

Registered number: 108687
Charity number: 222262

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED)
OPERATING AS BETHNAL GREEN MISSION CHURCH**

(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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RPG Crouch Chapman LLP
14-16 Dowgate Hill
London
EC4R 2SU

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 8
Independent examiner's report	9 - 10
Statement of financial activities	11
Balance sheet	12 - 13
Notes to the financial statements	14 - 30

ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN MISSION CHURCH

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	Patricia Davis, Treasurer Phillip Harniess Bernadette Cunningham
Company registered number	108687
Charity registered number	222262
Registered office	305 Cambridge Heath Road London E2 9LH
Church Minister and Charity Secretary	Michael Houston
Accountants	RPG Crouch Chapman LLP Chartered Accountants 14-16 Dowgate Hill London EC4R 2SU
Bankers	National Westminster Bank PLC 180 Shoreditch High Street London E1 6HN
Independent Examiner	Jeremy Tyrrell FCA RPG Crouch Chapman LLP 14-16 Dowgate Hill London EC4R 2SU

ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN MISSION CHURCH

(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees present their annual report together with the financial statements of the Company for the year 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Bethnal Green Mission Church (BGMC) is a Christian church and charitable company limited by guarantee and is governed by a Memorandum and Articles of Association and values of faith. BGMC's founder, Annie Macpherson was a contemporary and friend of Dr. Thomas Barnardo, who came to East London in the early 1860s when bad housing, unemployment, poverty and disease were rife. A 'home of industry' was established to "educate religiously and promote the welfare of the poor and needy by all manner of means". This work continued in various guises until a building was erected in 1952 to provide Bethnal Green with a medical practice under the newly formed National Health Service. During this period, a Christian bookshop was opened and, together with a thriving Sunday School, a church was established. In 2018, a five year redevelopment scheme was completed and a new church building and community space was opened. This award winning building has given BGMC a unique opportunity to provide the area with a welcoming space for worship, prayer and engagement with a diverse range of support, events and activities for decades to come.

BGMC's faith values are derived from a commitment to relationships and community seen in the Trinitarian and loving nature of God, fully revealed in Jesus Christ. We seek to express these values in our life and mission by being: a Jesus-centred community; an inclusive community; a missional community; a worshipping community; and a prophetic community. Our desire is to engage in long term, relational and innovative work which is relevant to the needs of our diverse community and which contributes to personal, social and spiritual transformation and wellbeing. We do this through empowering and equipping BGMC members, staff and volunteers in the borough and through partnerships with churches, schools, organisations and statutory agencies.

The Beehive is a café, community hub and co-working space providing high quality food, coffee, tea and hospitality. It is a not-for-profit enterprise with a desire to use any money made to drive quality and to support and equip those from disadvantaged backgrounds through partnership and opportunity. Following in the footsteps of the Victorian legacy of BGMC's founder, Annie Macpherson, the aim of The Beehive is to bring hope to those on the margins of our modern-day society. Annie Macpherson's "Home of Industry" became a noted feature of the East End and was known locally as the 'Beehive'. The Beehive's desire is to recreate the welcoming and hospitable community founded all those years ago, and to become a "noted feature" of its own, both for its high standards of quality and for its socially transformative legacy. The café operates with 3 full time staff and a team of

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Objectives and activities (continued)

volunteers from BGMC, other local churches and the community. This collaborative work enables the café to be a genuine partnership between a diverse range of local people and organisations. The café is able to utilise the neighbouring green space of Paradise Gardens and a group of community gardeners now meets to support the rejuvenation and maintenance of this previously neglected space.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Activities undertaken to achieve objectives

For most people the world over, 2020 will be defined by the COVID-19 pandemic and the unprecedented challenges it presented. It was a year like no other in our 155-year history and has therefore shaped all aspects of our worship, work and mission. In March 2020, BGMC took steps in line with government advice to help contain the outbreak of COVID-19. This included the temporary suspension of all physical gatherings and an immediate review of how we were to operate during the time of National Lockdown. The church building was closed and with it the suspension of all activities, including worship services, midweek meetings, The Beehive café, Growth Night Shelter and youth work that were run from the building. Inevitably during the year, many events and activities that had been planned were cancelled, including the annual church weekend away, clothes swaps, hospitality events and other community groups using the building.

