

CHURCH
Accruals Accounts
2016-2017

THE METHODIST CHURCH
STANDARD FORM OF ACCOUNTS

London Road Methodist Church, Horsham

Church

FOR THE YEAR ENDED

31 August 2017

Dorking & Horsham Methodist Church	Circuit	Circuit no	36/10
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Registered Charity - Charity Registration number

1134052

If not a registered charity Her Majesty's Revenue and
Customs Gift Aid number

(The HMRC number is equivalent to a registered charity number in terms of evidence of charitable status and may be used to give to donors or grant funders wishing to see evidence of the organisation's charitable status. Methodist charities in England and Wales that are not registered charities are excepted from registration under Statutory Instrument 2014 No.242)

Minister:

Rev. Gavin Hancocks

Church Stewards:

Mrs Helen Currington	Mr Philip Reeves
Mr Colin Coventry	Mr David Casey
Mrs Carolyn King	Mrs Wendy Gilbert
Mrs Denise Sillett	Mrs Pauline Henshell

Treasurer:

Mr Philip Reeves

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 2017

	Notes to the accounts	General Fund (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2016- 17	Total 2015-16
		£	£	£	£	£	
Income							
1 Offerings		60,001				60,001	61,301
2 Other Donations & Sundry Income		2,863				2,863	1,072
3 Gift aid		14,496				14,496	12,275
4 Interest and investment income		302				302	448
5 Income from investment properties						0	3,667
6 Donations Internal organisations		2,970	6,166			9,136	9,716
7 Lettings		23,596				23,596	21,255
8 Total income		104,228	6,166	-	-	110,394	109,734
Expenditure							
9 Circuit assessment or share		60,300				60,300	56,700
10 Grants and donations						0	
11 Property maintenance		12,528				12,528	5,350
12 Insurance, utilities etc		11,855				11,855	12,524
13 Depreciation		6,063				6,063	5,788
14 Office expenses		6,256				6,256	7,202
15 Other expenditure		18,318				18,318	6,607
16 Internal organisations		541	5,939			6,480	6,601
17 Total charitable expenditure		115,861	5,939	0	0	121,800	100,772
18 Gains/(losses) on monetary investments						0	
19 Gains/(losses) on investment properties						0	
20 Net income/(expenditure)		-11,633	227	0	0	-11,406	8,962
21 Transfers between funds						0	
22 Other gains/(losses)		1,500,612				1,500,612	
23 Net movement in funds		1,488,979	227	0	0	1,489,206	8,962
24 Total funds brought forward		1,835,808	69,621			1,905,429	1,896,467
25 Total funds carried forward		3,324,787	69,848	-	-	3,394,635	1,905,429

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 2017

Notes to the Accounts	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2017	Totals 2016
	£	£	£	£	£	£
Fixed Assets						
Church building and other property	3,272,107				3,272,107	1,776,739
Investment properties					0	
Investments					0	
Total fixed assets	3,272,107	0	0	0	3,272,107	1,776,739
Current Assets						
Debtors and prepayments	28,958				28,958	23,233
Loans by the Churches					0	
Investments with TMCP					0	
Central Finance Board Deposits	8,384	86,385			94,769	105,926
Cash at Bank and in hand	10,414				10,414	8,740
Total current assets	47,756	86,385	0	0	134,141	137,899
Current liabilities						
Creditors (due in under 1 year)	11,613				11,613	9,209
Grants payable within 2017-18					0	
Total current liabilities	11,613	0	0	0	11,613	9,209
Net current assets/liabilities	36,143	86,385	0	0	122,528	128,690
Total assets less current liabilities	3,308,250	86,385	0	0	3,394,635	1,905,429
Long term liabilities (due after more than one year)						
Grants payable after 2017-18					0	
Loans to the Church					0	
Net assets	3,308,250	86,385	0	0	3,394,635	1,905,429
Funds of the Church						
General Fund (Unrestricted)	3,308,250				3,308,250	1,835,808
Designated Funds (Unrestricted)		86,385			86,385	69,621
Total Unrestricted Funds					3,394,635	1,905,429
Restricted Funds			0		0	
Endowment Funds				0	0	
Total Funds	3,308,250	86,385	0	0	3,394,635	1,905,429

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 2017 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 and circuit assessment.

Creditors

Creditors include both sundry expenses, utilities etc outstanding at 31st August 2017.

4. Payment to Trustees

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

Trustee expenses

	2016/17 £	2015/16 £
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

	2016/17 £	2015/16 £
Independent examiner's or auditors' fees for reporting on the accounts	NIL	NIL
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor	NIL	NIL

6. Paid employees

Staff Costs paid during the year were:

	2016/17 £	2015/16 £
Gross wages, salaries and benefits in kind	£ 0	0
Employer's National Insurance costs	£ 0	0
Pension costs	£ 0	0
Total staff costs	£ 0	0

Average number of full-time equivalent employees in the year were:

0	0
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7. Capital Commitments and Contingent Liabilities

At the 31st August 2017 there were no capital commitments.

No Contingent liabilities were identified at 31st August 2017.

