

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

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021
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 2021

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UNITED METHODIST CHURCH (UK)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2021

| | |
|--------------------------------------|--|
| TRUSTEES | Mrs K Manyika R H Mutungamiri L T Chinodzama R B Chivasa G T Mataranyika (appointed 10.4.21) Mrs Z P Mudambanuki (appointed 1.6.21) Mrs G Nyabereka (appointed 6.2.21) 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) S Chipuka X Gombakomba Ms L Chandigere (appointed 13.2.21) Ms A Kamutero (appointed 13.2.21) Ms Z Magomo Ms Z E O Mashiri (appointed 10.4.21) Dr I Mupambireyi (appointed 14.2.21) D Mwandambira (appointed 1.1.21) Ms J Sibanda (appointed 6.2.21) Ms S M Nganjo |
| 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 2021

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 2021. 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.

STRATEGIC REPORT

Achievement and performance

1. Key Charitable activities

The United Methodist Church (UK), as was alluded to in our last year's report, continued to be affected negatively by not only the restrictions imposed but with the effects of the COVID-19 pandemic on its members and the society in general. However, during the period under review this was lessened by the various virtual platforms where most of the programs were held. Although signs of containment of the virus via vaccinations and other interventions like the strict observance of Government guidelines become evident, the Church continued to approach the situation with cautious optimism.

2. Four Focus Areas

Develop Principled Christian Leaders

-

Congregational Development

-

Alleviation of Poverty

-

Improved 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.

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 began its operations in the UK in 2000.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2021

(a) Pastoral Appeal

Last year a total of £11,488.00 was raised for this cause however this year this amount could not be matched as £8,763.44 was raised during the Pastoral Appeal Sunday held on June 13th, 2021

(b) Orphanage Funds

A total of £7,690.66 was raised in 2020 and this amount was almost doubled as £13,322.73 was raised this year. These funds were divided between two orphanages, Home of Hope in Mutoko and Fairfield Orphanage at Old Mutare Mission both of which are in Zimbabwe.

3. Charge Highlights

- Prelude

Despite the adverse conditions that the Charges have had to operate under, a lot of missionary work was undertaken. The twinning of Local Churches with those in rural areas in Zimbabwe achieved great results with funds raised to provide school fees and uniforms for needy children. They also got involved in local community projects like the drilling of borehole and the building of Churches and parsonages.

- Events cancelled

As reported last year some major events were cancelled due to the pandemic and these include;

- Lone Parents Retreat
- Children and Youth Ministry Family Retreat
- Sports and Recreation galas
- Music Festivals
- The Cancer Research UK's Race For Life
- Visitations to detention centers, hospitals, prisons and orphanages in the UK
- Men's Retreat

(i). Central Charge

- Surpassed their Harvest target of £75,000 by raising a total of £81,135
All their Local Churches were twinned with rural Churches in Zimbabwe, and they supported various projects in these Churches with £11,489
- The Youths and Juniors were being allocated time to lead and conduct worship services. The Youths even held their own Revival which was a great success.
- Raised £4,729 towards Orphans funds.
- Raised £2,640 during the Pastoral Support Sunday

(ii) Midland Charge

- Their Local Churches were also twinned with rural Churches in Masvingo District in Zimbabwe in which they provided funds for school uniforms and school fees for needy children and were involved in community projects.
They have established a Fund of which they want to purchase a house which will be used as a parsonage to house their Pastor. Currently, the fund as at year end has a balance of £70,000
- Their Charge Women's wing is helping 9 needy children with payment of school fees
- Raised a total of £53,033 as Harvest Thanksgiving
- Have organized a structure for their Junior Church with its own leadership

UNITED METHODIST CHURCH (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2021

(iii) North Charge

- Held a Family Retreat virtually
- They have promoted Youth and Juniors activities and allowed them to lead whenever they gathered.
- They raised a total of £27,402 for Harvest Thanksgiving
- Raised £570 towards the Pastoral Appeal Sunday
- Raised £723 towards the Orphans fund

(v) South Charge

- Raised £86,899 towards Harvest Thanksgiving
- Donated PPEs to Pastors in some rural Churches in Zimbabwe
- They became the first Charge to purchase a house in which their Pastor and family will be moving into as soon as the refurbishment works are complete.
- Their Children and Youth Ministry continued promoting their activities at every Charge gathering
- Raised £4,191 towards the Orphans fund

Financial review

Financial position

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

Total incoming resources for the year under review was £905,935 (2020: £924,141), a decrease of 2% compared to the previous year.

