

Warlingham Methodist Church Annual Report & Accounts 2020-21

(Charity Number: 1156399)



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WARLINGHAM METHODIST CHURCH ANNUAL REPORT & ACCOUNTS 2020-21

Trustees' Annual Report

Introduction

The Church Council of Warlingham Methodist Church (the Trustees) have pleasure in reporting on how the church has used its resources to deliver the mission of the church, to the glory of God. This has been another exceptional year with further lock downs and restrictions on gathering indoors. We temporarily ceased to meet face-to-face for worship and youth work from December 2020, following the Government's decision to enter a further period of lockdown, continuing a digital Ministry on Zoom. When the roadmap for reopening started on 8th March, we looked forward to gathering in person once again and gradually the church has increasingly met in person, joyfully greeting each other on Sundays and joining together in worship singing for the first time again over the summer of 2021. We have returned to occasional café church and the youth work ministry fully restarted on Thursday evenings and Kids Church on Sunday mornings. Meetings and prayer meetings have continued to take place on-line.

Structure & Governance

Warlingham Methodist Church is the local Methodist church in Warlingham and is part of the wider Methodist Church. Methodist churches are linked together through Circuits and Districts. These form the Connexion. Warlingham Methodist Church is part of the Purley Circuit and the London District.

We are a local charity, registered with the Charity Commission (Charity Number 1156399).



The Church means both the people and the buildings. It is the whole body of members who worship together.

The Church Council with the minister has responsibility for the co-ordination of that ministry, and the members of the Church Council are managing trustees of the church buildings. Some Church members belong to the Church Council, either because they have been elected by the local church members, or because they hold specified offices within the local church.

For people who wish to become members of the Methodist Church, there is a period of training and, once the local church council is satisfied with the person's sincere acceptance of the basis of membership of the Church, a service of confirmation and reception into membership is held. If they have not previously been baptised, the service will include baptism.

The Deed of Union (the key foundation document of the Methodist Church since it became united in 1932) states that: ***"All those who confess Jesus Christ as Lord and Saviour and accept the obligation to serve him in the life of the Church and the world are welcome as members of the Methodist Church"***.

Aim & Objectives:

Our Calling The Church exists to exercise the whole ministry of Christ. Worship, fellowship, pastoral care, mission and service are essential features of that ministry.

Our aim at Warlingham Methodist Church is: "As committed followers of Jesus we all desire to be used by The Holy Spirit to make the Love and Power of God real to people of the neighbourhood".

The purposes of Warlingham Methodist Church and the wider Methodist Church of which it is a part 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 any 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; and (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

Trustees' Annual Report on Finance and Governance

Church Council

The Church Council met four times in 2020-21. Members of Church Council during the year were:

Chairperson	Rev Faith Nyota
Secretary	Marilyn Compton
Stewards	Christina Dench, Dee Cobley, Wendy Baston Jill Gradon (joint senior steward), Ann Skinner, Marilyn Compton (joint senior steward)
Leadership team	*Rev Faith Nyota, Peter Gammie, *Curtis Juman, *Nigel King, Jill Gradon Heather Juman
Church Treasurer	
Acted as the principal officer overseeing the day-to-day financial management and accounting for the church during the year.	
Rep from Property Committee	Peter Gammie
Reps from Finance Committee	Curtis Juman, Jim Witham
Rep from Pastoral Committee	Ann Skinner
Sec of Pastoral Committee	Margaret Witham
Safeguarding Officer	Debbie Preston
Reps from Church meeting	John Adam, Liz Gammie, Allison King, George Meressa, Andrew Moore, Rosemary Moore
Circuit Rep	Marjorie Dear

*Members of more than one group

The Church Council operates a committee structure, with committees covering Property, Finance and Pastoral matters. Church Council members nominate members for these committees. In addition, the stewards meet with the minister regularly and there is also a small leadership group drawn from the minister, stewards and worship team, supporting the Church Council in setting the vision for the church.

