

2022

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 2022

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

<u>TABLE OF CONTENTS</u>	Page
REFERENCE AND ADMINISTRATIVE DETAILS	3
TRUSTEES' REPORT	4-8
STATEMENT OF TRUSTEES' RESPONSIBILITIES	9
INDEPENDENT AUDITORS' REPORT	10-12
STATEMENT OF FINANCIAL ACTIVITIES	13-14
BALANCE SHEET	15
NOTES TO THE ACCOUNTS	16-24

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: 07736 972202
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:

CAF Bank
25 Kings Hill Avenue
ME19 4JQ

HSBC PLC (for Lunch Club)
283 Mare Street
Hackney
London
E8 1PT

Independent Auditor:

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 2022

The Trustees present their report and the examined accounts of the Circuit for the year ended 31 August 2022. 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 the 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; (d) 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 London District of the Methodist Church, 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 2022 (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 21/22 are shown with an asterix (*) and those who left during the year with (**). Trustees who have joined during 2022/23 are denoted with three asterisks (***).

Rev Andrew Letby	Eric Frempong**
Rev Paulo Bessa Da Silva	Aminata Gborie***
Rev John Richey**	Tamba Gborie***
Rev John Pamhare Sakutombo	Mackenzie Greer
Rev Jongikaya Zihle*	Rolan Hagan**
Esther Adekunle	Catherine Hogan
Afua Adofo***	Rudolph Homer
Alexander Amarteifio	Allins Horne**
Gloria Amarteifio	Anthony Jumpah**
Amanda Ansah***	Vida Koranteng***
Lucinda Ansah	Rachael Icilda Lynch
Kwaku Anyemedu	Vera Mawu**
Eric Ayoola***	Faginetta Beatrice McLean**
Mandy Baafi	Susan Millman
Janette Baxter***	Charlotte Morgan
Valentine Baxter	Tettey Kojo Nartey**
Vanessa Baxter**	Jacob Ogunleye**
Joyce Borley	Vicky Ryan**
Mary Campbell	Mathilda Small-Byam
Thomas Daley	Ernell Watson
Rita Dapaah***	Alexandra Weekes-Aggrey***
Kobby Darko***	Eunice Whyte
Rita Donyina-Ameyaw***	Merlin Williams**
Clord Dyer	Cora Woolcock
Laura Dyer	

Method to recruit new Trustees

The members of the Circuit Meeting are the trustees of the Hackney and Stoke Newington Methodist Circuit. The constitution for the Circuit Meeting was agreed at the Circuit Meeting on 15th March 2022. Most of the members of Circuit Meeting are trustees due to the role they play within the church or circuit (for which they are nominated or volunteer). Further, each Church Council nominates church representatives to the Circuit Meeting at their Annual Church 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 the wider community.

Activities

Christian faith-based activities in accordance with the Methodist doctrine. Regular worship takes place in 6 church buildings, as well as on Zoom. The Listening Place offers a safe, warm space at Stoke Newington Churches. A Lunch Club operates from Clapton Park primarily for elderly people from the Caribbean. The charity supports a Youth Club and Food bank at Clapton Park.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Trustees' Report for the year ended 31 August 2022 (continued)

Organisational structure

The Circuit includes responsibility for the Methodist Churches at Dalston, Clapton (Clapton Methodist Church operates from 2 sites on Downs Road and Chatsworth Road, Clapton Park), Mare Street and Stoke Newington (Stoke Newington Methodist Church operates from 2 sites on Green Lanes and Stoke Newington High Street). In September 2021, the members of Clapton Park Methodist Church became a class of Clapton Methodist Church. The Circuit has responsibility for the finance and property of Clapton Park Methodist Church.

Internal Organisations

The Circuit includes two internal organisations: the Chatsworth Road Lunch Club project and a Methodist Women in Britain group. The Chatsworth Road Lunch Club project has its own management committee, chaired by Rev John Richey, under the umbrella of the Circuit Meeting. The Chatsworth Road Lunch Club has its own HSBC account. Methodist 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.

In addition, the property and finance of Clapton Park Methodist Church has become the responsibility of the Circuit since 1st September 2021.

Staff

The Superintendent Minister and Chair of the Managing Trustees is Rev Andrew Letby. Rev Paulo Bessa da Silva is 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. He finished working in the circuit in August 2022. Together they have pastoral charge of the 4 Churches in the Circuit.

Helen Cornick is employed as a part-time (30 hours per week) Circuit Administrator and PA to the Superintendent. The Circuit 'buys in' payroll and finance support from the Methodist Church in Tower Hamlets.

Achievements and performance

There are 6 active and 2 inactive Local Preachers in the Circuit. Circuit Stewards were 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 with some activities continuing online.

