

Charity registration number 1129441

WALWORTH METHODIST CHURCH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

WALWORTH METHODIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Revd P Weary
Mrs C Ogunsola
Mr O Akinyemi
Mr C Pratt
Mrs A Pratt
Ms E Adenuga
Ms Z Adu
Mr P Yorke
Mr Matthew Asumang
Ms E Redwood-Sawyer
Mrs O Duyilemi
Mr Y Oduga
Mrs N Chidawa
Mr Y Ogunsola
Rev David Markay
Rev David Gillman
Ms Sabrina Prempeh
Mr Gershon Ward-Anderson
Ms Dolly Grant
Mr Sam Anang
Mrs E Fletcher (Appointed 1 September 2021)

Mrs G Dravie-Dixon
Mrs A Bammeko
Mrs M Cobbah
Joseph Basie (Appointed 1 September 2021)

Oladapo Bammeko (Appointed 1 September 2021)

Alfred Thorpe (Appointed 1 September 2021)

Evelyn King (Appointed 1 September 2021)

Michael Odunlami (Appointed 1 September 2021)

Abayomi Oduga (Appointed 1 September 2021)

Charity number

1129441

Principal address

54 Camberwell Road
London
SE5 0EN

Auditor

PJT & Co Limited
Accountancy House
90 Walworth Road
London
SE1 6SW

WALWORTH METHODIST CHURCH

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WALWORTH METHODIST CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report and financial statements for the year ended 31 August 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011 and "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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Summary of the objects

The advancement of:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;
- any charitable purpose for the time being of any connexional, district, circuit, local or other organisation of the Methodist Church;
- any charitable purpose for the time being of any society or institution being a society or institution subsidiary or ancillary to the Methodist Church;
- any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

Summary of the main activities

The trustees have paid due regard to guidance issued by the Charity commission in deciding what activities the charity should undertake, in particular, the specific guidance on charities for the advancement of religion.

To this end, the Church offers services of public worship and prayer; programmes and activities for children and adults to learn about the Christian faith; groups and programmes for youth, young adults and the elderly; pastoral care and practical support for individuals within and outside the church community and rooms that are available for use by local community organisations.

WALWORTH METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and Performance

As a congregation within the Methodist Church in Britain, Walworth Methodist Church seeks to live out its calling "to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. As far as we are able, with God's help, we will do this through our worship, learning and caring, service to others and evangelism".

The congregation takes seriously Methodist founder John Wesley's words, 'The world is my parish,' as its membership represents several countries mostly from West Africa. Accordingly, our service, outreach and assistance to these communities, their wider diaspora in the London area, and our local Southwark community is all done with intentionality on a broad inter-cultural map.

Within this calendar period, as Covid restrictions eased the congregation increased its frequency of in-person worship, meetings and gatherings. The church year began in September, with a visit from the then President of the Methodist Conference, Rev. Sonia Hicks, who returned to her home congregation as part of its annual Racial Justice Sunday activities.

As the congregation happily returned to its regular Sunday worship services at 9:30 and 11am, the Sunday school moved from its active on-line ministry to face-to-face worship and instruction. They organized several days of Beauty-in-Diversity activities during October's Black History Month and also sent a team of youth and adults to the British Methodist 3Generate Youth Gathering in Birmingham that same month.

The Finance & Property Committee and the Employment/Human Resources Committee met regularly via Zoom and in-person to execute their tasks – managing the property and finance of the congregation, and seeking to provide continuity and efficiency in the church office, respectively. Their diligence and commitment, done on behalf of the Church Council, is greatly appreciated. The Church Council met quarterly, and the congregation gathered for its Annual Church meeting in July.

Various networks of pastoral care and support flourished through the work of national Fellowship groups and the dedicated team of Class Leaders. Volunteers provided service of welcome to events, cleaning days, administrative help. Many diaspora school organisations, choirs and wider Fellowship groups used the building as a locus for their gatherings during the year, some meeting for the first time since the lock-down.

The church continued to host groups from the community which assist various cross-sections of the Borough of Southwark. The Golden Oldies Group and the Wonders of Walworth, both designed to provide support and fellowship for elderly persons, resumed their weekly gatherings. In preparation for a difficult winter, discussions began about collaborating to establish an additional weekly 'warm hub' during the cold months ahead. The Southwark Carers group, which uses the Walworth church building, continued its vital ministry of moral and practical assistance, with some cooperation with church members. A team of medical personnel from the A.T. Beacon wing of the Ascension Trust visited the congregation in July, offering medical checks and sign-posting.

Throughout the year the congregation provided a place of comfort and faith during numerous funerals throughout the year, and a backdrop of joy and celebration during several baptisms and weddings throughout the year. On Pentecost Sunday in June the congregation welcomed twenty-five young people through Confirmation and twenty-one new members through transfer and profession of faith.

