

Approved by the Managing Trustees meeting 24 June 2020 together with the sign-off of the Independent Examination.

Trustees Report to Charity Commission FYE 31/8/2019

Introduction

This report covers the activities of the Church for the 12m period ended 31 August 2019.

The affairs of the Church are managed by the Church Council, the members of which are the charity Trustees. They are responsible for ensuring compliance with the principles and practice of Methodism and with the legislation relating to charities.

The latter includes registration, keeping proper accounts and making returns to the Charity Commission.

Aims and organisation

The Mission of the Methodist Church as a whole is 'to respond to the gospel of God's love in Christ and to live out its discipleship through Worship, Learning and Caring, Service to others and Evangelism'.

In response to this calling and to better equip the local Church to meet those aims, the Church created 8 Mission Teams during 2017 to concentrate on specific areas of our Church Strategy, namely, Communications, Caring, Discipleship, Property, Worship, Outreach, Finance, Family and Youth.

The leaders of the Mission Teams report through a Leadership Team (responsible for day to day matters) to Church Council. The Church prepares an Annual Report on its Mission and activities which is presented to the wider congregation annually at the General Church Meeting for member approval.

The approved Vision Statement of the local church (as approved by Church Council in June 2015) is 'to be a church that is known for its Spirit-Led discipleship and its practical care in the community' and thus the Mission Team structure reflects our calling.

Ministers report on Church Activities

As I sit to write this report I do so in the midst of a very different world to the one we occupied some twelve months ago now. Despite all the assurances of a smooth transition out of the European Union we find ourselves deeply mired in a myriad issues each of which challenge us to the core of what it means to be church in the present age.

We find ourselves confronted with division, fear and despair to name but a few. Yet, Christ calls us to be his church in the midst of this particular milieu. How do we do that? I believe we do that by continuing to build on the foundations already laid. We have been finding ourselves in the new shape we have set in place and although there is much work still to be done one senses an emerging fresh understanding of our call in terms of the vision statement and aspirations stated above.

The work being done in building a sense of team and purpose amongst the Local Preachers and Worship Leaders in our congregation has shaped an excellent team

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delivering meaningful opportunities to engage with God Sunday by Sunday, but more is required. A next step is needed.

The **Discipleship Mission Team** has been actively working away at inviting members to reflect on their Spiritual journeys, deepen their faith experience and, hopefully, be able to speak of these things in new ways wherever they might find themselves in the world.

The **Outreach Mission Team** has again helped us focus efforts in reaching out to the most vulnerable members of our community through the Night Shelter project as well as the Food Bank.

Our **Family & Youth Mission Team** continues to provide opportunities of sharing faith and care through the Toddlers Group and Messy Church in our community.

Then there are some unseen things. Some of our members are involved in ministering to Syrian refugees in our area. Each week a group meet in the Lounge for support and encouragement. In the background, many are beavering away at fundraising efforts in support of local, national and international charity organisations. Many of you serve our local community in a number of different ways and I would like to believe that each of those represents a sign of the Kingdom being manifested in the world in which we live through the ministry of this Church.

One of the more significant ones was the joyful occasion of welcoming six new members into the life of London Road through Confirmation in the autumn.

These, for me, are but a few of the signs of growth being evidenced in our midst. Every year though, also brings with it its changes.

This past year has seen the most significant change in the staffing levels at London Road. As a result of financial constraints, we could not continue the Family Worker post and so, in November, Waseem Haq, came to the end of his three years in that post. We are grateful to Waseem for the work he has undertaken amongst our families and young people and continue to pray that the way will open up for Waseem to find himself in that place God wants him to be serving Him.

Helen Currington has come to the end of her term as Senior Church Steward and although Helen will continue as a Church Steward, I want to thank her for the support she has offered me in that role over the past two years. It has been much appreciated. Philip Reeves will be stepping up into that role so please do keep him in your prayers.

Waseem's departure also meant some changes in Mission Team Leadership. As the Leadership Team reflected on things, we felt a switch for Trefor Little from Worship to Family & Youth was appropriate and then we set about finding a replacement for Trefor on the Worship Mission Team. I am glad to report that Peter Bramhill has stepped into that breach and we look forward to his leadership unfolding over the next years in that role.

In the coming year we will also be looking to changes in the Finance and the Property Mission Teams. Both Philip Reeves and John Hayman will be standing down as leaders of those teams so please do pray that God will raise up those he wishes to step into these roles.

More significantly, as the Leadership team has reflected on the book we've been reading together, *The Shaping of Things to Come*, we have discovered afresh the fivefold pattern of ministry and leadership set out by Paul in Ephesians chapter 4. This has been a stimulating reminder of what makes for an effective foundation upon which to build the church's ministry in the world. At present we are endeavouring to assimilate it all so we can explain its significance for us here at London Road and thereby enable a new sense of enthusiasm for and a greater participation in our overall vision for what we believe to be God's mission for London Road Methodist Church.

