

**NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH**

**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 March 2017**

**Charity Number 1093009**

## **Northern Lights Metropolitan Community Church**

### **Trustee Annual Report For the Year Ended 31<sup>st</sup> March 2017**

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The trustees are pleased to present their annual report together with financial statements of the charity for the year ended 31 March 2017.

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 to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **Reference and administration details**

Charity name:	Northern Lights Metropolitan Community Church
Registered charity number:	1093009
Charity's principal address:	St James URC Northumberland Road Newcastle upon Tyne NE1 8JF

The trustees who served during the period and up to the date of this report were

Dr M Wardle - Chair  
Dr A Chapman  
Mr James Davies - Treasurer  
Miss C.L. West – co-opted 04.01.17  
Miss K Murray-Borberg (resigned 09.08.16)

Independent Examiners:  
Ellison Services Limited,  
Higham House,  
Higham Place,  
Newcastle upon Tyne,  
NE1 8AF

#### **Structure, governance and management**

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 21<sup>st</sup> April 2002, 10<sup>th</sup> July 2005 and 31<sup>st</sup> January 2016.

Trustees are elected at the Annual General Meeting of the charity and stand for a period of three years. Trustees can also be co-opted as required. In April 2016 Miss C L West had served two terms of 3 years on the Board and as per the constitution stood down at the Annual General Meeting. The Rev C Eggleston also stood down from her role as Pastor at Northern Lights MCC on the 21st May 2016. Miss K Murray-Borberg resigned from the Board on the 9th August 2016. Miss C West was co-opted on to the Board on the 4<sup>th</sup> January 2017.

#### **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.
- Monthly Sunday Family Service.

## **Northern Lights Metropolitan Community Church**

### **Trustee Annual Report For the Year Ended 31<sup>st</sup> March 2017**

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- Offered different opportunities for worship during the week, those were open to all.
- We took part in Newcastle Pride 2016 and again led the Candle Lit Vigil for the event as well as contributing to the Family Zone through the Family Service.
- At Harvest time we collected food goods and shared these with The Peoples Kitchen.
- We continued to donate clothes and household goods to the West End Refugee Service.
- We continued to run Chill and Grace, a monthly lunch which continued to be popular. Due to volunteer demands this was paused later in the year but we will look to continue to support the informal gathering.
- "Feast on Friday" continued and this has been a great way for members, both old and new, to get to know each other. New volunteers have continued to host this.
- The social event, Tiffin & Tiara's which was started in 2015 has continues to meet monthly in a local coffee shop once a month.
- The monthly Family Service continued through the year. This is held on a Sunday morning and has been very well attended both by families already in the church and families who have had no involvement before.
- We continued to work with MESMAC running "Rainbow Home". This is a monthly opportunity for LGBT asylum seekers to meet in an informal gathering to receive support, both practical and emotional, as well as a general time of fellowship.

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.

#### **Achievements and performance**

Achievements during the year were as follows:-

Northern Lights MCC has continued to develop in our ministry to our community and attract new members and regular and less-regular attendees. For the majority of the year we have been without a formal, full-time pastor following the resignation of our previous pastor Rev. C Eggleston. This has ushered in a period of transition and reflection for the Church. Through this we have actively engaged the congregation, members and non-members to understand views on the next stage of development for the Church.

Working with our wider denomination we have put in place the blocks to take forward the search for a new pastor and brought together the Pastoral Search Committee including volunteers from the membership. This is an important activity and stage in preparing to formally launch the search. This has also provided an opportunity to reflect and prepare to move forward with the life of the Church.

The Church has been pleased to see a growth in the representation from the Trans community within our membership and congregation. This is a blessing and shows an important area for the Church to further develop and ensure that we are meeting the needs of all our members.

In accordance with our statutes, the Board completed a review of the membership. A number of non-active members resigned and some were removed following the process in the constitution. Although this reduced the total number of members those left are currently active.

The Rev K Harford has remained as Clergy on Staff. This is an unpaid position, attending one weekend each month to help with the Sunday Service, Rainbow Home and other events. Kate has again brought valuable perspective, support and capacity to the Church taking on a strong role in community engagement and pastoral care for which we are very grateful.

The Rainbow Home Steering Committee has continued to meet regularly. Their role is to support the running of the monthly meeting, offer advice and guidance to the two workers and

## **Northern Lights Metropolitan Community Church**

### **Trustee Annual Report For the Year Ended 31<sup>st</sup> March 2017**

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support applications for a grant towards an employed worker. Additional funding has been sought to extend this role which is positive.

The Church has benefitted from and helped develop leadership within the congregation as we seek to empower all members and friends of the Church to take a leading role which matches their gifts and interest.

Despite the transition following the resignation of the pastor, Northern Lights MCC has continued to be active across a range of spiritual and social activities within the Church and sought to engage with others within the area and the wider LGBT community maintaining a high-quality of worship and networks.

