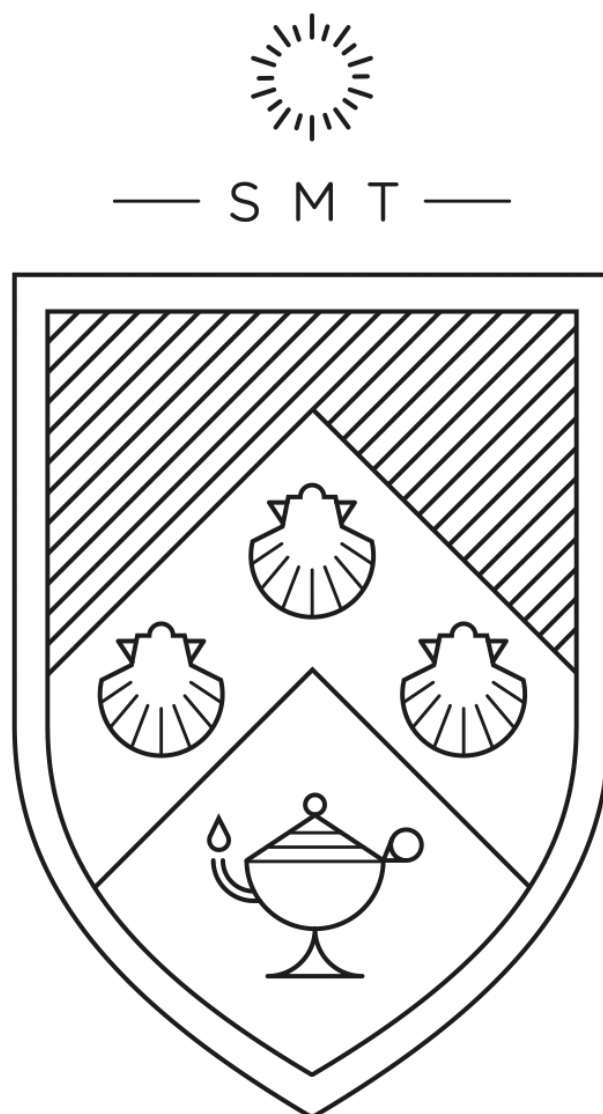


# Southlands Methodist Trust

## Report and Financial Statements

### For the Year Ended 31 August 2020



The Southlands Methodist  
Trust  
is a charity of the  
Methodist Church in Britain

Registered charity number 1100660

Southlands College  
80 Roehampton Lane  
London SW15 5SL

SWF@roehampton.ac.uk  
[www.susannawesleyfoundation.org](http://www.susannawesleyfoundation.org)  
020 8392 4462

# **SOUTHLANDS METHODIST TRUST**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

#### **Trustees:**

Rev Dr Tim Macquiban, Chair	
Rev Margaret Jones	(resigned, August 2020)
Rev Stan Brown	
Rev Dr J Cox-Darling	
Mr John Logan	(resigned, March 2020)
Dr Clive Norris	
Rev Colin Smith	
Rev M Youngson	
Mr Alan Davies	(appointed, October 2020)

#### **Registered office:**

Southlands College  
80 Roehampton Lane  
London  
SW15 5SL

#### **Auditors:**

Haysmacintyre LLP  
Chartered Accountants  
10 Queen Street Place  
London EC4R 1AG

#### **Bankers:**

Methodist Central Finance Board  
9 Bonhill Street  
London  
EC2A 4PE

HSBC  
West End Corporate Banking Centre  
70 Pall Mall  
London  
SW1Y 5EZ

#### **Solicitors:**

Pothecary Witham Weld  
70 St George's Square  
London  
SW1V 3RD

## **SOUTHLANDS METHODIST TRUST**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **STRUCTURE GOVERNANCE AND MANAGEMENT**

The Trustees present their report and audited financial statements for the year ended 31 August 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), in preparing the annual report and financial statements of the charity.

