



SURBITON HILL METHODIST CHURCH

Registered Charity No.: 1127609

Report of the Trustees and Audited Financial Statements
for the Year Ended 31 August 2022

MYRUS SMITH
Chartered Accountants

Norman House,
8 Burnell Road,
Sutton, Surrey.
SM1 4BW



Surbiton Hill Methodist Church
(Consolidation)

Trustees Annual Report and Audited Financial Statements
for the Year Ended 31 August 2022

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Surbiton Hill Methodist Church
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Trustees Annual Report
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Introduction

The work of Surbiton Hill Methodist Church takes place within the overall mission and purposes of the Methodist Church in Britain. This mission is summarised in the document *Our Calling* (Methodist Conference Report, 2000). The four themes identified in *Our Calling* were reaffirmed by the Methodist Conference in 2018:

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this through:

- Worship
- Learning and Caring
- Service
- Evangelism

Responding to *Our Calling* Surbiton Hill Methodist Church has its own mission to:

- Worship God
- Encourage and support people to follow Jesus Christ as Saviour
- Care for our neighbours and work for justice and the relief of suffering around the world.

In 2018 we agreed a developed Vision Statement which is now the basis of our annual and longer term planning. The Vision is to become a “vibrant Christian centre for caring, sharing, worship and welcome in Surbiton”.

Review of the Year

1) Moving on from Covid 19 – Worship

In a year which saw the end of legal Covid restrictions the trustees' work of leadership was naturally focussed on renewing our program and activities. The focus of worship shifted back from online to face to face meeting. Providing a live link through our YouTube channel has, however, remained a vital part of our worship. Despite the expectations of some that an online presence would prove attractive to younger people the online congregation has increasingly been composed of two main elements - existing church members who are unable to attend in person through mobility issues and a dispersed community of friends who have in some way been connected to the church in the past but now live at a distance. Live links and recorded services have proved to be an important element in pastoral services such as baptisms and funerals. Families with members living overseas have particularly valued this opportunity to be present in new ways for important occasions.

In addition to the live broadcast and YouTube recordings of morning services we have continued to use the alternative format of Zoom video conferencing for some smaller evening services. Video conferencing has also become a regular part of our cycle of business meetings including using the facilities in our “New Room” to provide opportunities for hybrid meetings.

Although the main Sunday attendance at worship in person has dropped since pre-Covid times there was a slow but steady increase through the year. When online and face to face congregations are added together the overall engagement with worship remains encouraging.

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2) Children and Families Work

Our Sunday morning work with children (Junior Church) was relaunched in autumn 2021 with a special service. Sharon Lloyd, our Children and Families Worker, developed new programs of material for use on Sunday mornings and we have a small number of new families engaged with this work which is now stronger than before the pandemic. Later in the reporting year we were able to reintroduce monthly Messy Church and Praise Parties into our families program. With children moving on in age during the lockdown period these inevitably started off somewhat smaller in scale than had previously been the pattern, but attendance has slowly built through the year. The continued contact with the families in our community and provision of online material throughout the lockdowns gave us a strong position from which to re-start and we have benefited greatly from that work.

In spring 2022, Sharon Lloyd accepted a new post with the United Reformed Church which recognised the considerable skills and knowledge she had developed whilst working at SHMC and elsewhere. Progress on recruitment to the vacant post is reported in the “Staffing” section of this report.

3) Building Use and Developments

In summer 2021 (just before this reporting period) the first stage of the planned development work on our building took place – enabled by significant generosity from within the congregation. The phased building development plan is designed to meet the needs of our overall Vision for SHMC as a “Vibrant Christian centre for caring, sharing, worship and welcome in Surbiton.” Work improved access to the Annex area of the building, refurbished the kitchen and adjacent room and laid the foundation for further phased work in the future.

In autumn 2021 at the start of the current reporting year trustees considered moving on to a second phase of work for the summer of 2022. This work would improve the main side entrance which has a high footfall during the working week, is frequently congested and does not provide an adequate welcome. Trustees decided not to go ahead with work at this time although it was judged to be financially viable. The decision was made for two substantive reasons:

- 1) To allow time for the phase 1 work to be utilised and its new possibilities explored;
- 2) Concern that patterns of use in the building had not yet fully settled post Covid restrictions and that it was therefore wise to wait another year and then review the position.

