

Warlingham Methodist Church Annual Report & Accounts 2022-23

(Charity Number: 1156399)



**Each Sunday; Prayer breakfast monthly;
Take time and bible study and much more.**



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**WARLINGHAM METHODIST CHURCH
ANNUAL REPORT & ACCOUNTS 2022-23**

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 a year where we have sought to maintain our work, awaiting the appointment of our new minister, and focus on the recruitment of a permanent youth worker. We continued to offer digital Ministry on Zoom for those unable to attend in person.

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. 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 learning and preparation before 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 three times in 2022-23. Members of Church Council during the year were:

Chairperson	Rev Sang Wook Han (to 31 August 23) Rev Graham Claydon-Knights (from 1 September 23)
Secretary	Marilyn Compton (to 31 August 23)
Stewards	Christina Dench, Dee Cobley, Wendy Baston Jill Gradon (senior steward), Ann Skinner, Iris Pitman
Leadership team	*Rev Sang Wook Han, 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	*Curtis Juman (joint with Hayley Treader)
Reps from Church meeting	Rob Baston, Allison King, George Meressa, Cheryl Baker, John Baker, Rosemary Moore. Debbie Preston
Circuit Rep	Trevane Wallbank

*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 2023 have been prepared in accordance with the Charities Act 2011, the Charities: Statement of Recommended Practice and 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 £8,233 (2021-2022: surplus £3,614). Unrestricted funds recorded a deficit of £8,925 (2021-22: deficit of £2,273). Restricted funds recorded a surplus of £17,158 (2021-22 surplus £5,887). Income from rentals have increased. Costs have also increased, especially energy.

Income

We received £132,327 (2021-22: £132,451) of income. Unrestricted income decreased to £100,551 (2021-22: £107,068). Income from offerings fell to £56,108 (2021-22: £67,109). Rents increased to £25,490 (2021-22: £23,394). Restricted income increased to £31,776 (2021-22: £25,383). There was one grant claimed to support youth and families work from the London District of £7,500 (2021-22: £8,500). Investment income (interest on the CFB account) increased significantly to £3,996 (2021-22: £383).

Expenditure

We spent £124,094 (2021-22: £128,837). We used our resources for our Circuit Ministry team, the Circuit Assessment, £38,088 (2021-22: £38,088); Youth and family work, running free clubs and events for the young people in the local area £30,179 (2021-22: £37,341). Insurance; gas; electricity etc. cost £13,388 (2021-22: £12,446). Repairs and maintenance of the buildings was £19,089 (2021-22: £8,520). We replaced our old boiler and upgraded the heating controls to reduce our carbon footprint. A depreciation charge of £10,834 has been included which relates to the organ (2021-22: £10,834), which is now fully depreciated.

Fixed Assets – Land and Buildings

The Church Council are managing trustees and the land and 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 reinstatement cost based on the last insurance assessor valuation.

Risk Management

During the year, a risk management review was undertaken by the Property Committee relating to Health & Safety and fire risks. The Church Council leadership team continued to oversee the risks of not successfully delivering the Church's objectives. It met monthly to consider issues and agree actions to mitigate the effects of any barriers to achieving objectives. It reports back to Church Council, with recommendations where appropriate. Church Council took leadership of ensuring that 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 both children and adults who may be vulnerable.

Worship, fellowship, pastoral care, mission and service

The Youth work ministry has continued, and we continued to offer a younger youth club from 7-8.30 pm on a Tuesday and older youth club from 7.30pm to 9pm on a Thursday. The Young people have returned in numbers, up to 50 over the two evenings. While we have not had a Youth Worker, we have not been able to provide pastoral care and support. Youth Church has continued Sundays. We are very grateful to the loyal volunteer team who have enabled this outreach to continue.

Families' Worker has focused on sharing the love of Jesus and serving young families in the local area. As well as the Family Worker, MC Kids was also supported by church members volunteering to provide craft activities, worship, and Christian teaching. We were delighted to again offer a very successful Holiday club in July 2023, with around 30 children and their families connecting to our church and hearing about the love of Jesus.

