

BLACKHEATH AND CRYSTAL PALACE CIRCUIT OF THE METHODIST CHURCH

REGISTERED CHARITY No. 1137991

ANNUAL REPORT

for the period 1st September 2021 to 31st August 2022

Introduction

I am pleased to be able to present the Annual Report for our Methodist Circuit, and trust that you will find the contents to be of interest.

It is my strongly held belief that the churches of our circuit remain firm in faith and resolute in their determination to offer the Gospel message to the people of South London.

Revd Richard Grocott,
Superintendent Minister

The registered address for correspondence is:

Circuit Administrator,
Blackheath & Crystal Palace Circuit Office,
Burnt Ash Methodist Church Hall,
Burnt Ash Hill,
London, SE12 0QD

The trustees who serve the charity are those specifically appointed to positions within the circuit, those who represent each of the nine church communities, plus ministers of religion who reside within the circuit or who have served within the Methodist Church and who have retired to live in the area.

Aims and organisation

The registered objectives of the Charity for the Methodist Church:

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

the advancement of:

- a) The Christian faith in accordance with the doctrinal standards and 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 to The Methodist Church

The charity's mission statement states that

The Blackheath and Crystal Palace Circuit promotes Methodism and Christian communities by actively Empowering, Supporting, Resourcing and Encouraging its member churches to increase awareness of God's saving grace through Christ and His everlasting love.

The Charity's approach to achieving that mission is by:

- Providing the best possible resources to enable Christian worship, witness and service in each of our nine Church communities.
- Organising and resourcing regular public acts of worship open to members of the church and non-members alike.
- The teaching of Christianity through sermons, courses and small groups.
- Encouraging training and preparation for all aspects of church life.
- The resourcing of pastoral work including visiting the sick and bereaved.
- Exercising Christian ministry throughout the community without discrimination.
- Mutually encouraging and supporting the ministry of the whole people of God.
- Fostering the Connexional spirit of Methodism within the Circuit and beyond.
- Nurturing ecumenical and other faith relationships.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Structure, Governance and Management

The governing document for the circuit is the Deed of Union (1932) and 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 practical management of the charity is undertaken by a Circuit Leadership Team comprising the ministers of religion, who are each appointed initially for five years - but who may stay for longer, the circuit stewards who are appointed each year by the Circuit Meeting and the Circuit Treasurer who is also appointed annually.

The circuit was successful in satisfying all of its key responsibilities, i.e. in the provision of ministers, co-ordinating the preaching plan, maintaining the manses, monitoring the governance of each of the nine churches, as well as supporting and encouraging each church in their mission of proclaiming the gospel of Jesus Christ. The circuit has been represented at District Synod.

Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church' is available to all new Circuit meeting members via the Circuit website, as induction to their role as trustees.

The handbook 'Role of a Circuit Steward' has been made available to all Circuit Stewards.

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

Anerley Methodist Church
Burnt Ash Methodist church
Eltham Park Methodist Church
Forest Hill Methodist Church
Hither Green Methodist Church
Lewisham Methodist Church
Sunfields Methodist Church
Upper Norwood Methodist Church
Wesley Hall Methodist Church

Risk Management

The major risks have been identified and recorded by the Circuit Finance and Property Committee with professional advice taken as required.

There is a regular annual review process undertaken and recorded.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

Safeguarding

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

Methodist Connexional practice outlines commitment to the following principles:

- the care and nurture of, and respectful pastoral ministry with, all children, young people and adults
- the safeguarding and protection of all children, young people and adults when they are vulnerable
- the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.

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

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

The Blackheath & Crystal Palace 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.

Brief financial review of the year

Income

Circuit income is primarily drawn from the assessment of £231,000 paid in full by the Circuit churches.

Expenditure

Expenditure in the year was £262,060.

58% Of expenditure was on stipends, travel costs. etc.

18% was the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

The other expenditure, 24%, includes administration and manse costs.