Property

Dalston Church and Chatsworth Road, Clapton Park rent out many rooms using the standard Methodist License. The Richmond Road Manse is let out on a managed tenancy through Courtney's Estate Agents until 6th December 2022. Chatsworth Road, Clapton Park also have tenants in a flat.

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.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Trustees' Report for the year ended 31 August 2022 (continued)

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 assessment contributions from churches. This was supplemented by rent received from the Circuit property in Richmond Road (a manse), and rental money from Chatsworth Road, Clapton Park. and a grant of £12,000 towards the cost of the Circuit Administrator received in July 2021.

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

The value of the Circuit funds (including land and buildings) as at 31 August 2022 was £4,869,309 which is an increase of £3,743,488 from previous year. This increase includes the value of the Clapton Park Methodist Church of £3,692,898 that was transferred to the Circuit in the 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 the Circuit for rent and in respect of Council Tax, telephone and broadband. The amount received in the year was £24,533.

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 Mrs Eunice Whyte (total £40) in respect of stewarding duties, and Rev John Richey received a salary based on the Methodist minister's stipend of £8,600.

Risk Management

The Circuit has reviewed its risk policies and is preparing 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.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Trustees' Report for the year ended 31 August 2022 (continued)

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 £207,488 are held for the purpose of the Circuit.

Plans for the future

A regular pattern of in-person worship has now been re-established, though a weekly service is also broadcast via Zoom. Congregations are smaller than before the pandemic, reflecting the experience of many churches across the country. The Circuit link with Hackney Citizens continues to develop, the work of the Listening Place in Stoke Newington is flourishing and ecumenical links are being rekindled.

As we look ahead, changes in staffing both lay and ordained are envisaged. Notably the superintendent minister will leave the Circuit in the summer of 2023. A direct replacement is unlikely, so planning has begun in order to ensure that the Circuit continues to function well.

Disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Citroen Wells, are willing to continue in office, and will be re-appointed at the Trustees' Meeting.

27/6/2023

Approved by the Trustees on..... and signed on their behalf by:



Rev Andrew Letby
Superintendent Minister

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Statement of Trustees' responsibilities for the year ended 31 August 2022

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 Auditor's Report to the Trustees of The Methodist Church in Hackney and Stoke Newington

Opinion

We have audited the accounts of The Methodist Church in Hackney and Stoke Newington (the 'Circuit') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the accounts, 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 accounts:

- give a true and fair view of the state of the Circuit'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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Circuit in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 Circuit'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 Trustees 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 annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 this gives rise to a material misstatement in the accounts themselves. 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.

Independent Auditor's Report to the Trustees of The Methodist Church in Hackney and Stoke Newington (continued)

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 2008 require us to report to you if, in our opinion:

- the information given in the accounts is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the accounts 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 statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the Circuit'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Circuit and determined that the most significant are those that relate to the reporting framework being the 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 (FRS102), the charity's governing document, and the Charities Act 2011 and the relevant legislation in the United Kingdom including employment, environmental and health and safety regulations.
- We understood how the Circuit is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including board meeting minutes and correspondence with regulatory bodies.

Independent Auditor's Report to the Trustees of The Methodist Church in Hackney and Stoke Newington (continued)

- We assessed the susceptibility of the Circuit's accounts to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We tested completeness of income through substantive tests performed, analytical review procedures and cut off tests on the revenue recognised.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of Trustees' meeting minutes.
- The Circuit is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Circuit's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Circuit's Trustees those matters we are required to state to them in an auditor's 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 Circuit and the Circuit's Trustees as a body, for our audit work, for this report, or for the opinions, we have formed.

Citroen Wells

**Citroen Wells
Chartered Accountants &
Statutory Auditor**

29/6/2023

.....

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells is eligible for appointment as auditor of the Circuit by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Statement of Financial Activities for the year ended 31 August 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income and Endowments from:					
Circuit assessment	3	128,594	-	128,594	134,525
Legacies		4,000	-	4,000	-
Grants and donations received	4	1,474	14,502	15,976	21,644
Investment income and interest	5	697	-	697	285
Rental income		54,208	-	54,208	33,800
Capital Receipt		3,692,898	-	3,692,898	-
Other income	6	78,519	62	78,581	26,324
Internal organisations	10	-	20,967	20,967	10,210
Total income		3,960,390	35,531	3,995,921	226,788
Expenditure on:					
Charitable activities:					
Stipends and staff costs:					
Ministry	7	114,933	12,000	126,933	117,691
Internal organisations	10	-	6,924	6,924	6,880
District assessment		43,824	-	43,824	43,824
Telephone, travel and administration	8	5,281	500	5,781	6,494
Maintenance on manses	9	10,458	-	10,458	24,914
District advance fund		1,168	-	1,168	708
Other expenditure	11	41,481	449	41,930	26,205
Internal organisations	10	-	14,305	14,305	5,890
Grants and donations	12	1,110	-	1,110	758
Total expenditure		218,255	34,178	252,433	233,364
Net movement in funds		3,742,135	1,353	3,743,488	(6,576)
Funds balances at 1 September 2021		1,121,728	4,093	1,125,821	1,132,397
Funds balances at 31 August 2022		4,863,863	5,446	4,869,309	1,125,821