The congregation welcomed Mr. Vidal Sumner as the Church Treasurer in April. With the support of the congregation's Finance & Property Committee and Employment/Human Resources Committee, and the full backing of the Church Council, Mr. Sumner has worked diligently in the role to streamline office work, facilitate new capabilities in electronic banking, and increase the efficiency of the financial life of the congregation.

The ministry team at the church faced a time of transition as Rev. Paul Weary completed eight years of service at the end of August. He and his wife were given a heartfelt send-off by the Southwark & Deptford Circuit in July, and by the Walworth congregation in August. Alongside Rev. David Markay, the congregation and the Circuit prepared to receive Rev. Rachael Wilson, appointed by the Methodist Church in Britain to begin her own service among us on 1 September.

The congregation has emerged from the pandemic facing the realities of decreased income and attendance. Encouragingly, with the guidance of the church leaders and the faithfulness of its members, both trends are moving up numerically, and the congregation is showing signs of vitality and strength. Informed and shaped by the difficulties of the past years, the congregation is committed to finding new ways of ministry within and outside as it faces the future.

WALWORTH METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Acknowledgement

The trustees wish to thank the administrative staff of the church for their support in helping them carry out their responsibilities

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

WALWORTH METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management

Walworth Methodist Church is part of The Methodist Church in Great Britain and was historically an excepted charity. Under the provisions of the Charity Act 2006 Walworth Methodist Church was registered on 6 May 2009 under charity number 1129441. The Church is constituted in accordance with the Constitutional Practice and Discipline (CPD) of the Methodist Church.

The trustees who served during the year were:

Revd P Weary	
Mrs C Ogunsola	
Mr O Akinyemi	
Mr C Pratt	
Mrs A Pratt	
Ms E Adenuga	
Ms Z Adu	
Mr P Yorke	
Mr Matthew Asumang	
Ms E Redwood-Sawyer	
Mrs O Duyilemi	
Mr O Mensah	(Resigned 1 November 2021)
Mr Y Oduga	
Mrs N Chidawa	
Mr Y Ogunsola	
Rev David Markay	
Rev David Gillman	
Ms Sabrina Prempeh	
Mr Gershon Ward-Anderson	
Ms Dolly Grant	
Mr Sam Anang	
Mrs E Fletcher	(Appointed 1 September 2021)
Mrs G Dravie-Dixon	
Mrs A Bammeké	
Mrs M Cobbah	
Joseph Basie	(Appointed 1 September 2021)
Oladapo Bammeké	(Appointed 1 September 2021)
Alfred Thorpe	(Appointed 1 September 2021)
Evelyn King	(Appointed 1 September 2021)
Michael Odunlami	(Appointed 1 September 2021)
Abayomi Oduga	(Appointed 1 September 2021)

The procedure for appointing trustees is set out in CPD. The Church Council is made up of office holders who are appointed by the Church Council and who serve *ex-officio*, and additional members appointed by the Annual Church Meeting.

WALWORTH METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The church is managed on a day to day basis by the ministers of the church (Rev. Paul Weary and Rev David Markay) with paid and volunteer support staff and appointed church officers.

The trustees' report was approved by the Board of Trustees and signed on their behalf by:



Rev David Markay
Trustee
Dated: 14 August 2023

WALWORTH METHODIST CHURCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees are responsible for preparing the Trustees' Report and the 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 trustees to prepare financial statements for each financial 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 year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WALWORTH METHODIST CHURCH

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WALWORTH METHODIST CHURCH

Opinion

We have audited the financial statements of Walworth Methodist Church (the 'charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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).

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 for 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.

Emphasis of matter

We draw your attention to the restricted fund note¹⁷ of the financial statements. This is in regard to the breach that had taken place in the previous years when restricted fund cash had been used for general activities of the church. The breach had been reported to the charities commission and the board has committed to restoring these balances as soon as general funds are available. Our opinion is not modified in respect of this matter.

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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

WALWORTH METHODIST CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WALWORTH METHODIST CHURCH

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 statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 cease operations, or have no realistic alternative but to do so.

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 the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations;
- The laws and regulations applicable to the charity were identified through discussions with trustees and treasurer, and from our understanding of charity sector;
- We identified on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, data protection, anti-bribery, and employment legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

WALWORTH METHODIST CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WALWORTH METHODIST CHURCH

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- checked and tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.


