

**Registered charity number: 1138647**

**THE BEACON METHODIST CHURCH**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

# THE BEACON METHODIST CHURCH

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# THE BEACON METHODIST CHURCH

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

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### Principal address

The Beacon Methodist Church at Broomhill  
Fulwood Road  
Sheffield  
S10 3BD

### Trustees

The managing trustees are the members of the Church Council of the Beacon Methodist Church.

The members of the Church Council are:

Rev William Fletcher  
Rev Philip Borkett (resigned 31 August 2018)  
Rev Sally Coleman (appointed 1 September 2018)  
Rev Timothy Crome  
Rev Mark Goodhand  
Rev James Morley (appointed 1 September 2018)  
Keith Austin (resigned 30 April 2018)  
Mavis Boston (appointed 1 May 2018)  
Jenny Carpenter  
Andrew Coomer – Treasurer  
Linda Cornthwaite  
Neil Craig (resigned 31 August 2018)  
Rachel Fitton  
Philip Godfrey (appointed 1 September 2018)  
Robert Hodges

Katrin Hackett (appointed 5 September 2018)  
Maureen Marples  
Pam Meek (resigned 31 August 2018)  
Allyson Merryweather (appointed 1 May 2018)  
Heather Morris - Secretary  
Elaine Needham  
Mary Parker  
Barbara Pye  
Josie Smith  
Joanne Ulyatt  
Graham Wilkinson (resigned 30 April 2018)  
Trevor Wilson (appointed 1 September 2018)  
George Winslow  
Anne Worthy

### Custodian trustee

The Trustees for Methodist Church Purposes

### Auditor

BHP LLP  
2 Rutland Park  
Sheffield  
S10 2PD

### Bankers

CAF Bank Ltd  
25 Kings Hill Avenue  
West Malling  
Kent  
ME19 4JQ

# THE BEACON METHODIST CHURCH

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the audited financial statements of The Beacon Methodist Church for the year ended 31 August 2018. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charities Act 2011, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

### **Structure governance and management**

#### Governing document

Under the Charities Act 2006, the church is registered with the Charity Commission, number 1138647. The Beacon Methodist Church is governed by the Standing Orders of the Methodist Church and uses an approved governing document issued by the Methodist Conference.

#### Trustees

The managing trustees are the members of the Church Council of the Beacon Methodist Church. The lay members are appointed annually by the congregation.

The trustees receive no remuneration in their roles as members of the Church Council and any expenses paid to them are shown in note 2 to the accounts.

#### Organisation

The Beacon Church was formed in September 2010 by the merger of four Methodist Churches, namely Broomhill Methodist Church (BH), Crookes Valley Methodist Church (CV), Hallam Methodist Church (now known as Nether Green) (NG) and Stephen Hill Methodist Church (SH). The church is a member of the Sheffield Methodist Circuit. The Crookes Valley congregation has been integrated. The congregations continue to worship at their own church premises.

A Church Council meeting is usually held in October, January, April and July. Additionally each congregation has a local leadership team which meets regularly and holds congregational meetings.

#### Risk management

The trustees have assessed the major risks to which the church is exposed, in particular those related to the operations and finances of the church and are satisfied that systems are in place to mitigate our exposure to major risks.



# THE BEACON METHODIST CHURCH

## TRUSTEES' REPORT – CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

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### Objectives and activities

#### Objectives

The objectives of the Beacon Methodist Church are those set out in the approved Governing document which has not been changed.

The Church's Mission Statement includes:

As part of the Body of Christ in west Sheffield, we are called to live out God's purpose in sharing the love of Jesus Christ.

To fulfil this we are all...

called to worship & prayer  
inspired to grow & develop  
enabled to serve & transform  
strengthened to uphold justice & seek peace  
challenged to value & protect God's creation

#### Aims

Our aim is twofold:

- to secure and sustain the church's viability and future mission;
- to give reassurance to the general public that the church, which is a charity, intends to use all of the money coming into its care for the purpose of the charity.