The Southlands Methodist Trust (SMT) is a registered unincorporated charity (Charity number 1100660). The Governing Document is a Deed of Trust.

Trustees are appointed by a decision of Methodist Council, at the recommendation of members of the Trustees. When vacancies arise, a sub-group of the trustee board is formed in order to conduct a search process. This includes both direct approaches and approaches through the Church's Connexional Team, asking for expressions of interest. From time to time, advertisements of vacancies are also used in the press. CVs of those expressing interest in appointments are considered by the sub-group and brought to a full meeting of the trustee board, where a decision is made to recommend names to Council.

#### **RISK ASSESSMENT**

The Trustees have active involvement in the day to day running of the charity. This involvement ensures that they are fully aware of the risks and required action to sufficiently mitigate those risks. As the charity grows the Trustees will more formally record the risk assessment process they undertake as part of their duties as trustees.

#### **OBJECTIVES AND ACTIVITIES**

The aims and purposes of the charity are:

- 1) as part of the work carried out through the Discipleship and Ministries Learning Network, to support in association with the College and University the development of Christian, and specifically Methodist, scholarship, research and innovation, of local, national and global significance and to facilitate the public dissemination of such developments.
- 2) to enable members of the Methodist community and wider public in Britain and internationally to benefit from the academic and other expertise and experience within the College and the University and the facilities available within them.
- 3) to enrich the community life of the College and the work of its chaplaincy in ways that reflect its Methodist values and ethos.
- 4) to maintain and develop the relationship between the Methodist Church, the College and the University in the context of developing the contribution made to the work carried out through the Discipleship and Ministries Learning Network.
- 5) to further the wider charitable purposes of the Methodist Church through close working with the other persons and bodies responsible for the work carried out through the Discipleship and Ministries Learning Network.

#### **Fundraising**

SMT does not fundraise with the public and has not received any complaints in this regard during the year.

## **SOUTHLANDS METHODIST TRUST**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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##### **Public benefit**

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity. The Trustees review the activities of the Charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to the aims which are set in such a way as to benefit society as a whole. The benefits are set out in the review of activities shown below.

##### **SUSANNA WESLEY FOUNDATION**

The Susanna Wesley Foundation (SWF) is a community of scholarship, research and innovation based at Southlands College. The SWF provides direction and a significant focus for the Trust's in-house activities, brokering projects and partnerships to generate its research, scholarship and innovation.

The Trust employs a small staff team at the Foundation, who work alongside a group of Associates and Honorary Research Fellows, University of Roehampton academics from a range of disciplines, doctoral students whom the Trust sponsors, and SMT grant recipients from various institutions, as well as those who subscribe to the Foundation's quarterly newsletter, and who regularly participate in SWF events.

##### **SWF Contribution**

The period saw the posting of a number of podcasts involving conversations between different members of our community, dealing with the theme of flourishing, issues of inclusion and participation, and the implications of the changing landscape for the flourishing of churches and communities. Such recorded conversations are becoming central to our way of working and are attracting a significant amount of engagement.

The flourishing of those in ordained ministry has been the subject of one of SWF's projects in 2018-19 and 19-20. A resource for ministers, which draws on this SWF research by a counselling psychologist, is in draft form for anticipated publication in 2020-21.

The Foundation engaged in the quest of the Methodist Church to become an inclusive church, with contributions to work around attitudinal, cultural and systemic change. SWF contributed to the setting up of a work stream which will continue to operate in 2020-21, designing pathways for experimentation and action in local contexts around what it means to become an inclusive church. It is hoped that learning from this involvement can inform the search for truly inclusive communities in other contexts. Work in previous years around diversity monitoring also culminated in acceptance of an article for publication in 'International Perspectives on Equality and Diversity'.

A project of the Foundation in 2019-20 has drawn together existing theory and understandings of change, with observations about the current context for Methodist churches. The resultant papers have been circulated in a number of Methodist contexts, with some joint work emerging as a result.

