

ETHIOPIAN ORTHODOX CHURCH

ST. MARY OF ZION

TRUSTEES REPORT AND FINANCIAL

STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

(CHARITY REGISTRATION NUMBER 282910)

ETHIOPIAN ORTHODOX CHURCH ST. MARY OF ZION

FOR THE YEAR ENDED 31 AUGUST 2020

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ETHIOPIAN ORTHODOX CHURCH ST. MARY OF ZION

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

1 Reference and Administrative Details

The principal administrative details are included below:

Charity Number 282910

Charity Name Ethiopian Orthodox Church St Mary of Zion

Registered Address 61 Coopers Lane
London
E10 5DG

Board of Trustees		Status	Date Elected
	Mr. Reginal Henry (Amde Mariam)	Keyholder	23 May 1981
	Mr. Keith Samuels (Kes Haile Maskel)	Priest/ Keyholder	30 April 2008
	Mr. Trevor Field (Melaka Sion Habte Mariam)	Priest in Charge	30 April 2008
	Mr. Guy Tombs (Tekle Wolde)	Financial Advisor	26 November 2018
	Mr. Tafari Lewis (Gebre Mariam) (resigned effective 1 September 2020)	Technical Advisor	30 April 2008

Legal Status Registered with Charities Commission

Independent Examiner Sam Tanyi: FMAAT, MIFS, MCIE
13 Arkley Road
London
E17 7PD

2 Objectives and Activities

Ethiopian Orthodox Church St. Mary of Zion (EOCSMZ) is a branch church Of the Ethiopian Orthodox Tewahedo (EOC), based in London UK. EOCSMZ has been catering for the spiritual, social, cultural and educational needs of her membership for the last 45 years. The EOCSMZ was registered as a charity on 23rd May 1981 with the objective of the propagation of the Gospel of Christ by advancing the EOTC faith and, in particular, charitable works within the Greater London, Africa and the Caribbean Islands. Ordained priests and deacons of the EOCSMZ conduct baptisms, marriages, funerals and other services in accordance with canon law. A key objective is to support families and their children by educating them on the orthodox way of life.

A key project is the renovation of the property at 229 Lower Clapton Road into a place of worship/community centre in the traditional Ethiopian Orthodox style. The property was acquired in 2011 and planning permission for the proposed development is in place. Although a contractor had been appointed, and work commenced in June 2019, a number of problems arose including concerns over the quality of the building work, which resulted in the dismissal of the contractor and project manager. After the year end the EOCSMZ obtained quotations with a view to appointing a new contractor however the additional costs of rectifying the substandard work means that it does not currently have the required resources. As a result the project is currently on hold apart from some work to secure the site and roof work to prevent deterioration of the structure.

3 Structure, Governance and Management

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The EOTCSMZ is constituted as a trust. The governing body of the EOTCSMZ is the parish council, the membership of which includes a chairperson (the priest in charge), vice chairperson, the General Secretary, Assistant General Secretary, Treasurer and Assistant Treasurer. Selected members of the parish council are also trustees of the charity.

Besides the parish council there are other sub-committees that have been established to carry out the aims and objectives of the EOTCSMZ, including:

- Clergy Committee
- Finance Committee
- Funding Application Committee
- Multimedia Committee
- Building Maintenance Committee
- Fundraising Committee
- Sembete (Festival) Events Committee
- St. Mary Mehabre
- Evangelism Committee
- St. Tekle Haymanot Youth Association
- St. Gabriel Mehabre

The annual activities and financial status of EOTCSMZ are reported to the congregation every year in September. Our parish council also has a bi-annual meeting in March to monitor the half yearly progress. All sub-committees also submit progress reports at these meetings. All trustees, parish council members, committee members as well as priests and deacons are voluntary workers.

New trustees are appointed from the church membership by unanimous vote of the existing trustees. Every three years there is a formal selection committee formed to manage the re-election of parish council members.

4 Achievements and Performance

Our community continues to support all the fundraising drive initiated by various committees. This include events such as auctions of religious items including icons, major donations, sponsorship of key initiatives by members, selling tea, coffee and refreshments from the kitchen after services, an internal shop selling religious items and a church entrance shop which serves the community prior to entering the church before the liturgical service.

