

**District  
Accruals Accounts  
2021-22**

**THE METHODIST CHURCH  
STANDARD FORM OF ACCOUNTS  
ACCRUALS BASIS  
for the year ended 31 August 2022**

<b>London District</b>	District no <b>35</b>
------------------------	-----------------------

**Registered Charity - Registration number**

**1134871**

**District Chairs**

**The Revd Nigel Cowgill**

**Revd Dr Jongikaya Zihle**

**Synod Secretary**

**Mrs Denise Susan Tomlinson (To 1 May 2022)**

**Mr John Logan (From 1 May 2022)**

**Presbyteral Synod Secretary**

**Revd Rosamund Hollingsworth**

**District Council Secretary**

**Mrs Hilary Porter**

**Treasurer**

**Mr George Kulasingham**

# THE METHODIST CHURCH - LONDON DISTRICT

## TRUSTEES' ANNUAL REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Objectives and Activities

##### 1.1 Aims and organisation

The aims of the District are to advance the mission of the Church in the region, by providing opportunities for Circuits to work together and support each other, by offering them resources of finance, personnel and expertise which may not be available locally and by enabling them to engage with the wider society of the region as a whole and address its concerns. The District serves the Local Churches and Circuits and the Conference in the support, deployment and oversight of the various ministries of the Church and in programmes of training. Wherever possible the work of the District is carried out ecumenically.

The District Council constitutes the Leadership Team between meetings of the District Synod, with a Group of Officers acting as the managing trustees. The District Council set the policy for the District and delegate various tasks to sub-committees and officials to implement that policy and to report back.

##### 1.2 The London District Vision

The London District of the Methodist Church currently comprises 18,000 members, 205 ministers, of which 127 are in active ministry, 233 churches and 34 circuits and their projects together with a number of educational institutions. We are a diverse group of people originating from many different countries and communities who find ourselves worshipping and witnessing together in urban, suburban and more rural areas. We have come together in the belief that we are better together and our intention is to contribute to the well-being of each other, of this global city and the surrounding areas; and of the wider Methodist Church.

As the people, churches and projects of the London regional District of the Methodist Church our mission is:

To share the good news of Jesus Christ throughout Greater London and the surrounding areas and to improve the well-being of people and their communities by:

- Engaging pastorally and prophetically with the communities in which our churches are located and with the wider region
- Equipping and developing faithful and fruitful disciples and congregations
- Equipping and developing faithful and fruitful preachers and ordained ministers

The delivery of work in these areas is facilitated respectively by:

- the Social Responsibility Commission
- the Authorised Ministries Commission
- the Learning Network

##### 1.3 The District ways of working include:

- Engaging in theological reflection and prayerful discernment which will help us to understand our mission more fully
- Building quality relationships across our circuits, with wider Methodism and with ecumenical, inter faith, and community groups
- Building quality relationships with civic and political authorities in the area covered by the District
- Seeking to communicate effectively and work collaboratively
- Living and working creatively with diversity and difference
- Deploying the resources over which we have stewardship effectively and flexibly
- Developing and sharing best practice

# THE METHODIST CHURCH - LONDON DISTRICT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

## 2 Review of progress and achievements

### 2.1 The London District Annual Report

The London District Annual Report is prepared and presented to the Representative session of the Spring District Synod each year. It gives full details of the activities of the Commissions and all the groups making up the Commissions and the core central resources. Please contact the District Office at the registered address for a copy of the Full Annual Report of Activities.

### 2.2 District Goals

As adopted by the Synod in April 2014:

1. To develop lay leadership – in breadth, depth, numbers and confidence.
2. To ensure that every Minister and Local Preacher is engaged in an intentional review and development of their ministry.
3. To increase participation in social and civic action by identifying and sharing good practice and promoting networks of practitioners - rooting such engagement in our Methodist identity.

It is clear that the goals by no means exhaust the wider remit of Commissions or embrace anything like the range of essential activities carried out in the name of the District. They are, however, intended to help focus the major developmental work that is seen to be key to the next phase of the District's life as it seeks to support the ministry and mission of the local churches and circuits and to engage with the wider context of London as a global city.

### 2.3 Achievements

Each body in the life of the District as been challenged and given the opportunity locally to respond to the District Goals within their own context. This has provided a focused strategy and has drawn on the things that are unique about being in London to engage with a particular issue, speak into the City, offering to the connexion and the world church. This has been achieved through our district theme "Woven" (God's Story & Our Faith Story woven into the fabric of our communities). Our focused theme fits in with the Evangelism & Growth strategy of the Methodist Conference.

In response to the Covid pandemic we have achieved the following:

- a higher online presence through training opportunities for learning, development and best practice. This has given the District opportunities to come together in new and innovative ways.
- in response to the ongoing covid pandemic continued with home working to achieve the work of the District.

### 2.4 Plans for future years

We continue to review and develop our mission across the District by resourcing local churches and circuits to proclaim the good news of Jesus Christ through projects and training opportunities. In recognition of the importance of Safeguarding we continue to employ a Assistant Safeguarding Officer to work alongside our current District Safeguarding officer. We continue to work with the Regional Learning Network and the District Children's and youth coordinator to support the life of the District and meeting the goals. As a consequence of the Covid pandemic we will continue to review how the District responds to the challenges and opportunities that this presents to us in all the work that we do.

# THE METHODIST CHURCH - LONDON DISTRICT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 3 Financial Review

The District's income and expenditure is detailed in the SOFA on page 9.

A copy of the accounts for the year accompany this report. The managing trustees are responsible for the preparation of the accounts and consider that an audit is required.

The managing trustees have reviewed the amounts held in the various reserve accounts and, having regard to the commitments of the District to expand its activities and acquire appropriate equipment for its purposes, consider the reserves are adequate but not excessive.

The purposes of each individual fund under the control of the District is shown in note 17 of the notes to the accounts along with a summary of movements on each individual fund.

The general fund does not include the value of the two manse owned by the District. These are held in a separate fund for ease of management.

The London District continues to have the following principal sources of income:

- Assessments on circuits within the District for General District Expenses
- Levies on the Circuit Model Trust funds within the District - for the DAF
- Interest on Investments destined for individual restricted funds

#### 3.1 Investment Policy

The investment of surplus funds is operated through the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide a high quality investment service seeking above average returns for long term investors, whilst ensuring that the securities held by all its funds are in line with the ethical policy of the Methodist Church. The District has its funds in a deposit account with CFB. The Restricted Funds are managed by Trustees for Methodist Church Purposes (TMCP). These funds are also invested with CFB. The Trustees liaise with the Tower Hamlets Circuit on the use of the City Centre funds for the benefit of the Tower Hamlets Circuit.