All activities are classified as continuing.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Statement of Financial Activities for the year ended 31 August 2022

Comparative year information

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

All activities are classified as continuing.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Balance Sheet as at 31 August 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Fixed Assets					
Tangible assets	14	4,656,375	-	4,656,375	963,477
		4,656,375	-	4,656,375	963,477
Current Assets					
Debtors	16	2,906	-	2,906	8,723
T.M.C.P. Interest funds		46,738	-	46,738	28,334
Central Finance Board Deposits		124,259	-	124,259	113,937
Cash at bank and in hand		56,640	2,733	59,373	48,376
Fund held by internal Organisations		-	2,713	2,713	2,975
		230,543	5,446	235,989	202,345
Creditors					
Amounts falling due within one year	17	(23,055)	-	(23,055)	(40,001)
Net Current Assets		207,488	5,446	212,934	162,344
Net Assets		4,863,863	5,446	4,869,309	1,125,821
Accumulated funds					
Unrestricted funds		4,863,863	-	4,863,863	1,121,728
Restricted funds		-	5,446	5,446	4,093
Total Funds		4,863,863	5,446	4,869,309	1,125,821

The accounts were approved by the Trustees on 27/6/2023 and signed on their behalf by:

Andrew Letby

 Rev Andrew Letby
 Chair of Circuit

Sue Millman

 Susan Millman
 Circuit Steward

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2022

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 Circuit 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 Circuit.

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 four 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.

Notes to the accounts for the year ended 31 August 2022 (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 the Circuit. The income is either derived from voluntary 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

The 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 the 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
- Office equipment: 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.

Notes to the accounts for the year ended 31 August 2022 (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 2022 (continued)

3. Circuit assessment

	2022	2021
	£	£
Clapton Methodist Church	27,900	24,800
Clapton Park Methodist Church	4,844	20,800
Dalston Methodist Church	23,400	20,800
Green Lane/Stoke Newington Methodist Church	49,500	45,175
Mare Street Methodist Church	22,950	22,950
	128,594	134,525

4. Grants and donation received

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
London District Methodist Church	-	6,000	6,000	18,000
Hackney Giving	-	8,502	8,502	3,644
Others	1,474	-	1,474	-
	1,474	14,502	15,976	21,644

5. Investment income and interest

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Interest from CFB Bank	504	-	504	125
Interest from Trust	193	-	193	160
	697	-	697	285

6. Other income

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Management fees	24,991	-	24,991	16,796
Women in Britain(Network)	-	62	62	446
West London Mission Circuit	24,533	-	24,533	6,986
Clapton Park HSBC balance	5,746	-	5,746	-
Letting (hire)	20,275	-	20,275	-
Other income	2,974	-	2,974	2,096
	78,519	62	78,581	26,324

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2022 (continued)

7. Stipends and staff costs

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
<u>Ministry and staff</u>				
Stipends	48,766	6,000	54,766	53,192
Salaries staff	43,857	6,000	49,857	41,603
Employer's National Insurance	5,892	-	5,892	7,426
Pension costs	16,418	-	16,418	15,470
	<u>114,933</u>	<u>12,000</u>	<u>126,933</u>	<u>117,691</u>
<u>Internal organisations</u>				
Salaries	-	6,924	6,924	6,880

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

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

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.

	2022 £	2021 £
Joan Van Anderson	-	1,592
Rev Andrew Letby	35,650	37,832
Revd Paulo Bessa Da Silva	33,058	34,039
Rev John Richey	8,600	8,445
	<u>77,308</u>	<u>81,908</u>

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 £82,586 (2021: £95,455).

7c. Pension costs

The total pension cost for the Circuit for the year ended 31 August 2022 was £16,418 (2021: £15,470). There were no outstanding or prepaid pension contributions at 31 August 2022.