#### Public Benefit

When planning their activities for the year, the managing trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

The public activities of the Church are:

1. The provision of regular public acts of worship open to members of the Church and non-members alike.
2. The provision of sacred space for prayer and contemplation.
3. The teaching of Christianity through sermons and small groups.
4. Pastoral work including visiting the sick and bereaved.
5. The provision of children's and youth groups and a range of meetings with a Christian ethos.
6. Promoting the whole mission of the Church (and aiding social cohesion) through activities for older people, parents and toddlers.

# THE BEACON METHODIST CHURCH

## TRUSTEES' REPORT – CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

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### Objectives and activities - continued

#### Policies

The policies of Beacon Methodist Church are:

Developing a Church culture and profile, sharing resources and support and working within the Connexional purposes of church life, church and society, inter-church and other relationships and supporting the Connexion. In seeking to deepen active faith, we try to equip and provide worship leaders, encourage people in the use of their gifts and offer appropriate lay-training. In seeking to develop practical belief we encourage responsible giving, an engagement with the World Church and with issues of justice, peace and the environment, and extend a welcome to students studying locally and support local church initiatives in evangelism.

#### Contribution of volunteers

The trustees of the Beacon Methodist Church are the members of the Church Council (listed elsewhere). The trustees are appreciative of all the work that is conducted by the large number of volunteers within the Church.

### Achievements and performance

#### Review of the year

The congregations have continued to hold mission activities in their neighbourhoods, with new ventures started. Regular worship has been enhanced by occasionally holding differing styles of service.

The Beacon membership is **164** (2017 – 178).

Our property has benefitted from the appointment of a property manager. A Young People's Development Worker was appointed in October 2017 and our work with young persons has been continued.

Several joint services and activities have been successfully held during the year.

### Financial review

#### Going concern

The congregations of the Beacon Methodist Church are working towards splitting into separate Methodist Churches from 1 September 2019.

After making appropriate enquiries, the Church Council have a reasonable expectation that the charity has adequate resources to continue in operational existence until that time and to facilitate the relevant transfer of assets. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

#### Review of results

Incoming resources for the year amounted to **£231,901** (2017: £231,912). The total resources expended were **£247,224** (2017: £251,472). After taking account of a gain on investment assets of **£981** (2017: £1,532) and a gain on property held at valuation of **£285,781** (2017: £180,964), the Church has a net surplus for the year of **£271,439** (2017: £162,936).

The financial position of the Church at 31 August 2018 is satisfactory with unrestricted net current assets of **£159,776** (2017: £170,052) and unrestricted net assets of **£7,593,851** (2017: £7,320,572). Total funds which include restricted and endowment funds amount to **£7,678,029** (2017: £7,406,590).

# THE BEACON METHODIST CHURCH

## TRUSTEES' REPORT – CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

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### Financial review – continued

#### Reserves policy

##### (a) *Unrestricted general funds*

Under Standing Orders the Church must meet its financial obligations in relation to the circuit assessment and the maintenance of the churches.

Our reserves policy is to hold at least three months of general expenditure in hand. In the current year this is a minimum of £53,280.

Unrestricted reserves not tied up in fixed assets are £159,776 at the year end, which are designated as follows:

	2018 £
Broomhill property reserve	2,072
Youth development worker	10,000
	<hr/>
	12,072
Free reserves	147,704
	<hr/>
Total unrestricted reserves	159,776

##### (b) *Restricted funds*

The restricted funds consist of legacies, funds raised for specific purposes including youth work in the church, internal organisations and human need.

### Plans for the future

Seek to build the kingdom of God through mission and worship in our communities. Engage with local communities through activities and events. To maintain the properties in a well-kept condition so they are an asset for mission in the neighbourhood.

The church council of the Beacon agreed at their meeting in October 2018 that, in order to further the conversations between the congregations at Stephen Hill and the nearby St Columba's Anglican church, subject to progress being made towards a partnership arrangement being made between them, the congregations of the Beacon Methodist Church would work towards splitting into separate Methodist churches from 1 September 2019.

