

Charity registration number 1129441

**WALWORTH METHODIST CHURCH**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

# WALWORTH METHODIST CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Mrs C Ogunsola  
Mr O Akinyemi  
Mr C Pratt  
Mrs A Pratt  
Ms E Adenuga  
Ms Z Adu  
Ms E Redwood-Sawyer  
Mrs O Duyilemi  
Mr Y Oduga  
Mr Y Ogunsola  
Rev David Markay  
Ms Sabrina Prempeh  
Mr Gershon Ward-Anderson  
Ms Dolly Grant  
Mr Sam Anang  
Mrs E Fletcher  
Mrs A Bammeko  
Mrs M Cobbah  
Joseph Basie  
Oladapo Bammeko  
Alfred Thorpe  
Evelyn King  
Michael Odunlami  
Abayomi Oduga  
June Dundas  
Mr Vidal Sumner  
Rev Rachael Wilson

(Appointed 1 September  
2022)

Edet Okon  
James Makiu  
Doris Mensah  
Nii Tetteh  
Louretta Thomas  
Mr Patrick John  
Mr L Dada  
Emma Parker

### Charity number

1129441

### Principal address

54 Camberwell Road  
London  
SE5 0EN

### Auditor

PJT & Co Limited  
Accountancy House  
90 Walworth Road  
London  
SE1 6SW

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# WALWORTH METHODIST CHURCH

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# **WALWORTH METHODIST CHURCH**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

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The trustees present their annual report and financial statements for the year ended 31 August 2023.

The accounts have been prepared in accordance with the accounting policies set out in note to the accounts and comply with the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016)

#### **Objectives and activities**

##### ***Summary of the objects***

The advancement of:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;
- any charitable purpose for the time being of any connexional, district, circuit, local or other organisation of the Methodist Church;
- any charitable purpose for the time being of any society or institution being a society or institution subsidiary or ancillary to the Methodist Church;
- any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

##### ***Summary of the main activities***

The trustees have paid due regard to guidance issued by the Charity commission in deciding what activities the charity should undertake, in particular, the specific guidance on charities for the advancement of religion.

To this end, the Church offers services of public worship and prayer; programmes and activities for children and adults to learn about the Christian faith; groups and programmes for youth, young adults and the elderly; pastoral care and practical support for individuals within and outside the church community and rooms that are available for use by local community organisations.

# WALWORTH METHODIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### Achievements and Performance

As a congregation within the Methodist Church in Britain, Walworth Methodist Church seeks to live out its calling "to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. As far as we are able, with God's help, we will do this through our worship, learning and caring, service to others and evangelism".

The congregation takes seriously Methodist founder John Wesley's words, 'The world is my parish,' as its membership represents several countries mostly from West Africa. Accordingly, our service, outreach and assistance to these communities, their wider diaspora in the London area, and our local Southwark community is all done with intentionality on a broad inter-cultural map.

On 2 September 2022, Chair of the London Methodist District, Rev. Nigel Cowgill came to Walworth Methodist Church to welcome Rev. Rachael Wilson into service in the Southwark & Deptford Circuit, along with her husband Graham Stockill. Her primary responsibilities would be sharing ministerial leadership with Rev. David Markay at Walworth Church, and serving as lead minister at Herne Hill United Church. Rev. Wilson's first Sunday at Walworth Church was the following Sunday, 4 September, when the congregation warmly welcomed her at a reception after worship.

With worship at the centre of its activities, the congregation observed the cycle of the Christian calendar through weekly worship of God, beginning with Advent, Christmas and Watchnight activities in December; moving into Lenten traditions in February and March; Eastertide celebrations beginning in April; and the steady work of discipleship through Ordinary Time.

The Church Council met quarterly, choosing a hybrid rhythm of meeting in person in the warmer months, and via Zoom in the autumn and winter seasons. The entire congregation gathered for its Annual General Meeting on Sunday 16 July, incorporating election of stewards, council members, report on the finances and discussion of the mission of the church, into the context of worship.

On behalf of the Church Council, the Finance & Property Committee and the Employment/Human Resources Committee—managing the property and finance of the congregation, and seeking to provide continuity and efficiency in the church office, respectively. The hiring of Business Manager Mr. Daniel Gregory in November was a welcome step in meeting staffing needs in the church office. Under the able leadership of Treasurer Mr. Vidal Sumner, the congregation's finances made noticeable improvements after the upheaval of the pandemic. Property stewards and others helped coordinate several uplifts in the building, including the canteen. In October, after the building's boiler failed, a fund-raising committee spearheaded efforts which helped the church install a new heating system in the sanctuary, aiming to complete the final two of a new heating system in the coming year.

