

# **Croydon Methodist Circuit**

**(Charity Registration No. 1129515)**

## **Trustees Annual Report & Financial Statements for the year ended 31 August 2020**

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## **Croydon Methodist Circuit**

(Charity Registration No. 1129515)

### **Trustees Annual Report & Financial Statements for the year ended 31 August 2020**

#### **Information**

<b>Superintendent Minister</b>	Rev. Dr. Stephen Day
<b>Principal Address</b>	Circuit Office West Croydon Methodist Church 93 London Road Croydon CR0 2RF
<b>Bankers</b>	Barclays Bank plc
<b>Independent Examiner</b>	Paul Newton, JCS Accountants

#### **Trustees (Year ended 31 August 2020) (\* denotes resigned after 31 August 2020)**

Revd Nigel Cowgill	Mrs Margaret Widberg*	Miss Siân Williams
Revd Dr Stephen Day (Appointed 1 September 2019)	Mr David Fanshawe	Mr Paul Taylor
Revd Soon Cheol Choi	Mr Adrian Pickett	Mr John Anstey
Revd Nadine Wilkinson	Ms Constantia Pennie	Mr Hugh Roberts
Mr Bennie Harms	Mrs Denise Watson	Mrs Linnett Desporte*
Mrs Lindsey Macfarlane*	Mrs Collis Peart	Mrs Gertrude Nartey
Mrs Juliet Smith	Mrs Rosemary Jones	Mrs Rohini Herat
Revd Pamela Clews (Appointed 9 September 2019)	Mrs Comfort Croffie	Mrs Ruth Tayler
Mr Robin Haslam	Miss Rose Cummings*	Mr David Tayler (Appointed 8 October 2019)
Ms Dorothea Macauley	Mr Adrian Howe	Mrs Elizabeth Smart (Appointed 8 October 2019)
Lady Margaret Griffiths	Mr Kofi Asamoah-Twum	Mrs Mary Bannister
Mr Robert Nisbeth	Mr Hope Chitauru	Mr Edward Handley*
Mrs Doreen Ridden	Miss Sukhvinder Kalsi	Mr Mike McCallum*
Mrs Pauline Little	Mr Lawrie Bannister	Mrs Alyson Stonehouse
Miss Jennie Hall	Mr Tolulowaleyi Laval	Mr Josef Hopeson-Sowah
Miss Fran Byard	Mrs Caryl Rapps*	Mr Nicholas Kusah
Mr Alan Mills	Mrs Susan Astington*	Mrs Ann Atkins
Mr William Smart	Mrs Daphne Jones*	
Mrs Linda White	Mr Paul Parkinson	
	Mrs Gillian Haslam (Appointed 18 November 2019)	

#### **The following Trustees were appointed after 1 September 2020:**

Mrs Toyin Ogunyemi (Appointed 24 September 2020)	Ms Philana Davies (Appointed 6 October 2020)	Mr Ola Ogunyemi (Appointed 10 October 2020)
Revd Dr Leslie Griffiths (Appointed 1 October 2020)	Mrs Dunstana Davies (Appointed 6 October 2020)	Mrs Sonia Smith (Appointed 20 October 2020)
Revd Jennifer Potter (Appointed 5 October 2020)	Mr Byron Asbruce (Appointed 10 October 2020)	Miss Becky Chipere (Appointed 5 November 2020)
Mr Andrew Thynne (Appointed 30 September 2020)	Mrs Adebukola Lawal (Appointed 10 October 2020)	

## **Croydon Methodist Circuit**

### **Trustees Annual Report for the year ended 31 August 2020**

#### **Governing documents and objective**

The purposes of the Methodist Church are and shall be deemed to have been since the date of the Union the advancement of:

- (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church
- (b) any charitable purpose for the time being of any connexional, District, Circuit, local or other organisation of the Methodist Church
- (c) any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church
- (d) any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

In setting our objectives and planning our activities the Circuit has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public interest guidance on advancing our objectives as set out above.