#### **Financial review**

The year has proved to be a somewhat irregular year financially with a significant reduction in costs and expenditure due to the vacant pastor post and a utilisation of existing materials to support worship and activities. This was partially offset by a significant reduction in regular giving as some members and attendees left the Church and a number of regular givers were required to reduce giving due to changing circumstances and the on-going financial constraints in the local area.

The charity has therefore ended the year in a positive position with increased cash balanced with an outstanding gift aid claim to be submitted in the 2017/8 financial year. The Church was therefore able to strengthen the reserves available through the deposit account with no outstanding loans or debts.

As the Rainbow Home activities became more established during the year the two accounts were separated, although these remained linked. This is part of Rainbow Home progress to become established as a stand-alone charity.

Northern Lights MCC, including Rainbow Home therefore held funding in three accounts as of the 31st March 2017.

Northern Lights MCC Cafbank account - £6,757.89

Rainbow Home Cafbank account - £7,365.61

Northern Lights MCC Deposit account (Epsworth) - £17,554.71

During the year Northern Lights MCC received a generous legacy from the estate Joseph Dowson of £7,668.24. This has been moved into the deposit account to provide for large future growth actions such as the purchase of our own premises or to support the transition to a new pastor.

Our principal source of funding remains from the members and friends of Northern Lights MCC. The largest areas of expenditure are for hire of an office and rooms at St James church and travel costs for staff. Staffing costs were considerably reduced in the year due to absence of a pastor.

We also set up a new pension scheme through the NEST scheme to ensure that adequate pension options are available to staff for the Church and to ensure that legal requirements are met. This replaced our previous approach to pension support.

This gives the charity a base and human resources aid the advancement of our purpose.

#### **Trustees responsibilities in respect of the financial statements**

Charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during the year. In preparing those financial statements the Trustees are required to

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### **Trustee Annual Report For the Year Ended 31<sup>st</sup> March 2017**

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- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed and
- Prepare financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose at any time with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the charity's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the trustees on .....27/01/..... 2018 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 2017

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I report on the financial statements of Northern Lights Metropolitan Community Church for the year ended 31 March 2017, which are set out on pages 6 to 11.

### **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 the year under section 144(2) of the Charities Act 2011 (the 2011 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 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), 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 matter has come to my attention:

(1) which gives me reasonable cause to believe that in, any material respect, the requirements:

- 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.

Michelle Wright  
Ellison Services Limited  
Higham House  
Higham Place  
Newcastle upon Tyne  
NE1 8AF  
Date: 29/01/2018

# NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

## RECEIPTS AND PAYMENTS ACCOUNTS

For the year ended 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
<b>Receipts</b>					
Donations and grants	3	41,917	13,205	55,122	57,612
Fundraising events	4	114	1,074	1,188	101
Bank interest	5	44	-	44	42
<b>Total Receipts</b>		<b>42,075</b>	<b>14,280</b>	<b>56,354</b>	<b>57,755</b>
<b>Payments</b>					
Charitable expenditure	6	24,781	14,839	39,620	44,101
Governance costs	7	1,089	-	1,089	543
<b>Total Payments</b>		<b>25,870</b>	<b>14,839</b>	<b>40,710</b>	<b>44,644</b>
<b>Net of Receipts / - Payments</b>		<b>16,205</b>	<b>( 560 )</b>	<b>15,645</b>	<b>13,111</b>
Opening cash at bank and in hand		7,908	8,126	16,034	2,924
<b>Closing cash at bank and in hand</b>		<b>24,113</b>	<b>7,566</b>	<b>31,679</b>	<b>16,035</b>

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 8 to 11 form an integral part of these accounts.

# NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

## STATEMENT OF ASSETS AND LIABILITIES

For the year ended 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
<b>Cash Funds</b>					
Cash at bank and in hand	10	24,113	7,566	31,678	16,035
<b>Assets retained for charity's own use</b>	11	-	-	-	235
<b>Liabilities</b>					
Creditors	14	733	-	733	676

These financial statements were approved by the Board on:

27/01/2018

and are signed on its behalf by:

Mr J Davies  
Treasurer

The notes on pages 8 to 11 form an integral part of these accounts.



# NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 1 Accounting Policies

The principle 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.

### 3 Donations and grants

The following funding was received during the period.

