

2021

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 2021

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

<u>TABLE OF CONTENTS</u>	Page
REFERENCE AND ADMINISTRATIVE DETAILS	3
TRUSTEES’ REPORT	4 – 7
STATEMENT OF TRUSTEES’ RESPONSIBILITIES	8
INDEPENDENT EXAMINER’S REPORT	9
STATEMENT OF FINANCIAL ACTIVITIES	10-11
BALANCE SHEET	12
NOTES TO THE ACCOUNTS	13- 20

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Reference and Administrative Details

Names and addresses

The address of the registered office for the Hackney and Stoke Newington 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
11 - 13 Richmond Road
London E8 3HY
Tel: 07736972202
Email: handsnmethodist@gmail.com
Web: www.hackneymethodist.org.uk

Custodian Trustees:

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

Senior Management Team:

Rev Andrew Letby
Rev Paulo Bessa Da Silva

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 1EJ

CAF Bank
25 Kings Hill Avenue,
ME 19 4JQ

Independent Examiner:

Stephen Simou FCA
Citroen Wells
Chartered Accountants & Statutory Auditors
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 2021

The Trustees present their report and the examined accounts of the Circuit for the year ended 31 August 2021. 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)" (effective from 1 January 2019).

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
11 - 13 Richmond Road
London E8 3HY

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Trustees' Report for the year ended 31 August 2021 (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 2020/21 are shown with an (*) and those who left during the year with two (**). Trustees who have joined during 2021/22 are denoted with three (***) and those who left during 2020/21 are denoted with four (****).

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

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.

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).

Internal Organisations

The Circuit includes two internal organisations: the Chatsworth Road Lunch Club project and Women in Britain group. The Chatsworth Road Lunch Club project has with its own management committee, chaired by Rev John Richey, under the umbrella of the Circuit Meeting. Women in Britain have no separate bank nor cash accounts. All income raised and spent in connection with this group is recorded by the Circuit and transacted through the Circuit bank account.

Staff

The Superintendent Minister and Chair of the Managing Trustees is Rev Andrew Letby. From September 2020 Rev Paulo Bessa da Silva was also stationed to the Circuit. In addition, the Circuit employs a supernumerary minister, Rev John Richey, for 2 days per week to assist with pastoral and preaching duties.

Together they have pastoral charge of the 5 Churches in the Circuit.

Theresa Sam (Church and Community Worker) left her post in August 2020.

Helen Cornick was employed as part-time (30 hours per week) Circuit Administrator and PA to the Superintendent from December 2020 in succession to Joan Van Anderson. The Circuit 'buys in' payroll and finance support from the Methodist Church in Tower Hamlets.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Trustees' Report for the year ended 31 August 2021 (continued)

Achievements and performance

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

A full programme of Christian education, social activity and mission outreach work continued throughout the year despite the constraints put upon in person activity during the pandemic.

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 2022.

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.

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 £12,000 towards the cost of the Circuit Administrator.

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 2021 was £1,125,821 which is a decrease of £6,576 from the previous year.

A minister stationed in another circuit resides in Hackney and Stoke Newington Manse. Deacon Belinda Letby is a minister in the West London Mission Circuit. The West London Mission Circuit make payments to Hackney and Stoke Newington Circuit as rent and as a contribution to Council Tax and the provision of telephone and broadband. The amount contributed this year was £6,986.

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.

Two payments were made to Trustees during the course of the year in respect of their assistance in developing Covid safe measures for all the churches. £500 was paid to each of Mrs Gloria Amarteifio and Mrs Catherine Hogan.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Trustees' Report for the year ended 31 August 2021 (continued)

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 six months.

The unrestricted funds, excluding Manses, of £158,251 are for the purpose of the Circuit.

Plans for the future

This has been another 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 with in person worship services and meetings beginning to restart from July 2021. Even as it becomes possible to resume regular worship, we have continued 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 21/6/2022 signed on their behalf by:

Rev Dr Paulo Bessa da Silva

Rev Paulo Bessa Da Silva
Minister

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Statement of Trustees' responsibilities for the year ended 31 August 2021

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 2021.

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 Act).

I report in respect of my examination of the Circuit's accounts carried out under section 145 of the 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 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 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 Circuit 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.



Stephen Simou FCA

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

Independent Examiner

Devonshire House
1 Devonshire Street
London, W1W 5DR

21/6/2022

Date:

