

REGISTERED COMPANY NUMBER: 10351537 (England and Wales)
REGISTERED CHARITY NUMBER: 1169890

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020
FOR
UNITED METHODIST CHURCH (UK)

Leroy Reid & Co
Chartered Certified Accountants
and Statutory Auditors
299 Northborough Road
Norbury
London
SW16 4TR

UNITED METHODIST CHURCH (UK)

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FOR THE YEAR ENDED 31ST DECEMBER 2020

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UNITED METHODIST CHURCH (UK)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2020

TRUSTEES	G T Mataranyika (appointed 10.4.21) L T Chinodzama R B Chivasa S Chipuka X Gombakomba Z M Magomo K Manyika R H Mutungamiri Z P Mudambanuki (appointed 1.6.21) G Nyabereka (appointed 6.2.21) S M Nganjo D Mwandiambira (appointed 1.1.21) J Sibanda (appointed 6.2.21) L Chandigere (appointed 13.2.21) A Kamutero (appointed 13.2.21) Dr U Mupambireyi (appointed 14.2.21) Z E O Mashiri (appointed 10.4.21) J D T Muranda (resigned 10.4.21) O Ndagurwa (resigned 6.2.21) J K L Nyakatawa (resigned 13.2.21) N C Mvere (resigned 21.2.21) Mrs A Ishemunyoro (resigned 22.1.20)
REGISTERED OFFICE	Mayflower Methodist Church Ethel Road Leicester LE5 5ND
REGISTERED COMPANY NUMBER	10351537 (England and Wales)
REGISTERED CHARITY NUMBER	1169890
INDEPENDENT AUDITORS	Leroy Reid & Co Chartered Certified Accountants and Statutory Auditors 299 Northborough Road Norbury London SW16 4TR

UNITED METHODIST CHURCH (UK)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2020. The trustees have adopted the provisions of 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 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objectives of the charity are to promote and advance the Christian religion, worship and to promote the United Methodist Church centres of worship in furtherance of its public benefit objective.

The strategy employed to achieve the objectives of the charity have continued to be regular church services, Christian conventions, crusades, and ministering the word of God. The strategy also involves help with financial hardship and to promote and preserve good health by the provision of funds, goods, or services of any kind in such parts of the United Kingdom, Zimbabwe, or the world as the Church shall determine.

Public benefit

The trustees of United Methodist Church (UK) confirm that they are satisfied that they have complied with their duty with regards to ensuring that the Charity has undertaken suitable works for the benefit of the public; as required by the Charity Commission.

UNITED METHODIST CHURCH (UK)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2020

STRATEGIC REPORT

Achievement and performance

Key Charitable activities

The United Methodist Church (UK), as were other churches and organisations, was negatively impacted by the government measures designed to help slowdown the spread of Covid-19. Up until February 2020, the Charity was on track to achieve its 2020 objectives. As the Covid restrictions came into effect in March 2020, most of the activities planned for the year were either cancelled, postponed, or moved virtually as we were unable to meet physically.

Four Focus Areas

- o Developing Principled Christian leaders
- o Congregational Development
- o Alleviation of poverty
- o Improving Global health

The work done this year throughout the UK Mission Area can easily be traced back to these four focus areas. We aim to make a real difference locally and globally to as many people as possible.

The United Methodist Church (UK) works in partnership with various institutions in less developed countries, responding to disasters and being involved in various poverty alleviation programmes. Our partnership with various churches in Zimbabwe enables us to spread the gospel of Jesus Christ through vital missions' work.

Through the work generously funded by our charges, you'll see below examples of the United Methodist Church (UK)'s continued participation and engagement with communities and churches in deprived societies and communities.

Annually and through the authority of the UK Mission Area Annual Conference, the church in the UK organises its members to raise funds to support two community programmes in Zimbabwe. The programmes are Pastoral Appeal and Orphanage fund. These have been ongoing programmes since the church begun its operations in the UK in 2000.