#### 3.2 Reserves policy and level

3.2.1 The reserves maintained by the London District and their purposes are detailed in Note 17.

3.2.2 Reserves Policy

##### - General Funds (unrestricted)

The funds in the general fund at the end of the year are held as a reserve to cover for an irregular flow of expenditure. Historically, reserves equivalent to approximately six months annual expenditure was retained by the District. In view of the Covid-19 pandemic, the District Council consider a lower level of retained reserves is appropriate. The District Council expect to retain between two and six months annual expenditure for the financial years 2020-21 and 2021-22, rising to between three and six months annual expenditure in the years subsequent. The funds released by retaining less reserves will be used to continue manse maintenance and, to provide support for the work of Circuits in the London District as necessary.

##### - Designated Funds (unrestricted)

The designated funds are earmarked for those purposes as detailed in Note 17 to the accounts.

##### - Restricted Funds

The restricted funds, as detailed in Note 17 to the accounts, are to be used exclusively for the purposes listed.

#### 3.3 Collaborative arrangements with connected charities

The London District's main source of funding is the assessments obtained from each Circuit within the District. These assessments are generally based on the membership and staffing levels of the Circuits. The assessments are used to defray most of the cost of administering the District.

Each year the District is allocated a sum by the London Mission Fund (LMF). In the year this was £129,733. This amount is made available to the District Advance Fund committee to meet applications for grants as they see fit. Any grants are paid directly from the LMF and are not paid into the District funds.

The District also obtained from each Circuit with a reserve known as a Circuit Model Trust Fund (CMTF) a levy based on the size of the Circuits' CMTFs at the start of the connexional year (1st September). In the year this CMTF amount was £470,859.

The District receives quarterly from circuits within the district, each circuits' contribution to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same quarter. Funds received by the District as agent are not recognised as asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement.

# THE METHODIST CHURCH - LONDON DISTRICT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### **FOR THE YEAR ENDED 31 AUGUST 2022**

---

#### **4 Trustees Responsibilities**

For each financial year ending 31st August, the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe methods and principles in the Charities SORP 2019 (FRS 102);
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for ensuring that sufficient accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Methodist Church - London District and enables them to ensure that the financial statements comply with the law and Standing Orders of the Methodist Church.

They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **4.1 Risk Management**

A Risk Register has been agreed by the District Council. The register documents the various risks considered by the council to be facing the District, the potential impact of those risks and the likelihood of the issues happening. It is reviewed annually, and continues to be monitored by the District Council in light of the Covid pandemic. The headings under which these risks are being categorised include:

- Governance Risks including Trustees' Responsibilities
- Operational Risks including Resources, People and Property
- Financial Risks
- External Risks and Legal Risks

# THE METHODIST CHURCH - LONDON DISTRICT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 5 Structure, governance and management

##### 5.1 Structure

The London District is an unincorporated association and is governed by the Methodist Church Act 1976, the deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commissioners on 12th March 2010.

Circuits are the coordinating charities for local groups of churches; circuits pay the stipends of the ministers and employ lay staff to serve the churches in the circuit; most decisions are made at or ratified by the circuit meetings. A District is the coordinating charity for a group of contiguous circuits and makes its decisions at half yearly synods. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- 1 Overall regulatory authority rests with the Methodist Conference.
- 2 The Connexional office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District.
- 3 Connexional decisions are passed to the Chair of the Districts and the appropriate officers of the District for implementation.
- 4 The District passes control down to circuit level for local implementation by the Superintendent Minister, ministerial staff and circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
- 5 The Circuit Meeting passes regulatory control down to church councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by church councils as Managing Trustees of their charity.

##### 5.2 Purpose of the District

The District is an expression, over a wider geographical area than a Circuit, of the Connexional character of the Church. 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, and
- b any charitable purposes for the time being of any connexional, District, Circuit, local or other organisation of the Methodist Church, and
- c any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- d any purpose for the time being of any charity being a subsidiary or ancillary of the Methodist Church.

The primary purpose of this District is to advance the mission of the church in London by:

- 1 providing opportunities for Circuits to work together and support each other
- 2 offering to Circuits resource of finance, personnel and expertise.

The District serves the Local churches and Circuits and the Conference in the support, development and oversight of the various ministries of the church, and in programmes of training.

##### 5.3 Governance

The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the District.

The members of the District Policy Committee (DPC), known in the London District as the District Council, are annually appointed by a vote of the Synod for a continuous term not normally exceeding six years. One of the chairs of the London District is ex officio chair of the District Council. When a position becomes vacant on the District Council, nominations are invited from ministers and lay members of Circuits within the District. The Chair of the District then shares with nominees what the roles involve. If they wish to be considered for a role, their names and reasoned statements are taken to the District Council and the District Synod for appointment. Members may be either ministers or lay people attending churches in the area covered by the District.

# THE METHODIST CHURCH - LONDON DISTRICT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 5.4 Responsibility of the District Council

- i to formulate and promote policies which will advance the mission of the Church in the Circuits and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches and Circuits having exceptional problems
- ii to encourage inter-Circuit and ecumenical co-operation
- iii to act in an executive capacity in matters remitted to the Committee by the Synod
- iv to keep within its purview all District concerns not dealt with elsewhere
- v to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind
- vi to be aware that the stipend of the Chair of the District is set – currently by reference to the change over a year in the Consumer Price Index and to the annual change in the Average Weekly Earnings Index – using a formula that was agreed by the Methodist Conference for all ministers within the Connexion
- vii constantly to be aware of the public benefit guidance issued by the Charity Commission

#### 5.5 The London District Council

The London District meets between 3 and 5 times a year to deal with routine and exceptional matters. It seeks to think strategically about the work of the District and carry out administrative matters for the District between Synods. Its key functions have been:

- to encourage the District to meet the District Vision, and enable the District to achieve the District Goals
- to monitor the life and mission of the whole District
- to identify and advocate strategic policy directions
- to coordinate the initiatives of the Commissions and others
- to oversee formal consents, authorisations and approvals (mainly managed by Commissions)
- to ensure essential appointments are made and compliances met

#### 5.6 Public Benefit Requirement

The trustees had due regard to the guidance published by the Charities Commission in compliance with its duties under section 4 of the Charities Act 2011.

This guidance sets out two key principles:

1. The organisation must have an identifiable benefit.
2. The benefit must be to the public or a section of the public.

The church exists to:

- increase awareness of God's presence and to celebrate God's love;
- help people to learn and grow as Christians, through mutual support and care; and
- be a good neighbour to people in need and challenge injustice.

The trustees consider that for these reasons the charity meets these public benefit requirements.

# THE METHODIST CHURCH - LONDON DISTRICT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 6 Reference and Administration Details

- 6.1** The full name of the Charity is the London District of the Methodist Church "the London District".
- 6.2** The London District is registered as a charity with the Charity Commission in England and Wales. The organisation's Charity No is 1134871.
- 6.3** The address of the District for correspondence is District Office, Methodist Central Hall Westminster, Storey's Gate, Westminster, London SW1H 9NH. The name of the person to whom correspondence should be addressed is Revd Nigel Cowgill a District Chair.
- 6.4** The trustees that served during the year were:  
 Revd Nigel Cowgill, Revd Dr Jongikaya Zihle, Mrs Denise Tomlinson, Mr George Kulasingham, Revd Faith Nyota, Revd Andrew Dart, Mrs Hilary Porter, Revd Dr Timothy J Bradshaw, Revd Roz Hollingsworth, Mrs Nancy Acquah, Revd Elaine Joseph, Mr George Noi-Lartey, Mr Anthony Boeteng, Mr John Logan from 1st May 2022.

