

Company registration number: 00092321

Charity registration number: 254007

Independent Methodist Association Incorporated (The)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

KM
Chartered Accountants
1st Floor, Block C
The Wharf
Manchester Road
Burnley
Lancashire
BB11 1JG

Independent Methodist Association Incorporated (The)

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 10
Independent Auditors' Report	11 to 13
Statement of Financial Activities	14 to 15
Balance Sheet	16
Notes to the Financial Statements	17 to 24

Independent Methodist Association Incorporated (The)

Reference and Administrative Details

Trustees	M M Riding
	P Hayhurst
	B A Rowney
	R G Prescott
	A Tipping
	A D Harrison
	W Hampson
	L O Ogilvie
	J Merton
	R R Stone
	N H Prescott
	G Edmondson
	A L A Cheers
	S Newton
	A M Stanworth
	F Kearsley
	M Long
	D L Kendrick
	R Halliwell
	D I Barron
Secretary	L Crockatt
	B A Rowney
Principal Office	Independent Methodist Resource Centre
	Fleet Street
	Pemberton
	Wigan
	WN5 0DS
Company Registration Number	00092321
Charity Registration Number	254007
Auditor	KM
	Chartered Accountants
	1st Floor, Block C
	The Wharf
	Manchester Road
	Burnley
	Lancashire
	BB11 1JG

Independent Methodist Association Incorporated (The)

Reference and Administrative Details

Bankers	Barclays Bank plc 6 Market Place Wigan WN1 1QS
Advisers	Compass Financial Ltd Kingsley Hall 20 Bailey Lane Manchester Airport Manchester M90 4AN

Independent Methodist Association Incorporated (The)

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2020.

Trustees

M M Riding

D A Hill (resigned 16 October 2020)

P Hayhurst

B A Rowney

R G Prescott

A Tipping

A D Harrison

W Hampson

M Pollard (resigned 1 September 2020)

L O Ogilvie

J Merton

R R Stone (appointed 1 September 2020)

N H Prescott

G Edmondson

A L A Cheers

S Newton

A M Stanworth

C Mccullars (resigned 1 September 2020)

F Kearsley

M Long

D L Kendrick

R Halliwell

D I Barron (appointed 1 September 2020)

L Crockatt

Objects

The Charity's objects are specifically restricted to promoting the extension of the Christian faith in the United Kingdom and in all or any other parts of the world through worship, education and social action that is in accord with the principles and practices of the Independent Methodist Connexion of Churches.

Independent Methodist Association Incorporated (The)

Trustees' Report

Statement of Faith

The Independent Methodist Churches are Trinitarian, believing that God the Father is revealed through Jesus Christ his Son, who alone is Saviour of the world. The Holy Spirit makes God's saving work real in the lives of his people. On acceptance of Jesus Christ as Lord and Saviour, a person is born again and becomes a child of God by adoption.

Independent Methodists structure

The Association is a Charitable Company, limited by guarantee, and is responsible for the management and administration of properties and finances held in trust on behalf of, in support of, and under the direction of the self governing churches, which adhere to the principles of Independent Methodism and collectively are known as the Independent Methodist Connexion. At the year end there were 68 churches organised into 13 Circuits on a geographical basis. Four of these churches are not attached to a circuit.

The current trustees are the only persons who are able to be members of the company.

Objectives

The objectives are to look at how we can best serve our individual churches.

The effectiveness of the charity is inextricably linked with that of the member churches of the Independent Methodist Connexion, to whom it provides support in their work of ministering to their communities. The result of the Covid-19 emergency and resulting protracted lockdown periods has prompted an assessment of new ways to communicate within the denomination and, in turn, to help individual churches to interact with their congregations given the restrictions on physical meetings. The need for such methods is likely to continue beyond the end of the present restrictions.

The remaining objectives as contained in the Articles of Association, in summary, are as follows:

Property:

To act as trustee of property.

To acquire, sell, alter or repair, or otherwise deal with property.

To perform trusts and manage trust property.

