

## Elm Hall Drive Methodist Church

### Trustees' Report for the year ended 31st August, 2018

The trustees present their annual report and the financial statements for the year ended 31st August, 2018.

#### **Reference and administrative details**

The details are set out on page 2.

#### **Trustees**

The trustees who served during the year are as stated below:

		<u>Elected to</u>	
Rev. C. R. Ainger	(Circuit Minister; Circuit Superintendent)(Left Aug '18)		F
Mr T Bullock	(Church Steward)	May '20	T
Mrs P Buxton	(Church Meeting Rep - retired May '18)	May '18	
Mrs J. A. Doonan	(Pastoral Secretary)		
Mr A. A. Dunsmore	(Safety Officer)		F
Master A. Dunsmore	(Church Steward - Youth - from May '18)	May '19	
Ms R Fox	(Church Steward)	May '20	T
Mr T. P. Greggs	(Pastoral Outreach Worker)(Left Sept '18)	Sept '18	F
Mr C Hardisty	(Church Meeting Rep re elected to May '20)	May '20	F
Mrs K. Harrison	(CC Sec Jan'16 to May'18)(Church Steward to Oct'18)	Oct'18	T, F
Mrs M. P. C. Harvey	(Finance & Property Com. Rep, Treasurer)		F
Mr J Holmes	(Church Meeting Rep - from May '18)	May '21	
Mrs A Hopner	(Church Meeting Rep - retired May '18)	May '18	
Mrs F Horne	(Church Meeting Rep re elected to May '20)	May '20	F
Mr E. W. J. Message	(Church Steward)	Dec '18	T, F
Mrs M Pascoe	(Church Steward from May '18)	May '22	T
Miss M. Payne	(Finance & Property Com. Secretary)		F
Mrs V. Redman	(Church Meeting Rep re elected to May '20)	May '20	F
Mrs. H Shepherd	(Church Meeting Rep elected to May'19)	May '19	
Mrs J. M. Sutcliffe	(Safeguarding Officer)		
Dr.S. P. Sutcliffe	(Church Meeting Rep elected to May 19)	May '19	
Mr C. B. Williamson	(Church Meeting Rep elected to May 20)	May '20	
Mrs N Wright	(Church Meeting Rep re elected to May '20)	May '20	

Committees: F = Finance & Property, T = Church Steward.

#### **Structure, Governance and Management**

##### **Governing document**

The charity, which was formed in 1904, is a registered charity. It is governed by The Methodist Church Act 1976. In order to obtain a full understanding of the operation of the charity, reference also needs to be made to the following statutes: The Methodist Church Union Act 1929, The Methodist Church Act 1939, The Methodist Church Funds Act 1960, The Methodist Church Act 1976, The Deed of Union, The Model Trusts, and the Standing Orders of the Methodist Church.

The Church Membership, as at 1st November, 2017 was 101 (November 2016: 96). The typical Sunday attendance during October 2017 was 42 adults and 16 under 18s (October 2016: 50 adults and 8 under

##### **Appointment of trustees**

The trustees of the charity, under the terms of the Constitutional Practice and Discipline of the Methodist Church, are known as Managing Trustees.

Church stewards are elected to serve for no more than four years by the Annual Church Meeting. Up to six trustees are elected from the church membership at the Annual Church Meeting each year to serve for three years. Under standing order 610(1) of Constitutional Practice and Discipline of the Methodist Church, the remaining trustees include the treasurer, secretary of the Church Council, pastoral secretary, a circuit steward and up to fifteen representatives of the church's life.

## Elm Hall Drive Methodist Church

### Trustees' Report for the year ended 31st August, 2018 (continued)

#### Trustee induction and training

Church council members are provided with information regarding their responsibilities as trustees.

#### Organisation

The Church Council meets four times a year and there are sub-committees covering finance and property, and stewarding, which meet frequently through the year.

#### Related parties

The Church is a member of the Liverpool South Methodist Circuit, a formal group (S.O. 500 of the Constitutional Practice and Discipline of the Methodist Church) of 11 mutually supportive churches across South Liverpool. The Church is also an active member of Churches Together in Mossley Hill, a covenanted group of churches of different denominations serving the local community.

#### Risk management

The trustees have a risk management strategy which includes:

- implementation and annual review of the safeguarding policy for children and vulnerable adults;
- ongoing review of compliance with Equality Act 2010;
- development and implementation of other risk management procedures including health and safety and fire safety;
- a financial reserves policy;
- an investment policy.

#### Objectives and activities

The objectives of the Church Council are to have authority and oversight over the whole area of the ministry of the church, including the management of its property. In addition, the council has responsibility for the aims and methods, the determination and pursuit of policy and the deployment of available resources within the whole church.

The church has a responsibility for its neighbourhood, involving evangelism, service participation in the life of the community and co-operation with statutory, private sector and voluntary agencies serving human needs, where possible engaging in these activities ecumenically. The church is committed to the whole world, in service and mission, in prayer and giving and the help of those in need, at home and overseas. The church must ensure that its work is not hindered by inadequate or unworthy buildings nor embarrassed by the support of unnecessary ones, and that the proper stewardship of finance is undertaken.