The Foundation continues to work with the Theological Action Research Network based at the university. Its project exploring collaborative learning in the Methodist Church has yielded some rich data and some generative conversations. Themes around relationships in learning will be developed and will offer something for application in broader contexts.

'Mapping Faith' was published in June 2020. The book was edited by Lia Shimada, in her role as Senior Research Officer at the Susanna Wesley Foundation.

The joint 2019 MODEM/SWF conference was held at Sarum College. The conference offered the multidisciplinary space and the conversation between academics and practitioners which SWF welcomes in its work.

## **SOUTHLANDS METHODIST TRUST**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The 'Most Significant Change' project explores the contribution which chaplaincy makes to the life of a university and to find ways of capturing that contribution.

A number of initiatives from 2019-20 will continue in 2020-21; among them, work with the Methodist Church around inclusion, change, and learning, along with the 'Most Significant Change' chaplaincy project. It is intended, too, to publish various resources, including guidance around demographic monitoring, and a workbook for flourishing in ministry, both of which draw on earlier work. Various events will publicise 'Mapping Faith', bringing the SWF and its offerings to wider audiences, while fostering dialogue between diverse partners. The SWF will also continue to sponsor a number of doctoral students, whose work began or continued in 2019-20.

#### **NURTURING CHAPLAINCY**

The SMT continued to sponsor activities within both the college's Methodist Chapel and through its Methodist chaplaincy, and also to encourage and support the wider provision of multi-faith chaplaincy work for the whole of the university community. The Trust directly funds one post in the Chaplaincy team, offers financing for some chaplaincy activities led by the Methodist Chaplain to the university, and also sponsors projects run across the wider multi-faith chaplaincy team which align with its charitable objects. The Methodist Chaplain and Chaplaincy Community Worker (CCW) support the work of Southlands College and contribute to the building of a student community and the creation of a supportive and flourishing environment that reflects the Methodist ethos of Southlands. The chaplaincy also hosts a range of events and runs student and staff engagement programmes, both at Southlands and across the university campus.

The Trust will continue to offer its support to the college and university chaplaincy team in a variety of ways, including grants for small projects which encourage the Methodist ethos of the college and for building up the community life of the Southlands chapel. The Trust intends to continue supporting the appointment of the CCW during 2020-21.

#### **SOUTHLANDS VENTURE**

Southlands Venture is a programme that encourages students to explore how they can use their interests and skills to make the world a better place. The Venture supports initiatives by offering seed-funding to resource ideas, as well as offering mentoring to enable students to receive the advice and guidance they need to lead campaigning, volunteering and charitable work successfully. The programme is coordinated by the college's staff team and financed by the Southlands Methodist Trust. Projects completed in the year 2019-20 included support for a Christmas hamper service to a soup kitchen in Hackney and supporting our Esports Society to purchase a Virtual Reality headset to be used in care homes for the elderly, in order to take the less mobile residents out for trips using VR. Development work was also done on projects which will take place in the following year, having paused because of the pandemic. Venture also funded an environmental awareness campaign under the banner of Venture V. The Southlands College chaplain, with the support of our student leaders, hosted weekly gatherings to create Eco bricks and discuss environmental concerns.

The Trust intends to continue its support for the Venture into 2020-21, during which time the college's chaplaincy team will take a leadership role in diversifying further the ways in which students can engage in Venture projects.

#### **AWARDS, PRIZES AND HARDSHIP/ACCESS GRANTS**

The SMT continued to sponsor a range of prizes and awards for staff and students, encouraging a culture of excellence in academic achievement across the college. Of particular value to the Trust is the awarding of prizes which celebrate the history and ethos of the college, and which honour individuals and their work that promotes the Methodist identity of Southlands College. In addition to these awards, the Trust offers small bursaries to students in positions of particular financial need. The Trustees intend to continue sponsoring these activities in future years.