In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Piyush Chandulal Jasani (Senior Statutory Auditor)
for and on behalf of PJT & Co Limited

Chartered Certified Accountants
Statutory Auditor

17 August 2023

Accountancy House
90 Walworth Road
London
SE1 6SW

WALWORTH METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>					
Donations and legacies	3	113,928	36,304	150,232	74,571
Other operating activities	4	218,909	441	219,350	196,087
Investments	5	121	72	193	28
Other income	6	-	925	925	-
Total income		332,958	37,742	370,700	270,686
<u>Expenditure on:</u>					
Raising funds	7	518	-	518	520
Raising funds and Charitable activities	8	267,781	29,632	297,413	222,009
Total resources expended		268,299	29,632	297,931	222,529
Net income for the year/ Net movement in funds		64,658	8,110	72,768	48,157
Fund balances at 1 September 2021		250,657	8,616,762	8,867,419	8,819,265
Fund balances at 31 August 2022		315,315	8,624,872	8,940,187	8,867,422

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

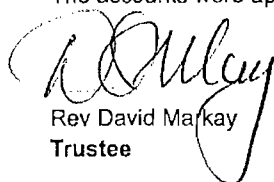
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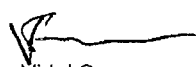
STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Property, plant and equipment	13	-		518	
Investment properties	14	8,730,000		8,730,000	
		8,730,000		8,730,518	
Current assets					
Trade and other receivables	15	66,977		17,187	
Cash at bank and in hand		195,984		142,812	
		262,961		159,999	
Current liabilities	16	(52,773)		(23,095)	
Net current assets		210,188		136,904	
Total assets less current liabilities		8,940,188		8,867,422	
Income funds					
Restricted funds	17	8,624,872		8,616,762	
<u>Unrestricted funds</u>					
Designated funds	18	21,636		21,636	
General unrestricted funds		293,680		229,024	
		315,316		250,660	
		8,940,188		8,867,422	

The accounts were approved by the Trustees on 15 August 2023


Rev David McKay
Trustee


Vidal Sumner
Treasurer

WALWORTH METHODIST CHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	21		52,981		26,945
Investing activities					
Interest received		193		28	
Net cash generated from Investing activities			193		28
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			53,174		26,973
Cash and cash equivalents at beginning of year			142,812		115,840
Cash and cash equivalents at end of year			<u>195,984</u>		<u>142,812</u>

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity has been able to return to its regular Sunday worship services after having to remain closed during pandemic and the trend is encouraging as it is seeing increased membership and donations. At the time of approving the financial statements, the trustees have carefully reviewed the church's financial projections and cashflows to assess its viability to continue as a going concern. The trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category

Costs of generating funds are the costs of trading for fundraising purposes.

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of the trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
Motor vehicles	50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	5,627	36,304	41,931	14,492
Miscellaneous income	123	-	123	214
Church collections	108,178	-	108,178	59,865
	<u>113,928</u>	<u>36,304</u>	<u>150,232</u>	<u>74,571</u>
For the year ended 31 August 2021	<u>62,476</u>	<u>12,095</u>		<u>74,571</u>

4 Other trading activities

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Fundraising events	-	441	441	-
Letting and licensing arrangements	218,909	-	218,909	196,087
Other trading activities	<u>218,909</u>	<u>441</u>	<u>219,350</u>	<u>196,087</u>
For the year ended 31 August 2021	<u>196,087</u>	<u>-</u>		<u>196,087</u>

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Investments

	Unrestricted funds	Restricted funds	Total Unrestricted funds	
	2022 £	2022 £	2022 £	2021 £
Interest receivable	121	72	193	28

6 Other income

	Restricted funds	Total
	2022 £	2021 £
Other income	925	-

7 Raising funds

	2022 £	2021 £
<u>Operating costs</u>		
Depreciation and impairment	518	520
	518	520

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Raising funds and Charitable activities

	Charitable Expenditure	Charitable Expenditure
	2022 £	2021 £
Staff costs	37,948	45,510
Establishment costs	41,407	32,826
Repairs and maintenance	20,195	8,486
General expenses	10,325	2,420
Printing, posting and stationery	10,983	10,636
Donations, gifts and subscription	1,397	1,000
Church expenses	14,905	9,681
Travel and subsistence	4,514	2,150
Fund raising and events	11,056	-
Bank charges	240	-
Ministerial expenses	772	874
Security costs	17,406	2,988
Welfare and Christmas for elderly and children	3,000	345
	<u>174,148</u>	<u>116,916</u>
Share of support costs (see note 9)	58,000	58,000
Share of governance costs (see note 9)	65,265	47,093
	<u>297,413</u>	<u>222,009</u>
Analysis by fund		
Unrestricted funds	267,781	218,119
Restricted funds	29,632	3,890
	<u>297,413</u>	<u>222,009</u>
For the year ended 31 August 2021		
Unrestricted funds	218,119	
Restricted funds	3,890	
	<u>222,009</u>	

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Support costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
Circuit assessment	58,000	-	58,000	58,000	
Audit and accountancy	-	6,600	6,600	6,600	Governance
Governance costs	-	58,665	58,665	40,493	Governance
	<u>58,000</u>	<u>65,265</u>	<u>123,265</u>	<u>105,093</u>	
Analysed between Charitable activities	<u>58,000</u>	<u>65,266</u>	<u>123,266</u>	<u>105,094</u>	

Governance costs includes payments to the auditors of £6,600(2021- £6,600) for audit fees.