#### **Mission Statement**

Croydon Methodist Circuit draws on the Methodist Church in Britain's vision as a "discipleship movement equipped for Mission" and works to priorities taken from "Our Calling" within our local context;

The Circuit encourages members individually and each of the churches collectively to engage in local community activities, social outreach, ecumenical work and inter-faith contact and co-operation;

We encourage the development of richly diverse and inclusive communities of faith which allows the exploration of discipleship by all people – regardless of background and without discrimination;

We seek to provide to our communities an example of God-filled lives and to enable the people of our churches to respond to the generosity of God's grace through worship and Christian service;

We seek to link together the people of our Circuit churches so that they can be mutually supportive and encouraging, sharing in and learning from each other's experience of Christian living.

## **Croydon Methodist Circuit**

### **Trustees Annual Report for the year ended 31 August 2020**

#### **Review of progress and achievements**

The Croydon Methodist Circuit has four ministerial staff: three presbyters (Revd Dr Stephen Day, Revd Soon Cheol Choi and Rev. Nadine Wilkinson), together with three lay staff: Bennie Harms (Lay Pastor), Lindsey Macfarlane (Youth Development Officer) and Juliet Smith (Circuit Administrator).

All of our churches are involved in community outreach activities, such as:

- Parchmore Methodist Church and Community Centre's partnership working with Croydon Council and other local organisations to support local people
- The "Pop-in" community café at Norbury
- Provision for local homeless people at West Croydon
- Shirley participating in the Croydon Churches' Floating Shelter providing overnight winter accommodation for local homeless people
- Shirley Neighbourhood Care is based at Shirley Methodist Church
- Addington Methodist Church engages with local school children to help them understand the meaning of Christmas and Easter
- South Norwood working in partnership with South Norwood and Woodside Community Association to provide lunch and activities for older people and those with learning difficulties,
- Reaching Higher, a project which challenges young people to be leaders of their own lives, which is based at South Norwood Methodist Church
- The summer holiday club for children aged 5-11 at Christ Church in Addiscombe
- At Downsview, Upper Norwood the Pensioners' Lunch Club; and also where the Downsview Players, an amateur dramatics group is based.

Our churches run activities for children and young people, including Messy Church, café worship, youth clubs. Churches host and engage with uniformed organisations such as Boys' Brigade, Girls' Brigade, Brownies, Guides, Rangers, Beavers, Cub Scouts and Scouts.

The Circuit provides ministers and preachers to lead a weekly Sunday afternoon worship service at Hall Grange, a residential care home run by MHA. Several church members do voluntary work at Hall Grange. Churches support local older people through engagement with local residential care homes, such as Acacia Care Centre in South Norwood, Freeman Court and Norbury Hall in Norbury, and the British Home in Streatham.

## **Croydon Methodist Circuit**

### **Trustees Annual Report for the year ended 31 August 2020**

The Circuit equips lay volunteers by providing training and development opportunities to empower them to identify and use their gifts and skills to the glory of God. In this work we are guided by the Methodist Church in Britain's statement "Our Calling":

- The Church exists to increase awareness of God's presence and to celebrate God's love
- The Church exists to help people to grow and learn as Christians, through mutual support and care
- The Church exists to be a good neighbour to people in need and to challenge injustice
- The Church exists to make more followers of Jesus Christ

The Circuit provides initial training for Local Preachers and Worship Leaders as well as ongoing peer support for those accredited. Creating Safer Space safeguarding training is offered annually to those needing initial or refresher training.

The Circuit staff continue to work in partnership with local and national voluntary and statutory bodies. They engage ecumenically with Croydon Churches Forum as well as other local groups.

#### **Plans for the future**

Plans for a circuit review weren't realised due to the Covid-19 coronavirus pandemic's onset in early 2020. Closure of churches during the lockdown in March-July 2020 deprived them of rental income and generally led to a reduction in freewill giving by members, especially among those unable or unwilling to give electronically. The impact of Covid-19 led to some churches being unable to meet their full assessment payments. The Circuit Meeting in July 2020 responded to this situation by instituting a review of the Circuit's lay employees by an independent HR consultancy firm. The report was presented to the Circuit Meeting in September 2020 to guide decision-making which implemented the report's recommendations.

#### **Risk Assessment**

The Circuit Leadership Team (CLT) continues to review the regulatory framework in which the Circuit operates and where the CLT finds areas of risk to the Circuit, appropriate action is taken to minimise the risk.