Funds:

To establish and support assistance funds, and to receive and apply donations.

To invest funds.

Ministry:

To educate Ministers and support evangelists and others.

Administration:

To exercise powers as principal, trustee or agent.

To promote and maintain the use of the Resource Centre, magazines etc., for the benefit of the churches.

To provide advice, support and defend legal proceedings.

Independent Methodist Association Incorporated (The)

Trustees' Report

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Grant making policies

Grants are only available to Independent Methodist churches and their members, and other Christian organisations with similar objectives. Grants to churches may be for building repairs / improvements, evangelical projects, interim support for the employment of specialist workers. Grants can be provided to assist with personal Christian development for training or education. In general, applications are administered by the Finance Committee although, where the grant is made from certain restricted funds, another committee may administer the process in accordance with the rules of the fund.

Achievements and performance

In support of its objectives, the charity continues to work with churches and Circuits by administering those funds held in trust and thus allowing the following achievements and performance of the Independent Methodist Connexion :

- providing training in evangelism, youth work, child protection and theology
- disseminating information on legal, religious and other topics
- providing assistance and resources for evangelical outreach
- accrediting, as Ministers of the Connexion, persons who have undergone a course of training and have passed the appropriate examinations
- being members of ecumenical bodies within the United Kingdom
- supporting members of Independent Methodist churches working with missionary organisations
- making grants to churches to assist in building repairs and extensions, and to individuals to assist in courses of study or other Christian activities
- providing facilities and resources which would be beyond their own ability

The Finance Committee administers the funds held by the Association, and processes applications for grants from the churches. In particular the Committee encourages churches to apply for grants to assist in evangelical work under the Kingdom Growth scheme which aims to return money from church sales to churches seeking to expand God's work in their locality. Grants totalling £49,263 (2019: £329,800) were made to churches in 2020.

The Ministry Committee runs the Ministers' Education Scheme, a four-year course of study and practical work which prepares students wishing to enter the Independent Methodist ministry. Satisfactory completion of the course (or equivalent studies) is a prerequisite to becoming accredited as an Independent Methodist Minister, though the course (or elements of it) may also be followed by those who do not seek ministerial accreditation and wish to undertake it for personal education. The committee also provides ongoing support and training for Independent Methodist Ministers, including facilities such as residential study weekends (for both Ministers and students) and discounted books.

Processes for establishing a Continuing Professional Development (CPD) for accredited ministers have been established, and ministers are now encouraged to generate a 'Development Profile'.

Independent Methodist Association Incorporated (The)

Trustees' Report

The Church Support Group provides advice, information and support through its members and workers. It provides resources and practical help to churches in their work with the community. It provides assistance to churches with access to low level development grants and provides encouragement and discussion in developing their future plans and vision.

The Overseas Missions department promotes interest and awareness of Christian work overseas, through the Connexion magazine, making resource packs available to churches and presentations to church and youth groups. It provides financial, prayer and personal support to Independent Methodists working with missionary societies, with five people (including two couples), some working in difficult overseas situations, being supported in 2019. Financial support from the Independent Methodist Association typically covers about 20% of their requirements, the balance coming from other sources which may include individual Independent Methodist churches and members.

The Administration Group provides guidance to the churches on charity, legal and property matters as necessary. Following a major review of governance, a sub-group was appointed to review the Articles and Memorandum of the Independent Methodist Association. The updated Articles of Association were approved by the Charity Commission in February 2020. As part of the ongoing process, the sub-group was tasked with identifying and documenting rules and processes that support the new Articles of Association, and these were first published in October 2020.

Communications is discussed as part of the Administration Group's agenda, and covers the Archives, Connexion Magazine, general issues regarding communications and the Connexional website. The Communications Officer is an attendee of the Administration Group reporting into that group on Communications-related matters.