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Statement of Financial Activities for the year ended 31 August 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Income and Endowments from:					
Circuit assessment	3	134,525	-	134,525	167,000
Grants and donations received	4	-	21,644	21,644	36,271
Investment income and interest	5	285	-	285	936
Rental income		33,800	-	33,800	31,547
Other income	6	25,878	446	26,324	18,795
Internal organisations	10	-	10,210	10,210	11,661
Total income		194,488	32,300	226,788	266,210
Expenditure on:					
Charitable activities:					
Stipends and staff costs:					
Ministry	7	96,047	21,644	117,691	112,646
Internal organisations	10	-	6,880	6,880	6,396
District assessment		43,824	-	43,824	39,984
Telephone, travel and administration	8	6,494	-	6,494	4,959
Maintenance on manses	9	24,914	-	24,914	65,201
District advance fund		708	-	708	1,212
Other expenditure	11	26,205	-	26,205	31,308
Internal organisations	10	-	5,890	5,890	7,859
Grants and donations	12	508	250	758	250
Total expenditure		198,700	34,664	233,364	269,815
Net expenditure before transfers		(4,212)	(2,364)	(6,576)	(3,605)
Transfers between funds		(922)	922	-	-
Net movement in funds		(5,134)	(1,442)	(6,576)	(3,605)
Funds balances at 1 September 2020		1,126,862	5,535	1,132,397	1,136,002
Funds balances at 31 August 2021		1,121,728	4,093	1,125,821	1,132,397

All activities are classified as continuing.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Statement of Financial Activities for the year ended 31 August 2021

Comparative year information

Year ended 31 August 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total £
Income and Endowments from:				
Circuit assessment	3	167,000	-	167,000
Grants and donations received	4	36,271	-	36,271
Investment income and interest	5	936	-	936
Rental income		31,547	-	31,547
Other income	6	18,795	-	18,795
Internal organisations	10	-	11,661	11,661
Total income		254,549	11,661	266,210
Expenditure on:				
Charitable activities:				
Stipends and staff costs:				
Ministry	7	112,646	-	112,646
Internal organisations	10	-	6,396	6,396
District assessment		39,984	-	39,984
Telephone, travel & administration	8	4,959	-	4,959
Maintenance on manses	9	65,201	-	65,201
District advance fund		1,212	-	1,212
Other expenditure	11	31,308	-	31,308
Internal organisations	10	-	7,859	7,859
Grants and donations	12	250	-	250
Total expenditure		255,560	14,255	269,815
Net movement in funds		(1,011)	(2,594)	(3,605)
Funds balances at 1 September 2019		1,127,873	8,129	1,136,002
Funds balances at 31 August 2020		1,126,862	5,535	1,132,397

All activities are classified as continuing.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Balance Sheet as at 31 August 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Fixed Assets					
Tangible assets	13	963,477	-	963,477	963,477
		<u>963,477</u>	<u>-</u>	<u>963,477</u>	<u>963,477</u>
Current Assets					
Debtors	14	8,723	-	8,723	8,850
T.M.C.P. Interest funds		28,334	-	28,334	48,483
Central Finance Board Deposits		113,937	-	113,937	78,386
Cash at bank and in hand		47,258	1,118	48,376	62,040
Fund held by internal Organisations		-	2,975	2,975	5,535
		<u>198,252</u>	<u>4,093</u>	<u>202,345</u>	<u>203,294</u>
Creditors					
Amounts falling due within one year	15	(40,001)	-	(40,001)	(34,374)
Net Current Assets		<u>158,251</u>	<u>4,093</u>	<u>162,344</u>	<u>168,920</u>
Net Assets		<u>1,121,728</u>	<u>4,093</u>	<u>1,125,821</u>	<u>1,132,397</u>
Accumulated funds					
Unrestricted funds		1,121,728	-	1,121,728	1,126,862
Restricted funds		-	4,093	4,093	5,535
Total Funds		<u>1,121,728</u>	<u>4,093</u>	<u>1,125,821</u>	<u>1,132,397</u>

The accounts were approved by the Trustees on 21/6/2022 and signed on their behalf by:

Rev Dr Paulo Bessa da Silva

.....
Rev Paulo Bessa Da Silva
Minister

Sue Millman

.....
Susan Millman
Circuit Steward

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2021

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 4 of these accounts.

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) (effective from 1 January 2019)'. 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.

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 time of approving the accounts, the Trustees have a reasonable expectation that the Circuit has adequate resources to continue in operational existence for the foreseeable

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 2021 (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 expenses are 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.

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 2021 (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.

Two 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 2021 (continued)****3 . Circuit assessment**

	2021	2020
	£	£
Clapton Methodist Church	24,800	31,000
Clapton Park Methodist Church	20,800	28,000
Dalston Methodist Church	20,800	26,000
Green Lane / Stoke Newington Methodist Church	45,175	57,000
Mare Street Methodist Church	22,950	25,000
	134,525	167,000

4 . Grants and donation received

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
London District Methodist Church	-	18000	18,000	18,929
Tower Hamlets Methodist Church	-	-	-	5,000
HMRC Job Retention Scheme	-	-	-	11,640
Hackney Giving	-	3,644	3,644	-
Others	-	-	-	702
	-	21,644	21,644	36,271

5 . Investment income and interest

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Interest from CFB Bank	125	-	125	338
Interest from Trust	160	-	160	598
	285	-	285	936

6 . Other Income

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Management fees	16,796	-	16,796	16,241
Women in Britain(Network)	-	446	446	-
West London Mission	6,986	-	6,986	-
Other income	2,096	-	2,096	2,554
	25,878	446	26,324	18,795

7 . Stipends and staff costs

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
<u>Ministry</u>				
Stipends	71,871	-	71,871	67,968
Salaries	41,603	-	41,603	41,332
Employer's National Insurance	2,323	-	2,323	1,101
Pension costs	1,894	-	1,894	2,245
	117,691	-	117,691	112,646

The average monthly number of staff employed during the year was 4 (2020: 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 2021 (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.