Key activities included the Debra Tabor event. A number of other planned events were cancelled owing to the Covid pandemic. The church being rented at the time could not be adapted to enable services during Covid lockdown meaning that services were stopped. More recently EOTC has been able to rent a church that is more suited to holding services during Covid lockdown.

Despite the impact of the Covid pandemic, the overall level of income for 2020 was significantly higher than 2019, primarily due to sponsorship of various aspects of the projects.

5 Financial Review

There has been an increase in general ministry income, from £54,544 to £58,075 however this is largely due to gift aid reclaims for 2019 and 2020 both being included in the 2020 income (totalling £8,290). Project income has increased from £88,566 to £113,660 due to sponsorship of various aspects of the project, particularly the roof and ecclesiastical items.

There has been a small reduction in expenses relating to charitable activities, from £31,298 to _____

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£25,284, primarily due to reduced church rent costs during lockdown. Expenses relating to project activities have decreased from £149,733 to £145,434, due to combined effect of the reduction in the asbestos remediation provision (£104,028) and the right off of building improvement costs. The project expenditure that had previously been capitalised relating to the actual development (£76,648) has been written off owing to the quality concerns over the work done meaning that the property value on the balance sheet has decreased from £1,206,648 to £1,130,000.

The work on the building project means that cash reserves have fallen slightly in the last year, from £236,576 to £195,007, however the additional fund-raising relating to the project sponsorship means that the decline is far smaller than the amount spent on the project. During lockdown the charity took advantage of the option to halt mortgage repayments for five months, however despite this the mortgage liability reduced from £331,530 to £320,453.

Although EOTCSMZ does not currently have sufficient reserves to fully fund the renovation, investigations are underway into alternative phasing approaches that would enable the church to make use of the church building. This would reduce rental costs and allow a wider range of church services to be performed. The Kingdom Bank facility agreement that was previously obtained has expired, however it is expected that a similar facility will be negotiated once the Covid pandemic is over.

This report was approved by the trustees and signed on their behalf by Mr Keith Samuels (Kes Haile Maskel):

Signed K. Samuels H. maskel Trustee

Date 3/6/2021

THE ETHIOPIAN ORTHODOX CHURCH ST. MARY OF ZION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Incoming Resources					
General Ministry Income		58,075	-	58,075	54,544
Project Income		-	113,660	113,660	88,566
Total Incoming Resources	2	58,075	113,660	171,735	143,110
Resources Expended					
Charitable Activities		25,284	8	25,292	31,298
Project Activities		-	145,426	145,426	149,733
Total resources Expended	3	25,284	145,434	170,718	181,031
Net Movement in Funds before transfers		32,791	(31,774)	1,017	(37,921)
Transfers between funds		-	-	-	-
Other recognised gains/ (losses)		-	-	-	-
Total Funds Brought Forward		171,050	397,856	568,906	606,827
Total Funds Carried Forward	9	203,841	366,082	569,923	568,906

THE ETHIOPIAN ORTHODOX CHURCH ST. MARY OF ZION

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	2019 £
Fixed Assets			
Tangible fixed assets	4	1,130,000	1,206,648
Current Assets			
Debtors	5	10,047	1,490
Cash at bank and in hand	6	195,007	236,576
Total current assets		205,054	238,066
Creditors: amounts falling due within one year	7	(36,801)	(125,355)
Net current assets		168,253	112,711
Total assets less current liabilities		1,298,253	1,319,359
Creditors: amounts falling due after one year	8	(298,330)	(320,453)
Net assets		999,923	998,906
Funds of the charity			
Restricted Funds	9	366,082	397,856
Unrestricted Funds	9	203,841	171,050
Property Revaluation Reserve		430,000	430,000
Total Funds		999,923	998,906

The notes on pages 7-11 form part of these accounts

The trustees declare that they have approved the above accounts which are signed on their behalf by Mr Guy Tombs (Tekle Wolde):

Signed Guy Tombs Tekle Wolde Trustee

Date 3/6/21

1 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.

a. Basis of preparation

The financial statements have been prepared on an accruals basis under the historical cost convention, with the exception of property which is included at market value. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in: accordance with the Financial Reporting Standard FRS102.