1. Pastoral Appeal

A total of £11,488.00 was raised from the special Pastoral Appeal Sunday that was held on 21 June 2020, setting a record for UMC UK as the highest ever raised since the year 2000.

2. Orphanage Funds

Orphanage funds appeal raised a total of £7,690.66. It was distributed to orphanages based at Nyadire Mission and Old Mutare Mission of the United Methodist Church, Zimbabwe.

CHARGE HIGHLIGHTS

Despite the operations and activities of the Church being curtailed by the Covid restrictions, under guidance of the Connectional Ministries Board, the Charges within the UK Mission Area supported and completed or started various projects to support communities and deprived rural churches in Zimbabwe. They also got involved in local projects, although the performance was subdued this year compared to previous years owing to the Covid pandemic restrictions.

It's also important to note that some of our programmes couldn't go ahead due to Covid-19 restrictions.

Below is a list of events that were cancelled.

- Lone parents conference
- Children and Youth Ministries Annual Family retreat
- 20th Anniversary celebrations
- Sports and Recreation Gala:
- Music Competitions
- The Cancer Research UK's Race for Life
- Visitations to detention centres, prisons, and orphanages in the UK
- Donations to food banks in the UK

UNITED METHODIST CHURCH (UK)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2020

- Soup kitchens for the homeless, elderly, and vulnerable

Central Charge

- Donated six motorbikes shared equally between two Zimbabwe East and West Annual Conferences
- Some local UK churches in Central Charge are sponsoring children at different levels of education at various schools/universities in Zimbabwe.

South Charge

- London Church donated a consignment of various PPE worth £10,000 to the United Methodist Church Zimbabwe Mission Hospitals to help with the Covid-19 pandemic. The recipients of the PPE were three hospitals, namely Mutambara Mission, Old Mutare Mission and Nyadire Mission hospitals
- Portsmouth church donated £500.00 to Home of Hope Orphanage at Nyadire Mission and a further £1,400.00 to Pfungwe Circuit Parsonage to help with the construction of a parsonage.
- Chelmsford church donated a motorcycle and helmet at a cost of £1,500.00 to a rural Mukuni North circuit.
- London church donated £3,550.48 towards the acquisition of a motor vehicle for the Mutambara West circuit. They also sent £265.00 and 2 mobiles to enable the pastor to discharge his evangelism work.
- Slough donated to Nyajena circuit a motorcycle and helmet and £80 for delivery costs.
- Slough Church continues to sponsor two students in Zimbabwe through their university education to the tune of £1,000 per year.
- Portsmouth Junior Church raised £500.00 for the Nyadire Home of Hope Orphanage.

Midlands Charge

- The Charge is pursuing plans to purchase a parsonage.
- The RRW women's group has been authorised to purchase a house in the UK. It's expected that rent proceeds from the house will help fund future projects locally and abroad.

Financial review

The church's main source of income is member donations. This year's financial results are inevitably affected by the impact of the COVID-19 pandemic. We retain strong financial backing for our work from our members.

Income

The impact of the pandemic on overall income cannot be underestimated, as can be witnessed in the decline by 17% to £924,141 compared to £1,109,945 in 2019. Included in the total income is gift aid reclaimed on donations for the year was £106,062 compared to £64,504 in the previous year.

Expenditure

Total expenditure decreased by 55% for the period to 31 December 2020 to £393,914 from £884,360 for the same period last year. The reduction in expenditure was directly linked to the cancellation of church programmes due to the Covid-19 restrictions in place throughout the year. It was also because of the decision by the executive to suspend some programmes and projects to deal with the Covid-19 impact on the Church's financial position.

Reserves

The total reserves for the year under review stood at £2,278,628 (2019 - £1,748,401).

Reserves policy

General reserves are set according to the church's reserves policy at 25% of total annual expenditure.

The objective of our reserves policy is to ensure that the Charity maintains sufficient cash and readily realisable assets to enable it to withstand the impact of a possible drop in income for any reason or unplanned increase in general operational expenditure.