Arrangements for sharing the assets and the continuation of employees' employment are being negotiated.

### Fundraising Standards Information

The Beacon Methodist Church does not actively engage in fundraising practices nor contract with a third party to fundraise on the Church's behalf.

# THE BEACON METHODIST CHURCH

## TRUSTEES' REPORT – CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

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### Trustees' responsibilities statement

The Trustees are required by the Methodist Church Act 1976 and Standing Order 913 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Circuit and of the surplus or deficit of the Circuit for that period.

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

The law applicable to charities in England & Wales 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 the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- 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 accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts Reports) Regulations 2008 and the provisions of the trust deed. 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.

### Auditors

BHP LLP have been appointed by the Church Council as auditor for the financial year 2018/19.

The annual report was approved by the Trustees on 15 January 2019 and is signed on their behalf by:



Rev Will Fletcher  
On behalf of the Trustees

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BEACON METHODIST CHURCH

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## Opinion

We have audited the financial statements of The Beacon Methodist Church (the 'charity') for the year ended 31 August 2018 which comprise the statement of financial activities, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2018, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BEACON METHODIST CHURCH - CONTINUED**

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
**BHP LLP**  
**Chartered Accountants**  
Statutory Auditor  
2 Rutland Park  
Sheffield  
S10 2PD

Date: 7 February 2019

# THE BEACON METHODIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>						
Donations and legacies						
Offerings and tax recoverable		119,692	18,859	-	138,551	127,801
Grants		-	1,500	-	1,500	1,000
Special donations		442	-	-	442	9,568
Legacies		-	-	-	-	-
Investments		1,048	56	551	1,655	1,761
Other trading activities						
Lettings		62,014	-	-	62,014	63,828
Internal organisations		-	13,213	-	13,213	13,182
Other income		14,526	-	-	14,526	14,772
<b>Total income</b>		<b>197,722</b>	<b>33,628</b>	<b>551</b>	<b>231,901</b>	<b>231,912</b>
<b>Expenditure on:</b>						
Raising funds						
Internal organisations		-	10,026	-	10,026	8,440
Charitable activities	4	215,344	21,817	37	237,198	243,032
<b>Total expenditure</b>		<b>215,344</b>	<b>31,843</b>	<b>37</b>	<b>247,224</b>	<b>251,472</b>
<b>Net operating income/(expenditure)</b>		<b>(17,622)</b>	<b>1,785</b>	<b>514</b>	<b>(15,323)</b>	<b>(19,560)</b>
Gain/(loss) on investment assets		243	-	738	981	1,532
<b>Net Income/(expenditure) before transfers</b>		<b>(17,379)</b>	<b>1,785</b>	<b>1,252</b>	<b>(14,342)</b>	<b>(18,028)</b>
Transfers between funds	11, 12, 13	4,877	(4,877)	-	-	-
<b>Net Income/(expenditure) before other recognised gains/(losses)</b>		<b>(12,502)</b>	<b>(3,092)</b>	<b>1,252</b>	<b>(14,342)</b>	<b>(18,028)</b>
Gain/(loss) on property held at valuation		285,781	-	-	285,781	180,964
<b>Net movement in funds</b>		<b>273,279</b>	<b>(3,092)</b>	<b>1,252</b>	<b>271,439</b>	<b>162,936</b>
Total funds at 1 September 2017		7,320,572	67,372	18,646	7,406,590	7,243,654
<b>Total funds at 31 August 2018</b>		<b>7,593,851</b>	<b>64,280</b>	<b>19,898</b>	<b>7,678,029</b>	<b>7,406,590</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All activities relate to continuing operations.