The Church Council (the managing trustees) agreed to revisit this decision in autumn 2022 with a view to phase 2 work in summer 2023 should there be agreement on this.

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In addition to the care of our main church building on Ewell Road, Surbiton, the Church Council are also managing trustees for the Surbiton Hill Methodist Tennis Club. Under the new governance arrangements agreed during this reporting year (see below under “Governance”), the Club committee and officers have delegated authority to act as property stewards for the site, giving regular reports to the Church Council and referring all matters which require formal permissions under Methodist Church rules to the Church Council. Having benefitted from a generous legacy and from the Council Tax rebate scheme during Covid, the Club found itself in a position to explore two capital projects to update the facilities and strengthen its mission. The first project was a major refurbishment of the toilets including provision of disability access facilities. This was strongly supported by the trustees as in line with the Methodist Church’s policies on inclusivity and diversity.

The second capital project concerned the provision of floodlighting on some courts to allow extended hours of play. This is potentially an important facility to reflect the changing membership and patterns of play at the Club and an encouragement to more working age members. The trustees judged the scheme not yet ready for final approval and asked for more work on the projected finances and business plan. It was clearly recognised that the floodlight proposal would require a number of permissions - including planning permission - and that this proposal needed to be a longer term project.

4) Governance

Work begun in 2020-21 on revised governance arrangements for the Church Tennis Club was concluded during the current reporting year. A revised governance document and protocols were agreed. Changes reflected both alterations in Methodist Church rules and practice since the previous agreement, and the ways in which the Club has developed from being a church members only organisation to one where the majority of playing members have no direct relationship to Surbiton Hill Methodist Church. The new arrangements allow the Club greater autonomy and full participation for club members who are not church members whilst ensuring that the Church Council as managing trustees retains clear governance control and exercises due diligence. The arrangements also seek to maintain and guarantee the specific Methodist ethos and heritage of the Club. The Club site with its six courts and pavilion is a Methodist Church property held under the Methodist Model Trusts by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees, and the local Church Council as managing trustees.

The managing trustees look to the Club to support their charitable purposes through its role in providing an affordable and accessible sports facility in the community.

In February 2022 the Church Council made a difficult but significant decision in voting to register the Church for same sex marriages (equal marriage) and for the minister Rev Dr Stan Brown to become an authorised person to conduct such marriages. The Methodist Church had pursued a policy of extensive internal consultation over this issue and at its conference in June 2021 accepted a series of resolutions around marriage and relationships. The resolutions recognised that opinion within the Church is divided and that the Church’s stance would therefore be one of honouring both positions. As a consequence Managing Trustees in local churches were asked to make their own decisions on the registration of their church buildings for same sex marriages.

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The Church Council voted in favour of registration for same sex marriages by a large majority. We became the first church in the Royal Borough of Kingston upon Thames to register for such marriages. Whilst there was a clear minority opinion against this move the church has remained united and debate took place with grace and understanding.

Managing Trustees carried out their governance responsibilities for finance through the work of the Church Treasurer and the Finance Committee with regular reporting to both the Leadership Team and Church Council. Audited accounts are of course the main substance of this report.

Routine care of the Church Property, including Health and Safety, and risk management are delegated to a Property Committee co-ordinated by a Property Steward who also acts a manager for caretaking and cleaning staff. A rolling cycle of both repair and pro-active maintenance is continued.

Managing Trustees have specific responsibilities in overseeing the Methodist Church's safeguarding policies. The local church safeguarding policy received an annual review, a strong local safeguarding officer remains in post, DBS applications and renewals are carefully monitored, and training provided according to the Methodist Church's policies. Safeguarding is a major feature of our church life and has become an embedded part of our community culture.