Reserves will help ease financial pressure while necessary adjustments are being made to the church's operations.

General reserves are not restricted to or designated for a particular purpose. As of 31 December 2020, the balance of the general reserves stood at £2,278,628, excluding designated funds. Total annual expenditure from charitable activities was £393,914.

UNITED METHODIST CHURCH (UK)

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2020**

Financial review - continued

Going concern

The Charitable company, for the year under review, is in a very strong financial position and as trustees, we are of the opinion that the financial statements should continue to be prepared on the basis that the charity is a going concern for the next 12 months.

This review has taken into consideration obvious impact the Covid-19 pandemic is having on the general operations of the charity. As shown in the financial statements, it is evident that the charity has adequate financial resources to enable it to manage short to medium-term business and financial risks.

LOOKING AHEAD

As we look ahead to 2021, our immediate focus remains as that of emotional support and encouragement of our members during the Covid-19 pandemic. As a church, we will continue to encourage members to get vaccinated to help control the spread of Coronavirus.

The United Methodist Church UK commits to continue pursuing objectives for the future spiritual health and growth of the church, in particular objectives that focus on educating and evangelising to our young adults and children under the age of 12. A forward-thinking church invests in its youth to ensure and guarantee the future of the church.

From the beginning of May 2020, the church appointed a Youth Coordinator to work within the Children and Youth Ministries. It is the church's aim to ensure resources are allocated to enable the development of programmes that focus on the growth of the Children and Youth Ministries and create a solid foundation and tools for the continued existence of the church.

Our Junior Church and the Youth constitute a large proportion of the current church membership, so we must continue to explore ways of developing future strategies that support this age group and make them stay focused and interested in the activities, objectives, and the vision of the Church.

Evangelism

The Church in the UK strives to ensure the Gospel reaches everyone as it exists primarily to spread the Word of God to all nations worldwide and serve communities locally and abroad.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

United Methodist Church (UK) is a charitable company limited by guarantee and incorporated on 30 August 2016 as defined by the Companies Act 2006. It is governed by a Memorandum and Articles of Association and controlled by a Board of Trustees who are directors for the purpose of Company law and trustees for the purpose of Charity law.

The incorporated company registration number is 10351537 and the new Charity Commission number is 1169890.

Recruitment and appointment of trustees

Trustees are elected and inducted into office at the UK Mission Area Annual Conference and serve for two years. At the beginning of the year, the Church organises training and workshops for trustees, so they receive induction on their roles and responsibilities. Where a need arises, additional training can be organised at any point throughout the year to keep trustees and staff abreast of new developments.

UNITED METHODIST CHURCH (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The governance of the United Methodist Church (UK) is the responsibility of the UK Mission Area Conference. The UK Mission Area meets annually to receive and discuss reports from four main boards.

The United Methodist Church (UK) is organised in a methodical way using specific structures introduced by its founder, John Wesley. There are defined church structures that enable decision making. God is the supreme authority and consultation is vital. Our churches work within a shared vision, disciplines, and protocols.

The United Methodist Church (UK) Mission Area comprises four Charges namely Central, Midlands, North and South.

The UK Mission Area is the umbrella body into which local Churches in the United Kingdom and Republic of Ireland report. The District Superintendent is appointed to lead the UK Mission Area.

The UK Mission Area falls under the United Methodist Annual Conference (Zimbabwe) which is the supreme decision-making body.

Charges comprise of a cluster of local churches as detailed below. They are served by an Ordained pastor or local pastor and a team of local preachers. The local Church is a congregational place of worship where United Methodist members are nurtured.

Central Charge	Midlands Charge	North Charge	South Charge
1. Cambridge	1. Coventry	1. Leeds	1. Chelmsford
2. Hatfield	2. Birmingham	2. Manchester	2. London
3. Leicester	3. Wolverhampton	3. Sheffield	3. Portsmouth
4. Luton	4. Bristol	4. Newcastle	4. Slough
5. Northampton	5. Crewe		
6. Nottingham			
7. Oxford			

Related parties

The trustees are aware of those persons considered as related parties. For the year under review, the trustees confirmed that there were no material related party transactions that should be disclosed in the financial statements.