Fund balances

As at 31 August 2022, the net current assets of the Circuit (including the Circuit Model Trust Fund) were £206,600 compared to £236,097 at the start of the year. This is broadly in line with projections, showing a planned and progressive reduction in Fund Balances in the future. Sufficient reserves are held to cover day-to-day expenditure, unexpected

maintenance costs and to provide funding for any projects required to meet the Circuit's Mission Statement.

Plans for 2022/23

Circuit financial plans for the coming year have been prepared on the basis that there are four full time ordained staff with anticipated cost of living stipend increases.

Basis of preparation and legal framework

The Charity's gross income is less than £250,000 and so the annual report and accounts for the year ended 31 August 2021 have been prepared on a receipts and payments basis.

Full Name of Charity: Blackheath & Crystal Palace Circuit

Registration Charity Number: 1137991

Date of registration: 1 September 2012

Main communication address: The Circuit Administrator, Burnt Ash Methodist Church Hall,
Burnt Ash Hill, London, SE12 0QD

The members of the Blackheath & Crystal Palace Methodist Circuit meeting are the Charity Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches.

Fully membership is shown as Appendix A to this report.

Active Circuit Ministers	Rev Richard Grocott Rev Charles ILunga Rev Craig Gaffney Rev Alberta Konadu-Yiadom
Circuit Stewards	Dr Garry Young (Senior) Mrs Jeannette Warren Mrs Margaret Boreham Mr Stuart Watkin Mrs Helena Green Mr Andrew Gibbs <i>ex officio</i>
Administrator:	Dr. Linda Ryan

Name of the circuit steward who acted as the principal officer overseeing the day-to-day financial management and accounting for the circuit during the year (treasurer) was Mr Andrew Gibbs

Independent examiner Mr David West, 67 Heathwood Gardens, London, SE7 8ET

Investment Bankers Central Finance Board of the Methodist Church
Trustees for Methodist Church purposes

Current bank accounts Barclays

Reserves Policy

As at 31 August 2022, the circuit had the following cash reserves:

	Balances at 31 Aug 2022
Bank accounts (General Fund)	£ 6,088
CFB account (General Fund):	£ 148,227
Circuit Model Trust Fund:	£ 52,185

In addition, investments valued at £24,433 were held in the Circuit Model Trust Fund, so that the total funds available to the Circuit were approximately £231,000.

The Circuit holds the following sums as designated reserves:

1. District Assessment Reserve (£50,000), being the equivalent of one year's assessment payable by the Circuit to the London District.
2. Cash Flow Reserve (£100,000) being an operational reserve covering approximately 50% of normal annual cash flow of about £200,000, other than the District Assessment, provided for above.
3. Manse Repair Reserve (£40,000) to cover unforeseen expenditure above the regular programme of work so as to ensure the proper and adequate provision of ministerial housing.
4. Pandemic Contingency Reserve (£10,000), to assist in meeting any shortfalls arising in the assessments expected from the individual churches, consequent upon the adverse financial effects of the Pandemic.

The Circuit considers this level of total reserves of £200,000 to be appropriate for its current needs. It is the expectation that the combined value of the General Fund and Circuit Model Trust Fund of £230,000 will reduce gradually in future.

Declaration

The trustees declare that

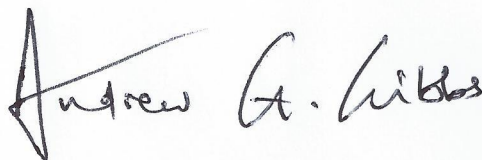
- they have understood all of the requirements associated with the submission of the annual return and all of the statements contained within it; and
- the information provided in the relevant parts of the annual return is correct and complete to the best of their knowledge and belief and has been brought to the attention of the charity trustees who have each individually verified this and given their informed express consent to this submission with full knowledge, understanding and acceptance of the contents of the privacy notice.