The reduction was mainly due to decreased volumes of donations because of the impact of the Covid-19 pandemic.

Expenditure

Total resources expended decreased by about 5% during the year to 31 December 2021 to £374,834 (2020: £393,915). The decrease in expenditure resulted in an increase in Net Surplus to £531,100 (2020: £530,431).

The reduction was directly linked to the cancellation of church programmes and events due to the Covid-19 restrictions throughout the year.

Capital expenditure

Following the 2020 End of Year Conference resolution, the church embarked on a strategy to invest resources in acquiring immovable assets. As a result, we purchased our first property in 2021 for use as a parsonage by the South Charge pastor. We hope to continue this strategy until all 4 Charges in the UK Mission Area have a parsonage.

Fixed Assets

The carrying value of our tangible fixed assets increased by £343,200 to £348,776. Included within this was capital additions at an initial acquisition value of £351,627.

Current Assets

Current assets increased by £188,000 to £2,470,941 for the year ended 31 December 2021 (2020: £2,282,812).

UNITED METHODIST CHURCH (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2021

STRATEGIC REPORT

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 realizable assets to enable it to withstand the impact of 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 at 31 December 2021, the reserves position was well above the church reserves policy at £2,460,952 (2020: £2,273,052).

The total of the unrestricted general funds balance was £2,809,728 (2020: £2,278,628). Within this figure, £348,776 (2020: £5,576) was invested in fixed assets that are used for the day-to-day running of the church's activities. It is therefore not available for use as a reserve.

Going concern

The Charitable company, for the year under review, is in a firm 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.

Uncertainty regarding the impact of Covid-19 in the coming year remains, but the reserves policy adopted by the Trustees considers our financial risk exposure. Based on our forecasts and the charity's available resources, the Trustees feel that the charity has sufficient resources to continue for the foreseeable future and therefore continues to adopt the going concern basis in preparing these Financial Statements.

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 finance.

LOOKING AHEAD

Our current immediate focus remains as that of emotional and mental support to our members during and post the COVID-19 pandemic. We will engage in programmes that we think will bring optimum results.

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 evangelizing to our young adults and children under the age of 12. As a forward-thinking Church we will continue to invest in our youth to ensure and guarantee the future of the Church.

We will continue to encourage the purchase of parsonages to house resident pastors as well as buildings to be used as places of worship. The Church currently spends a sizeable amount of money in rental for such places and in the long run this will prove as savings to the Church.

As restrictions regarding the pandemic get lifted, the Church will be engaging their recently formed Health and Safety committee to formulate guidelines to be followed as members go back to face to face worship services and other engagements. We will continue to urge cautious optimism.

- Evangelism

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

UNITED METHODIST CHURCH (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2021

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 Charity Commission number is 1169890.

Recruitment and appointment of trustees

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

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 and committees. The United Methodist Church (UK) is organized in a methodical way using specific structures introduced by its founder, John Wesley. There are defined Church strictures 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 Church Zimbabwe Episcopal Area which is the supreme decision-making body.

Charges comprise of cluster of local Churches as detailed below. They are served by an Ordained or Local Pastor and a team of local preachers. The local Church is a congregational place of worship where United Methodist members are nurtured and have their membership registered.

| 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 confirm that there were no material related party transactions that should be disclosed in the financial statements.

UNITED METHODIST CHURCH (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

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"

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.

UNITED METHODIST CHURCH (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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, on23/09/2022..... 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 2021 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 2021 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.

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

- 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.
- 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.

E Okai

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: *23/9/2022*

UNITED METHODIST CHURCH (UK)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

| | | 2021 Unrestricted fund £ | 2020 Total funds £ |
|--|--------------|-----------------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | Notes | | |
| Donations and legacies | 2 | 904,317 | 921,628 |
| Investment income | 3 | <u>1,618</u> | <u>2,513</u> |
| Total | | <u>905,935</u> | <u>924,141</u> |
| EXPENDITURE ON | | | |
| Raising funds | 4 | 2,987 | 28,081 |
| Charitable activities | 5 | | |
| Direct charitable activity | | 114,517 | 91,077 |
| Support charitable activity | | 103,357 | 115,151 |
| Governance | | 9,120 | 9,120 |
| Evangelism and stewardship | | <u>144,854</u> | <u>150,485</u> |
| Total | | <u>374,835</u> | <u>393,914</u> |
| NET INCOME | | 531,100 | 530,227 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | <u>2,278,628</u> | <u>1,748,401</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>2,809,728</u></u> | <u><u>2,278,628</u></u> |