A number of plans for work on the archives and on communications generally had to be put on hold as the restrictions arising from Covid-19 limited the scope for physical involvement. Indeed, access to the Resource Centre has been severely restricted for most of the year, with staff working from home except when the use of equipment and material there could not be avoided. Communications between officers, employees and churches has been by electronic means wherever possible, and many meetings have been conducted via the use of Zoom. This proved to have unlooked-for benefits in removing the cost and inconvenience of people having to travel to meetings, although creating a fresh set of problems. In some cases, people have needed to be trained how to use the new technology, and 'screen fatigue' has resulted in more frequent breaks taking place than would otherwise be required. Nevertheless, the overall outcome has been positive, and will no doubt feature in our activities in future.

The magazine is produced on a bi-monthly basis and is free to all church members, the cost being absorbed by the Connexion. Most editions have been sent to churches electronically, with a request that they forward the electronic files to their members or else print and distribute copies locally. In a few instances where this has not been possible, churches have been provided with hard copy as usual.

The Safeguarding Officer administers child protection and vulnerable adults work within the Association, organising training courses and providing general advice on request.

The Northwood Christian Centre operates on a non-profit making, break-even basis for worship, teaching, youth work and fellowship retreats. Although it has been well-used by church groups (IM and others), families and individuals, the Covid-19 emergency resulted in its closure throughout 2020.

Much of the above work is ongoing from year to year.

Independent Methodist Association Incorporated (The)

Trustees' Report

Financial review

The attached financial statements show the current state of the finances which the Directors consider to be sound. Incoming resources for the year total £85,172 (2019: £108,354) whilst resources expended were £205,495 (2019: £568,936).

It is considered that sufficient funds are held in trust by the Association to continue current and future projects.

Fundraising

The charity does not engage in fundraising and therefore no disclosures are made as required by the Charities Act 2006.

Principal funding sources

The largest proportion of income to the funds held by the Association in 2020 came from membership levies on churches in the Connexion.

Investment policy and objectives

It is the policy of the Finance Committee to invest in low risk assets to provide an income and maintain the capital value of investments.

The Finance Committee considers social, environmental or ethical aspects when deciding on investments. Following a change in investment manager a new statement of investment principles is being developed.

Independent Methodist Association Incorporated (The)

Trustees' Report

Policy on reserves

It is the policy of the Association to hold reserves which provide for the ongoing work of the Association whilst retaining financial stability and the potential to respond to new opportunities at a Connexional level or at an individual church level. For several years, the intention has been to generate sufficient income from reserves to avoid increasing membership levies and thereby increasing the financial burden on churches in a time of declining membership and increasing regulatory compliance costs.

At the 31st December 2020 the reserves position was as follows:

Total Reserves £2,240,149

of which:

Some were restricted in their use £38,290

Some were tied up in fixed assets £234,681

Some were tied up in a loan for the sale of a former church building £89,626

Balance of reserves £1,877,552

The balance of the reserves is required for the following purposes:

- to provide further investment income to fund the continuing work of the Association, maintaining membership fees.
- to provide grants to member churches

Consideration continues to be given to exploring innovative ways of making available funds to member churches to extend their work whilst retaining sufficient reserves to provide for the continuation of the charity's activities.

Independent Methodist Association Incorporated (The)

Trustees' Report

Aims and key objectives for future periods

In support of its objectives the Association will continue to work with the Connexion whose future aims and key objectives are shown below:

The revised Constitution of the Independent Methodist Connexion was approved at Annual Meeting 2019 and ratified in 2020. In order to improve governance, rules and procedures continue to be developed as lower-level documents supporting the Constitution and the IMA's Articles of Association. These will be reviewed periodically to ensure that they remain appropriate.

All groups within the Connexion are reviewing and implementing policies and procedures to meet governance requirements.

The various groups within the denomination are now working together to:

- Support the churches in developing their vision for their geographic area.
- Work with the churches to identify support they will need from the denomination.
- Assess those needs for completeness and affordability
- Deliver the agreed support

These activities will result in a fully costed rolling programme of support spread over a number of years which will identify the finance required which will then be planned for each period.