Signed on behalf of the charity's trustees

Signatures:



Rev. Richard Grocott
(Chairman)



Mr. Andrew Gibbs
(Treasurer)

Date: 1. 3. 2023

APPENDIX A

Names of the trustees who managed the charity in the year 1 September 2021 to 31 August 2022:

Rev. Richard Grocott	Rev. Craig Gaffney
Rev. Abe Konadu-Yiadom	Rev Charles ILunga
Mrs Jeannette Warren	Mr. David Maxwell
Mr Stuart Watkin	Dr Garry Young
Mrs Margaret Boreham	Mr. Milton Boothe
Mr Graham Sparkes	Mr Andrew Tredinnick
Mrs Marian Young	Miss Ruth Potter
Dr. Linda Ryan	Mrs Esme Russell-Mitra
Mrs Barbara Charlick	Mrs Megan Roberts
Mrs Marion Thompson	Ms Brenda Onatade
Mrs Brenda Renshaw	Ms. Janet Bartley
Mrs Saira Bonhan-Croft	Mrs Jessica Matumika Limba
Mr Peter Hewitt	Mr. Winston Fraser
Mrs Alecia Austin	Mr Graham Green
Ms Cynthia Davis	Mr Andrew Gibbs
Mrs Juliet Gibbs	Mr Kwesi Eshun
Miss Maxine Yawson	Mr. Gerald Hardy
Mrs Margaret Price	Mrs Jean Taylor
Miss Sandra Clifton	Ms Sandra Floy
Mrs Evelyn Richards	Mrs Valerie Tredinnick
Mrs Hilary Waterhouse	Mrs Mary Sparkes
Mrs Comfort Oppong	Mrs Sibongile Mnguni
Mrs Helena Green	Mr Chris Watkins

THE METHODIST CHURCH STANDARD FORM OF ACCOUNTS

BLACKHEATH & CRYSTAL PALACE	Circuit
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**FOR THE YEAR ENDED
31 AUGUST 2022**

LONDON	District	Circuit no	35/28
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Registered Charity - Charity Registration number

1137991

If not a registered charity **Her Majesty's Revenue and Customs Gift Aid number**

(The HMRC number is equivalent to a registered charity number in terms of evidence of charitable status and may be used to give to donors or grant funders wishing to see evidence of the organisation's charitable status. Methodist charities in England and Wales that are not registered charities are excepted from registration under Statutory Instrument 2014 No.242)

Ministers:

Rev Richard Grocott
Rev William Davis
Rev Charles Ilunga
Rev Craig Gaffney

Circuit Stewards:

Dr Garry Young
Mrs Margaret Boreham
Mrs Helena Green
Mrs Jeannette Warren
Mr Stuart Watkin

Treasurer:

Mr Andrew Gibbs

SECTION A			Un - restricted Funds	Circuit Model Trust Fund	Restricted Funds	Totals this year	Totals last year
a1	RECEIPTS	Note	£	£	£	£	£
a2	Assessment/Share		231,000			231,000	231,000
a3	Capital receipts						
a4	Bank and CFB interest and Investment income		549	876		1,425	798
a5	Grants						
a6	Other receipts		138			138	
a7	TOTAL RECEIPTS		231,687	876		232,563 (a8)	231,798

SECTION B							
b1	PAYMENTS						
b2	Stipends, salaries, NIC, Pension and travel costs		152,743			152,743	158,763
b3	Manse Costs		23,677			23,677	4,961
b4	Administration etc		15,832	227		16,059	27,729
b5	District Assessment		47,024			47,024	49,323
b6	Grants & donations		1,150	1,990		3,140	
b7	Costs to be recovered / (recovered) from third parties						5,265
b8	Other payments Manse Renov.		19,417			19,417	
b9	TOTAL PAYMENTS		259,843	2,217		262,060 (b9)	246,041

SECTION C							
c1	NET RECEIPTS/PAYMENTS FOR THE YEAR	(a7-b9)	(28,157)	(1,341)		(29,497)	(14,243)
c2	Total funds brought forward from last year		182,571	53,526		236,097 (c6)	250,340
c3	Sub total	(c1+c2)	154,415	52,185		206,600	236,097
c4	Transfers and adjustments					(c7)	
c5	TOTAL FUNDS AT END OF YEAR	(c3+c4)	154,415	52,185		206,600 (c8)	236,097 (c6)