The notes form part of these financial statements

UNITED METHODIST CHURCH (UK)
STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2021

| | Notes | 2021 Total funds £ | 2020 Total funds £ |
|--|-------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 348,776 | 5,576 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 80,438 | 70,436 |
| Cash at bank | | <u>2,390,503</u> | <u>2,212,376</u> |
| | | 2,470,941 | 2,282,812 |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | (9,989) | (9,760) |
| NET CURRENT ASSETS | | <u>2,460,952</u> | <u>2,273,052</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,809,728</u> | <u>2,278,628</u> |
| NET ASSETS | | <u>2,809,728</u> | <u>2,278,628</u> |
| FUNDS | 14 | | |
| Unrestricted funds | | <u>2,809,728</u> | <u>2,278,628</u> |
| TOTAL FUNDS | | <u>2,809,728</u> | <u>2,278,628</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 22/09/22 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 2021

| Notes | 2021 £ | 2020 £ |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| Cash generated from operations 1 | <u>528,136</u> | <u>507,861</u> |
| Net cash provided by operating activities | <u>528,136</u> | <u>507,861</u> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (351,627) | (2,570) |
| Interest received | <u>1,618</u> | <u>2,513</u> |
| Net cash used in investing activities | <u>(350,009)</u> | <u>(57)</u> |
| Change in cash and cash equivalents in the reporting period | 178,127 | 507,804 |
| Cash and cash equivalents at the beginning of the reporting period | <u>2,212,376</u> | <u>1,704,572</u> |
| Cash and cash equivalents at the end of the reporting period | <u>2,390,503</u> | <u>2,212,376</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 2021

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

| | 2021 | 2020 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Net income for the reporting period (as per the Statement of financial activities) | 531,100 | 530,227 |
| Adjustments for: | | |
| Depreciation charges | 8,427 | 1,859 |
| Interest received | (1,618) | (2,513) |
| Increase in debtors | (10,002) | (14,802) |
| Increase/(decrease) in creditors | <u>229</u> | <u>(6,910)</u> |
| Net cash provided by operations | <u><u>528,136</u></u> | <u><u>507,861</u></u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.1.21 | Cash flow | At 31.12.21 |
|-----------------|-------------------------|-----------------------|-------------------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank | <u>2,212,376</u> | <u>178,127</u> | <u>2,390,503</u> |
| | <u>2,212,376</u> | <u>178,127</u> | <u>2,390,503</u> |
| Total | <u><u>2,212,376</u></u> | <u><u>178,127</u></u> | <u><u>2,390,503</u></u> |

The notes form part of these financial statements

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

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.

| | |
|-----------------------|---------------------------------|
| Freehold property | -2% on straight line |
| 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 £965 (2020 - £919).

UNITED METHODIST CHURCH (UK)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021**

2. DONATIONS AND LEGACIES

| | 2021 | 2020 |
|------------------------|----------------|----------------|
| | £ | £ |
| Tithes and offerings | 796,187 | 793,871 |
| Special fund donations | 21,465 | 21,695 |
| Gift aid | <u>86,665</u> | <u>106,062</u> |
| | <u>904,317</u> | <u>921,628</u> |

3. INVESTMENT INCOME

| | 2021 | 2020 |
|--------------------------|--------------|--------------|
| | £ | £ |
| Deposit account interest | <u>1,618</u> | <u>2,513</u> |

4. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

| | 2021 | 2020 |
|--------------------------|--------------|---------------|
| | £ | £ |
| Hire charges | 360 | 6,757 |
| Catering & entertainment | 225 | 5,323 |
| Other office costs | <u>2,402</u> | <u>16,001</u> |
| | <u>2,987</u> | <u>28,081</u> |