A range of guidance is produced by Methodist Connexion to support the effective running of the church and the role of Trustees is given to the Church Trustees at various meetings.

Public Benefit

The Trustees (Church Council) confirm that they have paid due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the church.

Administrative information

The Address of the Church Office is Warlingham Methodist Church, Limpsfield Road Warlingham, Surrey CR6 9LE. The Church's Principal Bankers are HSBC, Croydon Branch, 9 Wellesley Road, Croydon Road, Surrey CR9 2AA. The Independent Examiner is Mr R.J.E. Bamford, 9 Peter Avenue, Oxted, Surrey RH8 9LG.

Basis of preparation and legal framework

This annual report and accounts for the year ended 31 August 2021 have been prepared in accordance with the Charities Act 2011 and the Charities: Statement of Recommended Practice 2015 as applicable to the Financial Reporting Standard (FRS) 102.

Review of the Year

Financial Commentary

The focus of the church in financial terms continues to be mission and care. We continue to invest in youth and family outreach work. The Church had an overall surplus of £2,192 (2019-20 surplus of £19,218). Unrestricted funds recorded a surplus of £643 (2019-20 surplus of £5,667). Restricted funds recorded a surplus of £1,549 (2019-20 surplus of £13,551). During periods of lockdown, the church buildings were closed in line with government guidance until a full risk assessment and mitigating action undertaken. As a result, income from rentals fell and also from collections. Income from members held up as most continued to give and some increased giving to meet shortfalls. Costs also reduced for planned events.

Income

We received £129,177 (2019-20: £143,953) of income. Unrestricted income increased to £108,805 (2019-20: £106,271). Rents decreased to £12,248 (2019-20 decreased to £18,380) as a result of our need to close our buildings. Restricted income decreased to £20,372 (2019-20: £37,680). There were no grants claimed to support youth and families work from the London District (2019-20: £15,500).

Expenditure

We spent £126,985 (2019-20: £124,733). We used our resources for our Circuit Ministry team, the Circuit Assessment, £34,920 (2019-20: £33,829); Youth and family work, running free clubs and events for the young people in the local area £47,726 (2019-20: £48,788). We did not furlough our workers during lockdown. Insurance; gas; electricity etc. cost £7,639 (2019-20: £8,214). Repairs and maintenance of the buildings was £10,880 (2019-20: £17,726). A depreciation charge of £10,834 has been included which relates to the organ (2019-20: £10,834).

Fixed Assets

The Church Council are managing trustees and the building ownership is vested in The Trustees for Methodist Purposes in Manchester. The Church Council are required to insure, maintain, and improve the buildings and have full access to them and enjoy the income from rentals. As most of the risks and rewards of ownership are with the Church Council, the buildings have been included in these financial statements at deemed cost based on the last insurance assessor valuation.

Risk Management

During the year, a risk management review work was undertaken by the Property Committee in terms of Health & Safety and fire risks. A detailed risk assessment was undertaken following government guidance before the church premises were reopened. All of the necessary adjustments were made to ensure the premises were Covid-secure.

The Church Council leadership team continued to oversee the risks relating to not successfully delivering the Church's objectives. It increased its meetings to monthly to consider issues and agree actions to mitigate the effects of the impact on achieving objectives caused by the restrictions as a result of Covid-19. It reports back to Church Council, with recommendations. Church Council took leadership of ensuring data protection and safeguarding risks were addressed.

Safeguarding

The church believes that every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. The Church is committed to ensuring the implementation of Connexional Safeguarding Policy, government legislation, guidance, and safe practice in the circuit and in the churches. The Church has provided support, advice, and training for lay and ordained people to help 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.

Worship, fellowship, pastoral care, mission and service

The Youth work ministry when allowed to open offered a younger youth club from 6-7.30pm and older youth club from 7.30pm to 9pm on a Thursday. The Young people have returned in numbers, up to 70 over the evening. Throughout the year the team offered pastoral care and support, and Bible study in Youth Church on Sundays.