b. Incoming Resources

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

c. Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

d. Investment income

Interest is included when receivable by the charity.

e. Resources Expended

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. All resources expended are inclusive of irrecoverable VAT.

f. Tangible fixed assets and depreciation

Property is shown at market value and is not depreciated. Other fixed assets costing more than £500, are capitalised and depreciated on a 25% straight line basis.

g. Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

h. Creditors and provisions

Creditors and provisions are recognised where the charity had a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts.

i. Fund accounting

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity. Restricted funds can only be used for the purpose the fund was established.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
2. Incoming Resources				
General Ministry Income				
Dues - Cash	960	-	960	2,895
Dues - Standing Orders	29,515	-	29,515	23,918
St Mary Mehabre income	1,420	-	1,420	470
Collections & Dues	10,421	-	10,421	14,900
St Gabriel Mehabre income	-	-	-	106
Gift Aid	8,290	-	8,290	-
Fundraising Committee	951	-	951	3,220
Memorial	340	-	340	375
Funeral	-	-	-	100
Marriage	-	-	-	180
Baptism	660	-	660	1,180
Tithes	2,440	-	2,440	3,437
Clergy Fund	380	-	380	1,010
Bible Studies	220	-	220	833
Annual/ Church Outings	-	-	-	800
Candle Box Collection	401	-	401	515
Donations	-	-	-	580
Miscellaneous Income	2,077	-	2,077	25
Total General Ministry Income	58,075	-	58,075	54,544
Project Income				
Building Pledges	-	7,270	7,270	1,235
Fundraising Committee	-	9,171	9,171	3,050
Auction	-	2,765	2,765	5,850
PayPal	-	4,055	4,055	3,159
Building Fund Donations	-	9,959	9,959	20,784
Bank Interest – Project Account	-	105	105	86
Text Giving	-	-	-	95
200 Names	-	25,462	25,462	20,105
Sembete Committee income	-	2,517	2,517	3,875
Entrance Shop	-	6,932	6,932	7,162
White Envelopes	-	-	-	3,670
Debra Tabor Event	-	3,060	3,060	-
Other Event Income	-	-	-	7,706
Building Project Sponsorship	-	26,944	26,944	11,565
Ecclesiastical Items	-	15,420	15,420	-
Other income	-	-	-	224
Total Project Income	-	113,660	113,660	88,566
Total Incoming Resources	58,075	113,660	171,735	143,110

THE ETHIOPIAN ORTHODOX CHURCH ST. MARY OF ZION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
3. Resources Expended				
Charitable Activities				
Church Rent	10,500	-	10,500	13,444
Diocese	2,400	-	2,400	200
Fundraising Committee Expenses	-	-	-	2,524
Ministry Insurance	350	-	350	348
Miscellaneous expenses	-	-	-	230
Annual/Church Outings	-	-	-	2,222
St Tekle Haymanot	-	-	-	106
Storage	2,669	-	2,669	2,446
Travel	2,561	-	2,561	2,877
Utility Bills	1,726	-	1,726	1,725
Bank charges	-32	8	-24	319
Multimedia	124	-	124	15
Donations to Monastery/ Churches	1,000	-	1,000	-
Accounts/ Audit Expenses	-	-	-	350
PC Administration	1,416	-	1,416	1,138
Hall/Venue Hire	900	-	900	1,641
Funeral Expenses	1,000	-	1,000	1,017
Repair and Maintenance	79	-	79	26
Miscellaneous	121	-	121	670
Shop Purchases	470	-	470	-
Total Charitable Activities	25,284	8	25,292	31,298
Project Activities				
Mortgage Interest Payments	-	12,357	12,357	14,033
Sembete - Welfare Committee costs	-	-	-	50
Legal/Professional Fees	-	72,705	72,705	1,440
Utility/ Security Expenses	-	3,120	3,120	729
Building Works	-	43,047	43,047	106,827
Building Insurance	-	9,386	9,386	4,062
Fundraising Events Expenses	-	4,761	4,761	5,891
Building Repairs	-	-	-	5,756
Loan Facility Application Fee	-	-	-	10,695
Miscellaneous	-	50	50	250
Total Project Activities	-	145,426	145,426	149,733
Total Resources Expended	25,284	145,434	170,718	181,031

