

NORTHERN LIGHTS METROPOLITAN COMMUNITY CHURCH

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2018

Charity Number 1093009

Northern Lights Metropolitan Community Church

Trustee Annual Report For the Year Ended 31 March 2018

The trustees are pleased to present their annual report together with financial statements of the charity for the year ended 31 March 2018.

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

Miss C.L. West - Chair
Dr A Chapman - Secretary
Mr James Davies - Treasurer
Miss L Millar

Independent Examiners:
Michelle Wright
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 21st April 2002, 10th July 2005 and 31st January 2016.

Trustees are elected at the Annual Congregational Meeting of the charity and stand for a period of three years. Trustees can also be co-opted as required. In April 2017 Dr M Wardle stood down from the Board at the Annual Congregational Meeting (23.04.17) with Miss C.L.West and Miss L Millar elected to the Board by the membership. Dr A Chapman having completed a first three-year period of office was re-elected to the Board for a further three years.

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:-

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- Weekly Sunday worship services were held.
- Monthly Sunday Family Service.
- Offered different opportunities for worship during the week, those were open to all.
- We took part in Newcastle Pride 2017 and again led the Candle Lit Vigil for the event as well as contributing to the Family Zone through the Family Service.
- We have taken offerings of food goods, clothes and financial donations to support local charities. 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 continued 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. During 2017-2018 we have been in the process of seeking a new permanent pastor engaging with the congregation, members and the wider denomination to reflect on our requirements and initiate the process for attracting a new pastor. The culminated in a candidate weekend and election of a new pastor in December 2017; however unfortunately the candidate later withdrew before taking up the position (May 2018).

Despite the absence of a permanent pastor Northern Lights Metropolitan Community Church has continued to deliver high-quality worship, spiritual growth and social justice activities, working with partners as appropriate. In delivering this we have been very fortunate to be able to draw on the extensive skills and generous commitment of our members and congregation and friends whose on-going dedication, commitment and generosity make our mission possible. That this has enabled a number of our community to further develop their own capacity and confidence is a positive and heart-warming outcome of this period of uncertainty. The Church has continued to grow more diverse and we have been pleased to see a growth in the representation from both the Trans community and people from a range of ethnic backgrounds 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.

In September 2017 the Rev K Harford who had remained as Clergy on Staff, an unpaid position, supporting the Church successfully increased her paid employment, requiring a reduction in her activities with us. Kate brought valuable perspective, support and capacity to the Church taking on a strong role in community engagement and pastoral care for which we

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Trustee Annual Report For the Year Ended 31 March 2018

are very grateful and are very pleased that her capabilities have been recognized more widely and we remain in contact.

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 support applications for a grant towards an employed worker. Additional funding has been successfully sought and enabled Rainbow Home to establish itself as a separate charity with separate accounts. We are pleased to remain supportive of Rainbow Home and are pleased to see it established on a more permanent basis.

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 on-going absence of a 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

With the absence of a permanent paid pastor the Church finances has been comparatively quiet, with the resulting lack of salary costs contributing to a strengthening of the reserves however we are conscious of the importance of continuing to ensure faithful stewardship of our resources to support our members, congregation and community. As is to be expected during an interregnum there has been a reduction in the membership and a resulting fall in the income generated through giving and whilst this has been offset in reduced costs it is a trends we have been monitoring closely and are pleased to have seen this plateau out during this year. Giving has continued to be constrained by the ongoing wider financial constraints due to economic challenges 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 2018/9 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 it has now been established as a stand-alone charity although we continue to actively supports its work.

Northern Lights MCC, therefore held funding in two accounts as of the 31st March 2018.
Northern Lights MCC Cafbank account - £9,295.22
Northern Lights MCC Deposit account (Epsworth) - £27,628.13

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 considerable reduced in the year due to absence of a pastor.

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

- Select suitable accounting policies and apply them consistently

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- 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 20/01 2019 and signed on their behalf by

James Davies
Treasurer

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2018

I report on the financial statements of Northern Lights Metropolitan Community Church for the year ended 31 March 2018, 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 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.

Michelle Wright
Ellison Services Limited
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date: 28/01/2019

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RECEIPTS AND PAYMENTS ACCOUNTS

For the year ended 31 March 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Receipts					
Donations and grants	3	29,565	-	29,565	55,122
Fundraising events	4	10	-	10	1,188
Bank interest	5	73	-	73	44
Total Receipts		29,649	-	29,649	56,354
Payments					
Charitable expenditure	6	16,198	7,366	23,564	39,620
Governance costs	7	841	-	841	1,089
Total Payments		17,039	7,366	24,404	40,710
Net of Receipts / - Payments		12,610	(7,366)	5,244	15,645
Opening cash at bank and in hand		24,113	7,566	31,678	16,034
Closing cash at bank and in hand		36,722	200	36,923	31,679

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.

