

NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2021

Charity Number 1093009

NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021

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NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

TRUSTEES ANNUAL REPORT

For year ended 31 March 2021

The trustees are pleased to present their annual report together with the financial statements of the charity for the period ended 31 March 2021, which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Memorandum and Articles of Association, and 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).

1. Objectives and Activities

The charitable objects of Northern Lights Metropolitan Community Church (NLMCC) are to advance the Christian religion by proclaiming the gospel of Jesus Christ in Newcastle and elsewhere by providing Christian fellowship, worship, witness, action and service.

The main activities undertaken for the public benefit during the year have been as follows:-

- Weekly Sunday worship services were held via Facebook and You Tube for most of the year due to Covid-19 but returned to the Church building from July 2021.
- This has included special additional services again primarily online during 2020/21.
- Offered different opportunities for worship during the week, those were open to all.
- We have taken offerings of food goods, clothes and financial donations to support local charities such as Bensham Food Bank and The Peoples Kitchen from our Harvest Festival.
- We have arranged various social events throughout the year.
- We established an online 'home group' for discussion and social links
- We continued to work with MESMAC running "Rainbow Home. We have continued to support this financially as well as offering prayer for them at the first Sunday service of each month.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

2. Achievements and Performance

To achieve our aims and objectives the Trustees have successfully provided:

The activities during this period (financial year 2020-21) was heavily informed by the impact of the Covid-19 pandemic. This meant a temporary stop to the in-person activities of the Church in line with national regulations; however the Church continued to fulfil its main purposes in providing spiritual growth and social fellowship both of which were incredibly important during the challenging time. The Year of Renewal instigated by the Pastor (Rev Rowbotham) continued as did delivery of the Five Year Plan but in a different context. This meant considerable movement to on-line services and social events which received very positive responses for the innovative and deep worship and social interaction these brought.

The Church invested in (and continues to invest in) new services and technology which has meant the quality of our on-line and now blended services has continued to strengthen reaching more people from a wider area than was previously possible. This is particularly positive as we have traditionally served a relatively large area with a large rural area making travel more difficult. The AV team has played an important and proactive role in this.

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The renewed Pastoral Care Team has continued to provide direct help and draw on the Hardship fund throughout the year to bring practical support for food, clothing, travel and heating as well as offering continued prayer and a listening ear. Another important part of our work was sending out cards to those who were sick or had experienced a bereavement in their family.

The role of the team has been particularly important during the period of lockdown and significant loss and challenge people have been facing. Regular phone calls and cards to reassure people that they are loved and in our prayers, arranging food supplies and sometimes helping people access foodbanks. We've even picked up medical supplies and dropped them off at people's homes. The team has also played an important role in increase social media activity including establishing a very active WhatsApp group for members to keep in touch with the full community as well as get in touch with particular members of the Pastoral Care Team.

In accordance with our statutes, the Board completed a review of the membership. The total active Membership at the end of April 2021 was 36. We are thankful to all who give their presence, time, talents and resources to support the work of the church and celebrate the love of God in our community, this gratitude is not just to the Members but to all who worship with us.

3. Plans for Future Periods

Covid 19 has had a massive impact on how we work as a church. We have continued to hold services every Sunday but these are now recorded and shown on You Tube. We have acquired Zoom and hold a prayer service most Wednesdays. After both the Sunday Service and the Wednesday service we meet via Zoom for a chance to have a coffee or tea together and a chat so we are still able to see each other and catch up with each other. All the Board meetings and Worship Team meetings are held via Zoom so ensuring all necessary meetings are on-going. Once permitted there has been a slow return to in person events and activities but this remains cautious and blended options remain for those who do not wish, or are not able to, join in person.

On 21st June 2020 we held a Special Congregational Meeting via Zoom to review the process for people coming into membership when we were unable to meet and undertake baptisms. We also discussed how we might hold our ACM. It was agreed that in exceptional circumstances such as these we would allow people into membership prior to baptism as long as they make a commitment to be baptized as soon as possible once we are able to do this.

After much debate we agreed to hold our ACM also on Zoom. This was a balance between being able to bring new people onto the Board via election rather than filling spaces via co-opting people onto the Board and knowing that some members might find it difficult to attend on-line or attend such they could both be seen and heard.