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

In terms of developing our Sunday worship, we have undertaken several local arrangements, involving a greater number of our congregation in planning and leading Sunday worship, including the Youth and Family team. We have also continued to invest in our Audio-Visual equipment to improve the worship experience for those in the building and on Zoom. We have continued with our monthly contemporary Ignite Service on Saturdays, with around 35 attending on average.

In terms of building a loving community in Warlingham, we ran the monthly film club on the first Monday of each month followed by refreshments. This was attended by 28 older members of the community. During the year, with the kind help of a £500 grant from Warlingham Parish Council, we upgraded the large TV and sound system to ensure a high-quality experience (total cost of £1,500). We ran a community fireworks event in November which was attended by around 50 families from the local community. These events were free to the community, and we provided food and light refreshments. 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, 42 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 cash Reserves, excluding reserves relating to the church building, stood at £102,348 (2021-22: £89,460). Our Reserves policy is to hold unrestricted cash 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 ten months in reserves but expect this to fall over the coming year as we aim to employ a full-time youth worker and fund more mission and outreach events. 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. We aim to continue to offer youth work and family work to the local community around Warlingham and are actively recruiting a youth worker. 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 and 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***

30th October 2023

Independent Examiner's Report

Report to the members (trustees) of Warlingham Methodist Church on accounts for the year ended 31 August 2023 (Charity no: 1156399) set out on pages 9 to 14.

Respective responsibilities of trustees and examiner

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31 August 2023.

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

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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.

Signed: R.J.E Bamford

Date: 11 December 2023

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 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022-23 £	Unrestricted Funds £	Restricted Funds £	Total 2021-22 £
Income							
Offerings	2	56,108	19,242	75,350	67,109	6,065	73,174
Donations	3	677	8,000	8,677	1,124	8,500	9,624
Gift Aid		13,608	2,500	16,108	12,376	818	13,194
Interest		3,996	-	3,996	383	-	383
Rental Income		25,394	-	25,394	23,490	-	23,490
Other Income		768	2,034	2,802	2,586	10,000	12,586
Total Income		100,551	31,776	132,327	107,068	25,383	132,451
Expenditure							
Circuit assessment		38,088	-	38,088	38,088	-	38,088
Grants		650	241	891	4,715	333	5,048
Property upkeep		12,211	6,877	19,088	7,375	1,145	8,520
Utilities & insurance		13,388	-	13,388	12,446	-	12,446
Youth & Family work	4	22,679	7,500	30,179	26,504	10,837	37,341
Caretaker	4	6,178	-	6,178	5,983	-	5,983
Mission work		3,530	-	3,530	1,029	7,181	8,210
Depreciation		10,834	-	10,834	10,834	-	10,834
Other expenditure		1,918	-	1,918	2,367	-	2,367
Total Charitable Expenditure		109,476	14,618	124,094	109,341	19,496	128,837
Net Income/(Expenditure) before transfers		(8,925)	17,158	8,233	(2,273)	5,887	3,614
Transfers	12	-	-	-	-	-	-
Other gains/losses		-	-	-	-	-	-
Net movement in Funds		(8,925)	17,158	8,233	(2,273)	5,887	3,614
Total Funds brought forward		1,791,398	52,419	1,843,817	1,793,671	46,532	1,840,203
Total Funds carried forward		1,782,473	69,577	1,852,050	1,791,398	52,419	1,843,817

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 2023

	Notes to the Accounts	Unrestricted Funds £	Restricted Funds £	Total 2022-23 £	Total 2021-22 £
Fixed Assets					
Church building and other property	7	1,674,113	-	1,674,113	1,684,947
Total fixed asset		1,674,113	-	1,674,113	1,684,947
Current Assets					
Debtors & prepayments	10	6,012	-	6,012	17,809
Central Finance Board Deposits	9	63,545	66,992	130,537	85,148
Cash at Bank and in hand	9	38,803	2,731	41,534	56,059
Total current assets		108,360	69,723	178,083	159,016
Current Liabilities					
Creditors (due within 1 year)	11	-	-	-	146
Total current liabilities		-	146	146	146
Net current assets		108,360	69,577	177,937	158,870
Total assets less current liabilities		1,782,473	69,577	1,852,050	1,843,817
Net assets		1,782,473	69,577	1,852,050	1,843,817
Funds of the Church					
Unrestricted General Fund	12	1,782,473	-	1,782,473	1,791,398
Restricted Funds	12	-	69,577	69,577	52,419
Total Funds		1,782,473	69,577	1,852,050	1,843,817

There were no endowment funds.