Risk management

The trustees are responsible for identifying the risks to which the charity is exposed and to ensure appropriate written procedures, policies, and internal controls are in place to provide reasonable assurance against fraud and error.

The major risks to which the charity is exposed have been identified as the safeguarding of assets of the charity and ensuring funds are applied for charitable purposes according to set objectives and financial plans. Internal control systems and strategies have been put in place to mitigate these risks. Income and expenditure are monitored through budget setting and are periodically compared against actual performance. Quarterly internal audits are performed throughout the year, which allows for regular monitoring of key risks and the effectiveness of internal control systems.

Annually, the executive reviews the church's approach to risk and recommends changes or improvements to key processes and procedures

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of United Methodist Church (UK) for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

UNITED METHODIST CHURCH (UK)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all 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, Leroy Reid & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a Strategic report, approved by order of the board of trustees, as the company directors, on 13/09/2021 and signed on the board's behalf by:


.....
G T Mataranyika
Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UNITED METHODIST CHURCH (UK)**

Opinion

We have audited the financial statements of United Methodist Church (UK) (the 'charitable company') for the year ended 31st December 2020 which comprise the Statement of financial activities, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 financial statements and our Report of the independent auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UNITED METHODIST CHURCH (UK)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UNITED METHODIST CHURCH (UK)

Our responsibilities for the audit of the financial statements - continued

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Report of the independent auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the independent auditors. However, future events or conditions may cause the charitable company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Mr Ebenezer Okai, (BSc), FCCA (Senior Statutory Auditor)
for and on behalf of Leroy Reid & Co
Chartered Certified Accountants
and Statutory Auditors
299 Northborough Road
Norbury
London
SW16 4TR

Date: 14/9/2021

UNITED METHODIST CHURCH (UK)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020

		2020 Unrestricted fund £	2019 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	921,628	1,107,275
Investment income	3	<u>2,513</u>	<u>2,670</u>
Total		924,141	1,109,945
 EXPENDITURE ON			
Raising funds	4	28,081	97,580
Charitable activities	5		
Direct charitable activity		91,077	201,062
Support charitable activity		115,151	153,477
Governance		9,120	8,401
Evangelism and stewardship		<u>150,485</u>	<u>423,840</u>
Total		<u>393,914</u>	<u>884,360</u>
 NET INCOME		530,227	225,585
 RECONCILIATION OF FUNDS			
Total funds brought forward		<u>1,748,401</u>	<u>1,522,816</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>2,278,628</u></u>	<u><u>1,748,401</u></u>

The notes form part of these financial statements

UNITED METHODIST CHURCH (UK)

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2020

		2020 Total funds £	2019 Total funds £
FIXED ASSETS	Notes		
Tangible assets	11	5,576	4,865
CURRENT ASSETS			
Debtors	12	70,436	55,634
Cash at bank		<u>2,212,376</u>	<u>1,704,572</u>
		2,282,812	1,760,206
CREDITORS			
Amounts falling due within one year	13	(9,760)	(16,670)
NET CURRENT ASSETS		<u>2,273,052</u>	<u>1,743,536</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,278,628	1,748,401
NET ASSETS		<u>2,278,628</u>	<u>1,748,401</u>
FUNDS	14		
Unrestricted funds		<u>2,278,628</u>	<u>1,748,401</u>
TOTAL FUNDS		<u>2,278,628</u>	<u>1,748,401</u>

The financial statements were approved by the Board of Trustees and authorised for issue on

13/09/2021 and were signed on its behalf by:


G T Mataranyika
Trustee

The notes form part of these financial statements

UNITED METHODIST CHURCH (UK)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>507,861</u>	<u>322,619</u>
Net cash provided by operating activities		<u>507,861</u>	<u>322,619</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(2,570)	-
Interest received		<u>2,513</u>	<u>2,670</u>
Net cash (used in)/provided by investing activities		<u>(57)</u>	<u>2,670</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		507,804	325,289
Cash and cash equivalents at the beginning of the reporting period		<u>1,704,572</u>	<u>1,379,283</u>
 Cash and cash equivalents at the end of the reporting period		<u>2,212,376</u>	<u>1,704,572</u>

The notes form part of these financial statements

UNITED METHODIST CHURCH (UK)

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the Statement of financial activities)	530,227	225,585
Adjustments for:		
Depreciation charges	1,859	1,622
Interest received	(2,513)	(2,670)
(Increase)/decrease in debtors	(14,802)	100,998
Decrease in creditors	(6,910)	(2,916)
Net cash provided by operations	<u>507,861</u>	<u>322,619</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank	<u>1,704,572</u>	<u>507,804</u>	<u>2,212,376</u>
	<u>1,704,572</u>	<u>507,804</u>	<u>2,212,376</u>
Total	<u>1,704,572</u>	<u>507,804</u>	<u>2,212,376</u>

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST DECEMBER 2020**

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 25% on reducing balance basis

Fixtures and fittings - 25% on reducing balance basis.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The amount recognised as an expenditure in relation to the pension scheme operated by the company was £919 (2019 - £843).

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Tithes and offerings	793,871	1,006,971
Special fund donations	21,695	35,800
Gift aid	<u>106,062</u>	<u>64,504</u>
	<u><u>921,628</u></u>	<u><u>1,107,275</u></u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u><u>2,513</u></u>	<u><u>2,670</u></u>

4. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2020	2019
	£	£
Hire charges	6,757	22,983
Catering & entertainment	5,323	35,883
Other office costs	<u>16,001</u>	<u>38,714</u>
	<u><u>28,081</u></u>	<u><u>97,580</u></u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Direct charitable activity	91,077	-	91,077
Support charitable activity	112,245	2,906	115,151
Governance	-	9,120	9,120
Evangelism and stewardship	<u>150,485</u>	<u>-</u>	<u>150,485</u>
	<u><u>353,807</u></u>	<u><u>12,026</u></u>	<u><u>365,833</u></u>

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020	2019
	£	£
Staff costs	44,262	53,819
Rates and water	7,140	8,452
Insurance	3,871	3,160
Light and heat	6,232	6,406
Telephone	6,358	7,053
Postage and stationery	2,840	9,658
Other office costs	16,088	19,806
Laytraining	610	28,284
Legal and professional fees	6,563	7,133
Special fund expenses	21,695	35,800
Rent	77,612	123,339
Motor & travel costs	8,192	44,940
Evangelism and stewardship	150,485	423,840
Depreciation	<u>1,859</u>	<u>1,622</u>
	<u><u>353,807</u></u>	<u><u>773,312</u></u>

7. SUPPORT COSTS

	Finance	Information	Governance	Totals
	£	technology	costs	£
Support charitable activity	1,088	1,818	-	2,906
Governance	<u>-</u>	<u>-</u>	<u>9,120</u>	<u>9,120</u>
	<u><u>1,088</u></u>	<u><u>1,818</u></u>	<u><u>9,120</u></u>	<u><u>12,026</u></u>

Support costs, included in the above, are as follows:

	Support		2020	2019
	charitable		Total	Total
	activity	Governance	activities	activities
	£	£	£	£
Bank charges	1,088	-	1,088	2,860
Website expenses	1,818	-	1,818	2,207
Auditors' remuneration	<u>-</u>	<u>9,120</u>	<u>9,120</u>	<u>8,401</u>
	<u><u>2,906</u></u>	<u><u>9,120</u></u>	<u><u>12,026</u></u>	<u><u>13,468</u></u>

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	9,120	8,401
Depreciation - owned assets	<u>1,859</u>	<u>1,622</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2020 nor for the year ended 31st December 2019.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31st December 2020 nor for the year ended 31st December 2019.