From March 2020, BGMC used Zoom to meet virtually every Sunday in a live service of worship, teaching, activities and discussion. At the end of the first lockdown in July, BGMC met for several weeks outside in Paradise Gardens and resumed in-person services in September until the second lockdown in November when we reverted back to Zoom. Despite going back to holding in-person services at the start of December, the church leaders and Trustees took the decision before Christmas to once again suspend all physical gathering and resume Zoom meetings in the interest of community safety. During the pandemic it has been BGMC's priority to adjust and adapt to circumstances on the basis of both government guidelines and the most vulnerable in our community. Despite it being permissible to hold services in December and beyond, BGMC decided that it would be both unsafe and unwise to do so. Like other organisations, BGMC took rigorous steps to make sure that any in-person gathering during the year was conducted safely with all the measures in place that have been specified by local and national government in order to minimise the risk of transmission of COVID-19. Members of BGMC have adapted well to these circumstances and the experience of running digital services has, despite its initial challenge, presented us with new opportunities and different ways of working that will impact our future approach.

Like all churches, BGMC's approach to pastoral care and support has been impacted by the lockdown but we have been able to be flexible to support and keep in touch with people that have not participated in Zoom services. At different times of the year, BGMC members and volunteers have engaged in a diverse range of support for their neighbourhoods and BGMC has been able to facilitate the practical and financial help for people in need. In the week before Christmas, BGMC worked with several local agencies to provide hot meals for 135 people and 36 hampers for local families in need. The food was cooked in the BGMC kitchen and the hampers assembled by BGMC volunteers which were then collected or delivered.

ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN MISSION CHURCH

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Objectives and activities (continued)

A feature of our work during the 2020 lockdowns was giving BGMC volunteers, friends and neighbours the opportunity to meet safely outside to work in Paradise Gardens adjacent to our building, doing weeding, planting, leaf and litter picking. This community gardening project has become a significant part of our week and has provided many volunteers with a welcome safe space to meet outdoors which not only aids their mental well-being but also helps to make the park look so special and inviting.

c. Main activities undertaken to further the Company's purposes for the public benefit

Growth Night Shelter

During February and March of 2020, BGMC hosted and led Growth Night Shelter every Tuesday in our premises. We provided a hot meal, breakfast and hospitality for 17 guests every Tuesday and Wednesday morning. 20 BGMC volunteers and many other local people were involved as team members until guests were relocated in hotels in London. BGMC volunteers continued to assist with the work when it moved to hotels with a number staying in the hotels to host night shelter guests.

The Beehive

The start of 2020 was a busy one for the Beehive with an increased number of customers and the continued development of contact with our local community. The Beehive had partnered with Spear for the café to become a training venue for young people who were being supported on their employment programme. A young person was being trained at the café when the lockdown happened in March. The subsequent months until December were challenging for all staff and volunteers as the café was closed from this time and only opened intermittently during the year as the guidelines changed.

In January we appointed a new Operations Manager whose remit was to develop the use of the building for the local community and with the Church Minister and Beehive manager plan a strategy of events and activities that would benefit local people. These plans were curtailed when we entered lockdown and the café and church building were closed.

E123 Welcomes Refugees

At the start of the year E123 Welcomes Refugees had secured a house for the Sponsorship Scheme and were busy fundraising to reach the budget target. The closure of borders during the pandemic meant that the Home Office stopped receiving applications for the scheme. Sadly, during this time, the house that had been found had to be used for other purposes and so by the Summer when lockdown eased, we had to re-start our search for a house in the borough for the refugee family. BGMC church leaders and trustees took the decision in September to offer our Bow property for the purposes of the scheme which triggered a new phase of work and relaunched the application process to the Home Office. During the autumn a significant amount of work was done on the house as we also sought approval from Tower Hamlets Council. By the end of 2020 our application was ready for submission to the Home Office, funds had been raised, the support team has been trained as we waited for borders of the UK to be opened again. Post year end, we are delighted to confirm the family has moved in!

ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN MISSION CHURCH

(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Objectives and activities (continued)

Youth & Children's Work

Despite the curtailment of activities running from the church building, BGMC has continued to offer a variety of support for young people. The BGMC youth & children's team commenced the year supporting young people and children through a regular programme of activities on Sundays and midweek and for the planned BGMC Weekend Away in June. A weekly lunch time club was taking place in Morpeth School for vulnerable students. Mentoring training continued in January and February for a small cohort of the congregation to prepare to work with individual young people connected to the church community. All face-to-face work came to a halt during the pandemic and Zoom meetings and phone calls became the alternative means of communication. In February 2020 a group of young adults with learning disabilities showcased and launched their art project in the Beehive One Wall Gallery. They held a food and drink reception and held a party for guests and parents/carers.

Face to Face Mentoring

BGMC continued its Service Level Agreement with Mulberry Academy Shoreditch to provide Wellbeing Mentoring Support to teenage boys at the school with 8 places being offered through this agreement. However, the work took a different shape following the first lockdown, which significantly reduced the number of mentoring sessions. In total 135 individual contacts were made with 20 students. This took the shape of phone calls, texts and 1-1 meetings, once the National Youth Agency Guidelines allowed key workers to work in this manner. The wellbeing mentor provided support around bereavement, emotional literacy, faith development (when initiated by the students), peer and family relationships, healthy lifestyles. This was of particular significance given an increase in social isolation from peers and physical confinement in the young peoples' houses/flats. The work also included attending some professionals' meetings on Zoom and liaising with parents/carers.

During the year (in November) two young people, who receive mentoring at Mulberry Academy Shoreditch, were given Jack Petchey Achievement Awards. They elected to spend the award money on a microscope and a trip to a theme park once the park reopens. At the end of the year plans were formulated to develop a second service level agreement with the school to provide pastoral and wellbeing support for girls in the 6th Form by placing a BGMC youth worker and therapist in training in this role.

The Feast

In 2020, The Feast's local activities were severely disrupted by the pandemic. However, in February a number of young people from Mulberry Academy showcased an innovative shop display on the theme of peace at Create Space, a community project based in Bethnal Green, at the end of the Gamechangers programme. In July, a Feast Zoom youth encounter took place with young people from BGMC and a peacebuilding project in Chicago, USA. Further, BGMC's youth minister continued in his role as a member of the Feast Senior Leadership Team and Chair of the Feast Local Advisory Group to develop the project in the local area. In September 2020, one of the youth workers stepped down from his role to do ministry training with the Church of England. In November, The Feast was awarded a 5-year grant by the Merchant Taylors Foundation to employ 1 full time Youth Work Hub Coordinator and part time youth worker.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Achievements and performance

a. Fundraising Policy

We do not employ a professional fundraiser and all fundraising is done through normal activities of staff and volunteers. Fundraising is predominantly from member giving, and this is monitored regularly.

No complaints were received about the church's fundraising activities. We have fully complied with GDPR regulations. This will prevent unreasonable intrusion on a person's privacy.

b. Investment policy

Subject to the overriding provisions of the Trustees' Acts, the charity has the power to make any investments which the Trustees see fit.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

It is the policy to maintain unrestricted funds, which are the free reserves of the charity, at a level that takes into consideration our recent possession of a new building and the running costs that are evolving as a result of the pandemic. It also takes into account the future expenditure that will be needed as BGMC oversees the running of the Beehive Cafe, creates new projects and for the possibility of the church purchasing a local residential property for the purposes of our charitable and missional purposes. The Trustees consider that the current level of reserves is in accordance with their aspirations and the level required in future years will be assessed as new projects are introduced in response to local need.

c. Risk Management

The Trustees have examined the major strategic, business and operational risks which the church faces and confirm that systems have been established to monitor those risks so that the necessary steps can be taken to lessen them.

ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN MISSION CHURCH

(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

d. Financial Results

During the year we continued our application for a mortgage to gain a 55% ownership of a house which had been previously used by the E123 Mission House project. It is intended that we will use this house to further our charitable purposes and our work in the community.

BGMC benefitted from the Government's furlough scheme during 2020 with six members of staff being furloughed for the majority of the year. Despite the uncertainty of the pandemic, the financial impact on BGMC has thankfully been minimal and this means that the same level of staffing and work can be resumed once lockdown eases and our building reopens. Through the generosity of its members and a diverse range of income, BGMC has been able to sustain its level of financial giving to other causes, local and international. This financial resilience is particularly reassuring as wider society emerges from lockdown and as we seek to serve the needs of the local community facing the changes and challenges of the pandemic.

Structure, governance and management

a. Constitution

Annie Macpherson Home of Industry (Incorporated) Operating As Bethnal Green Mission Church is registered as a charitable company limited by guarantee and was set up by a Memorandum and Articles of Association.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The decisions relating to the charitable company are made by the Directors, who are also the Trustees of the charity, who together form a church leadership team which includes the Church Minister and Youth Worker. The Directors are elected in the Annual General Meeting of which not less than ten days clear notice has been given. The leadership team meet at least quarterly to receive reports from staff, volunteers and other workers and to review activities, operating policies and financial progress.

d. Pay policy for key management personnel

The salaries of senior management are reviewed annually. Salary levels are benchmarked using comparatives for similar organisations.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on
and signed on their behalf by:

P Harniess

Trustee/ Director

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Independent Examiner's Report to the Trustees of Annie Macpherson Home of Industry
(Incorporated) Operating As Bethnal Green Mission Church ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended
31 December 2020.

Responsibilities and Basis of Report

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed:

Dated:

Jeremy Tyrrell FCA

RPG Crouch Chapman LLP
Chartered Accountants
14-16 Dowgate Hill
London
EC4R 2SU

ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN MISSION CHURCH

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	29,759	130,177	159,936	141,964
Investments	5	-	87,778	87,778	77,784
Total income		<u>29,759</u>	<u>217,955</u>	<u>247,714</u>	<u>219,748</u>
Expenditure on:					
Charitable activities	6	51,215	218,581	269,796	230,620
Total expenditure		<u>51,215</u>	<u>218,581</u>	<u>269,796</u>	<u>230,620</u>
Net expenditure before net gains on investments		(21,456)	(626)	(22,082)	(10,872)
Net gains on investments		-	43	43	102
Net expenditure		<u>(21,456)</u>	<u>(583)</u>	<u>(22,039)</u>	<u>(10,770)</u>
Transfers between funds	15	550	(550)	-	-
Net movement in funds		<u>(20,906)</u>	<u>(1,133)</u>	<u>(22,039)</u>	<u>(10,770)</u>
Reconciliation of funds:					
Total funds brought forward		694,581	511,210	1,205,791	1,216,561
Net movement in funds		(20,906)	(1,133)	(22,039)	(10,770)
Total funds carried forward		<u><u>673,675</u></u>	<u><u>510,077</u></u>	<u><u>1,183,752</u></u>	<u><u>1,205,791</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 30 form part of these financial statements.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)
REGISTERED NUMBER: 108687

**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	9	3,653,864	3,702,728
Investments	10	719	676
		<u>3,654,583</u>	<u>3,703,404</u>
Current assets			
Debtors	11	937,507	927,460
Cash at bank and in hand		41,141	40,283
		<u>978,648</u>	<u>967,743</u>
Creditors: amounts falling due within one year	12	(164,842)	(148,421)
Net current assets		<u>813,806</u>	<u>819,322</u>
Total assets less current liabilities		<u>4,468,389</u>	<u>4,522,726</u>
Creditors: amounts falling due after more than one year	13	(3,284,637)	(3,316,935)
Total net assets		<u><u>1,183,752</u></u>	<u><u>1,205,791</u></u>
Charity funds			
Restricted funds	15	673,675	694,581
Unrestricted funds	15	510,077	511,210
Total funds		<u><u>1,183,752</u></u>	<u><u>1,205,791</u></u>

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020**

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on
and signed on their behalf by:

.....
Patricia Davis
Treasurer/ Director

.....
Phillip Harniess
Trustee/ Director

The notes on pages 14 to 30 form part of these financial statements.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

1. General information

Annie Macpherson Home of Industry (Incorporated) is a company limited by guarantee incorporated and registered in England and Wales, company number 00108687. Its registered office address is 305 Cambridge Heath Road, London E3 9LH.

