

Croydon Methodist Circuit

(Charity Registration No. 1129515)

Trustees Annual Report & Financial Statements for the year ended 31 August 2021

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Croydon Methodist Circuit

(Charity Registration No. 1129515)

Trustees Annual Report & Financial Statements for the year ended 31 August 2021

Information

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

Trustees (Year ended 31 August 2021) (* denotes resigned during that year)

Revd Nigel Cowgill	Mrs Comfort Croffie	Mr Mike McCallum*
Revd Dr Stephen Day	Miss Rose Cummings*	Mrs Alyson Stonehouse
Revd Soon Cheol Choi	Mr Adrian Howe	Mr Josef Hopeson-Sowah
Revd Nadine Wilkinson	Mr Kofi Asamoah-Twum	Mr Nicholas Kusah
Mr Bennie Harms	Mr Hope Chitauo	Mrs Ann Atkins
Mrs Lindsey Macfarlane*	Miss Sukhvinder Kalsi	Mrs Toyin Ogunyemi (Appointed 24 September 2020)*
Mrs Juliet Smith	Mr Lawrie Bannister	Revd Dr Leslie Griffiths (Appointed 1 October 2020)
Revd Pamela Clews	Mr Tolulowaleyi Laval	Revd Jennifer Potter (Appointed 5 October 2020)
Mr Robin Haslam	Mrs Caryl Rapps*	Mr Andrew Thynne (Appointed 30 September 2020)
Ms Dorothea Macauley	Mrs Susan Astington*	Mrs Dunstana Davies (Appointed 6 October 2020)
Lady Margaret Griffiths	Mrs Daphne Jones*	Mr Byron Asbruce (Appointed 10 October 2020)
Mr Robert Nisbeth	Mr Paul Parkinson	Mrs Adebukola Lawal (Appointed 10 October 2020)
Mrs Doreen Ridden	Mrs Gillian Haslam	Mr Ola Ogunyemi (Appointed 10 October 2020)
Mrs Pauline Little	Miss Siân Williams	Mrs Sonia Smith (Appointed 20 October 2020)
Miss Jennie Hall	Mr Paul Taylor	Miss Becky Chipere (Appointed 5 November 2020)
Miss Fran Byard	Mr John Anstey	
Mr Alan Mills	Mr Hugh Roberts	
Mr William Smart	Mrs Linnett Desporte*	
Mrs Linda White	Mrs Gertrude Nartey	
Mrs Margaret Widberg*	Mrs Rohini Herat	
Mr David Fanshawe	Mrs Ruth Tayler	
Mr Adrian Pickett	Mr David Tayler	
Ms Constantia Pennie	Mrs Elizabeth Smart	
Mrs Denise Watson	Mrs Mary Bannister	
Mrs Collis Peart	Mr Edward Handley*	
Mrs Rosemary Jones		

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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

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Review of progress and achievements

As at the end of the financial year the Croydon Methodist Circuit had five staff members: three ministerial staff: Revd Dr Stephen Day, Revd Soon Cheol Choi and Rev. Nadine Wilkinson, together with Bennie Harms (Lay Pastor) and Juliet Smith (Circuit Administrator).

All our churches remain committed to maintaining their involvement in community outreach activities. The Covid-19 pandemic caused churches to be closed for some of the year or open in a limited way. The following indicates how regular community activities in the circuit churches were affected:

- Parchmore Methodist Church and Community Centre operated its Local Collection Point on a Tuesday and the Food Stop on a Wednesday to support local people experiencing food poverty.
- Norbury Methodist Church's "Pop-in" community café was unable to operate.
- West Croydon Methodist Church's provision for local homeless people continued throughout the year, although adapting to offer a take-away service from the church entrance and giving out food parcels for families.
- Shirley Methodist Church participates in the Croydon Churches' Floating Shelter, providing overnight winter accommodation for local homeless people; however, this was unable to operate.
- Addington Methodist Church engages with three schools; assemblies took place online as did Christmas and Easter activities. The church resumed its coffee mornings outside while collecting for the Vine Food Bank in New Addington; this activity was advertised in the local community and led to good community engagement and support for the food bank. A barbecue in the summer of 2021 celebrated this enhanced local engagement.
- South Norwood Methodist Church's partnership working with South Norwood and Woodside Community Association to provide lunches and activities for older people and those with learning difficulties was unable to take place. Reaching Higher, a charity based at South Norwood Methodist Church and which supports young people and their families continued to operate.
- Christ Church Methodist Church in Addiscombe was unable to operate its annual summer holiday club for children aged 5-11
- At Downsview Methodist Church, Upper Norwood, the Luncheon Club could not operate. However, several of the helpers were allocated several attendees and took responsibility for regularly phoning them. In addition, the leader regularly sent handwritten postcards to attendees as another way of keeping in touch. When the club reopened all the guests shared how grateful they were for these contacts as it lessened their sense of isolation.

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The Downsvie Players, an amateur dramatics group based at Downsvie Methodist Church, were unable to stage performances but worked with the church to create opportunities outside the premises to engage with the community

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. Due to Covid restrictions, with usual activities unable to take place, the children and young people connected with several churches were supported by the delivery of activity packs to their homes and some online events.

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. However Covid restrictions meant that this was not possible for much of the year.

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. Covid restrictions prohibited such engagement for much of the year,

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.

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Plans for the future

The circuit has encouraged churches to reflect on current circumstances and embark on a process of imagining and updating their vision for the future. In considering opportunities and resources available it will facilitate the development of mission plans to direct local church activities and decision-making over the coming years.

At the same time it is hoped that churches' work will begin to return to pre-pandemic levels to bring stability to local church finances and lead in turn to an improvement in the circuit's financial position.

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.

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's image and likeness. Christians see this potential as fulfilled by God's recreation of us in Christ. Among other things this implies a duty to value all people bearing the image of God and therefore to protect them from harm. The Croydon Methodist Circuit commits itself to ensuring the implementation of Methodist Connexional Safeguarding policy; government legislation, guidance and safe practice in the circuit and in the churches in support of this.

In the year under review:

- Owing to Covid restrictions, much of the face-to-face life and work of our churches was severely restricted with public worship, church-led and regular premise user's activities closed. During this time, Safeguarding Officers ensured that where activities were taking place on Zoom, all necessary steps were taken to keep people safe and to check on people's well-being
- As activities re-started, Safeguarding Officers agreed to review the agreements and documentation of all outside hirers of premises, including evidence of DBS checks and compliance with either their own organisational Safeguarding policy or that of the Croydon Methodist Circuit policy
- In early 2021, Revd Cameron Kirkwood agreed to take on the Joint role of Circuit Safeguarding Officer alongside Linda White until August 2022 or before if a lay person was appointed
- Safeguarding officers have since January 2021 taken part in quarterly Zoom meetings for support, setting of priorities, updating each other on actions taken as public worship and activities recommenced

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- All London district churches were required to complete a Safeguarding Audit of processes and practice and to recommend improvement where appropriate
- In June 2021 a written update report on Safeguarding across the circuit was submitted to the Circuit Meeting
- One of our Circuit Safeguarding Officers, Linda White has attended district safeguarding forums for practice sharing on safeguarding
- No new safeguarding concerns related to our activity required reporting to other agencies

In the year ahead:

- We will address any recommendations arising from the Audit findings report
- Encourage some safeguarding officers to undertake the London district training to ensure that Foundation training can be offered to local churches

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.

During the spring and summer of 2020 the Covid-19 pandemic had impacted church incomes such that certain churches were unable to meet assessment payments in full during the year. The Circuit Meeting responded to this situation by instituting a review of the circuit's lay employees by an independent HR consultancy firm, which was presented to the Circuit Meeting in September 2020 to guide decision-making and which implemented the report's recommendations including a reduction in the circuit's lay staffing by one person resulting in the redundancy of the circuit's Youth Development Officer, Lindsey Macfarlane. The circuit gives thanks for the service of the Youth Development Officer over many years.

