

NEWHAM METHODIST CIRCUIT

ANNUAL REPORT AND ACCOUNTS 2020

CHARITY REGISTRATION NUMBER – 1136259



www.newhammethodistcircuit.org.uk

FOR THE YEAR ENDING
31ST AUGUST 2020

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TRUSTEES ANNUAL REPORT 2020

Introduction

Newham Methodist Circuit is a part of the Methodist Church of Great Britain in the London District. There are seven churches and three ordained ministers offering pastoral care and services to their local communities. The Newham Methodist Circuit was registered, as a Charity on 8th June 2010. The Charity was constituted according to Standing Order 610 of the Constitutional Practice and Discipline of the Methodist church.

This is the nine (10) year of our registration as a charity.

Mission Statement of Newham Methodist Circuit

Mission Statement:

To know Christ and to make Him known in diverse communities with love, servitude, and acceptance.

Aim:

In the power of the Holy Spirit, to respond to the gospel of God's love in Christ amongst diverse communities, enabling and inspiring to work in partnership with others to fulfil 'Our Calling' as Methodists.

Furtherance of the Christian love, faith, and services in accordance with the doctrine of the Methodist Church and any charitable purpose connected with the Methodist church or church organisation. (see Methodist Church Act 1976)

Strategy:

To support, equip, challenge, and encourage local churches and individuals to realise their role in God's mission through worship, services, evangelism, discipleship, learning and caring.

Objectives:

To enable the churches to be the body of Christ in their communities.
To bring our diverse congregations together into one cohesive whole.
To develop and strengthen youth ministry, inspiring young families.
To discern, conquer and encourage in God's purpose for the circuit.
To encourage, promote and develop unique ways of being a church.
To provide training and other relevant resources to enable churches and individuals to meet their various needs in promoting the Christian faith.
To make, nurture and edify disciples in this modern age.
To underpin all we do with love, relevant worship, and bible reflection.

The main activities have been dispensed like CDE;

- a) **Collaboration** with the team of others lay and ordained, offering missional oversight, care, and kindness by being sensitive to the context. Endowing leadership, governance, and supervision.
- b) **Delegating**, trusting, and organising comprehensively and conducting regular weekly public worship. Worship to be held in the circuit churches and reaching out to the surrounding communities with love and care.
- c) **Encouraging**, empowering, and resourcing all churches to own and respond to local community needs with the use of Circuit church buildings, ministerial staff, volunteers, and other resources.

The Trustees are also responsible for the manses where the ministers who serve the Circuit live peacefully and feel at home.

The activities have been:

- a. Planning regular weekly public worship to be held in all Methodist churches in Newham. This includes the recruitment and training of volunteers as local preachers.
- b. The deployment of two ordained members of staff to undertake duties in the four churches in membership of the Circuit. Encouraging and resourcing churches to respond to local community needs and the use of their buildings, ministerial staff, volunteers, and other resources.
- c. The Trustees are also responsible for the provision and maintenance of the manses where the ministers who serve the Circuit live.
- d. The ministers of the Circuit engage with other agencies and the local authorities to provide chaplaincy and other services for those in various types of need such as the homeless.
- e. The Circuit has leased one of its buildings (Harold Road Centre, 170 Harold Road E13 0SE) to Applecart Arts, a local story telling charity, which engages local people in developing skills in theatre, filmmaking, and other art forms.
- f. The Circuit is a founding member of TELCO, the East London chapter of Citizens UK. We encourage our members to undertake the free training provided by Citizens UK and to engage in the campaigns, such as the Living Wage campaign, which started in East London in 1991. Through this membership we have strong links with other faiths and educational organisations which work together for the common good.

PUBLIC & COMMUNITY BENEFIT

Newham Methodist Circuit strongly believes that a church is a group of people called from the community, for the community. Therefore, all our worship is public and open to all, anyone can drop in with any background, from any community; we embrace all in Christ's love, care, and kindness. We offer baptism, marriage and funeral services to families who request. Our buildings offer important community spaces and can be rented by agencies who provide services to local groups and communities. Our staff liaise with the Local Authority and other public bodies in providing information and assistance as appropriate.

All Trustees have been mindful of the guidance provided by the Charity

Commission concerning public benefit as it affects charities for the advancement of religion.

REVIEW OF PROGRESS AND ACHIEVEMENTS

With the help of the ordained staff, 5 local preachers and 4 local preachers on trial, the communal worship was offered. Local preachers 'on trial' are making good progress in their training. Ecumenical work is progressing.