As part of its ministry with children and young people, the Sunday school met weekly, the Beauty-in-Diversity group organized a series of activities during Black History Month in October, and a sizeable team of youth and adults attended the British Methodist 3Generate Youth Gathering in Birmingham from 30 September until 2 October.

Throughout the year the congregation provided a place of comfort and faith during numerous funerals, and a backdrop of joy and celebration during several baptisms and weddings. On Pentecost Sunday, 28 May, the congregation welcomed eighteen young people through Confirmation and fourteen new members through transfer and profession of faith. In addition to special Sundays hosted by the various Fellowship groups, the congregation observed Racial Justice Sunday in September, Remembrance Sunday in November. At a special event on 11 August, the Church Choir hosted a concert by the visiting Yemel choir from South Korea, raising funds for the congregation, circuit and Methodist work with refugees.

Various networks of pastoral care and support flourished through the work of national Fellowship groups and the dedicated team of Class Leaders. Volunteers provided service of welcome to events, cleaning days, and front-desk hospitality during the week. Many diaspora school organisations, choirs and wider Fellowship groups used the building as a locus for their gatherings during the year. A team of medical personnel from the A.T. Beacon wing of the Ascension Trust visited the congregation in April, offering medical checks and sign-posting.

The church continued to host groups from the community which assist various cross-sections of the Borough of Southwark, including the Golden Oldies Group and the Wonders of Walworth, both designed to provide support and fellowship for elderly persons. In collaboration with the Golden Oldies, a Warm Hub fellowship group began to meet in October, in an effort to combat isolation and higher heating bills in persons' homes. That group continued meeting most Tuesdays throughout the year. The Southwark Carers group, which uses the Walworth church building, continued its vital ministry of moral and practical assistance, with some cooperation with church members. A team of medical personnel from the A.T. Beacon wing of the Ascension Trust visited the congregation in July, offering medical checks and sign-posting.

# WALWORTH METHODIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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Continuing to seek to provide a safe place for all people, particularly children and vulnerable adults, the church's Safeguarding policy was reviewed, training of church officers occurred over a three-month period, and an awareness session held during a Sunday morning service of worship. Under the leadership of the Safeguarding officers, the church completed the London District Annual Safeguarding audit, and continues to pursue DBS compliance for all leaders.

The configuration of Circuit ministry shifted as the church looked to the beginning of the new Methodist church year in September 2023. Reflecting a trend within British Methodism, the Southwark & Deptford Circuit anticipated having fewer ministers serving in the coming church year. With the retirement of Rev. David Gillman as Superintendent Minister of the Circuit, Rev. Rachael Wilson offered for the superintendency, which was warmly received by the Circuit leadership.

As the 2022-2023 church year concluded on 31 August 2022, the congregation looked ahead, cognizant of the needs within and without, and facing the future with hope and determination.

### ***Acknowledgement***

The trustees wish to thank the administrative staff of the church for their support in helping them carry out their responsibilities

### **Financial review**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

# WALWORTH METHODIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### Structure, governance and management

Walworth Methodist Church is part of The Methodist Church in Great Britain and was historically an excepted charity. Under the provisions of the Charity Act 2006 Walworth Methodist Church was registered on 6 May 2009 under charity number 1129441. The Church is constituted in accordance with the Constitutional Practice and Discipline (CPD) of the Methodist Church.

The trustees who served during the year were:

Mrs C Ogunsola  
Mr O Akinyemi  
Mr C Pratt  
Mrs A Pratt  
Ms E Adenuga  
Ms Z Adu  
Ms E Redwood-Sawyer  
Mrs O Duyilemi  
Mr Y Oduga  
Mr Y Ogunsola  
Rev David Markay  
Ms Sabrina Prempeh  
Mr Gershon Ward-Anderson  
Ms Dolly Grant  
Mr Sam Anang  
Mrs E Fletcher  
Mrs A Bammeke  
Mrs M Cobbah  
Joseph Basie  
Oladapo Bammeke  
Alfred Thorpe  
Evelyn King  
Michael Odunlami  
Abayomi Oduga  
June Dundas  
Mr Vidal Sumner  
Rev Rachael Wilson  
Edet Okon  
James Makiu  
Doris Mensah  
Nii Tetteh  
Louretta Thomas  
Mr Patrick John  
Mr L Dada  
Emma Parker

(Appointed 1 September 2022)

The procedure for appointing trustees is set out in CPD. The Church Council is made up of office holders who are appointed by the Church Council and who serve *ex-officio*, and additional members appointed by the Annual Church Meeting.