For the purposes of Model Trusts under the Methodist Church Standing Order 966, the District trustees who served during the year as trustees of district property were:

Revd Nigel Cowgill, Revd Jongikaya Zihle, Mr George Kulasingham, Mrs Hilary Porter, Mrs Denise Tomlinson, Revd Rosamund Hollingsworth and Revd Faith Nyota.

- 6.5** The District's Bankers are: CAF and the Central Finance Board of the Methodist church "CFB".
- 6.6** Investments managed by the District are held by Trustees for Methodist Church Purposes "TMCP".
- 6.7 Disclosure of information to auditors**  
 In so far as the trustees are aware:  
 - there is no relevant audit information of which the charity's auditors are unaware; and  
 - the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- 6.8 Auditors**  
 Trustees considered it prudent to periodically review / retender for the audit work where possible in line with the Methodist 6 year general guideline.  
 A recommendation was put to the District Council in the summer of 2022 that they re appointed Clay Ratnage Strevens & Hills.

#### Approval

The report was approved by the trustees

24/1/2023

and signed on their behalf by:



.....  
**Revd Dr Jongikaya Zihle**  
 District Chair

# THE METHODIST CHURCH - LONDON DISTRICT

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	General Fund (Unrestricted)	Designated Funds (Unrestricted)	District Advance Fund (Designated)	Other Funds (Restricted)	Endowment Funds	Total 2021-22	Total 2020-21
		£	£	£	£	£	£	£
<b>Incoming Resources</b>								
1 Donations & Legacies		10,000	-	-	-	-	10,000	7,240
2 Charitable activities		-	-	-	-	-	-	-
3 Interest and Investment Income	2	1,743	518	7,945	42,832	1,369	54,407	41,860
4 Other income	3.1	-	33,810	16,558	-	-	50,368	57,170
5 Assessment on Circuits	3.2	228,344	-	-	-	-	228,344	249,584
6 Contributions from Circuit Model Trust Funds		-	-	470,859	-	-	470,859	409,643
7 Connexional Advance & Property Fund		-	-	-	-	-	-	-
8 Contribution to cost of chair		86,490	-	-	-	-	86,490	127,296
9 Capital Receipts		-	-	-	-	-	-	-
10 Grants (including tfrs from DAF & General Fund)	4.2	-	106,625	-	-	-	106,625	176,947
11 Manse Rent Received		-	-	-	-	-	-	-
<b>12 Total Incoming Resources</b>		<b>326,577</b>	<b>140,953</b>	<b>495,362</b>	<b>42,832</b>	<b>1,369</b>	<b>1,007,093</b>	<b>1,069,740</b>
<b>Resources Expended</b>								
13 Grants and Donations committed in year	5.1	-	13,225	121,325	116,801	-	251,351	491,621
14 Salaries and associated costs	6	278,976	123,900	-	-	-	402,876	402,087
15 Property (incl Ins., C tax, utilities etc)	7	36,398	7,654	-	-	-	44,052	73,043
16 Office Expenses (Admin., tel. travel etc.)		19,913	9,349	-	-	-	29,262	24,676
17 Synods, committees, Conference, etc		11,718	16,410	-	-	-	28,128	2,483
18 Depreciation	9	737	19,693	-	-	-	20,430	20,550
19 Training	8	-	10,926	-	-	-	10,926	-
20 Other Expenditure	8	5,488	21,153	3,152	7,337	211	37,341	35,910
21 Audit and Accountancy fees	19	9,625	-	-	-	-	9,625	9,396
22 Manse loan interest		-	-	-	-	-	-	-
23 Capital Expended		-	-	-	-	-	-	-
<b>24 Total Resources Expended</b>		<b>362,855</b>	<b>222,310</b>	<b>124,477</b>	<b>124,138</b>	<b>211</b>	<b>833,991</b>	<b>1,059,766</b>
<b>25 Net Incoming/(Outgoing) Resources</b>		<b>(36,278)</b>	<b>(81,357)</b>	<b>370,885</b>	<b>(81,306)</b>	<b>1,158</b>	<b>173,102</b>	<b>9,974</b>
26 Transfers between funds		-	-	-	-	-	-	-
<b>27 Sub Total</b>		<b>(36,278)</b>	<b>(81,357)</b>	<b>370,885</b>	<b>(81,306)</b>	<b>1,158</b>	<b>173,102</b>	<b>9,974</b>
28 Gains/(losses) on disposal of Manse		-	-	-	-	-	-	-
29 Gains/(losses) on revaln fixed assets		-	-	-	-	-	-	-
30 Gains/(losses): on investment assets		-	-	-	(152,576)	(3,271)	(155,847)	18,809
<b>31 Net investment in funds</b>		<b>(36,278)</b>	<b>(81,357)</b>	<b>370,885</b>	<b>(233,882)</b>	<b>(2,113)</b>	<b>17,255</b>	<b>28,783</b>
32 Total funds brought forward from last year		186,954	2,030,132	234,790	2,606,824	73,873	5,132,573	5,103,790
33 Difference		-	-	-	-	-	-	-
<b>34 Total funds carried forward at end of year</b>		<b>150,676</b>	<b>1,948,775</b>	<b>605,675</b>	<b>2,372,942</b>	<b>71,760</b>	<b>5,149,828</b>	<b>5,132,573</b>

For information only: Money received and passed on to External Organisations

Balance brought forward from last year

Offerings/Gifts - received for External Organisations

Offerings/Gifts - passed to External Organisations

Balance still to be paid

-	-
-	-
-	-
-	-

The notes on the following pages form part of these accounts.