SHMC hosts two other Christian congregations which do not have their own premises. The Korean Gloria Church has been a guest within our community for some time. They did not meet for an extended period during Covid but we were delighted that they were finally able to resume their Sunday afternoon services in our church during the course of the year. In September 2021 we were also joined by the Lagoinha Baptist Church, a congregation worshipping in Portuguese and mainly drawn from the Brazilian community in the UK. Appropriate advice and permissions were sought from the Methodist Church's ecumenical officer before agreeing this arrangement. We welcome the presence of these two very different congregations as part of our commitment to being a "vibrant Christian centre for worship and welcome in Surbiton."

We are immensely grateful to the teams of volunteers who make all this possible including our principal officers in finance and property care.

5) Staffing

This year saw a number of changes in our staffing. One of our two part-time cleaners retired and we are fortunate that her colleague was able to take up the additional hours and no new recruitment process was needed.

Sharon Lloyd, our Children and Families Worker, moved on to a new post in spring 2022. Approval was sought from the Methodist Church's employment adviser and a recruitment process begun. The first round of interviewing in late spring was unsuccessful. The trustees decided to review their recruitment material and to re-advertise at the end of summer 2022.

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Our part-time Church Administrator retired in early 2022. As this role is vital to the running of the church and the minister was about to go on sabbatical a recruitment process was rapidly approved and a new Administrator appointed from the first round of applications. This appointment has proved very successful with strong business continuity in this critical role.

During April-June 2022 our minister, Rev Dr Stan Brown, was on sabbatical for 12 weeks. Sabbaticals take place for Methodist ministers every seven years and require considerable support from the local church. Detailed planning took place in the church Leadership Team and was reported to the Church Council. The sabbatical was a success for both minister and the church which maintained momentum in all areas during the three month period. A review of the planning process took place after the sabbatical to ensure that any essential learning was captured and held for the next occasion.

A notable feature of this year has been the presence of Hannah Chun among us as a Student Minister. Hannah has transferred to a course which includes half of her learning time on placement in our circuit – largely at SHMC. Her contribution to all areas of church life is considerable. The minister offers supervision and a number of key officers in the church have given time to directly support her learning and development. The placement represents both a major gift to our church life and a welcome opportunity for us to give back time to support the development of ordained ministry in the Methodist Church.

Rev Dr Stan Brown is retiring in summer 2023 and during summer 2022 a consultation on future ministry took place in preparation for the “stationing” processes of autumn 2022 through which the Methodist Church matches ministers to vacant appointments.

6) Plans for 2022-2023

Summer 2023 will mark a change of ordained minister at SHMC after eight years of continuity. We will also say “farewell” to Hannah Chun who will complete her training time with us. Responsibility for the local running of Methodism’s “stationing” system lies with the Circuit – a group of churches, rather than the individual church. Nevertheless the process is expected to require considerable input from SHMC during the critical period between September and December 2022. With the need to be available for these processes trustees have not set ambitious targets for change in the church year 2022-2023.

Our intentions are to focus on:

- The ministerial stationing process and consequent handover processes
- Re-advertisement and appointment of a Children and Families Worker in early autumn 2022
- Strengthening of volunteer teams especially in the areas of property and in the Leadership Team
- Decision and subsequent development (if agreed) on Phase 2 building work
- Taking advantage of the opportunities already provided by the Phase 1 work and seeking new ways to build relationships between church congregation and community users of the building
- Final decision on the Tennis Club floodlighting project.

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7) Conclusion

As a formal annual report on our activities this report inevitably focusses on the work of the church as a charity and its trustee responsibilities. What we are able to say here is only one part of our church life which is far richer than this report might suggest. Alongside this formal work and decision making runs the whole complex life of a community which has lived through joys and also deep sorrows and losses. There have been moments when we have been lifted up in worship and times when we have needed to explore the depths. But the power to do all these things is given us in Jesus Christ to whom we give glory now and for ever. Amen.

Rev Dr Stan Brown: minister in pastoral charge, Surbiton Hill Methodist Church, chair of Church Council (managing trustees).