Funds held as custodian Trustee

The Independent Methodist Association is the Custodian Trustee of a number of church premises. Day to day running of each church is, however, in the hands of Managing Trustees, who retain control of their respective funds. The Independent Methodist Association would only hold funds in respect of these premises if the church had closed and the premises were awaiting disposal. Such churches are, in general, on a Trust Deed under which the proceeds from any sale would pass to the Independent Methodist Association as ultimate beneficiary. In some cases, the ultimate beneficiary is another body (usually a church circuit) and in those cases any associated funds are listed as assets of the church in question until they can be passed to the beneficiary on disposal of the premises.

Structure, governance and management

Nature of governing document

The charity is controlled by its governing document, its Articles of Association as updated on February 2020.

Recruitment and appointment of trustees

New trustees are appointed in two ways. Designated officers of the Connexion are trustees of the Association unless disbarred by reason of also being paid employees or having a conflict of interest. Their appointment as trustees is a consequence of their selection and formal appointment to their posts at the Annual Meeting. Circuits may also nominate Representatives to Connexional Committee who, unless disbarred as above, automatically become trustees of the Association and are formally appointed at the Annual Meeting. The trustees are appointed annually at the Annual Meeting by delegates from Churches in full membership. The Connexional Officers and Representatives are also known as Connexional Committee

Independent Methodist Association Incorporated (The)

Trustees' Report

Relationships with related parties

The Association is a member of the Evangelical Alliance, Churches Together in England, Churches Together in Britain and Ireland, the Free Churches Group and (since February 2021) the National Council for Voluntary Organisations. These bodies have no authority to affect or influence our operating policies.

The Association contracts with Compass Financial Ltd to invest the funds of the charity in accordance with the investment policy.

Major risks and management of those risks

The continued decline in both church membership and the number of churches in the Connexion is a matter for concern, since it calls into question the need for existing Connexional structures and, eventually, the viability of the Connexion itself. In the short term, the Connexion is undertaking reviews of its structures to ensure that they remain effective at meeting the needs and objectives of the Charity. In the longer term, the viability of the Connexion is dependent on the strength of the churches that it supports.

The Covid-19 crisis resulted in significant upheaval both to the Association and to the churches that it supports. At various times, churches were unable to meet at all due to lockdown restrictions or could only do so with restrictions on numbers attending and activities that could be carried out.

A significant potential risk is that these prolonged closures might call into question the viability of some of the Connexion's member churches, with a knock-on effect on the viability of the Connexion. In mitigation, the churches most likely to be at risk do not represent a significant part of the Association's income. This might be offset by income from the sale of redundant buildings, although in the short-term property prices are likely to be depressed below their 2020 levels. Another potential effect is that the historic place of circuits within the governance and support structure may need to be reviewed if demographic changes result in this model becoming inappropriate.

A further potential threat could arise if historic sex abuse allegations were to be made in respect of a church that had since closed. If it were not possible to identify the insurers at that time, it is possible that the Association could be held to be vicariously liable. The likelihood of such an event is considered to be low, since most churches in the Connexion chose to be insured with one particular company for which the Resource Centre once held an agency. Measures have been taken to ensure that records on insurance are retained where they still exist, and that churches are now required to confirm (via the annual return) that they have appropriate insurance, and with whom.

The annual report was approved by the trustees of the charity on 15 May 2021 and signed on its behalf by:

.....
B A Rowney
Company Secretary and Trustee

Independent Methodist Association Incorporated (The)

Independent Auditor's Report to the Members of Independent Methodist Association Incorporated (The)

Opinion

We have audited the financial statements of Independent Methodist Association Incorporated (The) (the 'charity') for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Methodist Association Incorporated (The)

Independent Auditor's Report to the Members of Independent Methodist Association Incorporated (The)

Opinion 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 (set out on page), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Independent Methodist Association Incorporated (The)

Independent Auditor's Report to the Members of Independent Methodist Association Incorporated (The)

- 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 charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report 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 auditor's report. However, future events or conditions may cause the charity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

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 trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Mark Heaton FCCA DChA (Senior Statutory Auditor)
For and on behalf of KM, Statutory Auditor