5. CHARITABLE ACTIVITIES COSTS

| | Direct Costs (see note 6) £ | Support costs (see note 7) £ | Totals £ |
|-----------------------------|--------------------------------------|---------------------------------------|----------------|
| Direct charitable activity | 114,517 | - | 114,517 |
| Support charitable activity | 101,550 | 1,807 | 103,357 |
| Governance | - | 9,120 | 9,120 |
| Evangelism and stewardship | <u>144,854</u> | <u>-</u> | <u>144,854</u> |
| | <u>360,921</u> | <u>10,927</u> | <u>371,848</u> |

UNITED METHODIST CHURCH (UK)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021**

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

| | 2021 | 2020 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| Staff costs | 56,456 | 44,262 |
| Rates and water | 3,519 | 7,140 |
| Insurance | 3,815 | 3,871 |
| Light and heat | 3,542 | 6,232 |
| Telephone | 5,967 | 6,358 |
| Postage and stationery | 2,800 | 2,840 |
| Other office costs | 20,300 | 16,088 |
| Laytraining | 412 | 610 |
| Legal and professional fees | 5,849 | 6,563 |
| Special fund expenses | 23,073 | 21,695 |
| Rent | 80,761 | 77,612 |
| Motor & travel costs | 1,146 | 8,192 |
| Evangelism and stewardship | 144,854 | 150,485 |
| Depreciation | <u>8,427</u> | <u>1,859</u> |
| | <u>360,921</u> | <u>353,807</u> |

7. SUPPORT COSTS

| | Finance | Information technology | Governance costs | Totals |
|-----------------------------|----------------|-------------------------------|-------------------------|---------------|
| | £ | £ | £ | £ |
| Support charitable activity | 1,159 | 648 | - | 1,807 |
| Governance | <u>-</u> | <u>-</u> | <u>9,120</u> | <u>9,120</u> |
| | <u>1,159</u> | <u>648</u> | <u>9,120</u> | <u>10,927</u> |

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

| | Support charitable activity | Governance | 2021 | 2020 |
|------------------------|------------------------------------|-------------------|-------------------------|-------------------------|
| | £ | £ | Total activities | Total activities |
| | £ | £ | £ | £ |
| Bank charges | 1,159 | - | 1,159 | 1,088 |
| Website expenses | 648 | - | 648 | 1,818 |
| Auditors' remuneration | <u>-</u> | <u>9,120</u> | <u>9,120</u> | <u>9,120</u> |
| | <u>1,807</u> | <u>9,120</u> | <u>10,927</u> | <u>12,026</u> |

8. NET INCOME/(EXPENDITURE)

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

| | 2021 | 2020 |
|-----------------------------|--------------|--------------|
| | £ | £ |
| Auditors' remuneration | 9,120 | 9,120 |
| Depreciation - owned assets | <u>8,427</u> | <u>1,859</u> |

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2021 nor for the year ended 31st December 2020.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31st December 2021 nor for the year ended 31st December 2020.

10. STAFF COSTS

| | 2021 | 2020 |
|---------------------|----------------------|----------------------|
| | £ | £ |
| Wages and salaries | 55,491 | 43,343 |
| Other pension costs | <u>965</u> | <u>919</u> |
| | <u><u>56,456</u></u> | <u><u>44,262</u></u> |

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

| | 2021 | 2020 |
|----------------------------|-------------|-------------|
| | <u>4</u> | <u>4</u> |
| Pastors and administrators | | |

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

11. TANGIBLE FIXED ASSETS

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Totals £ |
|-----------------------|------------------------------------|--------------------------------------|--|---------------------|
| COST | | | | |
| At 1st January 2021 | - | 34,759 | 5,363 | 40,122 |
| Additions | <u>351,627</u> | <u>-</u> | <u>-</u> | <u>351,627</u> |
| At 31st December 2021 | <u>351,627</u> | <u>34,759</u> | <u>5,363</u> | <u>391,749</u> |
| DEPRECIATION | | | | |
| At 1st January 2021 | - | 31,182 | 3,364 | 34,546 |
| Charge for year | <u>7,033</u> | <u>894</u> | <u>500</u> | <u>8,427</u> |
| At 31st December 2021 | <u>7,033</u> | <u>32,076</u> | <u>3,864</u> | <u>42,973</u> |
| NET BOOK VALUE | | | | |
| At 31st December 2021 | <u>344,594</u> | <u>2,683</u> | <u>1,499</u> | <u>348,776</u> |
| At 31st December 2020 | <u>-</u> | <u>3,577</u> | <u>1,999</u> | <u>5,576</u> |