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

4. Tangible Fixed Assets	2020	2019
	£	£
Property Cost/ Valuation brought forward	1,206,648	1,130,000
Building Improvements in period	-	76,648
Building improvements written off (see note below)	(£76,648)	-
Total Property Valuation carried forward	1,130,000	1,206,648

The charity owns a property at 229 Clapton High Road which cost £700,000 in 2011. Following an independent valuation which took place in 2017, based on the planning permission that had been obtained, this is now showing at market value of £1,130,000. This same valuation envisaged that the combined value of the church and vicarage once all development is completed would be around £2,540,000. Based on this a decision was taken to capitalise development costs. However, owing to the concerns over quality of work done in 2019, project expenditure that had previously been capitalised has now been written off.

5. Debtors	2020	2019
	£	£
Other debtors	10,047	-
Prepayments	-	1,490
Total debtors	10,047	1,490

6. Cash at bank and in hand	2020	2019
	£	£
HSBC BMM A/C	76,870	50,895
HSBC Current A/C	14,217	5,248
HSBC Deposit A/C	3,855	2,610
HSBC Project A/C	91,900	176,563
Paypal A/C	4,903	1,060
Petty Cash	3,262	200
Total Cash at bank and in hand	195,007	236,576

7. Creditors: amounts falling due within one year	2020	2019
	£	£
Trade Creditors	9,228	7,800
Accrual	3,350	350
Provision (see note below)	2,100	106,128
Mortgage Loan Account	22,123	11,077
Total current creditors	36,801	125,355

As a result of investigations during the development work in 2019 a small amount of asbestos was identified in the roof space and it was assumed more asbestos would be present in other parts of the roof. Quotations at that time indicated that this would cost at least £106,128 to remove and a provision was made for this amount. It has subsequently become clear that the asbestos is restricted to just the one area and this can be more easily dealt with. On this basis the provision has been reduced to £2,100.

THE ETHIOPIAN ORTHODOX CHURCH ST. MARY OF ZION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

8. Creditors: amounts falling due after one year	2020	2019
	£	£
Mortgage Loan Account	298,330	320,453
Total long-term creditors	298,330	320,453
Amounts falling due between one and two years	25,978	22,123
Amounts falling due between two and five years	83,486	80,667
Amounts falling due after five years	188,866	217,663

The acquisition of the property at 229 Clapton High Road was part funded by a 20-year repayment mortgage from HSBC. During the financial year the charity took advantage of an offer to freeze repayments on this mortgage for 5 months (in order to preserve cash flow during the initial Covid lockdown). However, to ensure that the mortgage is still repaid in the original 20-year term, HSBC has increased the monthly repayments.

9. Movement of Funds

	At 1 September 2019	Incoming resources	Outgoing resources	At 31 August 2020
	£	£	£	£
Unrestricted Funds	171,050	58,075	25,284	203,841
Restricted Funds	397,856	113,660	145,434	366,082
Total	568,906	171,735	170,718	569,923

INDEPENDENT EXAMINERS REPORT

TO THE TRUSTEES OF THE ETHIOPIAN ORTHODOX CHURCH ST. MARY OF ZION

FOR THE YEAR ENDED 31 AUGUST 2020

I report to the trustees of the Ethiopian Orthodox Church St. Mary of Zion (Charity Number 282910) on the accounts for the year ended 31st August 2020, which are set out on the attached pages 5-10.

Respective responsibilities of trustees and examiner

The charity's trustees, are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is required for this year. The charity is preparing accounts and I am qualified to undertake the Examination being a qualified member of the association of Charities Independent Examiners

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act,
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

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

Independent examiner's statement

In connection with my examination, no matter has come to my attention which gives me reasonable cause to believe that in, any material respect, that the requirements to:

- keep accounting records in accordance with section 130 of the 2011 Act; and
- prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;
- have not been met; or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed.....

Date.....09/06/2021

Sam Tanyi, FMAAt, MLIBF, MACIE
13 Arkley Road
London
E17 7PD