# WALWORTH METHODIST CHURCH

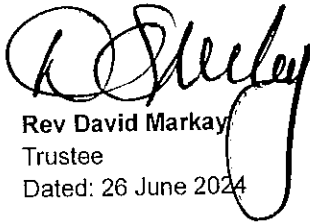
## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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The church is managed on a day to day basis by the ministers of the church (Rev. Rachael Wilson and Rev David Markay) with paid and volunteer support staff and appointed church officers.

The trustees' report was approved by the Board of Trustees and signed on their behalf by:



Rev David Markay  
Trustee  
Dated: 26 June 2024



# **WALWORTH METHODIST CHURCH**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2023***

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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 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 of the charity for that year.

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;
- 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; 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 sufficient 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 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.

# WALWORTH METHODIST CHURCH

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF WALWORTH METHODIST CHURCH

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#### Opinion

We have audited the financial statements of Walworth Methodist Church (the 'charity') for the year ended 31 August 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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 2023 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.

#### Emphasis of matter

We draw your attention to the restricted fund note<sup>17</sup> of the financial statements. This is in regard to the breach that had taken place in the previous years when restricted fund cash had been used for general activities of the church. The breach had been reported to the charities commission and the board has committed to restoring these balances as soon as general funds are available. Our opinion is not modified in respect of this matter.

#### 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# WALWORTH METHODIST CHURCH

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF WALWORTH METHODIST CHURCH

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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 statement of trustees' responsibilities, 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 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 the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities 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.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations;
- The laws and regulations applicable to the charity were identified through discussions with trustees and treasurer, and from our understanding of charity sector;
- We identified on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, data protection, anti-bribery, and employment legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

# **WALWORTH METHODIST CHURCH**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF WALWORTH METHODIST CHURCH**

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We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- checked and tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Sunil Parekh (Senior Statutory Auditor)**  
for and on behalf of PJT & Co Limited

26 June 2024

**Chartered Certified Accountants**  
**Statutory Auditor**

Accountancy House  
90 Walworth Road  
London  
SE1 6SW

# WALWORTH METHODIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	119,994	92,112	212,106	150,232
Other operating activities	4	279,238	-	279,238	219,350
Investments	5	1,288	679	1,967	193
Other income	6	-	-	-	925
<b>Total income</b>		<b>400,520</b>	<b>92,791</b>	<b>493,311</b>	<b>370,700</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	-	-	-	518
Raising funds and Charitable activities	8	389,867	91,392	481,259	297,413
<b>Total resources expended</b>		<b>389,867</b>	<b>91,392</b>	<b>481,259</b>	<b>297,931</b>
<b>Net income for the year/ Net movement in funds</b>		<b>10,652</b>	<b>1,399</b>	<b>12,051</b>	<b>72,769</b>
Fund balances at 1 September 2022		315,316	8,624,872	8,940,188	8,867,419
<b>Fund balances at 31 August 2023</b>		<b>325,968</b>	<b>8,626,271</b>	<b>8,952,239</b>	<b>8,940,188</b>

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# WALWORTH METHODIST CHURCH

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Investment properties	14		8,730,000		8,730,000
<b>Current assets</b>					
Trade and other receivables	15	697		66,977	
Cash at bank and in hand		273,336		195,984	
		<u>274,033</u>		<u>262,961</u>	
<b>Current liabilities</b>	16	(51,793)		(52,773)	
		<u></u>		<u></u>	
Net current assets			222,240		210,188
<b>Total assets less current liabilities</b>			<u>8,952,240</u>		<u>8,940,188</u>
<b>Income funds</b>					
Restricted funds	17		8,626,271		8,624,872
<u>Unrestricted funds</u>					
Designated funds	18	21,636		21,636	
General unrestricted funds		304,333		293,680	
		<u></u>		<u></u>	
			325,969		315,316
			<u>8,952,240</u>		<u>8,940,188</u>