Although the circuit suffered a reduction of resources in the year ended 31 August 2021 of £50,817 (2020: increase of £3,686), the action taken to reduce fixed expenditure is expected to enable future church assessment levels to be set which better match churches' ability to pay. As a result of the deficit in the year, the circuit's net current assets decreased from £244,186 at the beginning of the year to £193,369 at year end, of which £57,640 (2020: £104,135) represents general reserves.

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The ongoing Covid-19 pandemic has continued to impact the circuit's income in the new financial year which began on 1st September 2021 with reductions in churches' letting income limiting the ability of some churches to meet assessment payments in full. However, taking into account the positive impact of actions taken to reduce the circuit's fixed expenditure and therefore future assessment levels, 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 2.05 months (2020: 3.3) expenditure, slightly below the stated policy of general reserves of at least three months expenditure because of impact of the pandemic on churches' ability to meet assessment payments. Although the circuit envisages a gradual improvement in general reserves as the effects of the pandemic reduce, the circuit's resources do additionally include a balance of £135,729 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. Accordingly the circuit is confident that for the foreseeable future circuit's total reserves will remain at an adequate level.

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.

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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 2021 (2020: 60). 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

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.

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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 7 August 2022 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 2021

	Note	2020 - 21			2019-20		
		General Fund	Model Trust	Total	General Fund	Model Trust	Total
		£	£	£	£	£	£
Income							
Donations	3	0	0	0			0
Charitable activities							
Assessments on churches	5	259,954		259,954	301,020		301,020
Grants receivable	6	0		0			0
Letting income	4	26,400		26,400	26,400		26,400
Total from charitable activities		286,354		286,354	327,420		327,420
Other							
Income from Monetary Investments		109	461	570	421	1,284	1,705
Total income		286,463	461	286,924	327,841	1,284	329,125
Expenditure							
Expenditure on activities							
Grants and donations payable	7	9,410		9,410	9,410		9,410
Salaries and associated costs	8	184,816		184,816	181,709		181,709
Property	9	46,096		46,096	53,706		53,706
District Assessment & Levy	10	65,324	4,783	70,107	65,484	5,639	71,123
Other outgoings	11	27,312		27,312	9,491		9,491
Total charitable expenditure		332,958	4,783	337,741	319,800	5,639	325,439
Net (expenditure)/income before investment gains/losses		(46,495)	(4,322)	(50,817)	8,041	(4,355)	3,686
Gains or Losses on property revaluations				0			0
Net (expenditure)/income before transfers		(46,495)	(4,322)	(50,817)	8,041	(4,355)	3,686
Transfers between funds	21	0	0		12,144	(12,144)	0
Net movement in funds		(46,495)	(4,322)	(50,817)	20,155	(16,469)	3,686
Reconciliation of funds							
Total funds brought forward		2,266,983	140,051	2,407,034	2,246,828	156,520	2,403,348
Total funds carried forward		2,220,488	135,729	2,356,217	2,266,983	140,051	2,407,034

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

All funds are unrestricted. All activities relate to continuing operations.