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4. Reference and administrative details of the charity, its trustees and advisors

Charity Name	Northern Lights Metropolitan Community Church	
Registered Charity Number	1093009	
Operational address	St James URC Northumberland Road Newcastle upon Tyne NE1 8JF	
Trustees	Dr M Wardle Ms E Emeny Mr J Davies Ms G Walton Miss C.L. West Dr A Chapman Rev J Carpenter Rev R Rowbotham	appointed 23/08/2020 appointed 23/08/2020 appointed 13/09/2021 appointed 23/08/2020 resigned 22/08/2021 resigned 23/08/2020 resigned 23/08/2020 resigned 22/08/2021 resigned 25/04/2021
Treasurer	Mr J Davies Ms G Walton Miss C.L. West	appointed 13/09/2021 appointed 23/08/2020 resigned 22/08/2021 resigned 23/08/2020
Secretary	Dr A Chapman Dr M Wardle	resigned 23/08/2020 appointed 23/08/2020 resigned 22/08/2021
Independent Examiner	Jim Dodds Connected Voice Business Services Ltd Higham House Higham Place Newcastle upon Tyne NE1 8AF	
Bankers	Unity Trust Bank Nine Brindleyplace Birmingham B1 2HB	

5. Structure, Governance and Management

Governing documents

Northern Lights Metropolitan Community Church is a registered charity (no.1093009) and was registered on 17th July 2002.

The charity is governed by its constitution adopted on 7th October 2001 and amended on 21st April 2002, 10th July 2005, 31st January 2016, 21st October 2018 and the 21st June 2020.

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Method of Recruitment of Trustees

Trustees can also be co-opted as required. The Annual Congregational Meeting (and election of Trustees) was postponed from the usual April meeting to August in 2020 and 2021 due to impact of Covid-19 but will return to the usual timing in 2022. At the August 2020 ACM Ms C West, Dr A Chapman stood down at the completion of their terms with Dr M Wardle, Ms G Walton and Ms E Emeny joining the Board at this time. In August 2021 at the ACM Ms G Walton and Rev J Carpenter stood down. Mr J Davies was co-opted onto the Board in September 2021. The Rev R Rowbotham resigned from his post in April 2021.

Risk management

The Trustees have assessed the risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company, and are satisfied that systems and procedures are in place to mitigate any risk.

6. Financial Review

The financial year has been an unusual year and posed some challenges for the Church. Having only recently appointed a new permanent pastor (appointed June 2019) before the lockdown and with increased pressure on individual finances resulting in higher demands for support we have continued to draw on the reserves to support the work of the Church. The move to on-line and hybrid worship has also increased costs and reduced some opportunities for additional fund raised. The Church however did receive a National Lottery Grant (£9,996) for a project to support asylum seekers. This was separate to the wider work of the Church and was ring-fenced for these purposes. The work was started but the lockdown resulted in a slower start with the project ultimately returning the majority of funding in later 2021 (next financial year).

The charity received income of £44,024 which was £17,071 above the budget but this is largely due to the National Lottery Grant and an additional donation of £2,500 from the estate of a former member.

Our principal source of funding remains from the members and friends of Northern Lights MCC. The loss of envelope giving due to lack of in-person services was replaced with use of PayPal which proved successful raising £5,465.50 although this may have also slightly contributed to committed giving being £390 lower than forecast but still increased overall against the forecast. The Church ended the year with no outstanding loans and debts and is aware that it has enough in reserves for the next two years but needs to increase income in order to strengthen the reserves available in order to maintain its work in the following years.

Expenditure during the year was £40,812 largely driven by staff cost and cost in delivering the Church activities in particular increased costs in the move to on-line services with retained liabilities linked to premises rent. The largest areas of expenditure are for Staff Costs (51%), Worship Space and materials (14%) hire of an office and admin expenses (16%) and Social Justice Expenditure (14%).

At the end of the Financial Year 2020/21 Northern Lights MCC was linked to two accounts which stood at:

- CAF Bank (Current Account) - £9,315 (an increase of £6,738 but includes the restricted National Lottery Grant of £9997)
- Epworth (Deposit Account) - £30,201 (a reduction of £3886.21).

Northern Lights Metropolitan Community Church is primarily funded by donations. The total income for the year was £44,024 (2020: £26,121). This income is allocated across respective funds on the Statement of Financial Activities in accordance with the Statement of Recommended Practice.

The Statement of Financial Activities for the year ended 31 March 2021, shows a surplus across all funds of £3,213 (2020: deficit £7,489). The Balance Sheet at 31 March 2021 shows total funds carried forward of £39,859 (2020: £36,645) of which there are £3,244 restricted funds (2020: £nil).