## **Croydon Methodist Circuit**

### **Trustees Annual Report for the year ended 31 August 2020**

#### **Safeguarding**

*Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.*

Methodist Connexional practice outlines commitment to the following principles:

- the care and nurture of, and respectful pastoral ministry with, all children, young people and adults
- the safeguarding and protection of all children, young people and adults when they are vulnerable
- the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice.

The Croydon Methodist Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the circuit and in the churches.

## **Croydon Methodist Circuit**

### **Trustees Annual Report for the year ended 31 August 2020**

The Croydon Methodist Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

#### **Financial Review**

The Financial Statements have been prepared in accordance with the Charities Statement of Recommended Practice.

Although the impact of the CoVid 19 pandemic impacted church incomes such that some churches were unable to meet assessment payments in full during the year, the shortfall was offset by cost savings in general expenses and from an unfilled but budgeted half time ministerial post and overall there was a small net increase in resources of £3,686 in the year (2019: reduction of £34,101). As a result the Circuit's net current assets increased slightly from £240,500 at the beginning of the year to £ 244,186 at year end, of which £104,135 (2019: £83,980) represents general reserves.

The CoVid 19 pandemic and resulting restrictions have continued to impact the circuit's income in the new financial year which began on 1<sup>st</sup> September 2020 with significant reductions seen in churches' letting income such that some have been unable to meet assessment payments in full. The circuit has therefore taken steps to reduce its fixed expenditure enabling future church assessment levels to be set which better match churches' ability to pay. Taking into account the positive impact of these actions on the circuit's expected expenditure and therefore assessment levels in the financial year following the date of approval of the financial statements, the Trustees have every reason to believe that the Circuit is a going concern.

#### **Reserves Policy**

The reserves of the Circuit are dependent on the extent that its ongoing costs can be funded from the assessment levied on the individual churches. The Circuit seeks to operate its financial affairs each year on an ongoing basis. At the year end, the actual readily available general reserves represented 3.3 months (2019: 2.2) expenditure, slightly above the stated policy of general reserves of at least three months expenditure although the trustees expect this ratio to fall below the policy level in the current year because of impact of the pandemic on churches' ability to meet assessment payments. Although the continuing pandemic makes confidence in the circuit's future income streams uncertain, the circuit's resources include a balance of £140,051 on the Model Trust Fund which can be drawn upon to meet repair and maintenance of circuit property and so reduce reliance on the charity's general funds in stressed circumstances so that the circuit's total reserves are expected to exceed the stated policy for the foreseeable future.

## **Croydon Methodist Circuit**

### **Trustees Annual Report for the year ended 31 August 2020**

#### **Structure, governance and management**

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

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

The Connexional Office implements decisions made by Conference and is also responsible for the stationing of Presbyters in individual Circuits.

Connexional decisions are passed to the Chair of the District and appropriate Officers of the District for regional implementation.

The District passes control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards via the medium of the Circuit Meeting.

The membership of the Circuit Meeting is laid down in the Constitutional Practice and Discipline of the Methodist Church. Together the members of the Circuit Meeting are the Managing Trustees of the Circuit.

#### **Trustees**

Owing to the number of individual churches in the Circuit and the fact that the majority of the Circuit Meeting members are those elected by individual churches, it is clear that the make-up of the meeting is subject to frequent change. There were 56 trustees as at 30 June 2020 (2019: 58). A list of trustees is provided on page 2.

#### **Related Parties**

The Circuit is part of the London District and is also accountable to the Methodist Conference. The following Methodist Churches are linked to the Circuit:-

Addington Methodist Church  
Christ Church Methodist, Addiscombe  
Downsview Methodist Church  
Norbury Methodist Church  
Parchmore Methodist Church  
Shirley Methodist Church, Croydon  
South Norwood Methodist Church  
West Croydon Methodist Church



## **Croydon Methodist Circuit**

### **Trustees Annual Report For the year ended 31 August 2020**

#### **Statement of Trustees' Responsibilities**

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

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing these accounts, the Trustees are required to:

Select suitable accounting policies and then apply these 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 accounts;

Prepare the accounts 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 Croydon Methodist Circuit and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

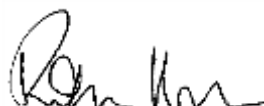
So far as each of the trustees is aware, there is no relevant information that has not been disclosed to the independent examiner and each of the trustees believes that all steps have been taken that ought to have been taken to make him aware of any relevant information.