1st Floor, Block C
The Wharf
Manchester Road
Burnley
Lancashire
BB11 1JG

15 May 2021

Independent Methodist Association Incorporated (The)

Statement of Financial Activities for the Year Ended 31 December 2020
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Income from:							
Donations	3	57,857	-	57,857	62,588	-	62,588
Charitable activities	4	3,141	-	3,141	17,759	-	17,759
Investment income	5	16,155	-	16,155	15,990	-	15,990
Other income	6	8,019	-	8,019	12,017	-	12,017
Total income		<u>85,172</u>	<u>-</u>	<u>85,172</u>	<u>108,354</u>	<u>-</u>	<u>108,354</u>
Expenditure on:							
Raising funds	7	(995)	-	(995)	(2,785)	-	(2,785)
Charitable activities	8	(194,372)	-	(194,372)	(555,659)	-	(555,659)
Other expenditure	9	<u>(10,128)</u>	<u>-</u>	<u>(10,128)</u>	<u>(10,492)</u>	<u>-</u>	<u>(10,492)</u>
Total expenditure		<u>(205,495)</u>	<u>-</u>	<u>(205,495)</u>	<u>(568,936)</u>	<u>-</u>	<u>(568,936)</u>
Net expenditure		(120,323)	-	(120,323)	(460,582)	-	(460,582)
Transfers between funds		-	-	-	90	(90)	-
Other recognised gains and losses							
Gains/losses on revaluation of investments		<u>19,045</u>	<u>256</u>	<u>19,301</u>	<u>216,807</u>	<u>2,909</u>	<u>219,716</u>
Net movement in funds		(101,278)	256	(101,022)	(243,685)	2,819	(240,866)
Reconciliation of funds							
Total funds brought forward		<u>2,303,137</u>	<u>38,034</u>	<u>2,341,171</u>	<u>2,546,822</u>	<u>35,215</u>	<u>2,582,037</u>
Total funds carried forward	19	<u><u>2,201,859</u></u>	<u><u>38,290</u></u>	<u><u>2,240,149</u></u>	<u><u>2,303,137</u></u>	<u><u>38,034</u></u>	<u><u>2,341,171</u></u>

Independent Methodist Association Incorporated (The)
Statement of Financial Activities for the Year Ended 31 December 2020
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 19.

Independent Methodist Association Incorporated (The)

(Registration number: 00092321) Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	234,681	244,547
Investments	15	<u>1,740,054</u>	<u>1,965,753</u>
		<u>1,974,735</u>	<u>2,210,300</u>
Current assets			
Debtors	16	258,306	107,102
Cash at bank and in hand		<u>14,092</u>	<u>25,984</u>
		272,398	133,086
Creditors: Amounts falling due within one year	17	<u>(6,984)</u>	<u>(2,215)</u>
Net current assets		<u>265,414</u>	<u>130,871</u>
Net assets		<u>2,240,149</u>	<u>2,341,171</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		38,290	38,034
Unrestricted income funds			
Unrestricted funds		<u>2,201,859</u>	<u>2,303,137</u>
Total funds	19	<u>2,240,149</u>	<u>2,341,171</u>

The financial statements on pages 14 to 24 were approved by the trustees, and authorised for issue on 15 May 2021 and signed on their behalf by:

.....
D L Kendrick
Trustee

Independent Methodist Association Incorporated (The)

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Independent Methodist Resource Centre
Fleet Street
Pemberton
Wigan
WN5 0DS

These financial statements were authorised for issue by the trustees on 15 May 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Income

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

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Taxation

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

Tangible fixed assets

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold property	2% per annum straight line basis
Fixtures and fittings	30% per annum reducing balance basis
Computer equipment	30% per annum reducing balance basis

Independent Methodist Association Incorporated (The)

Notes to the Financial Statements for the Year Ended 31 December 2020

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Income from donations

	Total 2020 £	Total 2019 £
Membership dues	42,315	44,789
Donations	15,542	17,799
	<u>57,857</u>	<u>62,588</u>