# THE METHODIST CHURCH - LONDON DISTRICT

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	General Fund (Unrestricted)	Designated Funds (Unrestricted)	District Advance Fund (Designated)	Other Funds (Restricted)	Endowment Funds	Total 2022	Total 2021
		£		£	£	£	£	£
<b>Tangible Fixed Assets</b>								
Manse and other property	9	1,527	1,685,657	-	-	-	1,687,184	1,706,586
Investment properties		-	-	-	-	-	-	-
Investments with TMCP		-	-	-	1,509,836	48,808	1,558,644	1,714,491
<b>Total fixed assets</b>		<b>1,527</b>	<b>1,685,657</b>	<b>-</b>	<b>1,509,836</b>	<b>48,808</b>	<b>3,245,828</b>	<b>3,421,077</b>
<b>Current Assets</b>								
Debtors and Prepayments	10	36,899	-	1,703	-	-	38,602	22,255
Loans by the District		-	-	-	-	-	-	-
Trustees for Methodist Church Purposes - Interest Accounts	11	-	113,914	1,271,507	835,740	22,952	2,244,113	2,153,481
Central Finance Board Deposits	12	-	149,204	-	27,366	-	176,570	244,043
Cash at Bank and in hand	12	137,022	-	-	-	-	137,022	174,675
<b>Total current assets</b>		<b>173,921</b>	<b>263,118</b>	<b>1,273,210</b>	<b>863,106</b>	<b>22,952</b>	<b>2,596,307</b>	<b>2,594,454</b>
<b>Current Liabilities</b>								
Creditors (due in under 1 year)	13	24,772	-	-	-	-	24,772	11,660
Grants Payable within 1 year	5	-	-	561,535	-	-	561,535	676,287
<b>Total current liabilities</b>		<b>24,772</b>	<b>-</b>	<b>561,535</b>	<b>-</b>	<b>-</b>	<b>586,307</b>	<b>687,947</b>
<b>Net current assets</b>		<b>149,149</b>	<b>263,118</b>	<b>711,675</b>	<b>863,106</b>	<b>22,952</b>	<b>2,010,000</b>	<b>1,906,507</b>
<b>Total assets less current liabilities</b>		<b>150,676</b>	<b>1,948,775</b>	<b>711,675</b>	<b>2,372,942</b>	<b>71,760</b>	<b>5,255,828</b>	<b>5,327,584</b>
<b>Long term liabilities</b> (due after more than one year)								
Grants Payable after 1 year	5	-	-	106,000	-	-	106,000	195,011
Loans to the District		-	-	-	-	-	-	-
Other liabilities due after 1 year		-	-	-	-	-	-	-
<b>Net assets</b>		<b>150,676</b>	<b>1,948,775</b>	<b>605,675</b>	<b>2,372,942</b>	<b>71,760</b>	<b>5,149,828</b>	<b>5,132,573</b>
<b>Funds of the District</b>								
General Fund (Unrestricted)	17	150,676					150,676	186,954
Projects (Designated)			1,948,775				1,948,775	2,030,132
District Advance Fund (Designated)				605,675			605,675	234,790
<b>Total Unrestricted funds</b>							2,705,126	2,451,876
Other Funds (Restricted)					2,372,942		2,372,942	2,606,824
Endowment Funds						71,760	71,760	73,873
<b>Total Funds</b>		<b>150,676</b>	<b>1,948,775</b>	<b>605,675</b>	<b>2,372,942</b>	<b>71,760</b>	<b>5,149,828</b>	<b>5,132,573</b>

The Notes on following pages form part of these accounts.

Approved by the managing trustees on 24/1/2023

and signed on their behalf by:



Revd Dr Jongikaya Zihle  
District Chair

# THE METHODIST CHURCH - LONDON DISTRICT

## STATEMENT OF CASH FLOWS

**AS AT 31 AUGUST 2022**

	Total Funds £	Prior year funds £
<b>Cash flows from operating activities:</b>		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	17,255	28,783
<b>Adjustments for:</b>		
Depreciation charges	20,430	20,550
(Gains)/losses on investments and fixed asset revaluation	155,847	(18,809)
Dividends, Interest and rents from investments	(54,407)	(41,860)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(16,347)	(8,645)
Increase/(decrease) in creditors	(190,651)	(90,463)
<b>Net cash provided by (used in) operating activities</b>	<b>(67,873)</b>	<b>(110,444)</b>

<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	54,407	41,860
Proceeds from the sale of property, plant & equipment	-	-
Purchase of property, plant and equipment	(1,028)	(2,525)
Proceeds from sale of investments	-	-
Purchase of investments	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>53,379</b>	<b>39,335</b>

<b>Cash flows from financing activities:</b>		
Repayment of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>Change in Cash and Cash equivalents in the reporting period</b>	(14,494)	(71,109)
<b>Cash and Cash equivalents at the beginning of the reporting period</b>	2,572,199	2,643,308
Change in Cash and Cash equivalents due to exchange rate movements	-	-
<b>Cash and Cash equivalents at the end of the reporting period</b>	<b>2,557,705</b>	<b>2,572,199</b>
Cash in hand (at bank,- HSBC,CFB, TMCP)	2,557,705	2,572,199
Notice deposits (less than 3 months)	-	-
Overdraft repayable on demand	-	-
<b>Total cash and equivalents</b>	<b>2,557,705</b>	<b>2,572,199</b>

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Accounting framework and accounting policies

##### i Accounting framework

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

##### ii Basis

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

These accounts have been prepared on the basis of historical cost except that investments and land and buildings are shown at their market value at the end of the year, and grants committed, but not paid are provided on the accruals basis to show a true and fair view of the District's financial position and activities.

##### iii 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.

##### iv FRS102 SORP 2019

To ensure a closer compliance with the FRS102 2019 a further policy change has been made to the treatment of undrawn grants from the District Advance Fund, (DAF).

These accounts are compliant with FRS102 and with the FRS102 SORP 2019.

##### v Going concern

Based on the monetary assets and human resources available at 31 August 2022, the trustees believe that the District is a going concern.

##### vi Consolidation

The District oversees the work of ministers and lay workers in Churches and Circuits within the District, but does not have control over those Circuits or Churches, ministers or lay workers except in accordance with standing orders of the Methodist Church 1932 Act, none of which were applicable. For this reason, the financial statements of the Churches and Circuits within the District are not consolidated into these financial statements.

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

---

#### **vii Income recognition**

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the District. No attempt is made to measure the value of services donated by volunteers. Details of how the contribution to the cost of the District Chair has been determined appears in Note 4.1. A similar figure appears in the Expenditure at Note 6.

Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in the following matters:

1. the collection of quarterly assessments from circuits which are paid to the Methodist Church Fund
2. the payment of expenses of delegates from the District to the Methodist Conference
3. the cost of ministerial health checks recovered from Circuits.

In all these matters the transactions are not reflected in the SOFA because there is no obligation on the District to make up any shortfall in assessments from Circuits. Sums received as Circuit assessments cannot be recognised as income in the District as they are the income of the MCF.

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised.

#### **viii Expenditure**

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

#### **ix Grants**

From 2016-17 all grants committed to a specific project will be included as grant liabilities. The exceptions being grants which are older than 6 years and are unlikely to be drawn down from the DAF and funds earmarked for potential grants, e.g. to facilitate an emergency response. These undrawn grants may be cancelled by the DAF committee and the funds released back to available funds for reallocation. Until these grants are agreed as cancelled, the funds will be treated as Contingent Liabilities.

#### **x VAT**

Since the District is not VAT registered, all input VAT is charged with the expenses to which it refers.

#### **xi Tangible fixed assets**

These are capitalised if they can be used for more than one year, and individually cost at least £500. The freehold properties are shown in the accounts at market valuation at the end of the financial year. The building value has been depreciated over a period of 50 years.