#### **Approvals**

The Trustees' Annual Report was approved by the Trustees on 10 March 2021 and signed on their behalf by:



Rev Dr. Stephen Day  
Superintendent Minister and Chair of Trustees



Robin Haslam  
Trustee

## Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Restricted Funds	Total 2019- 20	Unrestricted Total 2018 -19
		£	£	£	£	£
<b>Income</b>						
<b>Donations</b>	3	0			0	5,500
<b>Charitable activities</b>						
Assessments on churches	5	301,020			301,020	289,677
Grants receivable	6	0			0	16,000
Letting income	4	26,400			26,400	26,400
<b>Total from charitable activities</b>		<b>327,420</b>			<b>327,420</b>	<b>332,077</b>
<b>Other</b>						
Income from Monetary Investments		421	1,284		1,705	1,867
<b>Total income</b>		<b>327,841</b>	<b>1,284</b>	<b>0</b>	<b>329,125</b>	<b>339,444</b>
<b>Expenditure</b>						
<b>Expenditure on activities</b>						
Grants and donations payable	7	9,410			9,410	9,410
Salaries and associated costs	8	181,709			181,709	215,792
Property	9	53,706			53,706	72,439
District Assessment & Levy	10	65,484	5,639		71,123	63,079
Other outgoings	11	9,491			9,491	12,825
<b>Total charitable expenditure</b>		<b>319,800</b>	<b>5,639</b>	<b>0</b>	<b>325,439</b>	<b>373,545</b>
<b>Net (expenditure)/income before investment gains/ losses</b>		<b>8,041</b>	<b>(4,355)</b>		<b>3,686</b>	<b>(34,101)</b>
Gains or Losses on property revaluations					0	0
<b>Net income/(expenditure) before transfers</b>		<b>8,041</b>	<b>(4,355)</b>	<b>0</b>	<b>3,686</b>	<b>(34,101)</b>
Transfers between funds	21	12,114	(12,114)		0	0
<b>Net movement in funds</b>		<b>20,155</b>	<b>(16,469)</b>	<b>0</b>	<b>3,686</b>	<b>(34,101)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		2,246,828	156,520		2,403,348	2,437,449
<b>Total funds carried forward</b>		<b>2,266,983</b>	<b>140,051</b>	<b>0</b>	<b>2,407,034</b>	<b>2,403,348</b>

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

All activities relate to continuing operations.

# Croydon Methodist Circuit

Circuit No: 35/41

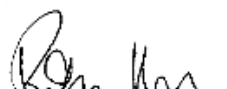
## Balance Sheet as at 31 August 2020

	Note	General Fund: Unrestricted	Circuit Model Trust: Unrestricted	Restricted Funds	Totals 2020	Totals 2019
		£	£	£	£	£
<b>Fixed Assets</b>						
Tangible fixed assets	14	2,162,848			2,162,848	2,162,848
<b>Total fixed assets</b>		2,162,848			2,162,848	2,162,848
<b>Current Assets</b>						
Debtors (including £7,000 (2019:£13,000) due in more than one year)	15	22,917			22,917	30,263
Investments with TMCP	16		140,051		140,051	156,520
Central Finance Board Deposits	17	105,789			105,789	81,457
Cash at Bank and in hand	17	34,928			34,928	38,265
<b>Total current assets</b>		163,634	140,051		303,685	306,505
<b>Current Liabilities</b>						
Creditors (due in under 1 year)	18	59,499			59,499	66,005
<b>Total current liabilities</b>		59,499			59,499	66,005
<b>Net current assets</b>		104,135	140,051		244,186	240,500
<b>Total assets less current liabilities</b>		2,266,983	140,051		2,407,034	2,403,348
<b>Long Term Liabilities (due after more than one year)</b>	19				0	0
<b>Net assets</b>		2,266,983	140,051	0	2,407,034	2,403,348
<b>Funds of the Circuit</b>						
General Fund (Unrestricted)	20.1	2,266,983			2,266,983	2,246,828
Circuit Model Trust Fund (Unrestricted)	20.2		140,051		140,051	156,520
<b>Total Unrestricted Funds</b>		2,266,983	140,051		2,407,034	2,403,848
Restricted Funds				0	0	0
<b>Total Funds</b>		2,266,983	140,051	0	2,407,034	2,403,348