# THE BEACON METHODIST CHURCH

## BALANCE SHEET AS AT 31 AUGUST 2018

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
<b>Fixed assets</b>						
Tangible fixed assets	7	7,434,075	-	-	7,434,075	7,150,520
Investments	8	-	-	19,898	19,898	18,646
<b>Total fixed assets</b>		<b>7,434,075</b>	<b>-</b>	<b>19,898</b>	<b>7,453,973</b>	<b>7,169,166</b>
<b>Current assets</b>						
Debtors and prepayments	9	47,153	486	-	47,639	46,989
Central Finance Board and Trustees for Methodist Church Purposes deposits etc		104,167	52,256	-	156,423	165,800
Cash at bank and in hand		16,016	14,528	-	30,544	36,883
<b>Total current assets</b>		<b>167,336</b>	<b>67,270</b>	<b>-</b>	<b>234,606</b>	<b>249,672</b>
<b>Creditors due in less than one year</b>	<b>10</b>	<b>7,560</b>	<b>2,990</b>	<b>-</b>	<b>10,550</b>	<b>12,248</b>
<b>Net current assets</b>		<b>159,776</b>	<b>64,280</b>	<b>-</b>	<b>224,056</b>	<b>237,424</b>
<b>Net assets</b>	<b>14</b>	<b>7,593,851</b>	<b>64,280</b>	<b>19,898</b>	<b>7,678,029</b>	<b>7,406,590</b>
<b>Funds of the Church</b>						
General fund (unrestricted)	11	7,581,779	-	-	7,581,779	7,304,609
Designated funds (unrestricted)	11	12,072	-	-	12,072	15,963
<b>Total unrestricted funds</b>		<b>7,593,851</b>	<b>-</b>	<b>-</b>	<b>7,593,851</b>	<b>7,320,572</b>
Restricted funds	12	-	64,280	-	64,280	67,372
Endowment funds	13	-	-	19,898	19,898	18,646
<b>Total funds</b>		<b>7,593,851</b>	<b>64,280</b>	<b>19,898</b>	<b>7,678,029</b>	<b>7,406,590</b>

The financial statements on pages 9 – 21 were approved by the Trustees on 15 January 2019 and are signed on their behalf by:



**Rev Will Fletcher**  
On behalf of the Trustees



# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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### 1. Accounting policies

#### 1.1 General information and basis of preparation of financial statements

The Beacon Methodist Church is a charity registered in England & Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are those of a Methodist Church.

These accounts have been prepared on a going concern basis under the historical cost convention, with the exception of investments and properties, which are included at market value and insurance value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in £ sterling, which is the functional currency of the charity, and rounded to the nearest £1.

#### 1.2 Fund accounting

The funds held constitute:

- General Funds held for any purpose of the charity which are unrestricted;
- Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose;
- Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or funds raised for a specific purpose; and
- Endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either restricted or unrestricted.

Details of each material fund are disclosed in the notes to these accounts. Any fund may be represented in other ways than in cash.

# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

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### 1. Accounting policies - continued

#### 1.3 Income

Income is included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to the resources, it is probable they will receive the income and the monetary value can be measured with sufficient reliability.

Grants receivable are recognised in the SOFA when the conditions for receipt have been complied with. Grants are deferred only when the Church has to fulfil conditions before becoming entitled to them, or where the donor has specified that the income is to be expended in a future period.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

#### 1.4 Expenditure

Expenditure is recognised when a liability is incurred, or a constructive obligation arises that results in the payment being unavoidable. Resources expended include attributable VAT which cannot be recovered.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

#### 1.5 Tangible fixed assets for use by the church

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or a reasonable value on receipt. Where cost is not available, the Church Council may provide a reasonable estimate of cost or of the fixed asset's current value to the church.

Freehold land and buildings are held at their current insurance valuation.

Depreciation of fixed assets is provided at rates estimated to write off each asset less its residual value over the term of its useful life.

The annual rates used are:-

Fixtures and fittings - 10% straight line and 25% reducing balance

Depreciation is not provided on freehold properties as it is the Church's policy to maintain the property in good repair. Consequently, the trustees consider the life of the properties to be so long that there is no significant annual depreciation.

# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

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### 1. Accounting policies – continued

#### 1.6 Investments

Investments are valued in the balance sheet at fair 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.

#### 1.7 Taxation

As a charity, Beacon Methodist Church is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

#### 1.8 Donated assets

Donated assets are included in the accounts when receivable at the Church's estimate of fair value.

#### 1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

#### 1.10 Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### 1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### 1.12 Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

### 2. Transactions with trustees

	2018	2017
	No	No
Number of trustees who were paid expenses	5	6
	£	£
Total amount paid	2,254	521
	No	No
Number of trustees who received remuneration from the charity for employment other than their role as a trustee	-	2
	£	£
Gross salary	-	15,902

The salary cost is included in charitable activities.

### 3. Collections for and payments to external organisations

	2018	2017
	£	£
Balance brought forward	2,948	3,527
Collected in the year	5,779	5,292
Passed to external organisations	(6,290)	(5,871)
Balance carried forward	2,437	2,948

Collections are made on behalf of external organisations. These are excluded from the income and expenditure of the charity. Funds which are yet to be paid over at the year end are included within creditors.

### 4. Charitable activities

	Unrestricted Fund	Restricted Funds	Endowment Funds	Total 2018	Total 2017
	£	£	£	£	£
Circuit assessment	115,000	-	-	115,000	115,000
Grants and donations	1,875	-	-	1,875	1,875
Repairs and maintenance	61,930	2,938	-	64,868	63,668
Insurance, utilities etc	25,336	-	-	25,336	28,624
Depreciation	2,226	-	-	2,226	2,649
Loss on disposal of fixed asset	-	-	-	-	-
Church worker costs	-	18,879	-	18,879	20,406
Audiovisual costs	1,628	-	-	1,628	1,705
Worship	723	-	-	723	579
Printing and stationery	270	-	-	270	207
Other expenditure	2,126	-	37	2,163	3,426
Auditors remuneration (Statutory audit)	4,230	-	-	4,230	4,893
	215,344	21,817	37	237,198	243,032

# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

### 5. SOFA prior year comparatives

	Note	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	Total 2017 £
<b>Income from:</b>					
Donations and legacies					
Offerings and tax recoverable		124,496	3,305	-	127,801
Grants		-	1,000	-	1,000
Special donations		9,568	-	-	9,568
Legacies		-	-	-	-
Investments		1,140	92	529	1,761
Other trading activities					
Lettings		63,828	-	-	63,828
Internal organisations		-	13,182	-	13,182
Other income		13,148	1,624	-	14,772
<b>Total income</b>		<b>212,180</b>	<b>19,203</b>	<b>529</b>	<b>231,912</b>
<b>Expenditure on:</b>					
Raising funds					
Internal organisations		-	8,440	-	8,440
Charitable activities	4	200,782	42,216	34	243,032
<b>Total expenditure</b>		<b>200,782</b>	<b>50,656</b>	<b>34</b>	<b>251,472</b>
<b>Net operating income/(expenditure)</b>		<b>11,398</b>	<b>(31,453)</b>	<b>495</b>	<b>(19,560)</b>
Gain/(loss) on investment assets		379	-	1,153	1,532
<b>Net Income/(expenditure) before transfers</b>		<b>11,777</b>	<b>(31,453)</b>	<b>1,648</b>	<b>(18,028)</b>
Transfers between funds	11, 12, 13	4,446	(4,223)	(223)	-
<b>Net Income/(expenditure) before other recognised gains/(losses)</b>		<b>16,223</b>	<b>(35,676)</b>	<b>1,425</b>	<b>(18,028)</b>
Gain/(loss) on property held at valuation		180,964	-	-	180,964
<b>Net movement in funds</b>		<b>197,187</b>	<b>(35,676)</b>	<b>1,425</b>	<b>162,936</b>
Total funds at 1 September 2016		7,123,385	103,048	17,221	7,243,654
<b>Total funds at 31 August 2017</b>		<b>7,320,572</b>	<b>67,372</b>	<b>18,646</b>	<b>7,406,590</b>

# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

6. Wages and salaries	2018 £	2017 £
Gross salary	42,223	28,300
Employer's NI	2,497	1,287
Employer's pension contributions	1,730	1,567
	<b>46,450</b>	<b>31,154</b>
	No	No
Average number of employees	3	2

No employees received emoluments in excess of £60,000 (2017: none).