In order to achieve these objects, the council has set up the following committees:

Finance & Property Committee	- to have oversight of the finances, and the upkeep of the church property
Stewards	- to share in the leadership of the Church's life as a whole (CPD S.O. 633)

These committees serve the Church Council in pursuing the goals of the Methodist Church's 'Our Calling' statement:

- Our Calling, in the Methodist Church, is to:

- |                     |   |
|---------------------|---|
| Worship -           | increase awareness of God's presence and to celebrate God's love.         |
| Learning & Caring - | help people grow and learn as Christians through mutual support and care. |
| Service -           | be a good neighbour to people in need and to challenge injustice.         |
| Evangelism -        | make more followers of Jesus Christ.                                      |

**Elm Hall Drive Methodist Church****Trustees' Report for the year ended 31st August, 2018 (continued)****Achievements and performance during the year**

Our church continues to be committed to the Methodist Church's "Our Calling" statement, as above. We believe that our mission involves reaching out to families with young children, supporting older people and exploring relevant Christian community for other young adults. We are committed to being an open, welcoming and inclusive church. We provide a Sunday morning worship service that is family friendly, with Light Factory (our Sunday School) and a creche. We are continuing to seek to develop a variety of new styles of worship of God, including using modern and traditional media such as movie clips and live music.

As a church family we have prioritised our ministry to families with young children, through monthly worship in our "Toast" and "Toastie" services and through family events held throughout the year. There are two carer and toddler groups each meeting once a week during term-time, both of which are significantly over-subscribed. These provide a safe place for children and their carers, to interact and play, and crafts, stories, songs and refreshments are included. We have also developed our ministry to older children and students through our links with the student chaplaincy work at the universities of Liverpool, Hope and John Moores.

Our minister is the Reverend Caroline Ainger and our Pastoral Outreach Lay worker is Mr Paul Greggs. Together they provide pastoral oversight and care for the congregation and others in our wider church family and the local community. They are ably assisted by a Pastoral Care Secretary, a care group framework, and fellowship groups such as the weekly Bible studies, housegroup, Lunch Club and the monthly Friday Fellowship. Other pastoral help is received from the wider ministerial team within the Liverpool South Methodist Circuit. Our church family provides support to others in the community including through food bank, Open Doors, Christian Aid, the Belvedere Family Centre and the Whitechapel centre.

Outreach activities to those exploring their faith and connected with the church include our weekly Coffee Stop, monthly Film nights and occasional events such as a Breakfast Alpha course, two teams in the Christian football league, leading assemblies in the local primary school and community inclusive Christmas, harvest and Easter events.

**Financial Review****Results for the year**

The results for the year are set out on page 8.

During the year, the trustees continued the process of looking at the financial resources of the Church and our ability to continue to fund the Church's work over the coming years, in view of the continuing projected deficits. The Church Council have agreed that whilst we cannot solve our financial problems simply by stopping doing things that cost money and are continuing to look at ways to increase our income in order that we can keep up and develop the valuable work we are doing, we must also be cognisant of the critical levels

**Grant making policy**

The trustees continue with their grant making policy, whereby over £2,900 of unrestricted income as shown in the annual accounts will be given away in the following accounting year to various Methodist funds, other Christian missionary societies and secular charities, in accordance with an agreed formula.

**Investment powers and policy**

Under the terms of the Constitutional Practice and Discipline of the Methodist Church, the charity has the power to invest in any way the trustees wish. The trustees intend to invest all surplus monies in an interest bearing account with their bankers.

## Elm Hall Drive Methodist Church

### Trustees' Report for the year ended 31st August, 2018 (continued)

#### **Reserves policy**

The trustees have established a policy for the level of unrestricted reserves (that is those funds that are freely available), whereby in order to enable the charity to operate effectively, they aim to have twelve months' worth of expenditure in general fund reserves. In addition, reserves are needed to cover future salary payments for our contracted staff, and, as the church building ages, it is necessary to spend increasing amounts on the upkeep of the building, and hence, reserves are required to cover these future costs. The trustees aim to have one years' worth of salary and expenses for the Pastoral Outreach Worker fund (approximately £21,750). As at the 31st August 2018, the Pastoral Outreach Worker role is approaching the conclusion of a redundancy process, which will include a settlement amount, and therefore the trustees feel that until this process is concluded, they should continue to hold the above designated reserve. The trustees are also mindful of the fact that certain church groups require designated funds which represent monies that they have collected to enable their groups to operate effectively. The trustees, therefore, consider that the ideal level of general fund free reserves as at 31st August 2018 would be £120,459 (2017: £102,032), compared to the actual level of £53,286 (2017: £65,106). The trustees are also aware that the budget for the coming twelve months shows a projected deficit, and hence, they intend to look to find new ways to achieve a higher income than budgeted whilst continuing to closely manage expenditure in the

#### **Plans for future periods**

The trustees respond well to changing circumstances and reflect and review regularly in order to ensure that all of the objectives of the charity can continue to be met. They actively consult with other relevant parties within the Methodist Church including the District Policy Committee, Circuit Leadership Team and the Circuit Meeting. In the last year, the Circuit has had a period of review and has been reshaped accordingly, to make it more fit for purpose. The major forms of income and expenditure are often interlinked (for example, staffing costs and outreach activities), but the trend of declining reserves cannot continue, and so it is recognised that either income needs to be raised or expenditure needs to be reduced, or both. Therefore the trustees, in consultation with the wider church congregation, continue to consider the most appropriate continuation of the activities of the charity to meet its objectives in light of its financial position. Unfortunately, church's financial situation, the trustees had to make the pastoral outreach worker redundant at the end of this financial year. Some church activities may be affected as they were part of his duties, whilst others will be sustainable with the ongoing involvement of volunteers.

As a church we remain committed to the outreach to and support of the people of all ages within and surrounding our local community. We are excited by the many new opportunities that we have available to us, and are looking forward to these new opportunities and to the shape of the worshipping community of Elm Hall Drive Methodist Church, whatever that may be.

#### **Trustees' responsibilities in relation to 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 and of its surplus or deficit for that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then 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, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

This report was approved by the Managing Trustees on 10 December, 2018 and signed on its behalf by:

Revd P Wilson  
Chairman