The financial statements were approved by the Trustees on 10 March 2021 and were signed on their behalf by:



Rev Dr. Stephen Day  
Superintendent Minister and Chair of Trustees



Robin Haslam  
Trustee

# **Croydon Methodist Circuit**

## **Notes to the financial statements for the year ended 31 August 2020**

### **1. Basis of accounting and accounting policies**

#### **i Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102), Financial Reporting Standard 102 and the Charities Act 2011.

#### **ii Public benefit entity**

The Croydon Methodist Circuit meets the definition of a public benefit entity under FRS 102. It is an unincorporated trust with principal office at West Croydon Methodist Church, 93 London Road, Croydon CR0 2RF.

#### **iii Basis**

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

#### **iv Content**

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £ Sterling, rounded to the nearest pound.

#### **v Going concern**

The charity has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties affecting this expectation. It has therefore continued to adopt the going concern basis in preparing its financial statements.

#### **vi. Funds**

General unrestricted funds represent funds which are expendable at the discretion of the Circuit in the furtherance of the objects of the charity and which have not been designated for other purposes. Such funds may be held to finance both working and capital investment.

#### **vii Consolidation**

The Circuit oversees the work of ministers and lay workers in Churches within the Circuit but does not have control over those Churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the Churches within the Circuit are not consolidated into these financial statements.

#### **viii Income recognition**

Income is recognised in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that income will be received and the amount can be measured reliably.

Donations are accounted for gross when received.

Rental income is accounted for on an accruals basis.

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report.

#### **ix Expenditure**

Expenditure is recognised in the Statement of Financial Activities 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.

## **Croydon Methodist Circuit**

### **Notes to the financial statements for the year ended 31 August 2020**

**x Grants**

Grants made by the Circuit from its own funds are recognised in full at the time of the agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision being released for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

**xi VAT**

Irrecoverable input VAT is charged as a cost against the activity for which the expense was incurred.

**xii Tangible fixed assets**

These are capitalised if they can be used for more than one year, and individually cost at least £1,500. The freehold property is shown in the accounts at deemed historical cost representing each property's gross carrying value at 1 September 2015, being that property's insurance reinstatement value, as notified by Methodist Insurance plc at the previous renewal date. The value of the land element of the property is deemed to be one third of the total carrying value, based on research undertaken by Savills.co.uk. Further information can be found on their website. If acquired after that date and/or where freehold property has subsequently been extended, the cost of acquisition and/or extension is taken. No depreciation is provided because the trustees consider the current residual fair value of the properties in their present condition is not less than its historical cost, and, in the absence of any evidence of impairment, any depreciation provision for the buildings component of the properties would be immaterial.

**xiii Receivables and Payables; Bank and Cash**

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit account balances are shown at their realisable values.

**xiv Methodist Connexional Funds**

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against Churches in the Circuit. The District remits to The Methodist Church Fund quarterly most of the sums received from Circuits. A small sum is retained by the District to meet its own costs.

**xv Ministers' manse costs**

The Circuit is required to provide accommodation for each minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water charges. These figures are not separately disclosed as benefits in kind for ministers as HMRC does not seek to tax these receipts in the hands of ministers.

**xvi Investment properties**

No property is currently deemed to not be held for the long term purposes of the charity.

**xvii Financial instruments**

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

## Croydon Methodist Circuit

### Notes to the financial statements for the year ended 31 August 2020

#### 2. Glossary of terms

**CFB:** Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

**Church:** a group of members from fewer than 10 to more than 300

**Circuit:** a group of Methodist Churches near each other, typically between 10 and 30

**Circuit Meeting:** The Trustees of the Circuit, most of whom are appointed by their local Churches and others by virtue of a role they undertake for the Circuit and/or their local Churches.