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

	2016/17	2015/16
	£	£
Balance brought forward from last year	9,209	9,157
Offerings/Gifts - received for External Organisations	6,783	9,433
Offerings/Gifts - passed to External Organisations	4,739	9,381
Balance carried forward	11,613	9,209

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	1,770,140	0	0	36,568		1,806,708
Additions		0		819		819
Revaluations (+/-)	1,500,612					1,500,612
Disposals (-)						
Transfers * (+/-)						
Balance carried forward	3,270,752	0		37,387		3,308,139

Accumulated depreciation

Balance brought forward				29,969		29,969
Depreciation charge for year (-)				6,063		6,063
Revaluations (+/-)						
Disposals (-)						
Transfers* (+/-)						
Balance carried forward				36,032		36,032

Net book value

Brought forward	1,770,140	0	0	6,599		1,776,739
Carried forward	0	0	0	1,355		3,272,107

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

2016-17

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	0	2,845	Available to help fund cost of FW
Property Development Fund	17,798	0	0	7,079	24,877	Available to help with Long Term church maintenance
Legacies	38,717	159	49		38,827	Available to use against specific projects
Totals	64,710	159	0	7,079	71,899	

Comparative Analysis of restricted and designated funds

2015-16

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	0	2,845	Available to help fund cost of FW
Property Development Fund	11,422	0	0	6,376	17,798	Available to help with Long Term church maintenance
Legacies	37,565	1,281	129		38,717	Available to use against specific projects
Totals	57,182	1,281	129	6,376	64,710	

DECLARATIONS

Treasurer

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

Signature of
Treasurer



Date

13/6/2018

Name

Mr Philip Reeves

Address

11 Resper's 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

11/10/2017

and were approved.

X Signature of the Chair of the meeting



Name of the Chair of the meeting

Revd Gavin Hancock

Date

13/6/2018

Independent Examiner's Report to the Trustees of the

London Road Methodist Horsham West Church
Sussex

This Report is on the Church Accounts for the year ended 31st August

2017

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.

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(3)(b) of the Charities Act) and
- 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 (other than that disclosed below*):

(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.

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

(3) I have/~~have not~~* 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

Mrs Deepa Patel

Signature

Deepa Patel

Relevant Professional qualification or body

FCCA

Address

2 Lucas Close Maidenbower Crawley West
Sussex RH10 7EY

Date

14th March 2018

Trustees Report to Charity Commission - Approved 13 June 2018

Introduction

This report covers the activities of the Church for the 12m period ended 31 August 2017. 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 has 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 new Mission Team structure reflects our calling.

Ministers report on Church Activities (abridged)

The Minister notes that the past year has been one of continuing to build on the foundations of the last few years and that he is particularly encouraged about how the Leadership Team is coming together with a different sense of purpose and direction in leading the Church.

To help in that endeavour the LT has been exploring a book that seeks to challenge our understanding of Church and what it means in the 21st century.

He welcomes the various contributions of the newly formed Mission Teams who have sought to share their vision where it is clear that careful thought and prayer is going into all aspects of our life and work and is seen as instrumental to an ever increasing harvest in the life of the church.

Future growth is anticipated in two particular directions, namely, growing our personal discipleship to help us shape afresh as the People of God in Horsham; and secondly, through discovering God's grace at work in us to be more intentional in sharing that Grace in the community in which we serve.

Report on Financial Outturn

1. The year end accounts to 31 August 2017 have been Independently examined and approved by Church Council. The annual return to the Charity Commission will be filed by the end of June.
2. Overall, the outturn was on budget (actual deficit £6,273 v budget deficit £7,153) before the agreed allocation of 30% letting income to the Property Development Fund ('PDF').
3. Income - Key positive variation was the letting income at £23,596 being £4,596 greater than budget.
4. Expenditure - overall spending was £4,745 over budget (but balanced by increased lettings income).
5. 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 £13,352 reducing the net worth to £50,628 but still well in excess of the stated reserves policy to maintain 3 months operating expenditure .
6. No use of the Reserve funds has therefore been made or required in this financial year but which remains available as the newly formed mission teams consider their funding priorities and requirements going forward.
7. The balance sheet tangible fixed assets figure reflects the significantly increased valuations following assessment by the Methodist Insurance Company.
8. Sundry creditors relates to retiring collections and donations to be dispersed and Sundry debtors to HMRC Gift Aid monies due in.

The Church is mindful that it has posted a deficit outturn, albeit planned, and that this is only sustainable if member giving holds up and the current level of letting income is sustained. Given the revised Mission Team structure the Church will be assessing what funds it needs to raise to meet the cost of undertaking its approved Mission activities and how this should be funded.

Risk Management

The major risks have been identified and recorded by the Trustees, with professional advice taken, as required. In particular, there is an ongoing review of our Safeguarding obligations by our Safeguarding Officer; a review of Lone-Worker activities has been undertaken and a policy 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 a review of all Trustees has been undertaken by our bank, HSBC, to ensure we meet its money laundering and anti-fraud obligations.

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. In addition Church Council

has approved the use of £8,000 per annum (if required) from Reserves/legacies to support the costs of the Family Worker project in the period 2015-2018.

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

A full list of Church Council Members and key lay employees are shown at Appendix A to this report.

Treasurer: Mr Philip Reeves

Accountant: Mr Dermot Kennedy

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: Mrs Deepa Patel, 2 Lucas Close, Maidenbower, Crawley RH10 7EY.

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