	2021 £	2020 £
Joan Van Anderson	1,592	4,766
Rev Andrew Letby	37,832	36,668
Revd Hazel Forecast	-	31,142
Revd Paulo Bessa Da Silva	34,039	-
	73,463	72,576

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 £76,972 (2020: £72,576).

7c. Pension costs

The total pension cost for the Circuit for the year ended 31 August 2021 was £1,894 (2020: £2,245). There were no outstanding or prepaid pension contributions at 31 August 2021.

8. Telephone, travel and administration	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Travel	102	-	102	178
Printing	805	-	805	611
Stationery and postage	1,292	-	1,292	530
Telephone ,internet and website	4,094	-	4,094	3,475
Bank charges	104	-	104	15
Investment management fees	97	-	97	150
	6,494	-	6,494	4,959

9. Maintenance on manses

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Building repairs and maintenance	17,923	-	17,923	57,961
Fire and security systems	270	-	270	1,663
Manse Council tax	3,117	-	3,117	2,918
Insurance	2,722	-	2,722	2,520
Utilities, telephone and other services	882	-	882	139
Cleaning costs	-	-	-	-
	24,914	-	24,914	65,201

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON**Notes to the accounts for the year ended 31 August 2021 (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 *	7,841
Activities for generating funds	230
Charitable activities	<u>2,139</u>
Total Income	10,210
Expenditure	
Charitable activities	5,354
Staff costs	6,880
Support costs	<u>536</u>
Total expenditure	12,770
Net movement in funds	(2,560)
Funds balances at 1 September 2020	<u>5,535</u>
Funds balances at 31 August 2021	<u>2,975</u>

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

* London Borough of Hackney Fund (£7,841) provided funding for the lunch club Project.

11. Other expenditure

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Youth expenses	-	-	-	121
Tower Hamlets Methodist Circuit fees	4,364	-	4,364	9,900
Dalston Project	-	-	-	3,810
Training, conference and workshops	580	-	580	396
Ministry costs	5,061	-	5,061	7,227
Relocation expenses	617	-	617	-
Profession fees	1,630	-	1,630	825
Independent examiner's fees	3,300	-	3,300	3,120
Church independent examination fees	500	-	500	-
Letting agent fees	4,056	-	4,056	4,056
Subscription	1,452	-	1,452	1,567
Apprenticeship Levy	281	-	281	286
Other expenses	4,364	-	4,364	-
	<u>26,205</u>	<u>-</u>	<u>26,205</u>	<u>31,308</u>

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2021 (continued)

12. Grants and donations

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
All We Can	-	250	250	-
Dalston Methodist Church	50	-	50	-
Methodist World Church Fund	50	-	50	-
Others	408	-	408	250
	508	250	758	250

13. Tangible assets

	Freehold Land & Buildings
Cost or valuation	
At 1 September 2020 and	
At 31 August 2021	963,477

The carrying value of freehold land and building comprises of:

	2021 £	2020 £
Manses	963,477	963,477
	963,477	963,477

14. Debtors

	2021 £	2020 £
Other debtors	8,723	8,850

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Other Creditors	36,173	28,821
Accruals	3,828	5,553
	40,001	34,374

16. Restricted funds

	Balance as at 01.09.20	Incoming	Outgoing	Transfers between funds	Balance as at 31.08.21
	£	£	£	£	£
Funds					
i. Grants	-	21,644	(21,644)	-	-
ii. Women in Britain(Network	-	446	(250)	922	1,118
iii. Lunch Club	5,535	10,210	(12,770)	-	2,975
	5,535	32,300	(34,664)	922	4,093

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON**Notes to the accounts for the year ended 31 August 2021 (continued)****17. Analysis of net assets between funds**

	Unrestricted Funds	Restricted Funds	2021 Total
	£	£	£
Fund balances at 31 August 2021 are represented by:			
Tangible fixed assets	963,477	-	963,477
Net current assets	<u>158,251</u>	<u>4,093</u>	<u>162,344</u>
	<u>1,121,728</u>	<u>4,093</u>	<u>1,125,821</u>

18. 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 £4,364 (2020: £9,900) to MCTH for services provided by MCTH Circuit's Chief Executive Officer and other members of staff.

Last year, the MCTH advanced a loan of £18,000 to the circuit and £9,000 was still outstanding at 31 August 2021. Capital is repayable in eight equal instalments of £2,250 and interest, calculated based on the rate the Circuit would have received on its investment, will be paid when the capital is fully repaid.