## SOUTHLANDS METHODIST TRUST

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2020

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##### NURTURING METHODIST EDUCATIONAL PARTNERSHIPS

The SMT committed resources to establish a network to connect Methodist-related Higher Education providers across the UK and Ireland. Working in partnership with the Ministries and Vocation Team at Methodist Church House and the Board of Ministry, Learning and Development of the Methodist Church in Ireland, the Head of College and Partnerships Officer (a role sponsored by the Trust) established broad terms of reference for the group and the trustees of the SMT committed to seed funding for it.

Within the primary and secondary education sector, our closest work during 2019-20 was with MAST and its schools, significant funding for which is provided by the Southlands Methodist Trust. Support for the appointment of the Head of Service for MAST from the SMT ensured that the work of the schools charity could continue to develop. This support will continue in 2020-21.

The trustees announced the creation of the Susanna Wesley International Visiting Fellowship in the summer of 2019. This enables scholars and experienced practitioners from the wider Wesleyan family to visit the Roehampton campus for an extended period of time to undertake research, study and encounter, and to contribute their expertise to the wider Connexion. While restrictions on international travel prevented the first appointment of a Fellow in 2019-20, during 2020-21 we hope to be able to welcome colleagues from other IAMSCU member institutions, post-pandemic, to join us in this way and share their insights with us.

##### MANAGING SOUTHLANDS COLLEGE ARCHIVES

The Southlands Methodist Trust retains ownership of the historical archives of Southlands College, which are housed in the college. The archive contains historical documents and artefacts relating to the history of the college, including a large array of student work from throughout the college's establishment. During the reporting year, the Trust continued to employ a part-time Archivist to maintain, develop and facilitate use of the college archive. It is made accessible to the wider public through the Archivist's work in answering individual requests and developing an online database of materials. The Trust also continued to support small grants to acquire relevant additions to the archive (such as images and books concerning the historical life of the college) and to protect and display a range of pictures and artefacts from the archive. These will illustrate the history of the college and bring it alive for those staff and students who currently occupy it. This work will continue in the coming year.

##### SUPPORTING INNOVATIVE RESEARCH

The SMT continues to provide grants for research, in addition to areas addressed by the Susanna Wesley Foundation, on subjects of importance to the church and society, with the purpose of benefitting the wider public. In the reporting year, this included:

- Two Theological Action Research projects. One exploring Methodist-Roman Catholic ecumenical social action projects across the country. The other looking at learning in the Church, focusing particularly on Methodist communities.
- The *Divine Designs* project, which takes Southlands as a case study to examine how organisations can reflect their values in architecture, place and space
- New Creation Project, looking at ways in which the church can help people engage with environmental issues in positive and creative ways.
- Lifelong Reading: New Stories
- Makerspaces: Supporting digital inclusiveness in urban communities
- Dhaka – On Climate Change and Urbanisation in Bangladesh
- Religion and Spirituality in the therapeutic space
- Narratives of masculinity: visual accounts of young men's experience of fatherhood

## **SOUTHLANDS METHODIST TRUST**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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- Visioning the Future of the City Together: Group relations in urban community neighbourhood planning
- Thinking Place – Five Philosopher's Huts
- Student and staff perceptions on race and racism at the University of Roehampton

Projects approved for completion in 2020-21 include:

- The effect of COVID-19 Lockdown on the learning journey of commuter students.
- The effects of the coronavirus lockdown on children's psychosocial and educational adjustment during school transition
- An investigation into social control by neglect
- Latin American professional women and men in the UK
- Once More with Feeling: A reinvention of Hysteria using photography, performance and writing
- Public Engagement: Challenging myths of empire
- Philosophy and Impact of Phiroz Mehta

### **FINANCE REVIEW**

At the start of the year the net assets of the Trust amounted to £10.5m of which £800,000 was an expendable endowment and the remaining £8.9m represented general funds. Income is derived from interest on and dividends from the invested assets and lease income from the investment property. The Trust does not undertake public fundraising activities. Expenditure during the year totalled £1.086m. Of this £1.082m was expended on activities within the charitable objects of the Fund, most of which was spent on events and research carried out under the Susanna Wesley Foundation banner. £13k was spent on governance. Net assets at the end of the year totalled £10.4m.