The church has employed a Families' Worker for five years. This role has focused on sharing the love of Jesus and serving young families in the local area. During the lockdowns, this work continued with packs being delivered to family's homes with teaching and craft materials. As well as the Family Worker, MC Kids was supported by church members volunteering to provide craft activities, worship and Christian teaching. We were delighted to offer a very successful Holiday club in July 2020, with 30 new children and their families connecting to our church and hearing about the love of Jesus.

We also offered a monthly prayer breakfast and bible studies online. We also continued Take time bible study and meditation each Wednesday during the period.

In terms of developing our Sunday worship, we have undertaken a number local arrangements, involving a greater number of our congregation in planning and leading Sunday worship, including the Youth and Family team. We have also invested in our Audio-Visual equipment to improve the worship experience for those in the building and on Zoom. We have also restarted our contemporary Ignite Service at least quarterly.

Many Church members, and those who worship with us, gave their time and effort to run, host and offer support to these activities, making the love of Jesus visible to the local community.

Volunteers

During the year, just over 60 individuals supported the church in a voluntary capacity for events including: Sunday worship, Ignite worship, junior church, Prayer breakfast, Easter Prayer Event, Thursday Clubs, Holiday club, Pastoral visiting, bible study groups, and other church activities. Many of our volunteers supported several different activities.

Reserves

Our total net unrestricted Reserves, excluding reserves relating to the church building, stood at £97,890 (2019-20: £86,413). Our Reserves policy is to hold unrestricted reserves to meet the cost of major repairs and to smooth income fluctuations. Our aim is to hold reserves not exceeding seven months of expenditure. We currently have nine months in reserves but expect this to fall over the coming year as we fund more mission and outreach events once lockdowns and social distancing measures have been removed.

Our cash-based Reserves are held in interest bearing accounts. Amounts not required to meet immediate expenditure are invested with the Central Finance Board of the Methodist Church, who aim to apply a Christian based ethical investment regime. Funds held for immediate use are held in our HSBC current accounts.

Plans for the future

We are moving forward by God's grace, full of hope for his plans for us. Numbers meeting in person are rising, we are now able to have a full worship group again and we have many exciting events planned to welcome returners and newcomers into our fellowship. We will offer a blended offering, for example both online and in person Bible Studies and Church services. Our website is refreshed for those looking for a church after engaging with worship online for the first time. We aim to continue to offer youth work and family work to the local community around Warlingham. We will seek to continue to fund this work from giving by church members but will also look to other external funding over the year.

We continue to pray and thank God for all the blessings we have as His church and rely on His grace.

Church Council Members' (Trustees') responsibilities in relation to the financial statements

The charity trustees (church council members) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be 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 business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examination of the Accounts

The independent examination of the accounts was kindly undertaken by John Bamford (FCA).

CM Juman

***Approved by the Church Council and signed on their behalf
Curtis Juman
Secretary to the Finance Committee***

27th November 2021

Independent Examiner's Report

Report to the members (trustees) of Warlingham Methodist Church on accounts for the year ended 31 August 2021 (Charity no: 1156399) set out on pages 9 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed: R.J.E. Bamford

Date: 30th December 2021

Name: Mr. R.J.E. Bamford

Relevant professional qualification: FCA

Address: 9 Peter Avenue, Oxted, Surrey RH8 9LG.