**CMTF:** Circuit Model Trust Fund

**Connexion:** The Methodist Church in GB which includes the Head Office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

**District:** a group of contiguous Circuits, usually between 15 and 30

**FRS:** Financial Reporting Standard

**HMRC:** Her Majesty's Revenue and Customs

**MCF:** Methodist Church Fund

**SOFA:** Statement of Financial Activities

**SORP:** Statement of Recommended Practice

**TMCP:** Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds

#### 3. Income from donations

	General	CMTF	Restricted	Total	2019
<b>Donations</b>	<b>0</b>			<b>0</b>	<b>5,500</b>

#### 4. Income from other trading activities

Letting income has been received in respect of the following properties:-

	General	CMTF	Restricted	Total	2019
12, Pollards Hill East	26,400			26,400	26,400
<b>Total</b>	<b>26,400</b>			<b>26,400</b>	<b>26,400</b>

## Croydon Methodist Circuit

### Notes to the financial statements for the year ended 31 August 2020

#### 5. Assessments on Churches

The Circuit comprises 8 churches and each is assessed for a contribution to meet the overall net costs of the Circuit. An Assessment on Churches is determined annually by the Circuit using a formulaic method which takes into account the relative number of members in each church and its relative income.

	General	CMTF	Restricted	Total	2019
Addington	28,648			28,648	25,037
Christ Church	41,268			41,268	38,461
Downsview	44,736			44,736	40,876
Norbury	18,652			18,652	16,810
Parchmore	32,610			32,610	28,751
Shirley	65,796			65,796	63,448
South Norwood	31,708			31,708	29,763
West Croydon	37,602			37,602	46,531
<b>Total</b>	<b>301,020</b>			<b>301,020</b>	<b>289,677</b>

The churches are considered to be related parties of the circuit.

#### 6. Grants receivable

No grants were received in 2020. In 2019 grants of £16,000 were received into the General Fund during the year from the London district for the community focussed work of the Deacon.

#### 7. Grants and donations payable

Total grants of £9,410 (2019: £9,410) were made from the General Fund to Parchmore Methodist Church (a related party of the circuit) towards community work..

#### 8. Salaries and associated costs

Stipends were paid to 3 presbyters in the year (2019: 3 presbyters and 1 deacon), and salaries paid to 3 lay workers (2019: 3 lay workers). The salaries are paid by the Connexion but funded by the Circuit.

## Croydon Methodist Circuit

### Notes to the financial statements for the year ended 31 August 2020

The costs were as follows:

	2019 – 20	2018 – 19
	£	£
Gross stipends and salaries	136,247	158,813
Employer's National Insurance contributions	12,119	14,949
Employer's pension contributions to defined benefit and contribution schemes	23,421	29,583
Fees paid to supernumerary ministers	755	1,262
Travel expenses	2,767	6,207
Telephone and other expenses	3,227	3,755
Computers for Ministry	495	450
Ministers training	495	773
Removal expenses	2,183	-
<b>Total staff costs</b>	<b>181,709</b>	<b>215,792</b>

No employees received employee benefits that totalled more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are paid at or above the living wage.

#### Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

On the other hand lay employees are contractually employees and have the option of joining a scheme which the Circuit has arranged with The Pensions Trust. This is a defined contribution scheme and the Circuit contributes as employer to this scheme.

The Connexion accounts for the MMPS in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented. Details of the deficit on this scheme can be found in the Annual Report and Accounts of The Methodist Church at [www.methodist.org.uk](http://www.methodist.org.uk)

#### 9. Property costs

The circuit is Managing Trustee for 7 manses, 6 of which are occupied by presbyters or lay staff serving in the Circuit. One manse, Pollards Hill East, is let on an Assured Shorthold Tenancy. With the exception of the let manse, the Circuit is responsible for the payment of Council Tax, Utilities, Water Charges, Insurance and maintenance. In addition the Circuit pays a contribution towards the operational costs of the Circuit Office and periodic professional survey fees for the manses and churches in the Circuit. All costs are paid from the General Fund.