The principal activity of the company continued to be that of promoting welfare and education in a religious context.

2. Accounting policies

Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Annie Macpherson Home of Industry (Incorporated) Operating As Bethnal Green Mission Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Company status

The company is a charity and is limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability of members is limited to £1.

These financial statements have been prepared in GBP and all amounts are rounded to the nearest £.

Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future, this being at least 12 months from the date on which the balance sheet was signed.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

2. Accounting policies (continued)

Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Rental income is accounted for in the period in which it falls due.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

2. Accounting policies (continued)

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- 2% straight line method
Long-term leasehold property	- 125 years
Fixtures and fittings	- 40% reducing balance method

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

2. Accounting policies (continued)

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Headleases

The grant of the headlease is credited to the SOFA over the period of the headlease.

Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

2. Accounting policies (continued)

Cash Flow Statement

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Charities SOR (FRS 102).

Consolidation

The company is exempt under S. 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary form a small group. The accounts therefore present information about the company as an individual undertaking and not about its group.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Depreciation

Depreciation is based on the estimated useful life of the assets being depreciated, and, in the case of the leasehold property, the length of the lease. The useful lives of the assets are based on experience and industry-specific benchmarks.

Accruals

Accruals are estimates based on experience or invoices received after the year end.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

4. Income from donations and legacies

	Restricted funds 2020 £	Un- restricted funds 2020 £	Total funds 2020 £
Donations	6,450	76,793	83,243
Legacies	-	17,443	17,443
Grants	500	35,941	36,441
Government grants	22,809	-	22,809
	<u>29,759</u>	<u>130,177</u>	<u>159,936</u>

	Un- restricted funds 2019 £	Total funds 2019 £
Donations	93,129	93,129
Legacies	15,485	15,485
Grants	33,350	33,350
	<u>141,964</u>	<u>141,964</u>

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

5. Investment income

	Un- restricted funds 2020 £	Total funds 2020 £
Rental income from church properties	65,672	65,672
Dividends and interest received	22,106	22,106
	<u>87,778</u>	<u>87,778</u>
	Un- restricted funds 2019 £	Total funds 2019 £
Rental income from church properties	64,819	64,819
Dividends and interest received	12,965	12,965
	<u>77,784</u>	<u>77,784</u>

ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN MISSION CHURCH

(A company limited by guarantee)

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

6. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Un- restricted funds 2020 £	Total funds 2020 £
Grants payable	-	5,289	5,289
Employment costs	-	85,856	85,856
Depreciation	21,066	27,798	48,864
Governance Costs	-	8,552	8,552
Other direct costs	30,149	91,086	121,235
	<u>51,215</u>	<u>218,581</u>	<u>269,796</u>

	Restricted funds 2019 £	Un- restricted funds 2019 £	Total funds 2019 £
Grants payable	-	6,265	6,265
Employment costs	-	83,101	83,101
Depreciation	21,066	31,171	52,237
Governance costs	-	3,600	3,600
Other direct costs	-	85,417	85,417
	<u>21,066</u>	<u>209,554</u>	<u>230,620</u>

The grants payable comprise £3,809 to six organisations (2019: £4,020 to nine organisations) and £1,480 to three individuals and families (2019: £2,245 to four individuals and families). Fees payable to the Independent Examiner for the examination amounted to £2,400 (2019: £2,400), and for accountancy services £2,430 (2019: £1,600). They are included in governance costs. Other direct costs include a management charge of £22,809 (2019: Nil) payable to the charity's subsidiary, BGMC Trading Ltd.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

7. Staff costs

	2020 £	2019 £
Wages and salaries	85,856	83,101
	<u>85,856</u>	<u>83,101</u>

The average number of persons employed by the Company during the year was as follows:

	2020 No.	2019 No.
Trustees	4	4
	<u>4</u>	<u>4</u>

No employee received remuneration amounting to more than £60,000 in either year.