The senior management of the church is solely Rev William Fletcher who is not remunerated by the charity.

7. Tangible fixed assets	Freehold land & buildings £	Fixtures fittings and equipment £	Total £
<b>Cost</b>			
At 1 September 2017	7,143,813	44,496	7,188,309
Revaluation	285,781	-	285,781
At 31 August 2018	<b>7,429,594</b>	<b>44,496</b>	<b>7,474,090</b>
<b>Depreciation</b>			
At 1 September 2017	-	37,789	37,789
Depreciation charge for year	-	2,226	2,226
At 31 August 2018	-	<b>40,015</b>	<b>40,015</b>
<b>Net book value</b>			
31 August 2018	<b>7,429,594</b>	<b>4,481</b>	<b>7,434,075</b>
31 August 2017	7,143,813	6,707	7,150,520

Freehold land and buildings have been revalued at the year end with reference to their insured value.

Information is not available to quantify the historical cost of the buildings.

# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

### 8. Fixed asset investments

	Listed investments /managed funds £
<b>Valuation</b>	
At 1 September 2017	18,646
Income	551
Expenditure	(37)
Gain on revaluation	738
At 31 August 2018	19,898

Information is not available to quantify the historical cost of the investments.

### 9. Debtors

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Accrued income				
- Gift Aid recoverable	8,547	486	9,033	11,137
Circuit assessment paid in advance	22,750	-	22,750	28,750
Other debtors	4,284	-	4,284	2,845
Prepayments	11,572	-	11,572	4,257
	47,153	486	47,639	46,989

### 10. Creditors: amounts falling due within one year

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Sundry creditors	225	2,680	2,905	2,988
Accruals	7,335	310	7,645	9,260
	7,560	2,990	10,550	12,248

# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

### 11. Unrestricted funds

Current year	Brought forward £	Income £	Expenditure £	Transfers £	Gain on Revaluation £	Carried Forward £
General funds	7,304,609	197,722	(211,453)	4,877	286,024	7,581,779
Broomhill property reserve	5,963	-	(3,891)	-	-	2,072
Youth development worker	10,000	-	-	-	-	10,000
	15,963	-	(3,891)	-	-	12,072
Total	7,320,572	197,722	(215,344)	4,877	286,024	7,593,851

Broomhill property reserve – to cover future property maintenance costs of the Broomhill building.

Youth development worker fund – the contribution pledged by the Church Council towards the cost of employing a Youth Development worker, in addition to restricted funds raised.

Prior year	Brought forward £	Income £	Expenditure £	Transfers £	Gain on Revaluation £	Carried Forward £
General funds	7,105,683	212,086	(198,949)	4,446	181,343	7,304,609
Broomhill property reserve	7,088	-	(1,125)	-	-	5,963
Nether Green refurbishment	614	94	(708)	-	-	-
Youth development worker	10,000	-	-	-	-	10,000
	17,702	94	(1,833)	-	-	15,963
Total	7,123,385	212,180	(200,782)	4,446	181,343	7,320,572



## THE BEACON METHODIST CHURCH

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

#### 12. Restricted funds

Current year	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Children's and Family and Youth Workers fund	14,796	20,415	(21,817)	-	13,394
Legacies	500	-	-	-	500
Church Development Fund					
Stephen Hill	15,000	-	-	-	15,000
Benevolence fund	1,204	-	-	-	1,204
Stephen Hill congregation	25,650	-	-	-	25,650
Internal organisations	10,222	13,213	(10,026)	(4,877)	8,532
<b>Total</b>	<b>67,372</b>	<b>33,628</b>	<b>(31,843)</b>	<b>(4,877)</b>	<b>64,280</b>

Children's and Family and Youth Workers fund – to provide workers at all three sites working directly with children and young people in their faith development and education through leadership and co-ordination of groups, and support the congregation's vision for children's participation in the life of the church community and to employ a Youth Development worker to initiate and develop innovative youth work projects; lead contemporary worship and engage young people of the community in church life and the church in the lives of young people.