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

---

#### **xii Investments**

The investments of the District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 17.

#### **xiii Debtors and creditors; bank and cash**

Debtors are stated at the amounts owed to the District or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or amount advanced to the District. 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 the realisable values.

#### **xiv Loans**

Where concessionary loans (*i.e.*, free of interest) are made to (or received by) the District to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid [or received], with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the Statement of Financial Activities. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

#### **xv Methodist Church Fund**

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the quarterly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

#### **xvi Ministers' manse costs**

The District is required to provide accommodation for each Minister and his / her family. The District bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for Ministers as HMRC does not seek to tax these receipts in the hands of the Ministers.

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 2 Interest & Investment Income

The market valuations for Trusts holding not cash investments have been provided by TMCP.

Other funds are held on deposit at CFB or in the current accounts at CAF or HSBC.

2.1	Interest Received	Fund Type	Held at	2021-22	2020-21
	General Fund	U	CFB	1,743	571
	Manse Fund	D	TMCP	518	468
	District Advance fund	D	TMCP	7,945	3,808
	Pastoral & Benevolent Fund	R	CFB	35	19
	Tower Hamlets - Trustee A/C	R	TMCP	4,223	3,069
	Jean Richardson Endowment	E	TMCP	105	71
2.2	Dividend Income Received	Fund Type	Held at	2021-22	2020-21
	Tower Hamlets - Trustee account	R	TMCP	38,574	33,042
	Jean Richardson Endowment	E	TMCP	1,264	812
<b>Total Interest &amp; Investment Income</b>				<b>54,407</b>	<b>41,860</b>

#### 3.1 Other income

The District does not undertake fundraising.

Contributions are received from organisations and individuals towards various activities organised by, with or through the District e.g. conferences, training, chaplaincy etc. Those contributions in the year consisted of :

		2021-22	2020-21
		£	£
Towards Chaplaincy (City University)	G	33,810	37,170
Inter Circuit Support	G	-	20,000
Mission in Britain	D	16,558	-
		-	-
		50,368	57,170
District Advance Fund		-	-
		<b>50,368</b>	<b>57,170</b>

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 3.2 Assessment from Circuits

All Circuits (see list given below in this note) paid their assessments to the District and to the MCF during the year. An assessment on Circuits is annually determined by Districts by reference to the number of staff in the Circuits and the number of Church members but may also take into account a Circuit's ability to pay. Circuits in the District are as follows:

Circuit No	Circuit Name	2021-22	2020-21
		Assessments From Circuits	
35/01	City Road	46,356	46,356
35/02	West London Mission	43,164	43,164
35/03	Westminster	43,716	43,716
35/04	Chelsea, Hammersmith & Fulham	21,924	21,924
35/05	Battersea and Wandale Valley	59,324	59,324
35/06	Lambeth (merged with Brixton&Streatham 2016)	36,324	36,324
35/07	Southwark & Deptford	102,064	102,064
35/09	Tower Hamlets	17,624	17,624
35/10	Hackney & Stoke Newington	43,824	43,824
35/11	Islington and Camden Mission	16,924	16,924
35/12	LM - North West	30,844	30,844
35/13	Harlesden	18,424	18,424
35/14	Notting Hill	8,724	8,724
35/17	Clapham	28,924	28,924
35/20	Newham	33,024	33,024
35/22	New River	94,424	94,424
35/23	Wembley	33,104	33,104
35/24	Ealing Trinity	45,036	45,036
35/25	Richmond & Hounslow	33,424	33,424
35/26	Wimbledon	24,724	24,724
35/28	Blackheath & Crystal Palace	47,024	47,024
35/30	Lesnes Abbey	45,724	45,724
35/31	Barking, Dagenham & Ilford	47,756	47,756
35/32	Romford	49,624	49,624
35/33	Forest	82,724	82,724
35/34	Enfield	65,924	65,924
35/35	Barnet & Queensbury	46,424	46,424
35/36	Harrow & Hillingdon	90,524	90,524
35/37	Teddington	24,624	24,624
35/38	Kingston upon Thames	34,616	34,616
35/39	Sutton	61,464	61,464
35/40	Purley	25,424	25,424
35/41	Croydon	65,324	65,324
35/42	Bromley	28,124	28,124
35/43	Orpington & Chislehurst	48,544	48,544
		1,545,740	1,545,740

#### Contribution to Methodist Church Fund (MCF)

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District all of which were collected or shown as debtors at the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

Total Methodist Church Fund assessments levied on circuits in the year

Assessment of Circuits towards London District Expenses

2021-22	2020-21
1,317,396	1,296,156
228,344	249,584

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 4.1 Cost of Chair and trustees

The Chair of District chairs meetings of the District Policy Committee (DPC). The members of the DPC are the trustees of the District. The stipend, employer's NIC and employer's pension contributions of the Chair of District are paid by the Methodist Connexion. The Chair's other costs are met mostly by the District.

Since the stipend-related costs above are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District.

It should be noted that the District Chairs are required to occupy the District manses. Two manses are provided and maintained by the London District alone. The third manse is owned by the London Committee fund and the cost of maintenance is shared between the London District and the London Committee. The value of the council tax and water charges paid for a minister by the District is not included as HMRC does not regard this as a taxable benefit to the minister.

No accrual is made for the Chair's entitlement to a sabbatical as his / her functions are undertaken by other District Chairs or delegated persons at minimal extra cost to the District.

#### Payment to Trustees

It is District policy to offer to reimburse members of the District Council and others involved in the administration of District affairs for expenditure properly incurred in carrying out their duties. The Chair of the District undertakes the primary executive role within the District. Apart from the Chair of District no member of the District Council was in receipt of any payment for work undertaken on behalf of the District, although certain travelling and administration costs were reimbursed whenever this was requested. None of the trustees is an employee of the District.

#### 4.2 Grants to Direct District Projects / Funds

	2021-22	2020-21
The Annual budget allows for a contribution from the general fund to the Benevolent fund. This is not treated as a transfer but a grant.	-	-

The District Advance Fund committee made grants to the following projects managed directly by the District. The following grants were made in the year. These are not treated as transfers, but as external payments. Being reflected in DAF payments and in the individual fund income as Grants Income received.

Project	DAF Grants Paid to District Accounts	2021-22	2020-21
(D) District youth work		52,000	52,000
(D) District Theme (Moving stories)		21,873	51,006
(D) Creating Safer Space Advanced Level Training		8,926	10,613
(D) Media and Interfaith Project		-	13,000
(D) New Community Church Project		-	15,000
(D) ADSO Grant		23,826	25,111
(D) CDIM Grant		-	10,217
<b>Total</b>		<b>106,625</b>	<b>176,947</b>

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 5.1 Grants, donations and related support costs

The accounts show all grants committed to date and likely to be paid, analysed as liabilities either due in one year or after one year. Only DAF commitments made in the year are shown in expenses for the year. These are shown below. A breakdown of forward Grants committed is shown in section 5.2.