The accounts were approved by the Trustees on 26 June 2024

  
Rev David Markey  
Trustee

  
Vidal Sumner  
Treasurer

# WALWORTH METHODIST CHURCH

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21		75,384		52,982
<b>Investing activities</b>					
Interest received		1,967		193	
<b>Net cash generated from investing activities</b>			1,967		193
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			77,351		53,175
Cash and cash equivalents at beginning of year			195,984		142,812
<b>Cash and cash equivalents at end of year</b>			273,336		195,984

# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The church having resumed its regular Sunday worship services is seeing increase in its membership attendance and donations. The trustees have carefully reviewed the church's financial projections and cashflows to assess its viability to continue as a going concern. They have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Therefore, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### 1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category

Costs of generating funds are the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.



# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

(Continued)

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of the trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

#### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
Motor vehicles	50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations and gifts	1,955	39,784	41,739	41,931
Miscellaneous income	-	-	-	123
Church collections	118,039	-	118,039	108,178
Other	-	52,328	52,328	-
	<u>119,994</u>	<u>92,112</u>	<u>212,106</u>	<u>150,232</u>
<b>For the year ended 31 August 2022</b>	<u>113,928</u>	<u>36,304</u>		<u>150,232</u>

### 4 Other trading activities

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Fundraising events	-	-	-	441
Letting and licensing arrangements	279,238	-	279,238	218,909
Other trading activities	279,238	-	279,238	219,350
	<u>279,238</u>	<u>-</u>	<u>279,238</u>	<u>219,350</u>
<b>For the year ended 31 August 2022</b>	<u>218,909</u>	<u>441</u>		<u>219,350</u>

# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Interest receivable	1,288	679	1,967	121	72	193

# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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### 6 Other income

	Restricted funds 2023 £	Restricted funds 2022 £
Other income	-	925
	<u>          </u>	<u>          </u>

### 7 Raising funds

	2023 £	2022 £
<u>Operating costs</u>		
Depreciation and impairment	-	518
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
	-	518
	<u>          </u>	<u>          </u>

# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 8 Raising funds and Charitable activities

	Charitable Expenditure	Charitable Expenditure
	2023	2022
	£	£
Staff costs	28,817	37,948
Establishment costs	62,031	41,407
Repairs and maintenance	166,256	20,195
General expenses	2,067	10,325
Printing, posting and stationery	12,811	10,983
Donations, gifts and subscription	5,385	1,397
Church expenses	18,496	14,905
Travel and subsistence	3,000	4,514
Fund raising and events	6,900	11,056
Bank charges	419	240
Ministerial expenses	1,642	772
Security costs	31,144	17,406
Welfare and Christmas for elderly and children	10,293	3,000
	<u>349,261</u>	<u>174,148</u>
Share of support costs (see note 9)	58,000	58,000
Share of governance costs (see note 9)	73,998	65,265
	<u>481,259</u>	<u>297,413</u>
<b>Analysis by fund</b>		
Unrestricted funds	389,867	267,781
Restricted funds	91,392	29,632
	<u>481,259</u>	<u>297,413</u>
<b>For the year ended 31 August 2022</b>		
Unrestricted funds	267,781	
Restricted funds	29,632	
	<u>297,413</u>	

# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 9 Support costs

	Support costs £	Governance costs £	2023 £	2022 £	Basis of allocation
Circuit assessment	58,000	-	58,000	58,000	
Audit and accountancy	-	8,688	8,688	6,600	Governance
Governance costs	-	65,310	65,310	58,665	Governance
	<u>58,000</u>	<u>73,998</u>	<u>131,998</u>	<u>123,265</u>	
Analysed between Charitable activities	<u>58,000</u>	<u>73,999</u>	<u>131,999</u>	<u>123,266</u>	

Governance costs includes payments to the auditors of £8,688(2022- £6,600) for audit fees.

### 10 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	8,688	6,600
Depreciation of owned property, plant and equipment	-	518
	<u>8,688</u>	<u>7,118</u>

### 11 Trustees

In the year under review, no reimbursements for travel and phone expenses were made to trustees.

### 12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Governance	<u>1</u>	<u>2</u>
Employment costs	2023 £	2022 £
Wages and salaries	<u>28,817</u>	<u>37,948</u>

There were no employees whose annual remuneration was more than £60,000.