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FINANCIAL REVIEW

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Church endeavours to hold reserves sufficient to cover six months worth of expenditure in its unrestricted funds. Restricted funds are accepted where there is a current project or activity which would allow these funds to be spent within a reasonable time frame. Designated funds are held where the Trustees have identified a specific need to hold funds outside of the General Reserve. The General Reserve is generally held at a balance of £5,000 each year and is balanced off from the Building Maintenance designated reserve.

c. Principal funding

Church income is primarily drawn from congregation giving and related tax refunds under the gift aid scheme along with the lettings of the premises to community groups. Since restrictions owing to Covid were lifted the groups have returned and income is at an equivalent level to that before the pandemic.

d. Expenditure

The major cost (41% of the total spend) (2021 45%) is the assessment paid to the Kingston upon Thames Circuit. Most of this covers Ministers' stipends and related costs, and the District assessment. A further 37% of costs (2021 33%) are spent on the upkeep and related expenses of the premises.

The other costs have remained broadly at previous levels.

e. Basis of consolidation

The published accounts include the church and internal church organisations.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

Surbiton Hill Methodist Church is a registered charity, number 1127609, and is constituted under a Trust deed.

The Charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The governing document for the church is the Deed of Union (1932) and Methodist Church Act (1976).

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline (CPD) of the Methodist Church, by order of the annual conference.

Surbiton Hill Methodist Church is part of the British Methodist Church. The Methodist Church operates under the Methodist Church Act of 1976.

All Methodist churches are connected to each other and are governed by the decisions laid down by the Connexion, through a District, Circuit and the local church.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and appointed under the terms of the Trust Deed. The Trustees are appointed at the Annual Church Meeting of the church and by the Church Council.

c. Organisational structure and decision-making policies

Day to day management of the church is undertaken by the Church Leadership team along with the Minister.

d. Policies adopted for the induction and training of Trustees

A range of guidance produced by the Methodist Connexion to support the effective running of the Church and the role of Trustees is given to the Church Trustees at various meetings and training sessions.

e. Related party relationships

The Church is part of the Kingston upon Thames Circuit which is part of the London Methodist District and is also accountable to the Methodist Conference.

f. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to major risks

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1127609

Principal address

39 Ewell Road
Surbiton
Surrey
KT6 6AF

Trustees

S Brown, Chair
J Bridges
M Turner
P Thorpe
M Thorpe
J Barwick
L Bridges
M Golding
H Abbott
C Jones
G Turner
C Mays
K Ingham
T Ingham
U Teitz
R van Es
E Cook
M Heathcote
P Lavers
R Strachan
C Fullbrook
D Fullbrook
B Ojudayi
H Lamb

Auditors

Myrus Smith
Chartered Accountants
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees 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 and 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 (FRS 102);
- 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 business.

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

Approved by order of the board of trustees on 29 June 2023 and signed on its behalf by:

.....
Rev Dr Stan Brown
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

SURBITON HILL METHODIST CHURCH

Opinion

We have audited the financial statements of Surbiton Hill Methodist Church for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the 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 2022, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
SURBITON HILL METHODIST CHURCH

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:

- 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 10, 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.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

SURBITON HILL METHODIST CHURCH

Auditor's responsibilities for the audit of the financial statements ../continued

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. 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.

MYRUS SMITH
Chartered Accountants and
Statutory Auditors
Norman House,
8 Burnell Road,
Sutton, Surrey
SM1 4BW

29 June 2023

Myrus Smith is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

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Statement of Financial Activities
for the Year Ended 31 August 2022