4 Income from charitable activities

	Total 2020 £	Total 2019 £
Conferences and events	272	4,525
Northwood Christian Centre income	314	5,728
Other sales	2,555	7,506
	<u>3,141</u>	<u>17,759</u>

Independent Methodist Association Incorporated (The)

Notes to the Financial Statements for the Year Ended 31 December 2020

5 Investment income

	Total 2020 £	Total 2019 £
Income from fixed asset investments	6,792	6,339
Income from rents	3,840	3,840
Interest receivable on other loans	5,523	5,811
	<u>16,155</u>	<u>15,990</u>

6 Other income

	Total 2020 £	Total 2019 £
Other income	8,019	2,163
Closure of churches	-	9,854
	<u>8,019</u>	<u>12,017</u>

7 Expenditure on raising funds

	Total 2020 £	Total 2019 £
Investment management costs	995	2,785
	<u>995</u>	<u>2,785</u>

8 Expenditure on charitable activities

	Total 2020 £	Total 2019 £
Wages and salaries	61,136	74,180
Pension costs	1,695	3,858
Audit of the financial statements	4,800	4,800
Other fees paid to auditors	-	150
Accountancy, legal and professional fees	16,709	28,138
Payroll services	1,014	1,146
Other costs	38,755	89,087
Grant funding of activities	70,263	354,300
	<u>194,372</u>	<u>555,659</u>

The total grants paid to institutions during the year was as follows:

Independent Methodist Association Incorporated (The)

Notes to the Financial Statements for the Year Ended 31 December 2020

	Total 2020 £	Total 2019 £
Grants to churches for property and personnel	4,000	262,500
Overseas missionary grants	21,000	24,500
Development grants	2,544	67,300
Kingdom growth grants	30,500	-
Building work grants	12,219	-
	<u>70,263</u>	<u>354,300</u>

9 Other expenditure

	Total 2020 £	Total 2019 £
Depreciation	10,128	10,492
	<u>10,128</u>	<u>10,492</u>

10 Analysis of governance and support costs costs

	Total 2020 £	Total 2019 £
Audit fees		
Audit of the financial statements	4,800	4,800
Other fees paid to auditors	-	150
Accountancy, legal and professional fees	16,709	28,138
Payroll services	1,014	1,146
	<u>22,523</u>	<u>34,234</u>

11 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

£3,962 (2019: £11,937) of expenses were reimbursed to 10 (2019 - 16) of the charity's Trustees during the year.
No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

Independent Methodist Association Incorporated (The)

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	61,136	74,180
Pension costs	1,695	3,858
	<u>62,831</u>	<u>78,038</u>

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

	2020 No	2019 No
Charitable activities	<u>6</u>	<u>5</u>

No employee received emoluments of more than £60,000 during the year.

13 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	4,800	4,800
Other fees paid to auditors	-	150
	<u>4,800</u>	<u>4,950</u>

14 Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2020	401,222	5,739	13,196	420,157
Additions	<u>-</u>	<u>262</u>	<u>-</u>	<u>262</u>
At 31 December 2020	<u>401,222</u>	<u>6,001</u>	<u>13,196</u>	<u>420,419</u>
Depreciation				
At 1 January 2020	163,455	4,896	7,259	175,610
Charge for the year	<u>8,026</u>	<u>319</u>	<u>1,783</u>	<u>10,128</u>
At 31 December 2020	<u>171,481</u>	<u>5,215</u>	<u>9,042</u>	<u>185,738</u>
Net book value				
At 31 December 2020	<u>229,741</u>	<u>786</u>	<u>4,154</u>	<u>234,681</u>
At 31 December 2019	<u>237,767</u>	<u>843</u>	<u>5,937</u>	<u>244,547</u>

Independent Methodist Association Incorporated (The)

Notes to the Financial Statements for the Year Ended 31 December 2020

Freehold property consists of The Resource Centre in Wigan, The Northwood Christian Centre (High Leigh) and a property in Stretford.