More details of the financial position of the charity are set out in the Statement of Financial Activities, together with the Balance Sheet and Notes to the Financial Statements.

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The charity will be able to continue its work and will cut costs by cutting events previously scheduled and through other cost savings. Investments have also declined significantly in value after the year-end. The ultimate impact of COVID-19 on the UK, the world, the economy and the charity sector is yet to be seen. However, through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, the trustees consider it appropriate for the going concern basis to be adopted for these accounts.

The Mount Clare Estate has suffered no material decline or change to the Lease since the recent valuation in July 2019, however market conditions may have had a detrimental effect on value.

The advice from the surveyors is that valuations are currently being reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty, and a higher degree of caution, should be attached to the valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, they recommend that trustees keep the valuation of this property under frequent review. With the Lease having 6 years remaining the trustees do not consider the need to have the property revalued at this time but are mindful of the advice. The next formal valuation is due in July 2022.

### **RESERVES POLICY**

In accordance with the Trust Deed, the Trustees hold as an expendable endowment £800,000. The Trust's free reserves (after allowing for amounts tied up in fixed assets and investment property) amounts to £925,411. The trustees'

## **SOUTHLANDS METHODIST TRUST**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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general policy on reserves is that, unless there is an exceptional reason to seek permission to utilise the expendable endowment, they will maintain it and retain other reserves or build them further to a level that will generate sufficient income to achieve the aims of the charity.

The Trustees aim to retain a 1 year of Operating and Capital Costs as cash reserves, being approximately £500k, which is slightly higher than the free reserves held.

For the year ended 31 August 2020, operating costs were £1.086m (including over £550k of grant liabilities). The forecast for 2020-21 financial year is £448k for operating costs and £20k capital expenditure (this now unlikely due to continuing Covid restrictions). Future years' operating costs will be in the region of £425k - £475k.

87% of the income (£400k) for the Trust is derived from the Mount Clare lease. The remaining 13% (£58k) is derive from Dividends and Interest on investment funds and cash assets, and donations in line with forecasts.

The above policy will inevitably require amendment once the plans, and their execution, have been agreed with regards to the Mount Clare Estate. The trustees are therefore satisfied that the reserves of the charity are at a satisfactory level.

#### **STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

The trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the 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;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charities and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charities and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that the investments have been acquired in accordance with their powers and that the charities can meet all their obligations.

#### **AUDITORS**

A resolution re-appointing Haysmacintyre LLP will be proposed at the forthcoming Trustees' meeting.

#### **BY ORDER OF THE BOARD OF TRUSTEES**

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**Rev Dr Tim Macquiban, Trustee**



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

### SOUTHLANDS METHODIST TRUST

#### Opinion

We have audited the financial statements of Southlands Methodist Trust for the year ended 31 August 2020 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 2020 and of the charity's net movement in funds 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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.

#### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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

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.

#### 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.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

### SOUTHLANDS METHODIST TRUST (continued)

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

#### 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:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP  
Statutory Auditors  
10 Queen Street Place  
London  
EC4R 1AG

Date:

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## SOUTHLANDS METHODIST TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Endowment funds £	Total funds 2020 £	Total Funds 2019 £
<b>Income and endowments from:</b>					
Donations and legacies		308	-	308	423
Charitable activities		-	-	-	3,931
Investments	2	457,633	-	457,633	461,917
<b>Total income</b>		<u>457,941</u>	<u>-</u>	<u>457,941</u>	<u>466,271</u>
<b>Expenditure on:</b>					
Raising funds	3	4,153	-	4,153	4,071
Charitable activities	4	679,443	-	679,443	651,710
<b>Total expenditure</b>	7	<u>683,596</u>	<u>-</u>	<u>683,596</u>	<u>655,781</u>
<b>Net (expenditure)/income before gains and losses on investments</b>		(225,655)	-	(225,655)	(189,510)
(Losses) on investments	10	(150,892)	-	(150,892)	(16,465)
Gains on investment property	9	-	-	-	195,000
<b>Net (expenditure)/net movement in funds</b>		<u>(376,547)</u>	<u>-</u>	<u>(376,547)</u>	<u>(10,975)</u>
<b>Reconciliation of funds:</b>					
Balance brought forward at 1 September 2019		9,670,088	800,000	10,470,088	10,481,063
<b>BALANCES CARRIED FORWARD AT 31 AUGUST 2020</b>	14	<u>£9,293,541</u>	<u>£800,000</u>	<u>£10,093,541</u>	<u>£10,470,088</u>

- All funds in both years are unrestricted and there has been no movement on the endowment fund in either year.
- All transactions are derived from continuing activities.
- All recognised gains and losses are included in the Statement of Financial Activities.

## SOUTHLANDS METHODIST TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	£	2020	£	£	2019	£
<b>FIXED ASSETS</b>							
Investment property	9		8,345,000			8,345,000	
Other investments	10		1,823,351			1,944,334	
Tangible fixed assets	11		23,130			26,985	
			<u>10,191,481</u>			<u>10,316,319</u>	
<b>CURRENT ASSETS</b>							
Debtors	12	-			1,286		
Cash at bank and in hand		92,766			262,157		
		<u>92,766</u>			<u>263,443</u>		
<b>CREDITORS: due within one year</b>	13	(190,706)			(109,674)		
<b>NET CURRENT ASSETS</b>			(97,940)			153,769	
<b>NET ASSETS</b>			<u>£10,093,541</u>			<u>£10,470,088</u>	
<b>FUNDS AND RESERVES</b>							
General funds	14		9,293,541			9,670,088	
Endowment funds			800,000			800,000	
			<u>£10,093,541</u>			<u>£10,470,088</u>	

Approved by the Trustees on and signed on their behalf by:

.....

Rev Dr Tim Macquiban      Trustee

.....

Rev Dr Joanne Cox-Darling      Trustee

**SOUTHLANDS METHODIST TRUST****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES****Statement of compliance**

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments. The format of the financial statements has been presented to comply with the Charities Act 2011, and The Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019).

The Charity is a Public Benefit Entity as defined by FRS102.

**Basis of Accounting**

The financial statements have been prepared under the Charities Act 2011 on the historical cost convention [as modified by the valuation of investments], which is consistent with the prior year.

**Going concern**

The Trustees consider that there are no material uncertainties which would cast doubt on the Charity's ability to continue as a going concern.

**Significant judgments and sources estimation uncertainty**

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**Fund accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the trustees in furtherance of the general charitable objectives.

**Income recognition**

All income and endowments are recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

Investment income, including interest receivable, and other miscellaneous income are accounted for on a receivable basis.

**Expenditure**

Expenditure is recognised as soon as the related liability is incurred and has been classified under headings that aggregate all costs relating to that category. Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Expenditure on raising funds comprises investment manager's fees. Expenditure on charitable activities comprises expenditure directly related to charity's objects.

Support costs represent indirect costs relating to raising funds and the Charity's charitable activities.

Governance costs comprise the costs of running the charity, auditors' remuneration, certain legal costs and all costs of complying with constitutional and statutory requirements, such as costs of Board meetings and of preparing the statutory accounts.

# SOUTHLANDS METHODIST TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 1. ACCOUNTING POLICIES (continued)

##### **Investments**

Investments are initially recognised at their transaction cost and subsequently valued at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

##### **Investment property**

The Investment Property is held at fair value. No depreciation is charged and movements in valuation are taken to the Statement of Financial Activities. The most recent independent valuation of the freehold investment properties was undertaken in July 2019 by Giles Sutcliffe MRICS on behalf of Cluttons LLP.