Croydon Methodist Circuit

Circuit No: 35/41

Balance Sheet as at 31 August 2021

	Note	General Fund: Unrestricted	Circuit Model Trust: Unrestricted	Restricted Funds	Totals 2021	Totals 2020
		£	£	£	£	£
Fixed Assets						
Tangible fixed assets	14	2,162,848			2,162,848	2,162,848
Total fixed assets		2,162,848			2,162,848	2,162,848
Current Assets						
Debtors (including £0 (2020:£7,000) due in more than one year)	15	10,209			10,209	22,917
Investments with TMCP	16		135,729		135,729	140,051
Central Finance Board Deposits	17	66,294			66,294	105,789
Cash at Bank and in hand	17	38,005			38,005	34,928
Total current assets		114,508	135,729		250,237	303,685
Current Liabilities						
Creditors (due in under 1 year)	18	56,868			56,868	59,499
Total current liabilities		56,868			56,868	59,499
Net current assets		57,640	135,729		193,369	244,186
Total assets less current liabilities		2,220,488	135,729		2,356,217	2,407,034
Long Term Liabilities (due after more than one year)	19				0	0
Net assets		2,220,488	135,729	0	2,356,217	2,407,034
Funds of the Circuit						
General Fund (Unrestricted)	20.1	2,220,488			2,220,488	2,266,983
Circuit Model Trust Fund (Unrestricted)	20.2		135,729		135,729	140,051
Total Unrestricted Funds		2,220,488	135,729		2,356,217	2,407,034
Restricted Funds					0	0
Total Funds		2,220,488	135,729	0	2,356,217	2,407,034

The financial statements were approved by the Trustees on 7 August 2022 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 2021

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.

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Notes to the financial statements for the year ended 31 August 2021

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.

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Notes to the financial statements for the year ended 31 August 2021

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	2020
Donations	0			0	0

4. Income from other trading activities

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

	General	CMTF	Restricted	Total	2020
12, Pollards Hill East	26,400			26,400	26,400
Total	26,400			26,400	26,400

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Notes to the financial statements for the year ended 31 August 2021

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	2020
Addington	24,284			24,284	28,648
Christ Church	38,411			38,411	41,268
Downsview	44,492			44,492	44,736
Norbury	6,600			6,600	18,652
Parchmore	27,563			27,563	32,610
Shirley	56,580			56,580	65,796
South Norwood	33,024			33,024	31,708
West Croydon	29,000			29,000	37,602
Total	259,954			259,954	301,020

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

6. Grants receivable

No grants were received in 2021 or 2020.

7. Grants and donations payable

Total grants of £9,410 (2020: £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 (2020: 3 presbyters), and salaries paid to 3 lay workers (2020: 3 lay workers). The salaries are paid by the Connexion but funded by the Circuit.

The superintendent minister of the circuit, the other presbyters, the lay employees and the circuit stewards and treasurer make up the Circuit Leadership Team (CLT) and are considered as key management personnel. The superintendent chairs meetings of the CLT and circuit meetings. The members of the circuit meeting are the trustees of the circuit.

The Presbyters of the circuit undertake the primary executive roles within the circuit. Apart from the three presbyters and the lay employees, who are trustees by virtue of their position, no member of the circuit meeting or CLT was in receipt of any payment for work undertaken on behalf of the circuit although certain travelling and administration costs were incurred in relation to specific projects.

Croydon Methodist Circuit

Notes to the financial statements for the year ended 31 August 2021

Key management personnel and total staff costs related to the presbyters and lay employees and were as follows:

	2020 – 21	2019 – 20
	£	£
Gross stipends and salaries	139,352	136,247
Employer's National Insurance contributions	12,786	12,119
Employer's pension contributions to defined benefit and contribution schemes	23,626	23,421
Travel expenses	1,042	2,767
Total key management personnel costs	176,806	174,554
Fees paid to supernumerary ministers	1,450	755
Telephone and other expenses	3,053	3,227
Computers for Ministry	507	495
Ministers training	0	495
Removal expenses	3,000	2,183
Total salaries and associated costs	184,816	181,709

Included in key management personnel costs above are salary and employment-related expenses related to the three non-presbyteral staff by category as follows:

	Mission		Administration	Total	2019 - 20
	Lay pastor	Youth development			
Gross salaries	24,916	19,266*	16,045	60,227	57,968
Employer's National insurance	2,228	720	999	3,947	4,572
Pension contributions	1,404	568	963	2,935	3,671
Travel expenses	636	9	9	654	1,376
	29,184	20,563	18,016	67,763	67,587

* Includes redundancy payment made during the year

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. The travel costs of Presbyters who attended CLT and circuit meetings is included within their overall travel expenses and is not separately determined.