Sadly, in March 2020 Covid-19 infected and affected the Newham area along with the rest of the world. Communal worship shifted over to Zoom and YouTube to strengthen, comfort and encourage churches and communities that we are not alone in these tumultuous times. During lockdown, churches and communities were encouraged that His heaven is not closed down on us in these difficult and different times. In the last five decades we have seen extensive technological advancements, yet technology has done little to defy the problems of loneliness and emptiness. All church members were housebound, and all churches were provided weekly worship and work sheets and the member's mental wellbeing was seriously addressed. That was supported by making phone calls, post cards and by regular fervent prayers and communication.

Rev. Elizabeth was accommodated at 15 Latimer House and the loan of Tower Hamlet was fully reimbursed in one go. The Stratford manse was put to let. **Mr. David Mensah**, the New Circuit Property Steward and **Mr. Jones Aniclo**, the circuit Safeguarding Officer were appointed. The governing and administration structure is being improved to be standardised, transparent, and simple for a common trustee to comprehend.

CHAIRPERSON'S REPORT

Rev. Asif Karam commenced his Circuit ministry in 2019 by oversighting and offering leadership in collaboration with a team of others lay and ordained. Offering the pastoral care, circuit governance, and administration as a Superintendent Minister. He is also given the responsibility to be a Minister in charge of the Forest Gate and the Manor Park Methodist church.

Newham Circuit Office moved into the Manor Park building in September 2019.

Rev. Nigel Lindsay from a Congregational Federation was also appointed by the circuit in 2019 to be responsible as Minister in charge at High Street South Methodist church at East Ham church and at Pilgrims Way Congregational / Methodist LEP.

Revd Elizabeth Osei lives now in the New Latimer Road manse and we no longer have any expense of paying out her rent to Tower Hamlet Circuit. 15 Latimer Road Forest Gate E7 0LQ, this property now belongs to the Circuit. Central Park Manse and the Stratford manse at Chobham Road is occupied by a suitable tenant.

Worship services are continued and conducted by three ordained ministers with the help of five accredited Local Preachers and four Local Preachers 'on trial'. They are sowing the gospel seed, equipping, engaging, and enabling circuit churches to become one family and ensuring that we all grow in faith and friendship.

The trustees have approved to appoint a part time circuit administrator in 2020, as we come out of this lockdown, this appointment will be made, this will be assisting the superintendent and the CLT.

The whole circuit was affected and infected by the Covid-19 along with rest of the world and church services were shifted during lockdown from physical services to virtual. Many of our senior circuit members are experiencing mental illness, loneliness, and anxiety. They are still suffering by the unkind impacts of this virus.

Harold Road property was rented to the Applecart Live project and circuit struggles to retrieve the overdue arrears.

We successfully appointed the Circuit Safeguarding Officer in 2020.

We also appointed the Circuit Property Steward in 2020 to offer strategic and structural care to all circuit properties, offering help and advice on property maintenance; hiring and rental management.

A description of the principal risks facing the charity

Recovering the pending debt and the fluctuated decline in church attendance and commitment over the recent decades have narrated the pool of talent available for the volunteering roles in the work of the Circuit. This is not an encouraging result. Somehow, this has put pressure on those who are available in balancing their work and family commitments alongside their church duties and devotion. Covid-19 has changed and challenged the lifestyle. Many organizations plateaued or lost momentum this year, budgets are constricted, the future seems unclear, but our desire is to have successful ministry and fulfil God's call in our lives. The pandemic has created chaos and caused much uncertainty. The world has turned upside down, our normal has become chaotic, our faith is being tested. We are ready to embrace new normal, not just spinning the wheels however, to be successful and sanctified.

In the Capital city, it is speculative and unpredictable to be assertive on growth and loss. The gradual growth and loss especially in this pandemic and lockdown have built a pronounced pressure on the finances of the local churches and businesses.

The Circuit mainly collects and receives much of her pledged income from churches and some through renting. Even being in the Capital, Newham is an area of substantial deprivation with high levels of homelessness, overcrowding and workers who earn less than the real living wage. This means that a very high proportion of children are living in poverty through no fault of their parents. Parents sometimes have to keep more than one job in order to make ends meet.

REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY REGISTRATION NUMBER – 1136259

WEBSITE: www.newhammethodistcircuit.org.uk

CIRCUIT OFFICERS

CIRCUIT LEADERSHIP TEAM- CLT

01 Rev Asif Karam	Chairperson
02 Rev Elizabeth Owusu Osei	Minister
03 Rev. Nigel Lindsay	Minister
04 Handineti Mutete	Senior Circuit Steward
05 Marion Gaima	Circuit Steward
06 Sorie Ibrahim Mohamed Kamara	Circuit Meeting Secretary
07 Daniel Nantwi	Circuit Treasurer
08 Isaac Ankomah	2 nd Treasurer
09 Jones Aniclo	Circuit Safeguarding Officer
10 David Mensah	Circuit Property Steward

Registered Address:

Newham Methodist Circuit Office
C/O. Manor Park Methodist Church
Herbert Road Manor Park
London E12 6AY

Bankers:

CFB Deposit Fund

9 Bonhil Street
London
EC2A 4PE

CAF BANK

25 Kings Hill Avenue
Kings Hill,
West Malling Kent
London ME19 4JQ

INDEPENDENT EXAMINER

Glory Community Accounting Services
318 Barking Road
Plaistow London E13 8HL

MANAGING TRUSTEES

01 Rev Asif Karam Chairperson	Appointed 01/09/2019
02 Handineti Mutete	Appointed 28/06/2011
03 Jones Agyeman	Appointed 01/09/2011
04 Vitella Abimbola Thompson	Appointed 29/06/2011
05 Richard William Cockley	Appointed 29/06/2011
06 Rosetta Parkins	Appointed 28/06/2011
07 Sam Agyeman-Mensah	Appointed 28/06/2011
08 Joseph Ralph Sasu	Appointed 12/03/2011
09 Gwen Henry	Appointed 12/03/2011
10 Vickey Manyo-Plange	Appointed 12/03/2011
11 Shirley Violet Clarke	Appointed 12/03/2011
12 Colin Richard Campbell	Appointed 12/03/2011
13 Violet May White	Appointed 12/03/2011
14 Joan Samuel	Appointed 12/03/2011
15 Delroy Mcdonald	Appointed 12/03/2011
16 Rev Sara Edith Coggin	Appointed 28/06/2011
17 Rev Paul Regan	Appointed 12/03/2011
18 Kayode Olukoya	Appointed 27/09/2013
19 Florence Ogunbisi	Appointed 27/09/2013
20 Gwenette Earle Watson	Appointed 27/09/2013
21 Gillian Striesow	Appointed 02/09/2013
22 Daniel Nantwi	Appointed 27/09/2013
23 Marion Gaima	Appointed 01/09/2015
24 Atto Saah	Appointed 01/09/2015
25 Michael Danso	Appointed 01/09/2015
26 Dorothy Greaves	Appointed 01/09/2015
27 Eric Walker	Appointed 01/09/2015
28 Rev Elizabeth Owusu Osei	Appointed 01/09/2016
29 John Calvert Andoh	Appointed 01/09/2016
30 Grace Falolu-James	Appointed 01/09/2016

31 Eden Garoy	Appointed 01/09/2016
32 Isaac Ankomah	Appointed 11/09/2018
33 Olayinka Aina	Appointed 11/09/2018
34 Emmanuel Fanimoh	Appointed 01/09/2018
35 Sorie Ibrahim Mohamed Kamara	Appointed 01/09/2019
36 Rev. Nigel Lindsay	Appointed 01/09/2019

RESPONSIBILITIES OF THE TRUSTEES

Trustee selection methods

Ordained ministers appointed to the Circuit are ex-officio trustees and the Superintendent Minister is the Chairperson of the Circuit Meetings. All churches in councils' meetings elect their own representatives to be the circuit's trustees. The trustees also appoint several officers who are trustees in a leadership team. Some members are approved and proposed by CLT to be appointed by trustees to the circuit offices during their period of appointment.

Methodist Policies and procedures are adopted keenly and carefully. Regular training sessions of the Methodist Church are adopted. To equip, enable and encourage trustees to be skilled and observe the SMART objectives. More attention is being given to the induction of trustees and especially to those who are elected to hold officer's positions. All trustees are expected to undertake Safeguarding Training and the Officer for this has been appointed earlier this year.