15 Fixed asset investments

	Listed investments £
Market value	
At 1 January 2020	1,965,753
Revaluation	19,301
Disposals	<u>(245,000)</u>
At 31 December 2020	<u>1,740,054</u>
Net book value	
At 31 December 2020	<u>1,740,054</u>
At 31 December 2019	<u>1,965,753</u>

16 Debtors

	2020 £	2019 £
Trade debtors	136	632
Prepayments	19,117	11,628
Other debtors	<u>239,053</u>	<u>94,842</u>
	<u>258,306</u>	<u>107,102</u>

Debtors includes £84,069 (2019: £89,625) receivable after more than one year.

17 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	1,664	(1,589)
Other creditors	520	204
Accruals	<u>4,800</u>	<u>3,600</u>
	<u>6,984</u>	<u>2,215</u>

18 Pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £1,695 (2019 - £3,858).

Independent Methodist Association Incorporated (The)

Notes to the Financial Statements for the Year Ended 31 December 2020

19 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds					
<i>General</i>					
General fund	2,058,590	85,172	(195,629)	19,045	1,967,178
<i>Designated</i>					
Fixed asset reserve	<u>244,547</u>	<u>262</u>	<u>(10,128)</u>	<u>-</u>	<u>234,681</u>
Total unrestricted funds	<u>2,303,137</u>	<u>85,434</u>	<u>(205,757)</u>	<u>19,045</u>	<u>2,201,859</u>
Restricted funds					
MM & WW Kay Memorial Fund	1,753	-	-	-	1,753
F & B Tetlow Fund	32,277	-	-	232	32,509
W Burrows Educational Fund	<u>4,004</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>4,028</u>
	<u>38,034</u>	<u>-</u>	<u>-</u>	<u>256</u>	<u>38,290</u>
Total funds	<u>2,341,171</u>	<u>85,434</u>	<u>(205,757)</u>	<u>19,301</u>	<u>2,240,149</u>

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2019 £
Unrestricted funds						
<i>General</i>						
General fund	2,293,301	108,354	(559,962)	90	216,807	2,058,590
<i>Designated</i>						
Fixed asset reserve	<u>253,521</u>	<u>1,518</u>	<u>(10,492)</u>	<u>-</u>	<u>-</u>	<u>244,547</u>
Total unrestricted funds	<u>2,546,822</u>	<u>109,872</u>	<u>(570,454)</u>	<u>90</u>	<u>216,807</u>	<u>2,303,137</u>
Restricted funds						
MM & WW Kay Memorial Fund	1,753	-	-	-	-	1,753
F & B Tetlow Fund	29,722	-	-	(90)	2,645	32,277
W Burrows Educational Fund	<u>3,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264</u>	<u>4,004</u>
	<u>35,215</u>	<u>-</u>	<u>-</u>	<u>(90)</u>	<u>2,909</u>	<u>38,034</u>
Total funds	<u>2,582,037</u>	<u>109,872</u>	<u>(570,454)</u>	<u>-</u>	<u>219,716</u>	<u>2,341,171</u>

Independent Methodist Association Incorporated (The)

Notes to the Financial Statements for the Year Ended 31 December 2020

20 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds
	General £	Designated £	£	£
Tangible fixed assets	-	234,681	-	234,681
Fixed asset investments	1,740,054	-	-	1,740,054
Current assets	234,108	-	38,290	272,398
Current liabilities	(6,984)	-	-	(6,984)
Total net assets	<u>1,967,178</u>	<u>234,681</u>	<u>38,290</u>	<u>2,240,149</u>

	Unrestricted funds		Restricted funds	Total funds
	General £	Designated £	£	£
Tangible fixed assets	-	244,547	-	244,547
Fixed asset investments	1,965,753	-	-	1,965,753
Current assets	95,052	-	38,034	133,086
Current liabilities	(2,215)	-	-	(2,215)
Total net assets	<u>2,058,590</u>	<u>244,547</u>	<u>38,034</u>	<u>2,341,171</u>