## Croydon Methodist Circuit

### Notes to the financial statements for the year ended 31 August 2020

	2019 – 20	2018 – 19
	£	£
<b>Maintenance -</b>		
Barnfield Avenue	981	7,031
Norbury Avenue	13,757	403
The Manse, Huntingfield	972	3,533
Pollards Hill East	174	6,708
Sefton Road	3,058	21,398
Southern Avenue	10,564	7,881
Letting agents' fees	3,960	3,960
Council Tax	12,249	11,691
Electricity and water charges	1,686	1,691
Insurance	5,525	5,383
Survey fees	780	2,760
<b>Total</b>	<b>53,706</b>	<b>72,439</b>

#### 10. District Assessment & Levy

The District Assessment is calculated relative to the proportion of church members and staffing (presbyters and mission staff only) of all Circuits in the London District. 25% of the overall cost is calculated using relative staffing proportions and 75% is calculated using relative membership proportions.

The Levy is calculated on a sliding scale percentage of the Circuit's CMTF account balance as at 31 August of the accounting year.

	General	CMTF	Restricted	Total	2019
Methodist Church Fund (MCF)	53,854			53,854	46,729
District Expenses	11,630			11,630	9,278
Levy on CMTF funds		5,639		5,639	7,072
<b>Total</b>	<b>65,484</b>	<b>5,639</b>		<b>71,123</b>	<b>63,079</b>

#### 11. Other outgoings

	General	CMTF	Restricted	Total	2019
<b>Preaching and Worship:</b>					
Circuit plan and directory	375			375	815
<b>Other costs:</b>					
Circuit office	1,636			1,636	1,567
Resources	2,228			2,228	3,211
Payroll admin cost	480			480	480
Subscriptions	356			356	456
Miscellaneous	4,416			4,416	6,296
<b>Total</b>	<b>9,491</b>			<b>9,491</b>	<b>12,825</b>

## Croydon Methodist Circuit

### Notes to the financial statements for the year ended 31 August 2020

#### 12. Payments to trustees

The Circuit does not make payments to trustees other than to reimburse expenditure properly incurred in the charitable activities of the Circuit.

#### 13. Fee to Independent Examiner

A fee of £1,140 was charged by the Independent Examiner for the examination of the Circuit's accounts and accounting records.

#### 14. Circuit manses and equipment

The Circuit Manses are all freehold properties and their value is shown as the deemed historical cost representing each property's carrying value at 1 September 2015 or acquisition value if purchased after that date (see Note 1 (xii)). The cost of extensions to freehold properties since 1 September 2015, or acquisition date if later, are capitalised.

Office equipment consists of one computer in the Circuit Office

##### 14.1 Cost or valuation

	Land £	Buildings £	Office Equipment £	Total £
<b>Cost or valuation</b>				
Balance brought forward at 1 September, at cost	704,100	1,458,748	1,336	2,164,184
Additions in the year				
Revaluations in the year				
Less: Disposals in the year				
Gain on sale				
<b>Balance carried forward</b>	<b>704,100</b>	<b>1,458,748</b>	<b>1,336</b>	<b>2,164,184</b>

##### 14.2 Accumulated depreciation

	Land £	Buildings £	Office Equipment £	Total £
<b>Accumulated depreciation</b>				
Balance brought forward at 1 September			1,336	1,336
Depreciation charge for the year			0	0
<b>Balance carried forward</b>			<b>1,336</b>	<b>1,336</b>

##### 14.3 Net book value

	Land £	Buildings £	Office Equipment £	Total £
Brought forward	704,100	1,458,748	0	2,162,848
<b>Balance carried forward</b>	<b>704,100</b>	<b>1,458,748</b>	<b>0</b>	<b>2,162,848</b>

# Croydon Methodist Circuit

## Notes to the financial statements for the year ended 31 August 2020

### 15. Debtors and prepayments

All trade debtors shown at the relevant year end were received in the following year. Debtors refer to the General Fund.