SECTION D					
d	FOR INFORMATION ONLY: MONEY RECEIVED AND PASSED ON TO EXTERNAL ORGANISATIONS (these amounts should not be included in total receipts/payments above)				
d1	Balance brought forward from last year				
d2	Offerings/Gifts - received for external organisations				
d3	Offerings/Gifts - passed to external organisations				
d4	BALANCE STILL TO BE PAID (d1 + d2 - d3)				

SUMMARY OF CIRCUIT ACCOUNTS AND INTERNAL ORGANISATION REPORTING TO THE CIRCUIT MEETING**SECTION E**

Please follow the Guidance Notes to complete this page

Summary of the Circuit accounts for the year ended 31 August 2022 and Internal Organisations reporting to the Circuit Meeting. Note that the funds of an Internal Organisation would normally be Restricted funds unless it could be clearly shown that they could be used for any Methodist purpose. This section must be completed to arrive at the gross receipts and payments totals of the Circuit. If gross income exceeds the Accruals threshold of £250,000, then the Accruals method of accounting AND A DIFFERENT FORM must be used to report the accounts (see Methodist website). Please refer to the guidance notes regarding transfers between the Circuit and connected Circuit Organisations.

INTERNAL ORGANISATIONS	Receipts	Payments	Net Receipts/ Payments	Adjustments	Opening balances	Closing balances
e1						
e2						
e3						
e4						
e5						
e6						
e7						
e8	Sub total of Internal Organisations funds				(e11)	(e12)
e9	Circuit accounts (totals brought forward from page 2 - totals column)	232,563 (a8)	262,060 (b9)	(29,497)	236,097 (c6)	206,600 (c8)
e10	TOTAL CASH FUNDS HELD BY CIRCUIT	232,563	262,060	(29,497)	236,097 (x)	206,600 (y)
Continue on a separate sheet if necessary and bring the totals forward		TOTAL RECEIPTS	TOTAL PAYMENTS			

SECTION F**STATEMENT OF ASSETS AND LIABILITIES****CIRCUIT - CASH FUNDS HELD at 31 August 2022**

	OPENING BALANCES	CLOSING BALANCES
f1 Cash in hand	100	100
f2 Bank Current Account	18,892	6,088
f3 Bank Deposit Account		
f4 Central Finance Board	163,580	148,227
f5 Trustees for Methodist Church Purposes	53,525	52,185
f6 Other funds		
f7 SUB TOTAL	236,097 (c6)	206,599 (c8)
f8 Total funds held by Internal Organisations (the closing balance totals above) (e12)	(e11)	(e12)
f9 TOTAL CASH FUNDS HELD BY CIRCUIT	236,097 (x)	206,599 (y)

SECTION G**OTHER ASSETS and LIABILITIES**

	At 1 September 2021	At 31 August 2022
g1 Investments (include Endowments)	26,071	24,433
g2 Land and Buildings (see notes re Insurance value)	2,260,000	2,200,000
g3 Other Assets - amounts due re Forest Hill Repairs	16,498	16,498
g4 Loan(s) - show amount outstanding at year end		
g5 Other Liabilities		

f4 Include only Funds held at the Central Finance Board

f5 Include only CFB Funds held at Trustees for Methodist Church Purposes

g1 Include any other investments (not the cash element of TMCP trust accounts this is inserted in line f5)

Name of Circuit ... BLACKHEATH & CRYSTAL PALACE No. 35/28

Declarations and Scrutiny

I confirm that these Receipt and Payment based accounts for the year to 31 August 2022 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit meeting.