STATEMENT OF ASSETS AND LIABILITIES

As at 31 March 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Cash funds					
Cash at bank and in hand	12	36,723	200	36,923	53,080
Liabilities	13			600	733

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

These financial statements were approved by the Board on:

20/01/2019

and are signed on its behalf by:

James Davies
Treasurer

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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 2018 £	Total 2017 £
3 Donations and grants				
Committed giving	20,403	-	20,403	28,328
Cash offerings	1,465	-	1,465	1,561
Gift aid	7,161	-	7,161	2,455
Grants - Rainbow Home	-	-	-	11,250
Donations/designated gifts	5	-	5	7,685
UFMCC Offerings	91	-	91	430
Church retreat day	-	-	-	112
CLM	-	-	-	57
Chill & Grace	-	-	-	27
Pride	-	-	-	105
Social justice	-	-	-	217
Contingency fund (other/misc)	440	-	440	2,896
		-	-	-
	<u>29,565</u>	<u>-</u>	<u>29,565</u>	<u>55,122</u>
4 Fundraising events				
Offerings / fundraisers	10	-	10	1,188
	<u>10</u>	<u>-</u>	<u>10</u>	<u>1,188</u>
5 Investment on deposit account				
Deposit account interest	73	-	73	44
	<u>73</u>	<u>-</u>	<u>73</u>	<u>44</u>

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For the year ended 31 March 2018

Analysis of resources expended

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
6 Charitable expenditure				
Salaries and wages	-	-	-	6,465
Rent	7,380	-	7,380	7,380
Equipment and supplies	454	-	454	209
Music and video licence	234	-	234	223
Family Service	70	-	70	4
Advertising	340	-	340	164
Pride	48	-	48	320
Other gifts	-	-	-	208
UFMCC special offerings	91	-	91	1,106
Partnership in Ministry/Tithe	2,738	-	2,738	3,776
Rainbow Home	-	-	-	15,188
Church library	27	-	27	-
Conference	176	-	176	424
Creating a life that matters	-	-	-	14
Study groups	-	-	-	12
Church day retreat	-	-	-	318
Pastors pension/slipend	38	-	38	(11)
Pastor's spiritual direction	-	-	-	30
Office costs	160	-	160	128
Chill and grace	-	-	-	18
Lunches and socials	18	-	18	-
Insurance	428	-	428	414
Telephone	863	-	863	883
CPD training	-	-	-	52
Staff travel expenses	569	-	569	1,242
Payroll charges	424	-	424	599
Bank charges	60	-	60	-
Other expenses	2,079	-	2,079	456
Transfer to Rainbow Homes	-	7,366	7,366	-
	16,198	7,366	23,564	39,620
	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
7 Governance costs				
Board costs	289	-	289	549
Independent examiner's fees for reporting on the accounts	552	-	552	540
	841	-	841	1,089
8 Fees for examination of the accounts				
			2018 £	2017 £
Independent examiner's fees for reporting on the accounts			600	540
Other accountancy services paid to the examiner			424	599
			1,024	1,139

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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

	2018 £	2017 £
Gross wages, salaries and benefits in kind	-	6,465
	-	6,465

No employee received remuneration above £60,000 (2017: £nil)

10 Staff numbers

The average monthly head count was 0 staff (2017: 1 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2018 Number	2017 Number
The parts of the charity in which the employee's work		
Charitable activities	0.0	1.0
	0.0	1.0

11 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

12 Cash at bank and in hand

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Cash at bank	9,095	200	9,295	14,071
Deposit account	27,628	-	27,628	17,555
Cash in hand	-	-	-	53
	36,723	200	36,923	31,678

13 Liabilities at the period end

	2018 £	2017 £
Independent examination of accounts	600	540
Payroll charges	-	193
	600	733

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

14 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	24,113	29,649	(17,039)	-	36,722
Totals	24,113	29,649	(17,039)	-	36,722

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' of the charity

Analysis of movement in restricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
Rainbow Home	7,366	-	(7,366)	-	-
Building fund	200	-	-	-	200
Totals	7,566	-	(7,366)	-	200