	2021-22	2020-21
<b>Unrestricted:</b>	£	£
DAF Payments		
- Committed in year and paid in current year	28,800	112,224
- Committed in year for payment in future years	120,000	274,918
- Unspent grant refunded (4 Projects)	(24,475)	(28,857)
Forest emergency fund	500	-
Covid-19 Support Grant	7,000	95,541
CDiM Grant	2,725	3,160
Sub total	<b>134,550</b>	<b>456,986</b>
<b>Restricted:</b>		
- Pastoral and Benevolent	5,041	3,650
- From City Centre Tower Hamlets Trust to Tower Hamlets Circuit	111,760	30,985
Sub total	<b>116,801</b>	<b>34,635</b>
<b>Total</b>	<b>251,351</b>	<b>491,621</b>

#### 5.2 Grants committed but not paid

##### DAF Future Commitments

Grants from the District Advanced Fund are usually paid when documentary evidence is received that the project is going ahead, e.g. a contract for the worker for a mission project. Grant payments for second and subsequent years are paid when acceptable reports are received indicating that the funds are being spent in line with the grant application and that the project is continuing.

Now only those grants which have not been taken up in the last 6 years are treated as Contingent liabilities. It is possible that they will not be taken up and will be released back to the funds for reallocation.

DAF Future Commitments	21-22 Accounts - DAF Commitments	20-21 Accounts - DAF Commitments
<b>Year Grants to be paid</b>	<b>31/08/2022</b>	<b>31/08/2021</b>
21-22	-	676,287
22-23	561,535	158,011
23-24	84,000	37,000
23-24	22,000	-
<i>Contingent Liabilities</i> <i>(Grants identified as less likely to be taken up)</i>	<i>30,000</i>	<i>30,000</i>
<b>Total future commitments</b>	<b>697,535</b>	<b>901,298</b>
Outstanding Loan from DAF to church	-	-
Funds unallocated at end of year	139,908	204,790
	<b>837,443</b>	<b>1,106,088</b>
DAF Fund EOY	605,675	234,790

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

6 Salaries and associated costs	2021-22	2020-21
	£	£
Gross salaries paid to 3 full time and 5 part time employees were as follows:		
Gross pay	245,284	234,018
Employer's National Insurance contribution	23,529	21,462
Employer's pension contribution to defined contribution scheme	22,573	19,311
<b>Total cost for staff members</b>	<b>291,386</b>	<b>274,791</b>
Contribution to pension fund	25,000	-
Cost of 2 District Chairs	86,490	127,296
<b>Total staff costs</b>	<b>402,876</b>	<b>402,087</b>
Chaplaincy funding contribution from City University	-	-

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.

One of the part time employees was engaged exclusively in safeguarding matters. One full time employee was involved in co-ordinating Youth work across the District. A full time member of staff was shared with the London Committee fund, providing support to the District with property and finance matters. The District pays a contribution to the London committee for the cost of this employee. The District Stipend costs also includes a Chaplaincy. The main focus for the Chaplaincy is City University, which funds the majority of the work.

4 part time employees provided secretarial / administration assistance at the District office.

## 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.

The Connexion accounts for the MMPS schemes and shows the figures 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 deficits 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).

Lay employees are contractually employees and have the option of joining The Pensions Trust. Those contributing to the pension scheme contribute 6% of gross salary and the London District contributes the same amount of 6% of gross salary.

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

<b>7</b>	<b>Property costs</b>	<b>2021-22</b>	<b>2020-21</b>
		£	£
	District office, rent and services	25,939	27,096
	District Training room (District share)	-	2,579
	Manse Repairs and redecoration	120	1,447
	Manse and office Insurance, utilities etc	10,633	10,705
	Manse refurbishment	7,360	31,216
	<b>Total</b>	<b>44,052</b>	<b>73,043</b>

<b>8</b>	<b>Other Expenditure</b>	<b>2021-22</b>	<b>2020-21</b>
		£	£
	Professional fees	14,508	15,651
	Ecumenical grants	3,128	4,589
	Investment management	11,008	7,801
	Training and resources	10,926	-
	Miscellaneous expenses	515	234
	Miscellaneous office expenses	8,182	7,635
	<b>Total</b>	<b>48,267</b>	<b>35,910</b>

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 9 Manse and other property

At the start of the financial year the District owned two manses freehold at Brunswick Quay and Oakington Avenue. The historical cost and subsequent revaluation are as follows:

- The Brunswick Quay Manse was acquired by the District in 2007 at value of £440,000. Work of £27,965 was carried out in 2008.

The Brunswick Quay manse was independently valued in September 2016 by - P L W Morgan, of Morgans chartered Surveyors, 28 Sundridge Avenue Bromley BR1 2PX. Using evidence from the sale of comparable local properties updated in accord with the Land Registry House Price index for the London Borough of Southwark, Mr Morgan considered the open market value to be £955,000 including land value of £400,000.

- The Oakington Avenue Manse was purchased on 23/7/14 for £860,000. Additional cost were £4,852 and £35,148.

The Oakington Avenue manse was valued in April 2014 by Jeremy Taylor of Wenlock & Taylor Ltd, 97 Chamberlayne Road London NW10 3NN. The total property was valued at £850,000, the reinstatement cost £350,000, the Land value £500,000. Considering the advertised prices of equivalent properties in the local area a reasonably conservative value for the property would be £900,000.

#### Total Tangible Fixed Assets

	Land	Buildings	Total Land & Buildings	Equipment & IT	Furniture	Total Equipment & Furniture	Total Assets
Cost or valuation	£	£	£	£	£	£	£
Balance at 31st Aug 2021	900,000	955,000	1,855,000	24,463	4,748	29,211	1,884,211
Additions in the year	-	-	-	1,028	-	1,028	1,028
Revaluations in the year	-	-	-	-	-	-	-
Less: disposals in year	-	-	-	-	-	-	-
Transfers between categories	-	-	-	-	-	-	-
Balance at 31st Aug 2022	900,000	955,000	1,855,000	25,491	4,748	30,239	1,885,239

#### Accumulated depreciation

Cost or Valuation	Land	Buildings	Total Land & Buildings	Equipment & IT	Furniture	Total Equipment & Furniture	Total
Changes	£	£	£	£	£	£	£
Balance at 31st Aug 2021	-	150,243	150,243	22,634	4,748	27,382	177,625
Depreciation charge for the year	-	19,100	19,100	1,330	-	1,330	20,430
Revaluations in the year	-	-	-	-	-	-	-
Less: disposals in year	-	-	-	-	-	-	-
Balance at 31st Aug 2022	-	169,343	169,343	23,964	4,748	28,712	198,055

NB: Years over which value is depreciated

50

3

3

#### Net Value

	Land	Buildings	Total Land & Buildings	Equipment	Furniture	Total Equipment & Furniture	Total
	£	£	£	£	£	£	£
Balance at 31st Aug 2021	900,000	804,757	1,704,757	1,829	-	1,829	1,706,586
Balance at 31st Aug 2022	900,000	785,657	1,685,657	1,527	-	1,527	1,687,184

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 AUGUST 2022**

### 10 Debtors and prepayments

	2021-22	2020-21
	£	£
<b>Trade debtors</b>		
The London Mission Committee and others	28,220	15,628
Total	<b>28,220</b>	<b>15,628</b>
<b>Prepayments and accrued income</b>		
Stipend	3,629	3,482
Grant Payable (3 Generate)	5,050	-
Other sundry debtors	1,703	3,145
Total	<b>10,382</b>	<b>6,627</b>
<b>Total (net)</b>	<b>38,602</b>	<b>22,255</b>

### 11 Trustees for Methodist Church Purposes

The funds that support the District Advance Fund, and Manse Reserve 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.