	2019 – 20	2018 – 19
	£	£
<b>Trade debtors</b>		
Circuit assessments (net of provisions)	0	0
Loan to Parchmore Methodist Church (a related party)	13,000	19,000
<b>Prepayments and accrued income</b>	9,917	11,263
<b>Total (net)</b>	<b>22,917</b>	<b>30,263</b>

### 16. Trustees for Methodist Church Purposes

The funds that support the Circuit Model Trust Fund are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts each month. These are regarded as medium and long term investments.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

### 17. Central Finance Board (CFB) and Cash at Bank

The Circuit has a current accounts at Barclays Bank plc, an authorised institution. The sums held on those accounts are immediately available. In addition the Circuit has a deposit accounts at CFB, a common deposit fund. Interest is earned on these accounts and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

### 18. Creditors and accrued expenses

Creditors and accrued expenses refer to the General Fund

	2020	2019
	£	£
<b>Creditors and accruals</b>		
Trade Creditors	0	0
Accruals and deferred income	59,499	66,005
<b>Total</b>	<b>59,499</b>	<b>66,005</b>

#### Maturity analysis of basic financial instruments

	Accrued at 01-Sep-19	Paid in year	Accrual made in year	Accrued at 31-Aug-20
<b>Trade creditors</b>				
Trade Creditors	0	0	0	0
Accruals	66,005	(66,005)	59,499	59,499
<b>Total</b>	<b>66,005</b>	<b>(66,005)</b>	<b>59,499</b>	<b>59,499</b>

It is expected that all sums accrued at 31 August 2020 will be paid during the year to 31 August 2021.

## Croydon Methodist Circuit

### Notes to the financial statements for the year ended 31 August 2020

#### 19. Long Term Liabilities

The Circuit has no long term liabilities as at 31 August 2020 (2019: £Nil)

#### 20. Unrestricted Funds

##### 20.1 General Fund – balance £2,266,983 at 31 August 2020 (2019: £2,246,848)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. About 97% of this fund is held as freehold properties. During the year £9,410 was paid out as grants and donations from the General Fund.

##### 20.2 Circuit Model Trust Fund – balance £140,051 at 31 August 2020 (2019: £156,520)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit. Its main source of income is the contributions from the sale of manses in the Circuit.

Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing Orders 930, 913 and 917(2) are applicable.

#### 21. Summary of movements on significant individual funds

<b>Fund</b>	Balance at 01-Sep-19 £	Income £	Expenditure £	Transfers £	Balance at 31-Aug-20 £
General Fund	2,246,828	327,841	(319,800)	12,114	2,266,983
Circuit Model Trust Fund	156,520	1,284	(5,639)	(12,114)	140,051
<b>Total Funds</b>	<b>2,403,348</b>	<b>329,125</b>	<b>(325,439)</b>	<b>0</b>	<b>2,407,034</b>

<b>Fund</b>	Balance at 01-Sep-18 £	Income £	Expenditure £	Transfers £	Balance at 31-Aug-19 £
General Fund	2,253,369	337,932	(366,473)	22,000	2,246,828
Circuit Model Trust Fund	184,080	1,512	(7,072)	(22,000)	156,520
<b>Total Funds</b>	<b>2,437,449</b>	<b>339,444</b>	<b>(373,545)</b>	<b>0</b>	<b>2,403,348</b>

Transfers from the Circuit Model Trust Fund were to facilitate major repairs to circuit manses.

#### 22. Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment.

## **Croydon Methodist Circuit**

### **Notes to the financial statements for the year ended 31 August 2020**

#### **23. Capital commitments and contingent liabilities**

There were no capital commitments at the year end (2019: £nil). The circuit had contingent liabilities of £7,000 at the year end (2019: £7,000) representing grants awarded subject to conditions which had not yet been met at that date.

#### **24. Lease Commitments**

The Circuit has contracts or obligations for the following:-

There are short term obligations for telephones and ancillary equipment at the Circuit Office. The total annual cost is not considered material.

## Independent Examiner's Report to the Trustees of the Croydon Methodist Circuit

I report to the charity trustees on my examination of the accounts of Croydon Methodist Circuit (the charity) for the year ended 31 August 2020 set out on pages 10 to 21.

### Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Church's accounts as carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Report) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of 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 the Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Paul Newton FCA  
Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
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SM1 2SW

Date: 8/4/2021