UNITED METHODIST CHURCH (UK)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|-----------------|---------------|---------------|
| | £ | £ |
| HMRC - Gift aid | <u>80,438</u> | <u>70,436</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---------------------------------|---------------------|---------------------|
| | £ | £ |
| Social security and other taxes | 838 | 436 |
| Other creditors | 9,119 | 9,120 |
| Pensions | <u>32</u> | <u>204</u> |
| | <u>9,989</u> | <u>9,760</u> |

14. MOVEMENT IN FUNDS

| | At 1.1.21 | Net movement in funds | At 31.12.21 |
|---------------------------|-------------------------|--------------------------------------|-------------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 2,278,628 | 531,100 | 2,809,728 |
| | <u>2,278,628</u> | <u>531,100</u> | <u>2,809,728</u> |
| TOTAL FUNDS | <u>2,278,628</u> | <u>531,100</u> | <u>2,809,728</u> |

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

| | Incoming resources | Resources expended | Movement in funds |
|---------------------------|-------------------------------|-------------------------------|------------------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 905,935 | (374,835) | 531,100 |
| | <u>905,935</u> | <u>(374,835)</u> | <u>531,100</u> |
| TOTAL FUNDS | <u>905,935</u> | <u>(374,835)</u> | <u>531,100</u> |

Comparatives for 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 |
| | <u>1,748,401</u> | <u>530,227</u> | <u>2,278,628</u> |
| 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 2021

14. MOVEMENT IN FUNDS - continued

Comparative 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> |

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

| | At 1.1.20 £ | Net movement in funds £ | At 31.12.21 £ |
|---------------------------|-------------------------|--|------------------------------|
| Unrestricted funds | | | |
| General fund | 1,748,401 | 1,061,327 | 2,809,728 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>1,748,401</u> | <u>1,061,327</u> | <u>2,809,728</u> |

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 | 1,830,076 | (768,749) | 1,061,327 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>1,830,076</u> | <u>(768,749)</u> | <u>1,061,327</u> |

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2021.

UNITED METHODIST CHURCH (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

16. GOING CONCERN

The Charity's trustees have continued to take 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 2021.

UNITED METHODIST CHURCH (UK)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

| | 2021 £ | 2020 £ |
|---------------------------------------|---------------|----------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Tithes and offerings | 796,187 | 793,871 |
| Special fund donations | 21,465 | 21,695 |
| Gift aid | <u>86,665</u> | <u>106,062</u> |
| | 904,317 | 921,628 |
| Investment income | | |
| Deposit account interest | <u>1,618</u> | <u>2,513</u> |
| Total incoming resources | 905,935 | 924,141 |
| EXPENDITURE | | |
| Raising donations and legacies | | |
| Hire charges | 360 | 6,757 |
| Catering & entertainment | 225 | 5,323 |
| Other office costs | <u>2,402</u> | <u>16,001</u> |
| | 2,987 | 28,081 |
| Charitable activities | | |
| Wages | 55,491 | 43,343 |
| Pensions | 965 | 919 |
| Rates and water | 3,519 | 7,140 |
| Insurance | 3,815 | 3,871 |
| Light and heat | 3,542 | 6,232 |
| Telephone | 5,967 | 6,358 |
| Postage and stationery | 2,800 | 2,840 |
| Other office costs | 20,300 | 16,088 |
| Laytraining | 412 | 610 |
| Legal and professional fees | 5,849 | 6,563 |
| Special fund expenses | 23,073 | 21,695 |
| Rent | 80,761 | 77,612 |
| Motor & travel costs | 1,146 | 8,192 |
| Evangelism and stewardship | 144,854 | 150,485 |
| Depreciation of tangible fixed assets | <u>8,427</u> | <u>1,859</u> |
| | 360,921 | 353,807 |
| Support costs | | |
| Finance | | |
| Bank charges | 1,159 | 1,088 |
| Information technology | | |
| Website expenses | 648 | 1,818 |

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 2021

| | 2021 | 2020 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Information technology | | |
| Governance costs | | |
| Auditors' remuneration | <u>9,120</u> | <u>9,120</u> |
| Total resources expended | <u>374,835</u> | <u>393,914</u> |
| Net income | <u>531,100</u> | <u>530,227</u> |

This page does not form part of the statutory financial statements