The Tower Hamlets City Centre Trust consists of a small number of investment funds plus a Trustees fund. These are regarded as medium and long term investments. Interest and Dividends received less TMCP administration fees are paid to The Tower Hamlets Circuit as a grant towards their mission projects work.

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.

### 12 Central Finance Board (CFB) and cash at bank

The District has a current account at HSBC plc and an account at the CAF (Charities Aid Foundation), to facilitate online banking with dual authorisation. HSBC and CAF are authorised institutions. The sums held on the accounts are immediately available.

In addition, the District has two common deposit accounts at CFB. Interest is earned on these CFB accounts and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 13 Creditors and accrued expenses

	2021-22	2020-21
	£	£
<b>Creditors:</b>		
Expenses reimbursement	-	-
Audit Fees	7,595	7,410
Accountancy fees	2,030	1,986
Accounts payable	15,147	2,264
Total creditors	24,772	11,660
<b>Accruals:</b>		
Deferred income for grants	-	-
Deferred income for activity next year	-	-
Total accruals	-	-
<b>Total of creditors and accrued expenses</b>	<b>24,772</b>	<b>11,660</b>

#### Maturity analysis of basic financial instruments

	Accrued at 1st Sep 2021 £	Used in year £	Accruals made this year £	Accrued at 31 Aug 2022 £
Expenses reimbursement	-	-	-	-
Audit Fees	7,410	7,410	7,595	7,595
Accountancy Fees	1,986	1,986	2,030	2,030
Accounts payable	2,264	2,264	15,147	15,147
<b>Total costs</b>	<b>11,660</b>	<b>11,660</b>	<b>24,772</b>	<b>24,772</b>

It is expected that all sums accrued at 31 August 2022 would be paid during the year to 31 August 2023.

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 14 Capital commitments and contingent liabilities

##### 14.1 Capital commitments at end of year amounted to:

2021-22	2020-21
-	-

##### 14.2 Contingent liabilities amounted to:

For Further information See Note 5 DAF commitments

2021-22	2020-21
30,000	30,000

#### 15 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. For the London District directly this contribution is generally by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development, but there are many others who assist with the preparation and running of District events, e.g. the Spring and Autumn synods. We are grateful to all of them for their help and commitment.

#### 16 Lease commitments

The District had the following lease commitments at the end of August:

Leased facility	Review Period	Payment Period	Annual Payment	Commitment
Office Rental (through WCH)	Annual	quarterly	25,939	25,939
Printer / copier	2023	quarterly	2,084	1,563
Telephone / broadband (through WCH)	Annual	quarterly	324	324
Franking Machine	2024	quarterly	163	326

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 17 District funds (Unrestricted, Restricted and Endowment)

The London District of the Methodist Church maintains a number of separate funds. The purpose, type, movement and state as at the end of year is documented below:

The funds held constitute: Unrestricted General Funds held for any purpose of the District, Designated funds allocated for a specific purpose, Restricted funds which are held for a narrower purpose and Endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either Restricted or Unrestricted. Details of each material fund are disclosed in the notes below.

#### 17.1 Fund Purpose & Type

	Fund Name	Type	Purpose of the Fund
17.1.1	<b>Unrestricted Funds (U)</b>		
	General Fund	U	For use at the discretion of the trustees in the furtherance of the objectives of the District. This excludes funds which have been designated for a specific purpose. (see designated funds below)
17.1.2	<b>Designated Funds (D)</b>		For specific purposes but not restricted by document or deed to that purpose alone.
	District Advance Fund	D1	To support the funding of projects in the London District
	Manse Property Fund	D2	The freehold properties used as manses for the District Chairs.
	Manse Refurbishment Fund	D3	For major manse maintenance work and refurbishment. This fund resulted from a surplus of funds following the purchase and sale of manses.
	District Training	D5	To support District organised training activities.
	District Youth Enablement	D6	To give young people opportunities to "Get Connected" with God and their churches.
	London District Chaplaincy	D9	To support the District Chaplaincy work, over and above the City University Chaplaincy.
	Growing London Leaders	D10	To equip lay leaders from across the London District as leaders in their church, work and community contexts.
	District Focus	D11	District Wide Focus project started 2017.
	WL & LP Training	D12	District facility for training Worship Leader (WL) and Local Preachers (LP).
	CSS Advance Level Training	D13	Admin support and delivery of the the Safeguarding Creating Safer Space Advanced Level Module training
	City University Chaplaincy	D14	Chaplaincy at City University
	Forest Circuit Emergency Fund	D15	District Wide Focus project started 2017. See Trustee Report section 2.3, To provide support for the Forest Circuit
	3 Generate Coaches	D16	To provide assistance for Children to attend 3 Generate
	Media & Interfaith Project	D17	To provide Media training and support Interfaith discussion
	New Community Church Project	D18	To support new community church
	CDiM	D19	To assist ministers in Continuous Development and training in their ministry
	ADSO	D20	Assistant District Safeguarding Officer to support the continuing Safeguarding work of the District
	Covid 19 Support	D21	To support Churches with additional requirements on reopening for worship following the Covid pandemic
17.1.3	<b>Restricted Funds (R )</b>		
	London District Pastoral & Benevolent Fund	R1	To help meet the exceptional needs of presbyters and deacons and District lay employees and their dependents within the London District that cannot be met at a local church or Circuit level alone, by providing a resource from which confidential payments can be made at the discretion of the Trustees.
	Tower Hamlets - Sale-Land Stepney East End	R2	Continuing the work of God in Tower Hamlets
	Worship & Local Preacher Resources Centre	R3	To develop local preachers and worship leaders
	London Regional Network (incl deferred Income)	R7	To support the work of the London Regional team
	London course continued learning	R9	To support graduates of the London Course in their to continued learning
	Grenfell Tower Fund	R10	To support residents & families of those affected by the fire, emergency workers who responded and the ongoing needs of the community, and for extra capacity for Notting Hill Methodist Church as it continues to offer practical and pastoral support.
17.1.4	<b>Endowment Funds (E )</b>		
	Jean Richardson Bursary Fund	E	To provide assistance to Churches and Circuits, from the former London North West District, in promoting exchange visits between young people from the former District and overseas youth organisations.