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TRUSTEES ANNUAL REPORT

For year ended 31 March 2021

7. Statement of Trustee Responsibilities

The charity trustees are responsible for preparing a trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The charity trustees are required to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of incoming resources and application of resources. In preparing financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on28/01/22..... and signed on their behalf by:

James Davies
Treasurer



NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2021

I report on the financial statements of Northern Lights Metropolitan Community Church for the year ended 31 March 2021, which are set out on pages 7 to 15.

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 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

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

Basis of independent examiner's statement

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 material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

I 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.

Jim Dodds
Connected Voice Business Services Ltd
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date: 28/01/22



NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

RECEIPTS AND PAYMENTS ACCOUNTS

For the year ended 31 March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Receipts					
Donations and grants	3	32,021	10,406	42,427	24,789
Fundraising events	4	-	-	-	65
Bank interest	5	110	-	110	267
Other trading activities	6	1,487	-	1,487	1,006
Total Receipts		33,619	10,406	44,024	26,126
Payments					
Charitable expenditure	6	33,067	7,029	40,096	32,462
Governance costs	7	716	-	716	1,153
Total Payments		33,783	7,029	40,812	33,615
Net income/(expenditure)		(164)	3,377	3,213	(7,489)
Transfers between funds		133	(133)	-	-
Net income/(expenditure) and net movement of funds		(32)	3,244	3,213	(7,489)
Opening cash at bank and in hand		36,645	-	36,645	44,134
Closing cash at bank and in hand		36,613	3,244	39,859	36,645

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 9 to 15 form an integral part of these accounts.

STATEMENT OF ASSETS AND LIABILITIES

As at 31 March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Cash funds					
Cash at bank and in hand	12	36,615	3,244	39,859	36,645
Liabilities	13			851	851

The notes on pages 9 to 15 form an integral part of these accounts.

These financial statements were approved by the Board on:

28/01/22

and are signed on its behalf by:

James Davies
Treasurer



NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

The accounts have been prepared using the receipts and payments basis. An audit is not required by the Charity's constitution and has not been requested by the Trustees.

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
3 Donations and grants				
Committed giving	17,102	-	17,102	17,413
Cash offerings	5,783	-	5,783	1,779
Memorial fund	-	410	410	-
Gift aid	4,766	-	4,766	4,928
Donations/designated gifts	-	-	-	20
UFMCC Offerings	-	-	-	56
Contingency fund (other/misc)	195	-	195	182
Funds for conferences	525	-	525	410
Hardship fund	1,150	-	1,150	-
Richard Armstrong Legacy	2,500	-	2,500	-
National Lottery	-	9,996	9,996	-
	<u>32,021</u>	<u>10,406</u>	<u>42,427</u>	<u>24,789</u>
4 Fundraising events				
Offerings / fundraisers	-	-	-	65
	<u>-</u>	<u>-</u>	<u>-</u>	<u>65</u>
5 Investment on deposit account				
Deposit account interest	110	-	110	267
	<u>110</u>	<u>-</u>	<u>110</u>	<u>267</u>
6 Other trading activities				
Employment allowance	1,487	-	1,487	1,006
	<u>1,487</u>	<u>-</u>	<u>1,487</u>	<u>1,006</u>

Income was £44,024 (2020: £26,126) of which £34,029 was unrestricted (2020: £26,126) and £9,996 was restricted (2020: £nil).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Analysis of resources expended

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
6 Charitable expenditure				
<u>Direct costs</u>				
Pastor salary	18,888	2,049	20,936	14,306
Pastors pension	538	-	538	391
Preacher expenses	147	-	147	132
Pastoral appointment	-	-	-	375
Music and video licence	365	-	365	266
Family Service	-	-	-	71
Lunches and socials	-	262	262	558
Travel expenses	-	-	-	1,044
<u>Support costs</u>				
Rent	4,380	3,000	7,380	7,380
Partnership in Ministry/Tithe	2,101	-	2,101	1,882
Conference	1,171	-	1,171	1,718
Rainbow Home	1,320	-	1,320	1,318
Equipment and supplies	88	1,099	1,187	102
Advertising	-	-	-	18
Pride	-	-	-	181
Website	195	-	195	60
UFMCC special offerings	-	-	-	56
Hardship fund	1,031	541	1,572	55
Carbon Footprint plant a tree	-	-	-	116
Office costs	332	15	347	422
Insurance	495	-	495	492
Telephone	1,006	26	1,031	952
Payroll charges	607	38	645	189
Bank charges	188	-	188	60
Other expenses	216	-	216	316
	<u>33,067</u>	<u>7,029</u>	<u>40,096</u>	<u>32,462</u>
7 Governance costs				
Board costs	56	-	56	523
Independent examiner's fees for reporting on the accounts	660	-	660	630
	<u>716</u>	<u>-</u>	<u>716</u>	<u>1,153</u>