##### **Fixed assets**

Expenditure on fixed assets is capitalised where the cost (or the value if donated) is in excess of £500; otherwise it is written off through the Statement of Financial Activities.

Tangible fixed assets are depreciated at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected life, as follows:-

Fixtures and fittings to be written off over seven years or to the end of August 2025, whichever is the shortest.

##### **Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

##### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

##### **Debtors and creditors**

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

##### **Funds**

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds comprise funds that have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated unrestricted funds are set out in the notes to the accounts.

Restricted income funds comprise unexpended balances of donations and grants held in trust to be applied for specific purposes.

Permanent endowment funds comprise trust funds which are subject to specific trusts declared by the donors or with their authority. The condition of the trust is that the capital element is not expendable. The income arising from the investments is applied only in accordance with the conditions imposed by the donors (where specified) or for the general purposes of the Charity. The Trustees have power of discretion to convert the expendable endowment fund into income. It is however their policy to retain the capital of this fund to generate income. Income arising on this fund can be used in accordance with the objects of the Trust and is included in unrestricted income.

##### **Pensions**

The charity's liability is limited to the annual contributions payable. All contributions are charged to the Statement of Financial Activities in the year in which they accrue.

## SOUTHLANDS METHODIST TRUST

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2020

<b>2. INVESTMENT INCOME</b>	<b>2020 £</b>	<b>2019 £</b>
Rental income from Mount Clare	400,000	400,000
Interest on cash deposits	626	1,439
Dividends on investments	57,007	60,478
	<u>£457,633</u>	<u>£461,917</u>
<b>3. RAISING FUNDS</b>	<b>2020 £</b>	<b>2019 £</b>
Investment management fees	<u>£4,153</u>	<u>£4,071</u>
<b>4. CHARITABLE ACTIVITIES</b>	<b>2020 £</b>	<b>2019 £</b>
Support of assistant chaplain	29,942	28,579
Support of music provision	2,541	6,883
Archive development	6,903	10,035
Head of College and Chaplain's Funds	2,510	3,973
Southlands Venture	1,094	2,020
SWF research centre	297,736	347,790
Small grants	23,911	17,424
MAST	50,000	105,822
Roehampton University Career Project	100,000	-
Ecumenical work	28,567	35,611
Methodism's University College	52,618	21,620
IAMSCU	6,333	7,533
Professional fees – Mount Clare	9,426	1,800
Support costs	54,260	53,213
Governance costs (note 5)	13,602	9,407
	<u>£679,443</u>	<u>£651,710</u>

**5. GOVERNANCE COSTS**

No trustees received remuneration for their services during the year (2019: £nil).

Reimbursed travel expenses of £531 were paid to 3 trustees during the year (2019: travel expenses of £551 was paid to 4 trustees).

## SOUTHLANDS METHODIST TRUST

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2020

## 6. ANALYSIS OF TOTAL EXPENDITURE – 2020

	Direct costs £	Grants £	Other costs £	Total £
Raising funds	-	-	4,153	4,153
Charitable activities	232,634	353,085	25,794	611,513
Support costs	54,326	-	-	54,326
Governance	13,604	-	-	13,604
	<u>£300,564</u>	<u>£353,085</u>	<u>£29,947</u>	<u>£693,596</u>

Grants totalling £237,851 were paid to Roehampton University. Support costs have been allocated to direct costs.