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 AUGUST 2022**

### 17.2 Fund Balances and Movements

Fund Name		Opening	Incoming	Resources	Gains on	Transfer to	Closing Balance
		£	£	£	£	£	£
17.2.1	<b>Unrestricted Funds</b>						
	General Fund (excluding manse fund)	U	186,954	326,577	(362,855)	-	150,676
17.2.2	<b>Designated Funds</b>						
	London District Advance Fund (incl. loan to circuit)	D1	234,790	495,362	(124,477)	-	605,675
	Manse Value Fund	D2	1,704,758	-	(19,100)	-	1,685,658
	Manse Refurbishment Fund	D3	112,489	518	(7,669)	-	105,338
	District Training Personnel & Facilities	D5	12,355	-	(3,524)	-	8,831
	District Youth Enablement	D6	18,480	52,000	(46,099)	-	24,381
	London District Chaplaincy	D9	7,370	33,810	(38,800)	-	2,380
	Growing London Leaders	D10	6,745	-	-	-	6,745
	District Focus	D11	56,142	21,873	(50,083)	-	27,932
	WL & LP Training	D12	3,973	-	-	-	3,973
	CSS Advance Level Training	D13	8,761	8,926	(7,024)	-	10,663
	City University Chaplaincy	D14	-	-	-	-	-
	Forest Emergency Fund	D15	1,121	-	(500)	-	621
	3 Generate Coaches	D16	500	-	-	-	500
	Media and Interfaith Project	D17	11,050	-	(11,000)	-	50
	New Community Church Project	D18	13,483	-	(6,765)	-	6,718
	CDiM (New)	D19	7,057	-	(2,725)	-	4,332
	ADSO (New)	D20	10,966	23,826	(18,619)	-	16,173
	Covid 19 Support	D21	54,882	-	(10,402)	-	44,480
	<b>Total Designated (excluding DAF)</b>		<b>2,030,132</b>	<b>140,953</b>	<b>(222,310)</b>	<b>-</b>	<b>1,948,775</b>
	<b>Total Unrestricted &amp; Designated</b>		<b>2,451,876</b>	<b>962,892</b>	<b>(709,642)</b>	<b>-</b>	<b>2,705,126</b>
17.2.3	<b>Restricted Funds</b>						
	London District Pastoral & Benevolent Fund	R1	8,143	35	(5,041)	-	3,137
	Tower Hamlets - Sale-Land Stepney East End	R2	2,574,453	42,797	(119,097)	(152,576)	2,345,577
	Worship & Local Preacher Resources Centre	R3	-	-	-	-	-
	London Regional Network (incl deferred Income)	R7	528	-	-	-	528
	Grenfell Tower Fund	R10	-	-	-	-	-
	Inter Circuit Support	R10	23,700	-	-	-	23,700
	<b>Total Restricted Funds</b>		<b>2,606,824</b>	<b>42,832</b>	<b>(124,138)</b>	<b>(152,576)</b>	<b>2,372,942</b>
17.2.4	<b>Endowment Fund</b>						
	Jean Richardson Bursary	E	73,873	1,369	(211)	(3,271)	71,760
<b>Total Funds</b>			<b>5,132,573</b>	<b>1,007,093</b>	<b>(833,991)</b>	<b>(155,847)</b>	<b>5,149,828</b>

# THE METHODIST CHURCH - LONDON DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Connected organisations and related parties

Connected organisations include the Methodist Connexion, Circuits and Churches within the District, other Methodist Districts in Great Britain, the Methodist Ministers' Children's Relief Association, CFB and TMCP, except as reported in Note 3. All of these entities have their own trustees or directors and autonomous administration such that the London District has no significant influence over any of them, nor they over the London District. They are, therefore, not considered related parties.

Name of Connected Organisations	Receipts	Payments	Adjustments
	£	£	£
Donee: Methodist Church Fund	-	(1,317,396)	-
Donor: Circuits within the London District (assessments on Circuits)	1,545,740	-	228,344
Donor / Donee: Circuits within the London District (levies / grants)	104,752	(65,205)	39,547
Donor / Donee: Churches within the London District (grants)	-	(103,131)	(103,131)
<b>Total</b>	<b>1,650,492</b>	<b>(1,485,732)</b>	<b>164,760</b>

There were no related party transactions.

#### 19 Auditor

An accrual has been made for the fee of the auditor.

An accrual has been made for the accountancy fee of the auditor.

2021-22	2020-21
7,595	7,410
2,030	1,986
9,625	9,396

THE METHODIST CHURCH - LONDON DISTRICT

FOR THE YEAR ENDED 31 AUGUST 2022

DECLARATIONS

Treasurer

I confirm that I have prepared the accounts from the records of the District and that they include all funds under the control of the District Council.

Signature of Treasurer 

George Kulasingham

 Date 

25/1/2023

Name 

Mr George Kulasingham


Address 

3 Beehive Close, UXBRIDGE, UB10 9QP

Presentation to the District Council for approval.

I confirm that the Accounts have been presented to the District Council on 17 January 2023 and were approved.

Signature of the Chair of the meeting 



Name of the Chair of the meeting 

Revd Dr Jongikaya Zihle

Date 

24/1/2023

## **INDEPENDENT AUDITORS' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2022***

### **TO THE TRUSTEES OF THE METHODIST CHURCH - LONDON DISTRICT**

---

#### **Opinion**

We have audited the financial statements of London District of the Methodist Church (the 'charity') for the year ended 31 August 2022 which comprise Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

# **THE METHODIST CHURCH - LONDON DISTRICT**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE TRUSTEES OF THE METHODIST CHURCH - LONDON DISTRICT**

---

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# THE METHODIST CHURCH - LONDON DISTRICT

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE TRUSTEES OF THE METHODIST CHURCH - LONDON DISTRICT

---

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- + Obtaining an understanding of the legal and regulatory frameworks applicable to the charity.
- + Obtained an understanding of how the charity is complying with those legal and regulatory frameworks by making enquiries to the trustees.
- + The susceptibility of the charity's financial statements to material misstatement caused by fraud or other irregularities were assessed with the following procedures:
  - Identifying and assessing the design effectiveness of controls which trustees have in place to prevent and detect fraud
  - Understanding how those charged with governance considered the potential for override of controls and management biases
  - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations

Potential fraud risks that had been identified throughout the planning and commencement of the audit were communicated to the audit team.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# THE METHODIST CHURCH - LONDON DISTRICT

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE TRUSTEES OF THE METHODIST CHURCH - LONDON DISTRICT

---

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Clay Ratnage Strevens & Hills*

#### **Clay Ratnage Strevens & Hills**

#### **Chartered Accountants**

#### **& Statutory Auditor**

Suite D, The Business Centre

Faringdon Avenue

Romford, Essex, RM3 8EN

**Date:** 25/1/2023

Clay Ratnage Strevens & Hills is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.