Expenditure was £40,812 (2020: £33,618) of which £33,783 was unrestricted (2020: £33,465) and £7,029 was restricted (2020: £150).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

8 Fees for examination of the accounts

	2021 £	2020 £
Independent examiner's fees for reporting on the accounts	660	660
Other accountancy services paid to the examiner	645	189
	1,305	849

9 Analysis of staff costs and the cost of key management personnel

	2021 £	2020 £
Salary	19,554	13,472
Pension	587	1,225
	20,140	14,697

No employee received remuneration above £60,000 (2020: £nil)

The key management personnel of the charity, comprise the trustees. The total employee benefits of the key management personnel of the charity were £20,140.

10 Staff numbers

The average monthly head count was 1 staff (2020: 1 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2021 Number	2020 Number
The parts of the charity in which the employee's work		
Charitable activities	1.0	1.0
	1.0	1.0

NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

10 Transactions with trustees

Trustees' expenses

No trustee expenses have been incurred in the year.

Other trustees' transactions

During the year, the trustees made donations to the charity.

	2021 £	2020 £
Donations of unrestricted nature	5,142	7,180
	<u>5,142</u>	<u>7,180</u>

During the year, former trustees made donations to the charity.

	2021 £	2020 £
Donations of unrestricted nature	5,410	-
	<u>5,410</u>	<u>-</u>

These donations made by the trustees have no conditions attached to them and do not form a significant part of the charities income.

Transaction(s) with related parties

The following detail the related party transactions in the reporting period.

Related party	Relationship	Description of transaction	2021 £	2020 £
Rainbow Home	Former trustee	Donations	1,320	1,318
			<u>1,320</u>	<u>1,318</u>

The only related party transaction is detailed above. The former trustee, C West, operates the above charity receiving the donations from Northern Lights Metropolitan Community Church. The donations were issued under normal market conditions and do not form a significant portion of the recipients income.

11 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

12 Cash at bank and in hand

	Unrestricted Funds £	Restricted Funds £	2021 £
Cash at bank	6,070	3,244	9,315
Paypal	343	-	343
Deposit account	30,201	-	30,201
	<u>36,615</u>	<u>3,244</u>	<u>39,859</u>

	Unrestricted Funds £	Restricted Funds £	2020 £
Cash at bank	2,376	200	2,576
Deposit account	34,069	-	34,069
	<u>36,445</u>	<u>200</u>	<u>36,645</u>

13 Liabilities at the period end

	2021 £	2020 £
Independent examination of accounts	660	660
Payroll charges	191	191
	<u>851</u>	<u>851</u>

14 Events after the end of the reporting period

Due to the COVID-19 pandemic, it has put pressure on all charities in 2021. It should be noted that the creditors are being paid when the payments are falling due and are still operating on a going concern basis.

No other significant events affecting the Company since the year end.

NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

15 Analysis of charitable funds

Analysis of movements in unrestricted funds

For the year ended 31 March 2021

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	36,645	33,619	(33,783)	133	36,613
Totals	36,645	33,619	(33,783)	133	36,613

For the year ended 31 March 2020

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	43,934	26,126	(33,465)	50	36,645
Totals	43,934	26,126	(33,465)	50	36,645

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' of the charity

Analysis of movement in restricted funds

For the year ended 31 March 2021

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
National Lottery	-	9,996	(7,029)	(133)	2,834
Memorial fund	-	410	-	-	410
Totals	-	10,406	(7,029)	(133)	3,244

For the year ended 31 March 2020

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
Building fund	200	-	(150)	(50)	-
Totals	200	-	(150)	(50)	-

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

15 Analysis of charitable funds *(continued)*

Analysis of movement in restricted funds

Purpose of major restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

National Lottery	COVID funding
Memorial fund	Margaret Bell memorial fund