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Committed giving	28,328	-	28,328	31,822
Cash offerings	1,561	-	1,561	1,632
Gift aid	2,455	-	2,455	12,588
Grants - Rainbow Home	-	11,250	11,250	7,702
Donations/designated gifts	7,685	-	7,685	1,504
UFMCC offerings	430	-	430	231
Ceremonies	-	-	-	52
Church retreat day	112	-	112	169
CLM	57	-	57	593
Chill & Grace	27	-	27	87
Pride	105	-	105	162
Conference fund	-	-	-	203
Social justice	217	-	217	441
Contingency fund (other/misc)	941	1,955	2,896	426
	<u>41,917</u>	<u>13,205</u>	<u>55,122</u>	<u>57,612</u>

### 4 Fundraising events

Offerings / fundraisers	114	1,074	1,188	101
	<u>114</u>	<u>1,074</u>	<u>1,188</u>	<u>101</u>

### 5 Investment on deposit account

Deposit account interest	44	-	44	42
	<u>44</u>	<u>-</u>	<u>44</u>	<u>42</u>

# NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### Analysis of resources expended

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
<b>6 Charitable expenditure</b>				
Salaries and wages	6,465	-	6,465	22,433
Rent	7,380	-	7,380	7,380
Equipment and supplies	209	-	209	500
Music and video licence	223	-	223	286
Musician costs/expenses	-	-	-	1
Messy church	4	-	4	139
Advertising	164	-	164	511
Pride	320	-	320	168
Website	-	-	-	56
Other gifts	208	-	208	441
UFMCC special offerings	1,106	-	1,106	231
Partnership in Ministry/Tithe	3,776	-	3,776	3,838
The Village MCC	-	-	-	608
Rainbow Home	349	14,839	15,188	1,544
Conference	424	-	424	1,161
Creating a life that matters	14	-	14	265
Study groups	12	-	12	-
Church day retreat	318	-	318	168
Pastors pension/slipend	( 11 )	-	( 11 )	606
Pastor's spiritual direction	30	-	30	150
Office costs	128	-	128	351
Chill and grace	18	-	18	48
Lunches and socials	-	-	-	26
Fundraising	-	-	-	55
Welcome	-	-	-	22
Creativity	-	-	-	23
Insurance	414	-	414	405
Telephone	883	-	883	986
CPD training	52	-	52	111
Staff travel expenses	1,242	-	1,242	776
Payroll charges	599	-	599	308
Other expenses	456	-	456	505
	<u>24,781</u>	<u>14,839</u>	<u>39,620</u>	<u>44,101</u>
<b>7 Governance costs</b>				
Board costs	549	-	549	189
Independent examination of accounting records	540	-	540	354
	<u>1,089</u>	<u>-</u>	<u>1,089</u>	<u>543</u>

# NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

	2017 £	2016 £		
8 Fees for examination of the accounts				
Independent examiner's fees for reporting on the accounts	540	540		
Other fees paid to the examiner	599	136		
	<u>1,139</u>	<u>676</u>		
9 Trustee expenses				
No trustees were paid expenses during the period. (2016 £nil)				
10 Cash at bank and in hand				
	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Current account	6,758	7,313	14,071	3,379
Deposit account	17,355	200	17,555	12,226
Cash in hand	-	53	53	78
Payroll holding account	-	-	-	352
	<u>24,113</u>	<u>7,566</u>	<u>31,678</u>	<u>16,035</u>
11 Assets retained for the charities own use				
	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Drums	-	-	-	181
Laptop	-	-	-	54
	<u>-</u>	<u>-</u>	<u>-</u>	<u>235</u>
12 Staff costs and emoluments				
	2017 £	2016 £		
Gross wages, salaries and benefits in kind	6,465	22,433		
	<u>6,465</u>	<u>22,433</u>		
No employee received remuneration above £60,000				
13 Average number of full-time equivalent employees for the year				
	2017 Number	2016 Number		
The parts of the charity in which the employee's work				
Charitable activities	1	1		
	<u>1</u>	<u>1</u>		

# NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 14 Liabilities at the period end

	2017 £	2016 £
Payroll charges	193	136
Independent examination of accounts	540	540
	<b>733</b>	<b>676</b>

### 15 Analysis of charitable funds

#### Analysis of movements in unrestricted funds

	Fund balances brought forward £	Receipts £	Payments £	Transfers £	Fund balances carried forward £
General unrestricted fund	7,908	42,075	( 25,870 )	-	24,113
<b>Totals</b>	<b>7,908</b>	<b>42,075</b>	<b>( 25,870 )</b>	<b>-</b>	<b>24,113</b>

#### Purpose of unrestricted funds

General unrestricted fund      The 'free reserves' after allowing for designated funds

#### Analysis of movement in restricted funds

	Fund balances brought forward £	Receipts £	Payments £	Transfers £	Fund balances carried forward £
<b>Restricted funds</b>					
Rainbow Home	7,926	14,280	( 14,839 )	-	7,366
Building fund	200	-	-	-	200
<b>Totals</b>	<b>8,126</b>	<b>14,280</b>	<b>( 14,839 )</b>	<b>-</b>	<b>7,566</b>

Rainbow Homes and Northern Lights separated during the year, although they remain linked.