financial year ended 31 August 2021 audited.
3. We have fulfilled our responsibilities as Trustees under the Charities Act 2011, as set out in the terms of your engagement letter, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view and for making accurate representations to you.
4. All the transactions undertaken by the Charity have been properly reflected and recorded in the accounting records, including those related to the Covid-19 pandemic.
5. All the accounting records and related financial information, including minutes of all management and Trustees' meetings, and correspondence with the Charity Commission, have been made available to you for the purpose of your work. We have provided you with unrestricted access to all appropriate persons within the Charity.
6. The financial statements are free of material misstatements, including omissions.

ASSETS AND LIABILITIES

7. The Charity has satisfactory title to all assets and there are no liens or encumbrances on the Charity's assets, except for those that are disclosed in the notes to the financial statements.
8. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

9. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

ACCOUNTING ESTIMATES

10. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

LOANS AND ARRANGEMENTS

11. The Charity has not granted any advances or credits to, or made guarantees on behalf of, Trustees other than those disclosed in the financial statements.

LEGAL CLAIMS

12. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

13. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

RELATED PARTIES

14. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of charity law or accounting standards.

SUBSEQUENT EVENTS

15. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

16. We believe that the Charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Charity's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Charity's ability to continue need to be made in the financial statements.

Yours faithfully

Andrew Letby

.....
Revd Andrew Letby

Signed on behalf of the board of Trustees

Charity registration number: 1134389