Signature of treasurer ... Andrew G Gibbs ... Date 18/12/2022

Name and address of treasurer ... ANDREW G GIBBS, 23 Shooters
Hill Road, Blackheath, LONDON ... Post Code SE3 7AS

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2022 were/will be* presented to the Circuit meeting held on 1-3-2023

Signature of the Chair of the meeting: ... Rev. Richard Grocott ...

Name of the Chair of the meeting: Rev. Richard Grocott Date 1-3-2023

Independent Examiner's Report to the Trustees of the

BLACKHEATH & CRYSTAL PALACE Circuit

Charity Number 1137911

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the Blackheath & Crystal Palace Circuit for the year ended 31 August 2022 set out on pages ... to As the Circuit'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 Circuit's accounts 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.

* delete or circle as appropriate

Name of Circuit BLACKHEATH & CRYSTAL PALACE No 35/28 ..

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination (other than that disclosed below*) which give me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts do not accord with the accounting records.

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.

I ~~have~~ have not* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature of independent examiner David West

Name of independent examiner DAVID WEST

Relevant professional qualification of independent examiner NOT APPLICABLE

Name of firm (where appropriate) NOT APPLICABLE

Address 67 HEATHWOOD GARDENS, CHARLTON,

..... LONDON Post Code SE7 8ET

Date 18/12/22

* delete or circle as appropriate

Sep-22

BLACKHEATH & CRYSTAL PALACE CIRCUIT

Reserves Policy

General Fund & Circuit Model Trust Fund

At 31 August 2022, deposits and cash totalled £206,600, as shown in the Receipts and Payments Account for the year. There was also a CFB investment held by the Trustees for Methodist Church Purposes valued at £24,433, which was unrestricted. The Total Funds available to the Circuit were therefore £206,600 + £24,433 = £231,033.

Total Funds fell over the year from £262,168 at 31 August 2021, a drop of £31,135. The fall was made up of payments exceeding receipts over the year by £29,497 plus capital depreciation of £1,638 on the unrestricted CFB investments.

At the year end, the unrestricted General Fund, including the CFB investment, stood at £178,848 and the Circuit Model Trust Fund stood at £52,185. Total Funds were £231,033.

[Note, In 2022 the excess of payments over receipts was nearly £30k compared to a forecast in January of £5k. £20k of this shortfall is of a technical nature relating to 1. The intended transfer from the Circuit Model Trust Fund of £15k that was not implemented in time through an oversight. 2. In 2022, two payments were made in respect of the annual insurance premium payable to Methodist Insurance of c. £5k p.a., one for the year ended 31 08 2022 and one for the year ending 31 08 2023. This means the we incurred a combined cost under receipts and payments accounting of £10k, which was, of course, £5k more than the usual cost of £5k p.a.. The rest of the shortfall comes from net variations, the greatest of which was in manse renovation costs.]

Appropriate level of reserves

Reserve levels are listed below. They amount to £200,000.

Identified Reserves

District Assessment Reserve (£50,000)

The Circuit has an obligation to meet the annual District assessment, not only for the current year (to 31 August 2023) but also by forward agreement for the year to 31 August 2024. This commitment helps to ensure the orderly operation of the whole Methodist District. The assessment for the year 2022/23 is £47,024. The assessment for 2023/24 is expected to be similar. A reserve of £50,000 is set to cover the equivalent of one year's assessment.

Cash Flow Reserve (£100,000)

An operational reserve, of approximately 50% of annual cash flow, is required to ensure smooth and crisis free operation of the Circuit's finances and guarantee the payment of ministerial stipends as they fall due. Annual expenditure is c.£200,000, excluding the District assessment which is covered by the reserve in the paragraph above. Accordingly, at 50% of £200,000, the cash flow reserve is set at £100,000.

Manse Repair Reserve (£40,000)

There is a regular programme of work to maintain the Circuit's four manses within the framework of quinquennial inspections. This is recovered chiefly within the annual Circuit budget. It is recognised, as a precaution against unforeseen eventualities, that a reserve of, say, £40,000 is also needed to ensure that proper and adequate provision of ministerial housing.