	Notes	Unrestricted funds £	Restricted Funds £	Total 2022 £	Total 2021 £
INCOME FROM:					
Donations and legacies	2	97,519	7,562	105,081	224,540
Charitable activities:					
Other trading activities	3	587	24,764	25,351	12,079
Investment income	4	87,122	5,369	92,491	36,424
Government grants	5	-	-	-	5,528
Total		<u>185,228</u>	<u>37,695</u>	<u>222,923</u>	<u>278,571</u>
EXPENDITURE ON:					
Raising funds	6	69,204	24,062	93,266	165,689
Charitable Activities					
General Activity	7	<u>100,809</u>	<u>36,972</u>	<u>137,781</u>	<u>114,019</u>
Total		<u>170,013</u>	<u>61,034</u>	<u>231,047</u>	<u>279,708</u>
NET INCOME/(EXPENDITURE)		15,215	(23,339)	(8,124)	(1,137)
Transfer between funds		<u>2,515</u>	<u>(2,515)</u>	<u>-</u>	<u>-</u>
Net movement in funds		17,730	(25,854)	(8,124)	(1,137)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>127,710</u>	<u>3,808,262</u>	<u>3,935,972</u>	<u>3,937,109</u>
TOTAL FUNDS CARRIED FORWARD		<u>£145,440</u>	<u>£3,782,408</u>	<u>£3,927,848</u>	<u>£3,935,972</u>

The notes form part of these financial statements

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Balance Sheet
for the Year Ended 31 August 2022

	Notes	Total 2022 £	Total 2021 £
FIXED ASSETS			
Tangible assets	13	3,681,201	3,681,473
CURRENT ASSETS			
Debtors	14	32,012	27,100
Cash at bank		224,497	240,229
		<u>256,509</u>	<u>267,329</u>
CREDITORS			
Amounts falling due within one year	15	(9,862)	(12,830)
NET CURRENT ASSETS		<u>246,647</u>	<u>254,499</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,927,848</u>	<u>3,935,972</u>
NET ASSETS	17	<u>£3,927,848</u>	<u>£3,935,972</u>
FUNDS	16		
Unrestricted funds		145,440	127,710
Restricted funds		3,782,408	3,808,262
TOTAL FUNDS	16	<u>£3,927,848</u>	<u>£3,935,972</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 29 June 2023 and were signed on its behalf by :

.....
Rev Dr Stan Brown
Trustee

.....
Geoffrey Turner
Trustee

The notes form part of these financial statements

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Notes to the Financial Statements
for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES

- a) The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis and are initially recognised at historical cost convention, modified to include certain items at fair value unless otherwise stated in the relevant accounting policy note.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Incoming recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

c) Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure includes those costs of a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities.

d) Tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised. Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

Plant and machinery	-	10% on cost
Fixtures and fittings	-	35% on reducing balance

e) **Taxation**

The charity is exempt from tax on its charitable activities.

f) Investments

Unlisted investments are initially recognised, and are subsequently stated, at cost.

Investment properties are initially recognised at cost or, in the case of donated assets, the market value of the gift in kind. At the end of each accounting period investment properties are restated at market value and any gain or loss is reported in the Statement of Financial Activities. No depreciation is provided on investment properties.

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1. ACCOUNTING POLICIES (continued)

g) Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

h) Pension Costs

The charity operates a defined contribution pension scheme for the benefit of its employees. Contributions are charged to the Statement of Financial Activities in the year to which they relate.

i) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for specific purposes.

Designated funds are unrestricted funds set aside by the trustees for specific purposes.

Restricted funds are those funds which can only be used in accordance with the specified wishes of the donor or which have been raised for particular purposes.

j) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.

k) Government grants

The charity received government grants through the Coronavirus Job Retention Scheme which is accounted for on the performance model.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Donations and legacies	1,872	7,562	9,434	127,740
Collections	2,313	-	2,313	1,853
Collections – Gift Aid	74,748	-	74,748	76,050
Income tax reclaimed	18,586	-	18,586	18,897
	<u>£97,519</u>	<u>£7,562</u>	<u>£105,081</u>	<u>£224,540</u>

Of the £224,540 recognised in 2021, £97,100 was unrestricted funds and £127,440 was restricted funds.

3. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Photocopying/other income	587	3,615	4,202	1,869
Subscriptions	-	21,149	21,149	10,210
	<u>£587</u>	<u>£24,764</u>	<u>£25,351</u>	<u>£12,079</u>

Of the £12,079 recognised in 2021, £1,500 was unrestricted funds and £10,579 was restricted funds.