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

Croydon Methodist Circuit

Notes to the financial statements for the year ended 31 August 2021

9. Property costs

The circuit is Managing Trustee for 7 manses, 6 of which were occupied during the year 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.

	2020 – 21	2019 – 20
	£	£
Maintenance -		
Barnfield Avenue	1,337	981
Norbury Avenue	823	13,757
The Manse, Huntingfield	4,420	972
Pollards Hill East	1,429	174
Sefton Road	2,800	3,058
Southern Avenue	10,771	10,564
Letting agents' fees	3,960	3,960
Council Tax	11,848	12,249
Water charges	1,690	1,686
Insurance	5,740	5,525
Survey fees	1,278	780
Total	46,096	53,706

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	2020
Methodist Church Fund (MCF)	57,166			57,166	53,854
District Expenses	8,158			8,158	11,630
Levy on CMTF funds		4,783		4,783	5,639
Total	65,324	4,783		70,107	71,123

11. Other outgoings

	General	CMTF	Restricted	Total	2020
Preaching and Worship:					
Circuit plan and directory	195			195	375
Other costs:					
Circuit office	1,399			1,399	1,636
Resources	2,903			2,903	2,228
Payroll admin cost	480			480	480
Subscriptions	397			397	356
Miscellaneous	21,938			21,938	4,416
Total	27,312			27,312	9,491

Croydon Methodist Circuit

Notes to the financial statements for the year ended 31 August 2021

12. Payments to trustees

The Circuit does not make payments to trustees other than as disclosed in note 8 above.

13. Governance costs

A fee of £1,176 (2020: £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 £
Cost or valuation				
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				
Balance carried forward	704,100	1,458,748	1,336	2,164,184

14.2 Accumulated depreciation

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

14.3 Net book value

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

Croydon Methodist Circuit

Notes to the financial statements for the year ended 31 August 2021

15. Debtors and prepayments

Circuit assessment debtors are measured on the basis of the amount expected to be recovered within twelve months. Debtors refer to the General Fund.

	2020 – 21 £	2019 – 20 £
Trade debtors		
Circuit assessments (net of provisions of £40,383 (2020: £11,350))	0	0
Loan to Parchmore Methodist Church (a related party)	0	13,000
Prepayments and accrued income	10,209	9,917
Total (net)	10,209	22,917

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

	2021 £	2020 £
Creditors and accruals		
Trade Creditors	0	0
Accruals and deferred income	56,868	59,499
Total	56,868	59,499

Maturity analysis of basic financial instruments

	Accrued at 01-Sep-20	Paid in year	Accrual made in year	Accrued at 31-Aug-21
Trade creditors				
Trade Creditors	0	0	0	0
Accruals	59,499	(59,499)	56,868	56,868
Total	59,499	(59,499)	56,868	56,868

It is expected that all sums accrued at 31 August 2021 will be paid during the year to 31 August 2022.

Croydon Methodist Circuit

Notes to the financial statements for the year ended 31 August 2021

19. Long Term Liabilities

The Circuit has no long term liabilities as at 31 August 2021 (2020: £Nil)

20. Unrestricted Funds

20.1 General Fund – balance £2,220,488 at 31 August 2021 (2020: £2,266,983)

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 £135,729 at 31 August 2021 (2020: £140,051)

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

Fund	Balance at 01-Sep-20 £	Income £	Expenditure £	Transfers £	Balance at 31-Aug-21 £
General Fund	2,266,983	286,463	(332,958)	0	2,220,488
Circuit Model Trust Fund	140,051	461	(4,783)	0	135,729
Total Funds	2,407,034	286,924	(337,741)	0	2,356,217

Fund	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
Total Funds	2,403,348	329,125	(325,439)	0	2,407,034

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 2021

23. Capital commitments and contingent liabilities

There were no capital commitments at the year end (2020: £nil). The circuit had contingent liabilities of £7,000 at the year end (2020: £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 2021 set out on pages 11 to 22.

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
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Date: 8 August 2022