The Charity Trustees have responsibilities to prepare financial statements for each financial year which give a true and fair view of the situation of the charity. The balance sheet and its incoming resources, application of resources, including income and expenditure, for the financial year will include this information. In preparing those financial statements, the trustees should follow the practice below:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements along with ongoing concerns, unless it is inappropriate to assume that the company will continue that basis

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy. At any time, the financial position of the charity enables them to ensure that the financial statements comply with the Charity Law. Trustees are also responsible for safeguarding the assets of the charity, hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by:

Asif Karam



Rev. Asif Karam (Superintendent Minister) Daniel Nantwi (Treasurer)

Date...18-4-2021.....

Date...18-4-2021.....

ANNUAL FINANCIAL REVIEW

RESERVES POLICY

We submit our annual report in accordance with the requirements of the Methodist Conference and the Charity Commission guidance in CC19.

The trustees have established their mission aims taking into account all of the resources available in terms of people, property and money. Mission initiatives/projects have been costed or estimates made of projected future costs which take into account the needs of the buildings and the requirements of the Quinquennial Inspection Reports.

The Trustees wants to maintain of 60% of the operational cost of running the circuit. With the current operational cost of almost £200,000 we therefore need a reserve of £120,000

Our reserve were as:

Central Finance Board (CFB)	£ 4,435
Charity Aid Foundation (CAF)	<u>£64,919</u>
	<u>£79,354</u>

We therefore need additional amount of £40,646. We recognise the need to be accountable as charity trustees for all the money, which comes into our hands and will provide further information as required by the Circuit/District/Connexion

INDEPENDENT EXAMINER'S REPORT

I report on the attached Financial Statements for the year ended 31 August 2020, which are set on pages 14 to 19 and have been prepared on an accrual basis.

Respective responsibilities of Management Committee and Examiner: The Charity's trustees are responsible for the preparation of the accounts. The Charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

examine the accounts under section 145 of the Charities Act; to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement: My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement: In connection with my examination, no material matters have come to my attention, which gives me cause to believe that in, any material respect: accounting records were not kept in accordance with section 130 of the Charities Act or the accounts do not accord with the accounting records

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

.....*Hasina Jahan*.....
Hasina Jahan (M Com, DFT, MAAT, MBA)
Glory Community Accounting Services
318 Barking Road Plaistow
London
E13 8HL

Glory Community Accounting Services
318 Barking Road
Plaistow
London E13 8HL

Date...18/04/2021.....

Statement of Financial Activities for the Year Ended 31st August 2020

	2020	2020	2020	2019
	Unrestricted Funds	Restricted Funds	Total	Total
	£	£	£	£
<u>Income</u>				
Income from Charitable Activities (Note 7)	227,537	-	227,537	207,690
Transfer from TMCP	55,000	-	55,000	40,000
Investment Income (Bank Interest)	8,181	-	8,181	4,528
Total Income	290,718	-	290,718	252,218
<u>Expenditure</u>				
Expenditure on Charitable Activities (Note 8)	244,358	-	244,358	196,308
Total Expenditure	244,358	-	244,358	196,308
Net Income / (Expenditure)	46,360	-	46,360	55,911
Gain or loss on Investment	40,602	-	40,602	(48,585)
Total Funds Brought forward	1,903,603	-	1,903,603	1,896,277
Total Funds Carried forward	1,990,565	-	1,990,565	1,903,603

Glory Community Accounting Services
318 Park Road
London E13 8HT

Balance Sheet as at 31st August 2020

	2020 £	2019 £
<u>Tangible & Fixed Assets</u>		
Church Building (Note 6)	1,685,000	1,685,000
<u>Current Assets</u>		
Debtors and Prepayment (Note 10)	117,246	21,475
Central Finance Board (CFB)	4,434	19,867
Trustees for Methodist Purpose (TMCP)	123,166	717,592
Cash at bank and in hand	64,919	68,903
Total Current Assets	<u>309,765</u>	<u>827,836</u>
<u>Current Liabilities</u>		
Creditors and accruals - Loan (due in under 1 year) (Note 11)	-	600,000
Other creditors	<u>3,100</u>	<u>8,133</u>
Net Current Assets	306,665	<u>219,703</u>
Total Assets less Current liabilities	<u>1,991,665</u>	<u>1,904,703</u>
Long term Creditor	(1,100)	(1,100)
Total Net Assets / (Liabilities)	<u>1,990,565</u>	<u>1,903,603</u>
Funds and Reserves		
Unrestricted Fund	1,990,565	1,903,603
	<u>1,990,565</u>	<u>1,903,603</u>

Approved by the Management Committee and signed on its behalf by:

Asif Karam

Rev. Asif Karam (Superintendent Minister)

[Signature]

Daniel Nantwi (Treasurer)

Date 18-4-2021

Date 18-4-2021

Notes to the Accounts

1 Basis of accounting

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

2 Funds

The funds held constitute: General Funds held for any purpose of the Circuit, which are, Unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted. Restricted funds, which are held for a narrower purpose. There are no Endowment funds. Details of each material fund are disclosed in the final note to these accounts. Any funds may be represented by more than just cash.