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for the Year Ended 31 August 2022

4. INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Letting income	86,665	5,354	92,019	35,743
Bank and other interest	457	15	472	681
	<u>£87,122</u>	<u>£5,369</u>	<u>£92,491</u>	<u>£36,424</u>

Of the £36,424 recognised in 2021, £35,459 was unrestricted funds and £965 was restricted funds.

5. GOVERNMENT GRANTS	Unrestricted Funds £Nil	Restricted Funds £Nil	Total 2022 £Nil	Total 2021 £5,528
	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£5,528</u>

All of the £5,528 recognised in 2021 related to unrestricted funds.

6. COST OF RAISING FUNDS	Direct Costs £	Support Costs £	Total 2022 £	Total 2021 £
Property expenses	21,662	-	21,662	13,499
Housekeeping and cleaning	29,710	-	29,710	26,336
Property repairs and renewals	41,894	-	41,894	125,854
	<u>£93,266</u>	<u>£Nil</u>	<u>£93,266</u>	<u>£165,689</u>

Of the £93,266 recognised in 2022 (2021 : £165,689), £69,204 (2021 : £48,086) was charged to unrestricted funds and £24,062 (2021 : £117,603) was charged to restricted funds.

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES	Direct costs	Support cost	Total 2022	Total 2021
Church activities	<u>£117,968</u>	<u>£19,813</u>	<u>£137,781</u>	<u>£114,019</u>

Of the £137,781 expenditure recognised in 2022 (2021: £114,019), £100,809 (2021: £96,901) was charged to unrestricted funds and £36,972 (2021: £17,118) was charged to restricted funds.

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8. DIRECT COSTS

	2022 £	2021 £
Charitable Activities		
Circuit Assessment	65,346	65,346
Staff costs	9,481	15,955
Worship resources	640	248
Youth and Junior church	1,540	1,573
Music and Choir	3,989	-
Church organisation costs	36,153	12,533
Depreciation	272	4,344
Grants to individuals	547	100
	<u>£117,968</u>	<u>£100,099</u>

9. SUPPORT COSTS

	2022 £	2021 £
Charitable Activities		
Staff costs	9,298	7,048
Church organisation costs	6,915	3,472
Governance costs (see Note 6)	3,600	3,400
	<u>£19,813</u>	<u>£13,920</u>

10. GOVERNANCE COSTS

	2022	2021
Audit fees	<u>£3,600</u>	<u>£3,400</u>

11. STAFF COSTS

	2022 £	2021 £
Salaries and wages	50,149	53,393
Pension costs	1,942	1,544
	<u>£52,091</u>	<u>£54,937</u>

No employee received total employee benefits (excluding employer pension costs) of more than £60,000 per annum.

The average number of employees during the year was 6 (2021: 5.5).

No remuneration was paid in the year, or previous year, to key management.

12. TRUSTEES' REMUNERATION AND EXPENSES

The trustees received no remuneration or reimbursed expenses during the year (2021: £Nil).

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13. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant and Machinery £	Fixtures And Fittings £	Total £
COST				
At 1 September 2021 and 31 August 2022	3,680,695	39,643	24,509	3,744,847
DEPRECIATION				
At 1 September 2021	-	39,643	23,731	63,374
Charge for the year	-	-	272	272
At 31 August 2022	-	39,643	24,003	63,646
NET BOOK VALUE				
At 31 August 2022	£3,680,695	£Nil	£506	£3,681,201
At 31 August 2021	£3,680,695	£Nil	£778	£3,681,473

In accordance with Methodist Accounting Rules, the freehold property has been revalued to the insured valuation at 31 August 2016. This is recognised as its deemed cost at that date.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	9,809	4,566
Other debtors and prepayments	22,203	22,534
	£32,012	£27,100

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
Trade creditors	-	1,775
Other creditors	9,862	11,055
	£9,862	£12,830