Pandemic Contingency Reserve (£10,000)

The Circuit has initiated a contingency fund composed of sums promised by the Circuit Churches. A reserve of £10,000 is held as a contribution from Circuit funds, should it be required.

Note on the Circuit Model Trust Fund (CMTF)

Under Standing Order 917(2) the CMTF may broadly be used for most purposes within the Methodist Church, which normally includes expenditure on manses and churches. For a number of years up until 31 August 2021 the CMTF was used to cover the Circuit Administration, understating total circuit expenditure and thereby reducing the annual assessment. Because Circuit Administration is a core circuit expense it is now shown in full in the Receipts and Payments account.


Outcome of the review

The outcome of the review is that, after designating £200,000 in identified reserves, as above, the Church currently has a Total Fund (General Fund and CMTF combined) surplus of £31,033. It is expected that this surplus will gradually diminish in future years.

Periodic Review of the Policy

This policy is to be reviewed periodically.

Andrew G Gibbs, Treasurer, 9 January 2023


1 - 3 - 2023

THE METHODIST CHURCH STANDARD FORM OF ACCOUNTS

BLACKHEATH & CRYSTAL PALACE	Circuit
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**FOR THE YEAR ENDED
31 AUGUST 2022**

LONDON	District	Circuit no	35/28
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Mr Stuart Watkin

Treasurer:

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d2	Offerings/Gifts - received for external organisations					
d3	Offerings/Gifts - passed to external organisations					
d4	BALANCE STILL TO BE PAID (d1 + d2 - d3)					

SUMMARY OF CIRCUIT ACCOUNTS AND INTERNAL ORGANISATION REPORTING TO THE CIRCUIT MEETING**SECTION E**

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Continue on a separate sheet if necessary and bring the totals forward		TOTAL RECEIPTS	TOTAL PAYMENTS			

SECTION F**STATEMENT OF ASSETS AND LIABILITIES****CIRCUIT - CASH FUNDS HELD at 31 August 2022**

	OPENING BALANCES	CLOSING BALANCES
f1 Cash in hand	100	100
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SECTION G**OTHER ASSETS and LIABILITIES**

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g2 Land and Buildings (see notes re Insurance value)	2,260,000	2,200,000
g3 Other Assets - amounts due re Forest Hill Repairs	16,498	16,498
g4 Loan(s) - show amount outstanding at year end		
g5 Other Liabilities		

f4 Include only Funds held at the Central Finance Board

f5 Include only CFB Funds held at Trustees for Methodist Church Purposes

g1 Include any other investments (not the cash element of TMCP trust accounts this is inserted in line f5)

Name of Circuit ... BLACKHEATH & CRYSTAL PALACE No. 35/28

Declarations and Scrutiny

I confirm that these Receipt and Payment based accounts for the year to 31 August 2022 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit meeting.

Signature of treasurer ... Andrew G Gibbs ... Date 18/12/2022

Name and address of treasurer ... ANDREW G GIBBS, 23 Shooters
Hill Road, Blackheath, LONDON ... Post Code SE3 7AS

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2022 were/will be*
presented to the Circuit meeting held on 1-3-2023

Signature of the Chair of the meeting: ... Rev Richard Grocott ...

Name of the Chair of the meeting: Rev Richard Grocott Date 1-3-2023

Independent Examiner's Report to the Trustees of the

BLACKHEATH & CRYSTAL PALACE Circuit

Charity Number 1137911

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the Blackheath & Crystal Palace Circuit for the year ended 31 August 2022 set out on pages ... to As the Circuit'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 Circuit's accounts 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.

* delete or circle as appropriate

Name of Circuit BLACKHEATH & CRYSTAL PALACE No 35/28 ..

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination (other than that disclosed below*) which give me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts do not accord with the accounting records.

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.