When we do, I trust you will each be enabled to know with greater assurance your specific calling and giftedness within the wider church community and be set free to exercise that giftedness and calling for the sake of the Kingdom.

Please do give the many and various reports in this document your careful consideration and wherever opportunity is presented for becoming involved, please don't miss the moment – God's work depends on our availability and willingness to become involved.

Yours in the Gospel,

Rev. Gavin Hancocks

Report on Financial Outturn

- The year end accounts to 31 August 2019 have been approved by Church Council and Independently Examined.
- Overall, the outturn was well within deficit budget (actual deficit £4,447 v budget deficit £8,046) before the agreed allocation of 30% letting income to the Property Development Fund ('PDF').
- Income - Key positive variation was the known reduction in letting income at £16,527 (budget £17,000). This compares to letting income of £16,825 in the previous year.
- Expenditure - overall spending was £8,186 under budget mainly due to lower than budgeted property repair and renewals incurred in the period.
- Balance Sheet - Following the allocation of 30% of letting income to the property development fund reserve, the overall general fund deficit for the year is £9,405 (budget £13,146) reducing the net worth to £32,592 but still well in excess of the stated reserves policy to maintain 3 months operating expenditure.
- The balance sheet tangible fixed assets figure reflects the significantly increased valuations following assessment by the Methodist Insurance Company in the previous financial year.
- Sundry creditors relates mainly to retiring collections and donations to be dispersed and Sundry debtors mainly to HMRC Gift Aid monies due in.

The Church Council remains mindful that it has posted a deficit outturn, albeit planned, and that this is only sustainable if member giving supports it and a sufficient level of letting income is achieved. It still remains early days in the Mission Team structure to clearly assess what impact their Mission priorities may have on the need for increased giving by church members.

Risk Management

The major risks have been identified and recorded by the Trustees, with professional advice taken, as required. In particular, there is a regular and ongoing review of our Safeguarding obligations by our Safeguarding Officer; a review of Lone-Worker activities has been undertaken and a policy and process put in place; and an ongoing review of Health and Safety aspects is undertaken by our H&S Officer. These policies are reviewed and updated every 3 years.

During the year the Trustees approved a transfer of banking arrangements from HSBC to CAF Bank to improve our governance around internet banking protocols. The HSBC account will be closed after conclusion of the Independent Examination.

The Church is committed to ensuring implementation of Connexional Safeguarding Policy; government legislation; guidance and safe practices in the Church and Circuit through the provision of support, advice, guidance and training for lay and ordained people so that they are clear and confident to carry out their roles and responsibilities.

Reserves Policy

Our approved reserves policy is to hold a minimum sum in general reserves equivalent to 3 months' average expenditure or such sum sufficient to meet unforeseen major expenditure on the Church building.

Static Information

Full Name of Charity: London Road Methodist Church ('LRMC'), Horsham

Registration number at Charity Commission (if registered): 1134052

Date of Registration (as a charity): 3 February 2010

Communication address: 41 London Road, Horsham, West Sussex, RH12 1AN

Treasurer: Mr Philip Reeves

Accountant: Mr Dermot Kennedy (until 31 August 2019).

It is confirmed that Philip Reeves, as a Trustee, acted as the principal officer overseeing the day to day financial management and accounting during the financial year.

Independent examiner: Mr Tony Canvin, 33 Kingmere, South Terrace, Littlehampton, West Sussex, BN17 5LD

Investment Bankers: Central Finance Board of the Methodist Church Trustees for Methodist Church Purpose.

Clearing Bankers: HSBC Bank Plc, 6 West Street, Horsham, West Sussex (during the financial year the Church has moved the banking to the Charities Aid Foundation 'CAF' and the HSBC account will close after the Independent Examination has been filed).