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16. MOVEMENT IN FUNDS

	Brought forward at 1 September 2021 £	Income (including gains) £	Expenditure (including losses) £	Transfers between funds £	Carried forward at 31 August 2022 £
Unrestricted funds					
General funds	5,000	185,228	159,955	(25,273)	5,000
Development reserve	6,886	-	-	-	6,886
Building maintenance	115,824	-	10,058	27,788	133,554
	<u>127,710</u>	<u>185,228</u>	<u>170,013</u>	<u>2,515</u>	<u>145,440</u>
Restricted funds					
Development fund	3,336	-	1,236	-	2,100
Benevolent fund	318	-	-	-	318
Legacies	17,678	-	-	-	17,678
Vision project	44,202	7,074	22,825	-	28,451
Youth worker	208	-	35	-	173
Tennis club	49,525	27,555	35,569	(1,685)	39,826
Table tennis	140	-	-	-	140
Ladies badminton	33	815	-	(830)	18
Mixed badminton	1,872	770	-	-	2,642
Network	263	650	613	-	300
Oasis	136	831	484	-	483
Fixed assets – Freehold property	3,427,573	-	-	-	3,427,573
Fixed assets – Fixtures & fittings	359	-	272	-	87
Fixed assets – Other organisations land & buildings	262,619	-	-	-	262,619
	<u>3,808,262</u>	<u>37,695</u>	<u>61,034</u>	<u>(2,515)</u>	<u>3,782,408</u>
TOTAL FUNDS	<u>£3,935,972</u>	<u>£222,923</u>	<u>£231,047</u>	<u>£Nil</u>	<u>£3,927,848</u>

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16. MOVEMENT IN FUNDS – continued

Comparative for movement in funds:

	Brought forward at 1 September 2020 £	Income (including gains) £	Expenditure (including losses) £	Transfers between funds £	Carried forward at 31 August 2021 £
Unrestricted funds					
General funds	5,000	139,587	144,987	5,400	5,000
Fixed asset reserve	3,966	-	-	(3,966)	-
Property at deemed cost	3,457,849	-	-	(3,457,849)	-
Development reserve	6,886	-	-	-	6,886
Building maintenance	116,144	-	-	(320)	115,824
	<u>3,589,845</u>	<u>139,587</u>	<u>144,987</u>	<u>(3,456,735)</u>	<u>127,710</u>
Restricted funds					
Development fund	28,493	960	26,117	-	3,336
Benevolent fund	318	-	-	-	318
Legacies	17,678	-	-	-	17,678
Vision project	9,532	126,156	91,486	-	44,202
Youth worker	-	300	92	-	208
Tennis club	55,456	11,284	12,215	(5,000)	49,525
Table tennis	140	-	-	-	140
Ladies badminton	33	80	-	(80)	33
Mixed badminton	1,872	-	-	-	1,872
Network	489	85	311	-	263
Oasis	265	119	248	-	136
Tennis club property	232,988	-	-	(232,988)	-
Fixed assets – Freehold property	-	-	-	3,427,573	3,427,573
Fixed assets – Plant & machinery	-	-	3,833	3,833	-
Fixed assets – Fixtures & fittings	-	-	419	778	359
Fixed assets – Other organisations land & buildings	-	-	-	262,619	262,619
	<u>347,264</u>	<u>138,984</u>	<u>134,721</u>	<u>3,456,735</u>	<u>3,808,262</u>
TOTAL FUNDS	<u>£3,937,109</u>	<u>£278,571</u>	<u>£279,708</u>	<u>£Nil</u>	<u>£3,935,972</u>

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
Fixed Assets	-	3,681,201	3,681,201	3,681,473
Current Assets	155,302	101,207	256,509	267,329
Current Liabilities	(9,862)	-	(9,862)	(12,830)
	<u>£145,440</u>	<u>£3,782,408</u>	<u>£3,927,848</u>	<u>3,935,972</u>

Comparative figures for 2021 were as follows:

	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
Fixed Assets	(76,771)	3,758,244	3,681,473	3,685,725
Current Assets	209,815	57,514	267,329	260,759
Current Liabilities	(5,334)	(7,496)	(12,830)	(9,375)
	<u>£127,710</u>	<u>£3,808,262</u>	<u>£3,935,972</u>	<u>£3,937,109</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022.