10 Trustees

In the year under review, no reimbursements for travel and phone expenses were made to trustees.

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Governance	<u>2</u>	<u>3</u>
Employment costs	2022 £	2021 £
Wages and salaries	<u>37,948</u>	<u>45,510</u>

There were no employees whose annual remuneration was more than £60,000.

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Property, plant and equipment

	Fixtures and Motor vehicles fittings		Total
	£	£	£
Cost			
At 1 September 2021	134,569	14,120	148,689
At 31 August 2022	134,569	14,120	148,689
Depreciation and Impairment			
At 1 September 2021	134,051	14,120	148,171
Depreciation charged in the year	518	-	518
At 31 August 2022	134,569	14,120	148,689
Carrying amount			
At 31 August 2021	518	-	518

14 Investment property

	2022
	£
Fair value	
At 1 September 2021 and 31 August 2022	8,730,000

Investment property comprises 54-64 Camberwell Road. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 28 September 2020 by Bunch & Duke, Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

15 Trade and other receivables

	2022	2021
	£	£
Amounts falling due within one year:		
Other receivables	61,514	17,187
Prepayments and accrued income	5,463	-
	66,977	17,187

16 Current liabilities

	2022	2021
	£	£
Other taxation and social security	463	1,783
Trade payables	12,717	12,706
Other payables	20,683	2,006
Accruals and deferred income	18,910	6,600
	52,773	23,095

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 September 2020	Incoming resources	Resources expended	Balance at 1 September 2021	Incoming resources	Resources expended	Balance at 31 August 2022
	£	£	£	£	£	£	£
J B Memorial fund	2,763	3	-	2,766	-	-	2,766
Building Reserve	48	-	-	48	-	-	48
Special Appeals	68,018	3,137	(2,890)	68,265	10,441	(7,099)	71,607
Revaluation Reserve	8,439,948	-	-	8,439,948	-	-	8,439,948
Charitable Funds	1,300	-	-	1,300	-	(1,300)	-
Fellowship Funds	96,480	8,955	(1,000)	104,435	27,300	(21,233)	110,502
	<u>8,608,557</u>	<u>12,095</u>	<u>(3,890)</u>	<u>8,616,762</u>	<u>37,741</u>	<u>(29,632)</u>	<u>8,624,872</u>

The charity keep ledgers that identify the unspent balances due for the restricted funds and separate bank accounts have been set up to segregate the principal restricted funds from the main current account. In the earlier years, restricted funds had been applied to finance the general activities of the charity. The trustees have identified the extent of the use of the restricted funds and are gradually restoring the balance of these funds.

18 Designated funds

The trustees have designated the following amounts for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 September 2020	Incoming resources	Balance at 1 September 2021	Incoming resources	Balance at 31 August 2022
	£	£	£	£	£
Church Maintenance and Development Reserve	21,636	-	21,636	-	21,636
	<u>21,636</u>	<u>-</u>	<u>21,636</u>	<u>-</u>	<u>21,636</u>

WALWORTH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Designated funds 2022 £	Total 2022 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:					
Property, plant and equipment	-	-	-	-	518
Investment properties	8,730,000	-	-	8,730,000	8,730,000
Current assets/(liabilities)	210,188	-	-	210,188	136,904
	<u>8,940,188</u>	<u>-</u>	<u>-</u>	<u>8,940,188</u>	<u>8,867,422</u>

20 Related party transactions

In the year under review, the following payments were made to trustees by the church:

Trustees engaged by the church for organist services in the year were paid £ 5,965 (£465 - 2021).

21 Cash generated from operations

	2022 £	2021 £
Surplus for the year	72,769	48,157
Adjustments for:		
Investment income recognised in statement of financial activities	(193)	(28)
Depreciation and impairment of property, plant and equipment	518	520
Movements in working capital:		
(Increase) in trade and other receivables	(49,790)	(6,872)
Increase/(decrease) in trade and other payables	29,678	(14,832)
Cash generated from operations	<u>52,982</u>	<u>26,945</u>

22 Analysis of changes in net funds

The charity had no debt during the year.