## ANALYSIS OF TOTAL EXPENDITURE -2019

	Direct costs (including staff costs) £	Grants £	Other costs £	Total £
Raising funds	-	-	4,071	4,071
Charitable activities	229,613	333,538	25,939	589,090
Support costs	53,213	-	-	53,213
Governance	9,407	-	-	9,407
	<u>£292,233</u>	<u>£333,538</u>	<u>£30,010</u>	<u>£655,781</u>

## 7. STAFF COSTS

	2020 £	2019 £
Salaries	173,346	154,270
Employer's NI	9,035	14,594
Pension costs	9,653	8,973
	<u>£192,034</u>	<u>£177,937</u>

The number of employees during the year was 7 (4.5 full time equivalent employees) (2019 – 4.5) with all employee time involved in charitable activities or providing support services to charitable activities. No employees had emoluments in excess of £60,000 (2019 - none). The charity's key management personnel consist of the Research Director and the Executive Director. Payments to them amounted to £93,688 (2019 - £79,734). The pension scheme is a defined contribution scheme and has no other commitments or obligations beyond the contributions paid.

## 8. NET MOVEMENT IN FUNDS

	2020 £	2019 £
This is stated after charging:		
Auditor's remuneration	<u>£6,300</u>	<u>£6,000</u>



## SOUTHLANDS METHODIST TRUST

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2020

**9. INVESTMENT PROPERTY****Freehold land  
and buildings  
£****Valuation:**

At 1 September 2019

8,345,000

At 31 August 2020

£8,345,000

**Net book value:**

At 31 August 2020

£8,345,000

At 31 August 2019

£8,345,000

The property was transferred into Southlands Methodist Trust on 31 July 2010 and was reclassified as an investment property during that year and therefore transferred out of tangible fixed assets and recognised within investments. The property was valued at August 2019 by an independent valuer at £8.345 million.

**10. OTHER INVESTMENTS****2020****£****2019****£**

At 1 September 2019

1,944,334

1,702,496

Investment additions

172,494

423,744

Investment disposals

(142,433)

(165,441)

Investment (losses)

(151,044)

(16,465)

Market value at 31 August 2020

£1,823,351

£1,944,334

Equity Fund

1,341,394

1,433,694

Corporate Bond Fund

167,024

198,642

Property Fund

314,933

311,998

£1,823,351

£1,944,334

**11. TANGIBLE FIXED ASSETS****Fixtures and  
fittings****Cost**

At 1 September 2019

26,985

Additions

-

At 31 August 2020

26,985

**Depreciation**

At 1 September 2019

-

Charge in year

3,855

3,855

**Net book value:**

At 31 August 2020

£23,130

At 31 August 2019

£26,985

## SOUTHLANDS METHODIST TRUST

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2020

12. DEBTORS	2020 £	2019 £
Prepayments	-	1,286
	£-	£1,286
13. CREDITORS due within one year	2020 £	2019 £
Deferred income*	66,667	66,667
Accrued expenses	9,093	34,538
Tax and social security	4,323	4,132
Pension payable	1,448	1,391
Accounts payable	1,230	2,946
Grants payable	107,945	-
	£190,706	£109,674

\*Deferred income is the same value at the beginning and end of the year. It represents rents received in advance.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Endowment Funds * £	General Funds £	Total 2020 £
Fund balances at 31 August 2020 are represented by:			
Fixed assets	800,000	9,391,481	10,191,481
Current assets	-	92,766	92,766
Current liabilities	-	(190,706)	(190,706)
Net assets	£800,000	£9,293,541	£10,093,541

\* Endowment funds represent the capital value of donations received from the Southlands College Trust governed by trust deed dated 5 October 2000. The trust fund is an expendable endowment where the capital can only be spent on the express permission of the Methodist Council. Income generated from the fund is credited to the general fund in accordance with the trust deed.

ANALYSIS OF NET ASSETS BETWEEN FUNDS	Endowment Funds * £	General Funds £	Total 2019 £
Fund balances at 31 August 2019 are represented by:			
Fixed assets	800,000	9,516,319	10,316,319
Current assets	-	263,443	263,443
Current liabilities	-	(109,674)	(109,674)
Net assets	£800,000	£9,670,088	£10,470,088

**SOUTHLANDS METHODIST TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**15. TAXATION**

The Southlands Methodist Trust is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the exemptions available to registered charities.

**16. RELATED PARTIES**

There were no related party transactions in the year or previous year to be disclosed.