#### Remuneration of key management personnel

The remuneration of key management personnel was as follows:

# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 14 Investment property

2023

£

#### Fair value

At 1 September 2022 and 31 August 2023

8,730,000

Investment property comprises 54-64 Camberwell Road. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 28 September 2020 by Bunch & Duke, Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The council members and the trustees having taken account of the current economic considerations and have come to the assessment that the amount represent the fair value and no impairment is necessary.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2023 £	2022 £
Cost	290,052	290,052
Accumulated depreciation	-	-
Carrying amount	290,052	290,052

### 15 Trade and other receivables

	2023 £	2022 £
Amounts falling due within one year:		
Other receivables	-	61,514
Prepayments and accrued income	697	5,463
	697	66,977

### 16 Current liabilities

	2023 £	2022 £
Other taxation and social security	1,627	463
Trade payables	24,336	12,717
Other payables	17,142	20,683
Accruals and deferred income	8,688	18,910
	51,793	52,773



# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds			Movement in funds			
	Balance at 1 September 2021	Incoming resources	Resources expended	Balance at 1 September 2022	Incoming resources	Resources expended	Balance at 31 August 2023
	£	£	£	£	£	£	£
J B Memorial fund	2,766	-	-	2,767	67	-	2,834
Building Reserve	48	-	-	48	-	-	48
Special Appeals	68,265	10,441	(7,099)	71,607	6,626	(27,553)	50,680
Revaluation Reserve	8,439,948	-	-	8,439,948	-	-	8,439,948
Charitable Funds	1,300	-	(1,300)	-	-	-	-
Fellowship Funds	104,435	27,300	(21,233)	110,502	33,769	(11,510)	132,761
Boiler and central Heating	-	-	-	-	52,373	(52,373)	-
	<u>8,616,762</u>	<u>37,741</u>	<u>(29,632)</u>	<u>8,624,872</u>	<u>92,835</u>	<u>(91,436)</u>	<u>8,626,271</u>

The charity keep ledgers that identify the unspent balances due for the restricted funds and separate bank accounts have been set up to segregate the principal restricted funds from the main current account. In the earlier years, restricted funds had been applied to finance the general activities of the charity. The trustees have identified the extent of the use of the restricted funds and are gradually restoring the balance of these funds.

### 18 Unrestricted funds

The trustees have designated the following amounts for specific purposes:

	At 1 September 2022	Incoming resources	Resources expended	At 31 August 2023
	£	£	£	£
Church Maintenance and Development Reserve	21,636	-	-	21,636
General funds	293,680	400,520	(389,867)	304,333
	<u>315,316</u>	<u>400,520</u>	<u>(389,867)</u>	<u>325,969</u>

# WALWORTH METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 Unrestricted funds (Continued)

Previous year:	At 1 September 2021	Incoming resources	Resources expended	At 31 August 2022
	£	£	£	£
Church Maintenance and Development Reserve	21,636	-	-	21,636
General funds	229,021	332,958	(268,299)	293,680
	<u>250,657</u>	<u>332,958</u>	<u>(268,299)</u>	<u>315,316</u>

### 19 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Designated funds 2023	Total 2023	Total 2022
	£	£	£	£	£
Fund balances at 31 August 2023 are represented by:					
Investment properties	8,730,000	-	-	8,730,000	8,730,000
Current assets/(liabilities)	222,240	-	-	222,240	210,188
	<u>8,952,240</u>	<u>-</u>	<u>-</u>	<u>8,952,240</u>	<u>8,940,188</u>

### 20 Related party transactions

In the year under review, the following payments were made to trustees by the church:

Trustees engaged by the church for organist services in the year were paid £ 7,260 (£7,660 - 2022).

21 Cash generated from operations	2023 £	2022 £
Surplus for the year	12,052	72,769
Adjustments for:		
Investment income recognised in statement of financial activities	(1,967)	(193)
Depreciation and impairment of property, plant and equipment	-	518
Movements in working capital:		
Decrease/(increase) in trade and other receivables	66,280	(49,790)
(Decrease)/increase in trade and other payables	(980)	29,678
<b>Cash generated from operations</b>	<u>75,385</u>	<u>52,982</u>

# **WALWORTH METHODIST CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** ***FOR THE YEAR ENDED 31 AUGUST 2023***

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### **22 Analysis of changes in net funds**

The charity had no material debt during the year.