3 Accounting policies

Basis

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

Incoming Resources

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

Resources Expended

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

Grants

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

VAT

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

Tangible fixed assets for use by the Circuit

Tangible fixed assets are capitalised if they can be used for more than one year and cost at least £500.

The freehold property was shown in the accounts in 2020 deemed values. No depreciation is provided on the building because the trustees consider the current residual fair value of the manse buildings (assuming that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material.

Investment Properties

Investment properties - no property is currently deemed not to be held for the long-term purposes of the Charity.

Investments

Investments are valued in the balance sheet at market value at the year-end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the yearend are shown in the SOFA.

Debtors and Prepayments

The prepayment included in the accounts is in respect of rent owe by Applicative, outstanding payment for church assessment and the amount to be received from sale of prayer books

Creditors

The amount owe to the independent examiner for two year and for the deposit from the tenant for renting 368 Central Park Road

4 Payment to Trustees

There were no payments made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting, and this excludes stipends.

Trustee expenses

	2019/20	2018/2019
Number of Trustees	0	0
Total amount	£0	£0

5 Capital Commitments and Contingent Liabilities

On the 31st of August 2020 there are no capital commitments.

There was Contingent liabilities relating to the interest on loan from the District was identified at 31st August 2020 the amount is yet to be agreed.

6 Tangible Fixed Assets

Cost or valuation

	Land £	Manses £	Other buildings £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £
Balance brought forward		1,685,000				1,685,000

7. Income from Charitable Activities

	2020	2020	2020	2019
	Unrestricted Funds	Restricted Funds	Total	Total
Assessment of Shares	166,528	-	166,528	149,012
Lettings	45,400	-	45,400	42,600
Donation	4,000	-	4,000	-
Other income	11,609	-	11,609	16,078
Total	227,537		227,537	207,690

8. Expenditure on Charitable Activities

	2020	2020	2020	2019
	Unrestricted Funds	Restricted Funds	Total	Total
Stipends, PAYE, NIC & Pension	116,749	-	116,749	68,330
District Assessment	33,184	-	33,184	26,908
Methodist Church Fund	-	-	-	4,749
Ministers Travel, Telephone and Others	11,110	-	11,110	5,677
Ministers Removal	-	-	-	5,721
Loan Payment	-	-	-	10,000
Insurance	7,685	-	7,685	3,024
Utilities	6,311	-	6,311	4,635
Repairs and Maintenance of Manses	10,973	-	10,973	16,591
Rent Payment	-	-	-	34,798
Support & Governance Cost (Note 9)	2,000	-	2,000	600
Youth Project	-	-	-	770
Expense of Sale of Property	-	-	-	9,929
Other Expenses	1,346	-	1,346	1,222
TMCP Expenses	-	-	-	3,354-
Grant and Donation	-	-	-	-
Legal Fee	55,000	-	55,000	-
Total	244,358	-	244,358	196,308

There was an additional minister for 2020 making three ministers in the circuit. No rent was paid as the circuit purchased a new manses to accommodate the minister at Lamiter Road. There was a legal fee of £55,000.00 towards the sales of one manse.

9. Support & Governance Cost

	2020 Unrestricted Funds	2020 Restricted Funds	2020 Total	2019 Total
Accountancy fee	2,000	-	2,000	600
Total	2,000	-	2,000	600

The fee was for years :2019 and 2020

10. Debtors and Prepayments

	2020 Unrestricted Funds	2020 Restricted Funds	2020 Total	2019 Total
Churches	77,246		77,246	10,124
Applicative	40,000	-	40,000	10,000
Others	-	-	-	-
Prayer Book	-	-	-	1,351
Total	117,246	-	117,246	21,475

Five (5) out of the seven (7) churches could pay their assessment for the year which is more than 40% of the assessment for the year

11. Short term loan

	2020 Unrestricted Funds	2020 Restricted Funds	2020 Total	2019 Total
District Office Loan	-	-	-	600,000
Total	-	-	-	600,000

The loan of £600,000 to District officer has been paid