Statement of Financial Activities (SOFA) For the year ended 31 August 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020-21 £	Unrestricted Funds £	Restricted Funds £	Total 2019-20 £
Income							
Offerings	2	74,578	17,680	92,258	69,166	10,685	79,851
Donations	3	-	2,000	2,000	1,336	24,500	25,836
Gift Aid		11,685	692	12,377	14,207	1,395	15,602
Interest		119	-	119	595	-	595
Rental Income		12,248	-	12,248	18,380	-	18,380
Other Income		10,175	-	10,175	2,587	1,100	3,687
Total Income		108,805	20,372	129,177	106,271	37,680	143,951
Expenditure							
Circuit assessment		34,920	-	34,920	33,829	-	33,829
Grants		1,647	460	2,107	100	-	100
Property upkeep		7,399	3,481	10,880	7,551	4,485	12,036
Utilities & insurance		7,639	-	7,639	8,214	-	8,214
Youth & Family work	4	32,844	14,882	47,726	30,904	17,884	48,788
Caretaker	4	5,439	-	5,439	5,690	-	5,690
Mission work		4,010	-	4,010	1,443	1,760	3,203
Depreciation		10,834	-	10,834	10,834	-	10,834
Other expenditure		3,430	-	3,430	2,039	-	2,039
Total Charitable Expenditure		108,162	18,823	126,985	100,604	24,129	124,733
Net Income/(Expenditure) before transfers		643	1,549	2,192	5,667	13,551	19,218
Transfers	12	-	-	-	-	-	-
Other gains/losses		-	-	-	-	-	-
Net movement in Funds		643	1,549	2,192	5,667	13,551	19,218
Total Funds brought forward		1,793,028	44,983	1,838,011	1,787,361	31,432	1,818,793
Total Funds carried forward		1,793,671	46,532	1,840,203	1,793,028	44,983	1,838,011

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

There were no fundraising costs.

There were no endowment funds nor gains/losses on investments or asset revaluations.

Balance Sheet as at 31 August 2020

	Notes to the Accounts	Unrestricted Funds £	Restricted Funds £	Total 2020-21 £	Total 2019-20 £
Fixed Assets					
Church building and other property	7	1,695,781	-	1,695,781	1,706,614
Total fixed asset		1,695,781	-	1,695,781	1,706,614
Current Assets					
Debtors & prepayments	10	4,827	-	4,827	22,387
Central Finance Board Deposits	9	53,192	46,051	99,243	77,292
Cash at Bank and in hand	9	39,871	697	40,568	31,933
Total current assets		97,890	46,748	144,638	131,612
Current Liabilities					
Creditors (due within 1 year)	11	-	216	216	216
Total current liabilities		-	216	216	216
Net current assets		97,890	46,532	144,422	131,396
Total assets less current liabilities		1,793,671	46,532	1,840,203	1,838,011
Net assets		1,793,671	46,532	1,840,203	1,838,011
Funds of the Church					
Unrestricted General Fund	12	1,793,671	-	1,793,671	1,793,028
Restricted Funds	12	-	46,532	46,532	44,983
Total Funds		1,793,671	46,532	1,840,203	1,838,011

There were no endowment funds.

Heather Juman

Mrs. H. Juman
Treasurer

28th December 2021

Notes to the Accounts

1. Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

ii Basis

These accounts have been prepared on the basis of historical cost on the accruals basis.

iii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue. No attempt is made to measure the value of services donated by volunteers.

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

iv 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 Church to pay out resources.

v VAT

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

vi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. No depreciation is provided on the building because the trustees consider the current residual fair value of the building to be not less than its deemed cost to date. The property has been reviewed for impairment. Plant and Machinery are depreciated over five years and furniture and fittings over ten years.

vii Receivables and Payables; Bank and Cash

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

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.

viii. Funds

Restricted funds relate to incoming resources which are to be used in accordance with the donor's wishes. Unrestricted funds have no such restrictions on their use and may be applied for any charitable purpose in accordance with the church's aims and objectives. Details of Funds are shown at note 12.

ix. Pensions

The Church makes contributions towards a defined contribution pension scheme equivalent to 6% of salary for relevant staff.

2. Donations & legacies	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Collections	74,578	17,680	92,258	75,891
Tax credits	11,685	692	12,377	15,602
Donations	-	2000	2,000	25,336
Legacies (shown in <i>Other</i>)	10,000	-	10,000	-
Total	96,263	20,372	116,635	121,289

3. Fundraising and support costs

There were no fundraising costs as fundraising activity was undertaken by church members on a voluntary basis. All support roles are undertaken by church members at no cost.