Included within the costs were pension contributions of £10,312 (2019: £9,240).

Key management comprises the Trustees and the Church Minister. Total key management remuneration for the year amounted to £30,000 (2019: £30,000)

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN MISSION CHURCH

(A company limited by guarantee)

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

9. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
<u>Cost or valuation</u>				
At 1 January 2020	1,053,310	2,713,455	49,083	3,815,848
At 31 December 2020	1,053,310	2,713,455	49,083	3,815,848
<u>Depreciation</u>				
At 1 January 2020	42,132	37,088	33,900	113,120
Charge for the year	21,066	21,726	6,072	48,864
At 31 December 2020	63,198	58,814	39,972	161,984
<u>Net book value</u>				
At 31 December 2020	990,112	2,654,641	9,111	3,653,864
At 31 December 2019	1,011,178	2,676,367	15,183	3,702,728

The freehold land and buildings brought forward consisted of a property at 67 Ellesmere Road.

The leasehold land and buildings brought forward comprise a flat at 10 Mulberry House in Bethnal Green, which was bequeathed to the charity on 1 January 1988 with 120 years of its lease remaining. In 1991, the property was revalued and a provision of £35,000 was made against the original gifted value of £80,000. A cost figure of £45,000 is shown as the cost value applicable. The property has not been subject to any further revaluations since it is the long term intention of the Trustees to use the leasehold property for charitable purposes. In 2018 the lease was extended at a cost of £9,383 and is disclosed under leasehold additions.

Leasehold land and buildings also include the church building at 305 Cambridge Heath Road at an original cost of 2,659,072 in 2018. The property is depreciated over the life of the lease, which is 125 years commencing in 2018.

ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN MISSION CHURCH

(A company limited by guarantee)

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

10. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
<u>Cost or valuation</u>			
At 1 January 2020	1	675	676
Revaluations	-	43	43
<u>At 31 December 2020</u>	<u>1</u>	<u>718</u>	<u>719</u>
<u>Net book value</u>			
<u>At 31 December 2020</u>	<u>1</u>	<u>718</u>	<u>719</u>
At 31 December 2019	<u>1</u>	<u>675</u>	<u>676</u>

11. Debtors

	2020 £	2019 £
<u>Due after more than one year</u>		
Other debtors	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
<u>Due within one year</u>		
Amounts owed by group undertakings	435,906	423,237
Other debtors	491,601	490,897
Prepayments and accrued income	-	3,326
	<u>937,507</u>	<u>927,460</u>

Other debtors due after more than one year include a loan of £10,000 (2019: £10,000) made to E123 Housing Mission. The loan is equity based bearing no interest.

Included in other debtors within one year is a loan of £491,601 (2019: £490,597) made in connection with the redevelopment. The loan carries interest at 5% per annum repayable on the date of the final loan repayment.

Amounts owed by subsidiary undertakings are interest free and repayable on demand.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	13,604	13,604
Other loans	24,270	24,270
Other creditors	119,246	105,897
Accruals and deferred income	7,722	4,650
	<u>164,842</u>	<u>148,421</u>

13. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	347,943	355,981
Other creditors	2,936,694	2,960,954
	<u>3,284,637</u>	<u>3,316,935</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	293,525	301,563
Payable or repayable other than by instalments	2,839,604	2,863,874
	<u>3,133,129</u>	<u>3,165,437</u>

The mortgage is repayable within 30 commencing on 1 December 2016 years and is secured against the freehold property.

Other creditors represent the grant of the headlease for the property at 305 Cambridge Heath Road to the Thornsett Estates over the period of 125 years.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

14. Financial instruments

	2020 £	2019 £
<u>Financial assets</u>		
Financial assets measured at fair value through income and expenditure	718	675

Financial assets measured at amortised cost represent the charity's fixed asset investment.