8. Telephone, travel and administration

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Travel	175	-	175	102
Printing	402	-	402	805
Stationery and postage	1,181	-	1,181	1,292
Telephone, internet and website	3,348	500	3,848	4,094
Bank charges	94	-	94	104
Investment management fees	81	-	81	97
	<u>5,281</u>	<u>500</u>	<u>5,781</u>	<u>6,494</u>

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2022 (continued)

9. Maintenance on manses

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Building repairs and maintenance	4,515	-	4,515	17,923
Fire and security systems	284	-	284	270
Manse Council tax	3,946	-	3,946	3,117
Insurance	2,775	-	2,775	2,722
Utilities, telephone and other services	(1,062)	-	(1,062)	882
	<u>10,458</u>	<u>-</u>	<u>10,458</u>	<u>24,914</u>

10. Internal organisations

The Circuit has a lunch club project and the income and expenditure was as follows:

	Total Restricted Funds £
Income and Endowments from:	
Grants received *	9,801
Donation Received	100
Activities for generating funds	1,443
Charitable activities	6,889
Other Income	2,734
Total Income	<u>20,967</u>
Expenditure	
Charitable activities	12,167
Staff costs	6,924
Support costs	2,138
Total expenditure	<u>21,229</u>
Net movement in funds	(262)
Funds balances at 1 September 2021	<u>2,975</u>
Funds balances at 31 August 2022	<u><u>2,713</u></u>

* From London Borough of Hackney Fund.

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2022 (continued)

11. Other expenditure

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Tower Hamlets Methodist Circuit fees	6,420	-	6,420	4,364
Cleaning and waste removal	8,505	-	8,505	-
Training, conference and workshops	675	-	675	580
Ministry costs	4,436	-	4,436	5,061
Relocation expenses	-	-	-	617
Professional fees	17,530	-	17,530	1,630
Independent examiner's fees	-	-	-	3,300
Church independent examination fees	-	-	-	500
Letting agent fees	-	-	-	4,056
Subscription	-	-	-	1,452
Apprenticeship Levy	274	-	274	281
Other expenses	3,641	449	4,090	4,364
	41,481	449	41,930	26,205

12. Grants and donations

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
All We Can	145	-	145	250
Dalston Methodist Church	-	-	-	50
Methodist World Church Fund	-	-	-	50
Others	965	-	965	408
	1,110	-	1,110	758

13. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Circuit's auditors for audit of the annual accounts	8,400	-

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2022 (continued)

14. Tangible assets

	Freehold Land & Buildings
Cost or valuation	
At 1 September 2021	963,477
Additions - donated assets	3,692,898
At 31 August 2022	4,656,375

The carrying value of freehold land and building comprises of:

	2022 £	2021 £
Manses	963,477	963,477
Church building	3,692,898	-
	4,656,375	963,477

During the year, the Clapton Park Methodist Church building was transferred to the Circuit and has been included at the Trustees' estimated value at the date of transfer.

15. Financial Instruments

	2022 £	2021 £
Carrying amount of financial assets	2,906	5,948
Debit instruments measured at amortised cost		
Carrying amount of financial liabilities		
Measured at amortised cost	23,055	40,001

16. Debtors

	2022 £	2021 £
Other debtors	2,906	8,723

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Other Creditors	13,487	36,173
Accruals	9,568	3,828
	23,055	40,001

THE METHODIST CHURCH IN HACKNEY AND STOKE NEWINGTON

Notes to the accounts for the year ended 31 August 2022 (continued)

18. Restricted funds

	Balance as at 01.09.21 £	Incoming £	Outgoing £	Balance as at 31.08.22 £
Funds				
i. Listening group fund	-	14,502	(12,949)	1,553
ii. Women in Britain (Network) fund	1,118	62	-	1,180
iii. Internal Organisations fund	2,975	20,967	(21,229)	2,713
	4,093	35,531	(34,178)	5,446

i. Listening group fund - The Listening Place is run twice a week at Stoke Newington Methodist Church and is part of the church's outreach work, encouraging involvement with the disadvantaged within the community.

ii. Women in Britain (Network) fund - This fund is a self financing and volunteer run within the Methodist Church in Britain.

iii. Internal Organisations fund - This fund is for the lunch club project operated within the Circuit.

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2022 Total £
Fund balances at 31 August 2022 are represented by:			
Tangible fixed assets	4,656,375	-	4,656,375
Net current assets	207,488	5,446	212,934
	4,863,863	5,446	4,869,309

20. 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 £6,420 (2021: £4,364) to MCTH for services provided by MCTH Circuit's Chief Executive Officer and other members of staff.

During the year, a loan owed from the Circuit to MCTH amounting to £9,000 was repaid in full.

West London Mission Circuit (WLMC)

The West London Mission Circuit makes payments to the Circuit as rent and as a contribution to Council Tax and the provision of telephone and broadband. The amount contributed this year was £24,533 (2021: £6,986).

Stoke Newington Methodist Church (SNMC)

During the year, the Circuit received management and administration fees of £24,991 (2021: £16,796) from SNMC for services provided by the Circuit's members of staff.