I ~~have~~ have not* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature of independent examiner David West

Name of independent examiner DAVID WEST

Relevant professional qualification of independent examiner NOT APPLICABLE

Name of firm (where appropriate) NOT APPLICABLE

Address 67 HEATHWOOD GARDENS, CHARLTON,

..... LONDON Post Code SE7 8ET

Date 18/12/22

* delete or circle as appropriate

Sep-22

BLACKHEATH & CRYSTAL PALACE CIRCUIT

Reserves Policy

General Fund & Circuit Model Trust Fund

At 31 August 2022, deposits and cash totalled £206,600, as shown in the Receipts and Payments Account for the year. There was also a CFB investment held by the Trustees for Methodist Church Purposes valued at £24,433, which was unrestricted. The Total Funds available to the Circuit were therefore £206,600 + £24,433 = £231,033.

Total Funds fell over the year from £262,168 at 31 August 2021, a drop of £31,135. The fall was made up of payments exceeding receipts over the year by £29,497 plus capital depreciation of £1,638 on the unrestricted CFB investments.

At the year end, the unrestricted General Fund, including the CFB investment, stood at £178,848 and the Circuit Model Trust Fund stood at £52,185. Total Funds were £231,033.

[Note, In 2022 the excess of payments over receipts was nearly £30k compared to a forecast in January of £5k. £20k of this shortfall is of a technical nature relating to 1. The intended transfer from the Circuit Model Trust Fund of £15k that was not implemented in time through an oversight. 2. In 2022, two payments were made in respect of the annual insurance premium payable to Methodist Insurance of c. £5k p.a., one for the year ended 31 08 2022 and one for the year ending 31 08 2023. This means the we incurred a combined cost under receipts and payments accounting of £10k, which was, of course, £5k more than the usual cost of £5k p.a.. The rest of the shortfall comes from net variations, the greatest of which was in manse renovation costs.]

Appropriate level of reserves

Reserve levels are listed below. They amount to £200,000.

Identified Reserves

District Assessment Reserve (£50,000)

The Circuit has an obligation to meet the annual District assessment, not only for the current year (to 31 August 2023) but also by forward agreement for the year to 31 August 2024. This commitment helps to ensure the orderly operation of the whole Methodist District. The assessment for the year 2022/23 is £47,024. The assessment for 2023/24 is expected to be similar. A reserve of £50,000 is set to cover the equivalent of one year's assessment.

Cash Flow Reserve (£100,000)

An operational reserve, of approximately 50% of annual cash flow, is required to ensure smooth and crisis free operation of the Circuit's finances and guarantee the payment of ministerial stipends as they fall due. Annual expenditure is c.£200,000, excluding the District assessment which is covered by the reserve in the paragraph above. Accordingly, at 50% of £200,000, the cash flow reserve is set at £100,000.

Manse Repair Reserve (£40,000)

There is a regular programme of work to maintain the Circuit's four manses within the framework of quinquennial inspections. This is recovered chiefly within the annual Circuit budget. It is recognised, as a precaution against unforeseen eventualities, that a reserve of, say, £40,000 is also needed to ensure that proper and adequate provision of ministerial housing.

Pandemic Contingency Reserve (£10,000)

The Circuit has initiated a contingency fund composed of sums promised by the Circuit Churches. A reserve of £10,000 is held as a contribution from Circuit funds, should it be required.

Note on the Circuit Model Trust Fund (CMTF)

Under Standing Order 917(2) the CMTF may broadly be used for most purposes within the Methodist Church, which normally includes expenditure on manses and churches. For a number of years up until 31 August 2021 the CMTF was used to cover the Circuit Administration, understating total circuit expenditure and thereby reducing the annual assessment. Because Circuit Administration is a core circuit expense it is now shown in full in the Receipts and Payments account.


Outcome of the review

The outcome of the review is that, after designating £200,000 in identified reserves, as above, the Church currently has a Total Fund (General Fund and CMTF combined) surplus of £31,033. It is expected that this surplus will gradually diminish in future years.

Periodic Review of the Policy

This policy is to be reviewed periodically.

Andrew G Gibbs, Treasurer, 9 January 2023


1 - 3 - 2023