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	43,166	52,645
Social security costs	177	331
Other pension costs	<u>919</u>	<u>843</u>
	<u>44,262</u>	<u>53,819</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Pastors and administrators	<u>4</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1st January 2020	34,759	2,793	37,552
Additions	<u>-</u>	<u>2,570</u>	<u>2,570</u>
At 31st December 2020	<u>34,759</u>	<u>5,363</u>	<u>40,122</u>
DEPRECIATION			
At 1st January 2020	29,989	2,698	32,687
Charge for year	<u>1,193</u>	<u>666</u>	<u>1,859</u>
At 31st December 2020	<u>31,182</u>	<u>3,364</u>	<u>34,546</u>
NET BOOK VALUE			
At 31st December 2020	<u>3,577</u>	<u>1,999</u>	<u>5,576</u>
At 31st December 2019	<u>4,770</u>	<u>95</u>	<u>4,865</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
HMRC - Gift aid	<u>70,436</u>	<u>55,634</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Social security and other taxes	436	579
Other creditors	9,120	15,602
Pensions	<u>204</u>	<u>489</u>
	<u>9,760</u>	<u>16,670</u>

14. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	1,748,401	530,227	2,278,628
TOTAL FUNDS	<u>1,748,401</u>	<u>530,227</u>	<u>2,278,628</u>

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	924,141	(393,914)	530,227
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>924,141</u>	<u>(393,914)</u>	<u>530,227</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	1,522,816	225,585	1,748,401
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,522,816</u>	<u>225,585</u>	<u>1,748,401</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,109,945	(884,360)	225,585
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,109,945</u>	<u>(884,360)</u>	<u>225,585</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	1,522,816	755,812	2,278,628
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,522,816</u>	<u>755,812</u>	<u>2,278,628</u>

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

14. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,034,086	(1,278,274)	755,812
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>2,034,086</u>	<u>(1,278,274)</u>	<u>755,812</u>

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2020.

16. GOING CONCERN

The Charity's trustees have taken initial steps to consider the impact that the COVID 19 situation may have on the Charity and consider that the charity has adequate resources and sufficient sources of funds available for the foreseeable future. Therefore the trustees believe that it is appropriate for this reason to continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2020.

UNITED METHODIST CHURCH (UK)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Tithes and offerings	793,871	1,006,971
Special fund donations	21,695	35,800
Gift aid	<u>106,062</u>	<u>64,504</u>
	921,628	1,107,275
Investment income		
Deposit account interest	<u>2,513</u>	<u>2,670</u>
Total incoming resources	924,141	1,109,945
EXPENDITURE		
Raising donations and legacies		
Hire charges	6,757	22,983
Catering & entertainment	5,323	35,883
Other office costs	<u>16,001</u>	<u>38,714</u>
	28,081	97,580
Charitable activities		
Wages	43,166	52,645
Social security	177	331
Pensions	919	843
Rates and water	7,140	8,452
Insurance	3,871	3,160
Light and heat	6,232	6,406
Telephone	6,358	7,053
Postage and stationery	2,840	9,658
Other office costs	16,088	19,806
Laytraining	610	28,284
Legal and professional fees	6,563	7,133
Special fund expenses	21,695	35,800
Rent	77,612	123,339
Motor & travel costs	8,192	44,940
Evangelism and stewardship	150,485	423,840
Depreciation of tangible fixed assets	<u>1,859</u>	<u>1,622</u>
	353,807	773,312
Support costs		
Finance		
Bank charges	1,088	2,860
Information technology		
Website expenses	1,818	2,207

This page does not form part of the statutory financial statements

UNITED METHODIST CHURCH (UK)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 £	2019 £
Information technology		
Governance costs		
Auditors' remuneration	9,120	8,401
Total resources expended	393,914	884,360
Net income	530,227	225,585