4. Salaries and associated costs

Salaries were paid to four (2020: four) employees (2 part-time youth workers, 1 part-time families' worker, 1 part-time cleaner, equivalent to 1.8 full time equivalents).

	2021 Total £	2020 Total £
Gross pay	43,216	44,545
Employer's National Insurance Contributions	1,565	1,687
Employer's pension contributions	2,738	1,554
Total staff costs	47,519	47,786

No employees received employee benefits in excess of £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.

5. Trustee payments and expense

No trustees received any payments for additional services to the Church (2020: £Nil).

Expenses refunded to Trustees, covering equipment, stationery supplies, catering supplies and repair costs, all supported by receipts were paid to 3 Trustees (2020: 3 Trustees). The total amount of expenses was £2,386 (2020: £3,253). The amounts this year relates to the purchase a laptop for on-line church, a drum screen and the CCLI licenses.

6. Independent Examination fees

No fees were charged by the independent examiner for the independent examination or any other service (2020: £Nil).

7. Tangible Fixed Assets

	Buildings	Plant and machinery	Fixtures and fittings	Assets under construction	Total
	£	£	£	£	£
Cost or valuation					
At 1 September 2020	1,674,113	61,920	78,829	-	1,814,861
Additions in the year	-	-	-	-	-
Revaluations in the year	-	-	-	-	-
Less: Disposals in the year	-	-	-	-	-
At 31 August 2021	1,674,113	61,920	78,829	-	1,814,861
Depreciation					
At 1 September 2020	-	29,418	78,829	-	108,247
Additions in the year	-	10,834	-	-	10,834
Revaluations in the year	-	-	-	-	-
Less: Disposals in the year	-	-	-	-	-
At 31 August 2021	-	40,252	78,829	-	119,081
Net Book Value					
At 31 August 2020	1,674,113	32,502	-	-	1,706,614
Net Book Value					
At 31 August 2021	1,674,113	21,668	-	-	1,695,781

The Church has no freehold land.

8. Capital Commitments

The church has no capital commitments (2020, none).

9. Cash at bank and in hand

	2021 £	2020 £
Church HSBC Account and impress account	39,871	31,236
Internal Organisations	697	697
CFB Accounts	99,243	77,292
	139,811	109,225

10. Debtors

	2021 £	2020 £
Gift Aid due	4,827	22,387

11. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	-
Collection due to others	216	216
	216	216

12. Funds

Fund	Balance at 1-Sep-2020 £	Income	Expenditure	Transfers	Balance at 31-Aug-2021 £
		£	£	£	
General	1,793,028	108,805	108,162	-	1,793,671
Total unrestricted	1,793,028	108,805	108,162	-	1,793,671
Youth & Families work	40,428	12,372	14,829	-	37,971
Building Fund	2,097	8,000	3,481	-	6,616
Alpha course	750	-	-	-	750
Weekend Retreat	-	-	-	-	-
Internal organisations	697	-	-	-	697
Benevolent Fund	1,010	-	513	-	497
Total restricted	44,983	20,372	18,823	-	46,532
Total Funds	1,838,011	129,177	126,985	-	1,840,203

Youth & Families work funds are to meet the costs of employing the youth and family worker and the costs of activities related to youth and family related event costs.

Building Fund resources are for the purpose of refurbishing the church and halls (including AV and ICT equipment). Funds given by church members to the Building Fund may be used also for the general maintenance costs of the buildings.

Alpha course resources related to the running Alpha courses and Christianity explored.

The Weekend Retreat fund was to meet the cost of a retreat to a Christian centre for those new to the church, particularly low-income families.

Internal organisations are resources and costs related to running the church Badminton club and Women's group. These have been inactive.

Benevolent Fund was created this year to support those in hardship.

13. Related Party Transactions

There were no related party transactions during the year.