Heather Juman

Mrs. H. Juman
Treasurer

11th December

2023

Notes to the Accounts

1. Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 £	2023 Total £	2022 Total £
Collections	56,108	19,242	75,350	73,174
Tax credits	13,608	2,500	16,108	13,194
Donations and grants	677	8,000	8,677	9,264
Legacies (shown in <i>Other</i>)	-	-	-	10,000
Total	70,393	29,742	100,135	105,992

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 three (2022: three) employees (1 part-time youth worker, 1 part-time families' worker, 1 part-time caretaker, equivalent to 1.3 full time equivalents).

	2023 Total £	2022 Total £
Gross pay	28,184	32,170
Employer's National Insurance Contributions	964	956
Employer's pension contributions	662	1,554
Total staff costs	29,810	34,680

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 (2022: £Nil).

Expenses refunded to Trustees, covering equipment, stationery supplies, catering supplies and repair costs, all supported by receipts were paid to 5 Trustees (2022: 5 Trustees). The total amount of expenses was £8,294 (2022: £2,750). This increase reflects fewer suppliers able to accept cheque payments, the only method to pay from the church bank account. The amounts this year relate to the purchase of AV equipment (£1,899), repairs (£1,368), cleaning of the carpets (£238), food for mission events (£1,260), laptop for family work (£483), bibles and materials for new believers (£420), TV for film club and events (£725), chairs (£596), craft materials for families work (£605) and decoration cost of the new prayer room (£700).

6. Independent Examination fees

No fees were charged by the independent examiner for the independent examination or any other service (2022: £Nil).

7. Tangible Fixed Assets

	Buildings	Plant and machinery	Fixtures and fittings	Assets under construction	Total
	£	£	£	£	£
Cost or valuation					
At 1 September 2022	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 2023	1,674,113	61,920	78,829	-	1,814,861
Depreciation					
At 1 September 2022	-	51,086	78,829	-	129,915
Additions in the year	-	10,834	-	-	10,834
Revaluations in the year	-	-	-	-	-
Less: Disposals in the year	-	-	-	-	-
At 31 August 2023	1,674,113	61,920			
Net Book Value					
At 31 August 2022	1,674,113	10,834	-	-	1,684,947
Net Book Value					
At 31 August 2023	1,674,113	-	-	-	1,674,113

Buildings are shown at the last insurance assessor value (unindexed) in 2018. The next valuation is due in 2023.

8. Capital Commitments

The church has no capital commitments (2022, none).

9. Cash at bank and in hand

	2023 £	2022 £
Church HSBC Account, impress account, and PayPal	40,837	55,362
Internal Organisations	697	697
CFB Accounts	130,537	85,148
	172,071	141,207

10. Debtors

	2023 £	2022 £
Gift Aid due	6,012	17,809

11. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	-	-
Collection due to others	146	146
	146	146

12. Funds

Fund	Balance at 1-Sep-2022 £	Income	Expenditure	Transfers	Balance at 31-Aug-2023 £
		£	£	£	
General	1,791,398	100,551	109,476	-	1,782,473
Total unrestricted	1,791,398	100,551	109,476	-	1,782,473
Youth & Families work	49,209	17,889	7,500	-	58,842
Building Fund	-	13,617	6,877	-	6,740
Worship & Mission	2,016	-	-	-	2,016
Internal organisations	697	-	-	-	697
Benevolent Fund	497	270	241	-	526
Total restricted	52,419	31,776	14,618	-	69,577
Total Funds	1,843,817	132,327	124,094	-	1,852,050

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. We aim to also build these funds to allow time to secure grant funding.

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

The Worship & Mission fund includes funds restricted to support worship including equipment, funds to support Christian retreats and the Ignite services.

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 to support those in hardship.

13. Related Party Transactions

There were no related party transactions during the year, other than trustee expenses shown at note 5 and the payment of the circuit assessment to Purley Circuit.