London Road Methodist Church Horsham West Sussex

Registered Charity Number: 1134052

Circuit: Dorking & Horsham Methodist Church Circuit No 36/10

Statement of Financial Activities (SOFA) for the year ended 31 August 2019

	Notes to the accounts	General Fund (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total	2018- 19	Total 2017-18
		£	£	£	£	£	£	£
Income								
1 Offerings		63,239				63,239		66,913
2 Other Donations & Sundry Income		2,202				2,202		2,022
3 Gift aid		12,444				12,444		13,669
4 Interest and investment income		309		225		534		283
5 Income from investment properties						0		-
6 Donations Internal organisations		2,692				2,692		8,409
7 Lettings		16,527				16,527		16,825
8 Total Income		97,413	-	225	-	97,638		108,121
Expenditure								
9 Circuit assessment or share		62,048				62,048		61,500
10 Grants and donations		-				0		-
11 Property maintenance		8,090				8,090		9,523
12 Insurance, utilities etc		15,528				15,528		12,468
13 Depreciation		311				311		344
14 Office expenses		5,369				5,369		6,296
15 Other expenditure		10,514		49		10,563		16,556
16 Internal organisations						0		5,571
17 Total charitable expenditure		101,860	0	49	0	101,909		112,258
18 Gains/(losses) on monetary investments						0		0
19 Gains/(losses) on investment properties						0		0
20 Net income/(expenditure)		-4,447	0	176	0	-4,271		-4,137
21 Transfers between funds		6,872	-	4,670	-	2,202		0
22 Prior Year Fund adjustment	14	26,803	-	55,701	-	28,898		0
23 Other gains/(losses)						0		-3,558
24 Net movement in funds		29,228	-60,371	26,872	0	-4,271		-7,695
25 Total funds brought forward		3,321,929	65,011			3,386,940		3,394,635
26 Total funds carried forward		3,351,157	4,640	26,872	-	3,382,669		3,386,940

London Road Methodist Church Horsham West Sussex

Registered Charity Number: 1134052

Circuit: Dorking & Horsham Methodist Church Circuit No 36/10

Balance Sheet as at 31 August 2019

Notes to the Accounts	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2019	Totals 2018
	£	£	£	£	£	£
Fixed Assets						
Church building and other property	3,298,412				3,298,412	3,271,763
Investment properties					0	
Investments					0	
Total fixed assets	3,298,412	0	0	0	3,298,412	3,271,763
Current Assets						
Debtors and prepayments	26,249				26,249	29,776
Loans by the Churches					0	0
Investments with TMCP			18,047		18,047	24,743
Central Finance Board Deposits	27,111	4,640	8,825		40,576	48,669
Cash at Bank and in hand	7,687				7,687	17,026
Total current assets	61,047	4,640	26,872	0	92,559	120,214
Current Liabilities						
Creditors (due in under 1 year)	8,302				8,302	5,037
Grants payable within 2017-18					0	0
Total current liabilities	8,302	0	0	0	8,302	5,037
Net current assets/liabilities	52,745	4,640	26,872	0	84,257	115,177
Total assets less current liabilities	3,351,157	4,640	26,872	0	3,382,669	3,386,940
Long term liabilities (due after more than one year)						
Grants payable after 2017-18					0	
Loans to the Church					0	
Net assets	3,351,157	4,640	26,872	0	3,382,669	3,386,940
Funds of the Church						
General Fund (Unrestricted)	3,351,157				3,351,157	3,321,929
Designated Funds (Unrestricted)		4,640			4,640	65,011
Total Unrestricted Funds					3,355,797	3,386,940
Restricted Funds			26,872		26,872	
Endowment Funds				0	0	
Total Funds	3,351,157	4,640	26,872	0	3,382,669	3,386,940

Notes to the Accounts

1. Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 - the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

2. Funds

The funds held constitute: General Funds held for any purpose of the Church which are Unrestricted.

Restricted funds which are held for a narrower purpose including those for internal organisations. There are also the following Endowment funds as listed. Details of each material fund are disclosed, where applicable, in the notes to these accounts. Any funds may be represented by more than just cash.

3. Accounting policies

Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

Incoming Resources

Income is included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment.

VAT

The Church is not VAT registered, all input VAT is charged with the expenses to which it refers.

Tangible fixed assets for use by the Circuit

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000.

The freehold property is shown in the accounts at 2019 insurance values.

No depreciation is provided on the building because the trustees consider the current residual fair value of the building (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

Investment Properties

Investment properties - no property is currently deemed to not be held for the long-term purposes of the charity.

Investments

Investments are valued in the balance sheet at market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

Debtors and Prepayments

The debtors and prepayment included in the accounts are in respect of lettings invoices, circuit assessment and gift aid recoverable.

Creditors

Creditors include both sundry expenses, utilities etc outstanding at 31st August 2019.

4. Payment to Trustees

There were no payments made to trustees for services provided to the Church.

Trustee expenses

	2018/19 £	2017/18 £
Number of Trustees	0	0
Total amount	£0	£0

Expense payments primarily relate to reimbursement for travel and computing costs

5. Fees for examination or audit of the accounts

Independent examiner's or auditors' fees for reporting on the accounts
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor

2018/19 £	2017/18 £
NIL	NIL
NIL	NIL

6. Paid employees

Staff Costs paid during the year were:

Gross wages, salaries and benefits in kind
Employer's National Insurance costs
Pension costs
Total staff costs

	2018/19 £	2017/18 £
£	0	0
£	0	0
£	0	0
£	0	0
Average number of full-time equivalent employees in the year were:	0	0

7. Capital Commitments and Contingent Liabilities

At the 31st August 2019 there were no capital commitments.

No Contingent liabilities were identified at 31st August 2019.