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
<u>Unrestricted funds</u>						
<u>Designated funds</u>						
Building Repairs Fund	127,240	-	-	-	-	127,240
Charitable Purposes Continuation Fund	145,000	-	-	-	-	145,000
	<u>272,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,240</u>
<u>General funds</u>						
General Funds	238,970	217,955	(218,581)	(550)	43	237,837
<u>Total Un- restricted funds</u>	<u>511,210</u>	<u>217,955</u>	<u>(218,581)</u>	<u>(550)</u>	<u>43</u>	<u>510,077</u>
<u>Restricted funds</u>						
Redevelop- ment Fund	58,403	-	-	-	-	58,403
67 Ellesmere Road	636,178	-	(21,066)	-	-	615,112
Beirut	-	6,450	(7,000)	550	-	-
Jack Patchey Foundation	-	500	(340)	-	-	160
Furlough Grant	-	22,809	(22,809)	-	-	-
	<u>694,581</u>	<u>29,759</u>	<u>(51,215)</u>	<u>550</u>	<u>-</u>	<u>673,675</u>
<u>Total of funds</u>	<u>1,205,791</u>	<u>247,714</u>	<u>(269,796)</u>	<u>-</u>	<u>43</u>	<u>1,183,752</u>

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
<u>Unrestricted funds</u>					
<u>Designated funds</u>					
Building Repairs Fund	127,240	-	-	-	127,240
Charitable Purposes Continuation Fund	145,000	-	-	-	145,000
	<u>272,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,240</u>
<u>General funds</u>					
Central Fund	228,675	219,748	(209,555)	102	238,970
<u>Total Unrestricted funds</u>	<u>500,915</u>	<u>219,748</u>	<u>(209,555)</u>	<u>102</u>	<u>511,210</u>
<u>Restricted funds</u>					
Redevelopment Fund	58,403	-	-	-	58,403
67 Ellesmere Road	657,244	-	(21,066)	-	636,178
	<u>715,647</u>	<u>-</u>	<u>(21,066)</u>	<u>-</u>	<u>694,581</u>
<u>Total of funds</u>	<u>1,216,562</u>	<u>219,748</u>	<u>(230,621)</u>	<u>102</u>	<u>1,205,791</u>

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Un- restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	990,112	2,663,752	3,653,864
Fixed asset investments	-	719	719
Debtors due after more than one year	-	10,000	10,000
Current assets	45,110	923,538	968,648
Creditors due within one year	(13,604)	(151,238)	(164,842)
Creditors due in more than one year	(347,943)	(2,936,694)	(3,284,637)
<u>Total</u>	<u>673,675</u>	<u>510,077</u>	<u>1,183,752</u>

Analysis of net assets between funds - prior period

	Restricted funds 2019 £	Un- restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,011,178	2,691,550	3,702,728
Fixed asset investments	-	676	676
Debtors due after more than one year	-	10,000	10,000
Current assets	52,988	904,755	957,743
Creditors due within one year	(13,604)	(134,817)	(148,421)
Creditors due in more than one year	(355,981)	(2,960,954)	(3,316,935)
<u>Total</u>	<u>694,581</u>	<u>511,210</u>	<u>1,205,791</u>

**ANNIE MACPHERSON HOME OF INDUSTRY (INCORPORATED) OPERATING AS BETHNAL GREEN
MISSION CHURCH**

(A company limited by guarantee)

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

17. Related party transactions

During the year there were no related party transactions other than those disclosed in Note 10 to the accounts (2019: none).

18. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
BGMC Trading Limited	10441684	305 Cambridge Heath Road, London, E2 9LH	Operation of a cafe
Class of shares	Holding		
Ordinary A Shares	100%		

The financial results of the subsidiary for the year were:

Name	Income £	Expenses £	Profit/(Loss) for the year £	Net assets £
BGMC Trading Limited	115,516	(134,351)	(18,835)	(77,187)