Legacies – legacies for use at specific sites.

Church Development fund – a legacy for church development at Stephen Hill.

Benevolence fund – to provide for individuals in need at the discretion of the minister, to be given in confidence.

Stephen Hill congregation – a donation for use specifically at the Stephen Hill site.

Internal Organisations include the following:

Lunch club fund – to provide a weekly meal and fellowship for older people who are lonely, or living by themselves or unable to provide for themselves.

Pantomime fund – to support the annual pantomime, performed by the young people of Stephen Hill church.

Coffee morning fund – to support a weekly drop-in coffee morning for the Broomhill residents.

Transfers between funds - £3,939 has been transferred from the Pantomime and £938 from other internal organisations funds to unrestricted funds. These are donations from the relevant groups to the church as a whole.

# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

### 12. Restricted funds – continued

Prior year	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Children's and Family and Youth Workers fund	30,744	6,021	(21,969)	-	14,796
Legacies	20,747	-	(20,247)	-	500
Church Development Fund					
Stephen Hill	15,000	-	-	-	15,000
Benevolence fund	1,204	-	-	-	1,204
Stephen Hill congregation	25,650	-	-	-	25,650
Internal organisations	9,703	13,182	(8,440)	(4,223)	10,222
Total	103,048	19,203	(50,656)	(4,223)	67,372

### 13. Endowment funds

Current year	Brought forward £	Income £	Expenditure £	Transfers £	Gain on revaluation £	Carried forward £
Sir Samuel Osborn Fund (BH)	17,643	545	(35)	-	738	18,891
T D Crothers Fund (NG)	1,003	6	(2)	-	-	1,007
Total	18,646	551	(37)	-	738	19,898

The income from the endowment funds is expendable. The net income after expenditure is transferred to unrestricted funds. The capital of very small endowment funds may be expended with Connexional approval.

Prior year	Brought forward £	Income £	Expenditure £	Transfers £	Gain on revaluation £	Carried forward £
Sir Samuel Osborn Fund (BH)	16,221	522	(32)	(221)	1,153	17,643
T D Crothers Fund (NG)	1,000	7	(2)	(2)	-	1,003
Total	17,221	529	(34)	(223)	1,153	18,646

# THE BEACON METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

### 14. Analysis of net assets between funds

Current year	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	7,434,075	-	-	-	7,434,075
Fixed asset investments	-	-	-	19,898	19,898
Debtors and prepayments	47,153	-	486	-	47,639
Current asset investments	104,167	-	52,256	-	156,423
Cash at bank and in hand	3,944	12,072	14,528	-	30,544
Creditors due within one year	(7,560)	-	(2,990)	-	(10,550)
Net assets	7,581,779	12,072	64,280	19,898	7,678,029

Prior year	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	7,150,520	-	-	-	7,150,520
Fixed asset investments	-	-	-	18,646	18,646
Debtors and prepayments	46,476	-	513	-	46,989
Current asset investments	110,361	-	55,439	-	165,800
Cash at bank and in hand	5,206	15,963	15,714	-	36,883
Creditors due within one year	(7,954)	-	(4,294)	-	(12,248)
Net assets	7,304,609	15,963	67,372	18,646	7,406,590

### 15. Related party transactions

During the year, Trustees have donated £26,965 (2017: £23,553) to the Beacon Methodist Church. This is included within offerings and tax recoverable income.