8. For information only Money received and passed on to External Organisations

	2018/19	2017/18
	£	£
Balance brought forward from last year	4,257	11,613
Offerings/Gifts - received for External Organisations	5,540	2,522
Offerings/Gifts - passed to External Organisations	4,512	9,878
Balance carried forward	5,285	4,257

9. Tangible Fixed Assets

Cost or valuation

	Church (non investment) Land & Buildings £	Other non investment Land & Buildings £	Other buildings £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £
Balance brought forward	3,270,752	0	0	37,387		3,308,139
Additions	26,960					26,960
Revaluations (+/-)						
Disposals (-)						
Transfers * (+/-)						
Balance carried forward	3,297,712	0		37,387		3,335,099

Accumulated depreciation

Balance brought forward				36,376		36,376
Depreciation charge for year (-)				311		311
Revaluations (+/-)						
Disposals (-)						
Transfers* (+/-)						
Balance carried forward				36,687		36,687

Net book value

Brought forward	3,270,752	0	0	1,011		3,271,763
Carried forward	3,297,712	0	0	700		3,298,412

10. Investment assets

The Church has no investment properties.

The Church has no common investment fund holdings.

11. Loans

The Church currently has no loans.

12. Analysis of restricted and designated funds

2018-19

Restricted Fund Name	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance	Purpose of the fund
Benevolent Fund	25	0	0	0	25	Support for individuals in specific need
Memorials Fund	325	0	0	0	325	Available for funding member memorials
Church Mission Fund	5,000	0	0	0	5,000	Available for funding church mission initiatives
Family Worker Fund	0	0	0	0	0	Available to help fund cost of FW
Property Development Fund	29,924	0	20,088	4,958	14,794	Available to help with Long Term church maintenance
Legacies	38,217	225	50	-6,872	31,520	Available to use against specific projects
Totals	73,491	225	20,138	-1,655	51,664	

Restricted Fund Name	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance	Purpose of the fund
Benevolent Fund	25	0	0	0	25	Support for individuals in specific need
Memorials Fund	325	0	0	0	325	Available for funding member memorials
Church Mission Fund	5,000	0	0	0	5,000	Available for funding church mission initiatives
Family Worker Fund	2,845	0	0	-2,845	0	Available to help fund cost of FW
Property Development Fund	24,877	0	0	5,047	29,924	Available to help with Long Term church maintenance
Legacies	38,827	135	49	-696	38,217	Available to use against specific projects
Totals	71,899	135	49	1,506	73,491	

13. Internal Organisations 2018/19 Movements

Organisation	Opening Balance	Incoming Resources	Resources Expended	Adjust	Closing Balance
Wednesday Lunch Club	807	4543	4336	0	1014
Ladies Lunch Club	199	0	0	0	199
Women's F/Ship	0	0	0	0	0
Junior Church	153	0	0	0	153
Parents & Toddlers	1766	1387	969	0	2184
Messy Church	166	348	376	0	138
Totals	3,091	6,278	5,681	0	3,688

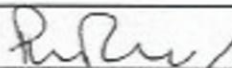
The internal organisations of the church report to Church Council and hold their own funds separately and are independent of those held within the Church accounts.

DECLARATIONS

Treasurer

I confirm that I have prepared these accruals-based accounts from the records of the Church and that they include all funds under the control of the Church Council

Signature of Treasurer



Date

24/6/2020

Name

Mr Philip Reeves

Address

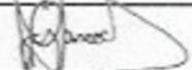
11 Reapers Close, Horsham, West Sussex RH12 5TG

Presentation to the Church Council for approval.

I confirm that the Accounts have been presented to the Church Council on
and were approved.

24 June 2020

Signature of the Chair of
the meeting



Name of the Chair of the
meeting

Rev Gavin Hancocks

Date

24/06/2020

Independent Examiner's Report to the Trustees of the

London Road Methodist Church, Horsham

The Church's Trustees are responsible for ensuring that the annual report and accounts present a true and fair view of the Circuit's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The Trustees consider that an audit is not necessary for this year under Section 144 of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- follow the procedures laid down in the general Directions given by the Charity Commission under Section 145(5)(b) of the Charities Act 2011; and
- 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 (other than that disclosed below*):

- (1) which gives me reasonable cause to believe that in any material respect the
- to keep accounting records in accordance with section 130 of the Charities Act;
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

* Please delete the words in the brackets if they do not apply appropriate

- (3) I have ~~been~~ obtained independent verification of all investments with the Trustees for Methodist Church Purposes ("TMCP") or held in other Trusts, Bank balances and Funds at the Central Finance Board of the Methodist Church ("CFB"), which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

* Please circle as appropriate

Name

TONY CANNON

Signature



Relevant Professional qualification or body

Address

33 KINGMERE, SOUTH TERRACE
LITTLEHAMPTON
W-SUSSEX BN17 5LD

Date

27 APRIL 2020