

THE METHODIST CHURCH
THE Newcastle Upon Tyne DISTRICT
THE NEWCASTLE CENTRAL and EAST CIRCUIT 20/1.

BRUNSWICK METHODIST CHURCH



Trustees report and financial statements

For the year ended 31st August, 2021

BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2021

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31 August 2021.

The financial statements comply with the Charities Act 2011, the Memorandum and Articles of Association, 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) (effective 1 January 2019).

Brunswick Methodist Church.

Over the past year Brunswick Methodist Church has reached 200 years since the first act of worship took place in our building. This anniversary was marked in February 2021. Although a number of our anniversary events had to be shelved due to the pandemic we have planned to hold events in December 2021 to which representatives of our civic, business, and voluntary sector will be invited.

Following the huge challenges posed by the pandemic Brunswick Methodist Church has been very successful over the past 12 months in providing once again a safe, and welcoming space for use by church members and community users alike.

This is measured by the high rate of occupancy of the rooms in our church building each week which now includes a far greater usage of our sanctuary or worship space than before the pandemic. The use of the building by three church congregations has continued, although one of these, the Newcastle City Temple Salvation Army corp. is due to move from our building in a few months' time. Although our relationship with the 'Army' will continue, their departure will mean the loss of an important income stream for our church of around £5,000 per annum.

Whilst all our worship services are now, again, being held face-to-face the importance of connecting with people online has not diminished and Brunswick Methodist Church continues to have a very active presence in terms of our Facebook page and our online, live midweek prayers, held on three mornings each week.

Activities for Achieving Objectives

Profile of our community:

69 church members; 30-40 regular worshippers; 10-15 regular Facebook prayer participants; estimated annual footfall of community users utilising our church building = 60-70,000 people.

Age breakdown: 85% over 60s; 25% 20-60; 5-10 students/young adults; 5 families actively involved; 10-15 new people since we ran worship and prayers online.

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Overview of Lay Leadership: Lay Worker for Worship & Discipleship (20 hrs, paid 50% District, 50% Brunswick; to November 2024), Lay Worker for Outreach (15 hrs, paid by Circuit; to April 2025); 3 Church Stewards; Church Leadership Team- 8 members;

Centre staffing: Centre Manager (30 hrs), 3 caretakers (1 full-time, 2 part-time, total 71.5 hrs); we constantly review staffing levels and the affordability of this going forward.

Ministry Team = Presbyter (0.5), Two employed Lay Workers (details above)

Finances/Resourcing of our Ministry & Mission:

Brunswick is little different to many churches in that we have run a significant deficit during the pandemic. At a recent Connexional meeting I attended the Connexional Treasurer, Rev'd Tim Swindell, acknowledged the difficult times we are all going through and stated that the church he is treasurer of, Westminster Central Hall, is hoping that next year they will be able to break even, following two years with significant deficits, and it is our hope that Brunswick will be in a similar position.

In the year covered in this report our church secretary, Carolyn Walker, retired. She had maintained the account ledgers on X-cell; we pay our grateful thanks for her sterling work. We took the opportunity to look at possible computer accounting systems and we chose 'Xero' which keeps records on-line and in the cloud, this has proved to be easy to use and flexible for our requirements.

We wish to pay especial thanks to Fiona Wells for her eternal optimism, enthusiasm and the way she works tirelessly. Also to Iain Farquhar who has, for several years, been a member of the finance committee. He has been an encourager and wise counsel to the committee and Church Council; we shall miss him following his recent resignation.

We have produced the usual pie charts and these are to be found at the end of this report.

The figures to highlight are:

Income.

- Deficit for 2020/21 £2,036 (19/20 excess income £21,373). Budgeted deficit 21/22 £26,073.
- The deficit would have been significantly greater but for the Government furlough grant £19,667 (19/20 £8,170) and the Local Authority Covid recovery grant £12,388 (19/20 NIL) - total of these grants = £32,055.
- Freewill giving £33,472 (19/20 £37,282), so down £3,810, this was due to several reasons for example deaths, transfers out to other churches and no Sunday 'loose' collections being taken up.
- HMRC gift aid recovery £7,934 (19/20 £8,286).
- Rents remain stable and a new lease with Fenwick has been negotiated.

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For the year ended 31 August 2021

- Room hires £39,376, down from £78,093 in 19/20.

Expenditure.

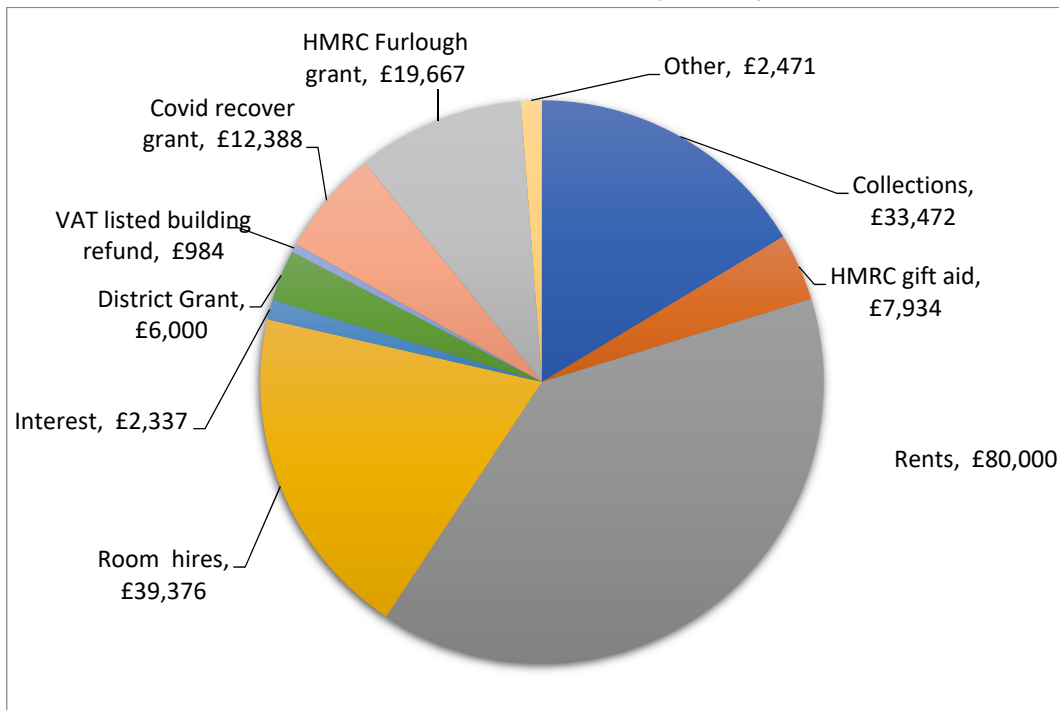
- Assessments have been paid: 19/20 £69,000, 20/21 £61,000 and 21/22 £58,000 in next year 22/23 they shall be £46,000 – Brunswick is now no longer able to subsidise and carry the Circuit disproportionately, the assessments have become too great a burden.
- Salaries (including on-costs and pensions) £81,056 up from £70,881 in 2019/20.
- Pensions – the church has recently undertaken its statutory duty of confirming to all staff of the provision of a pension arrangement and the Church Council agreed to give £4,000 to the Connexional Pension Reserve Fund.
- Property – Fiona Wells monitors the utility expenses and we use an energy broker to negotiate ‘best deals’. There have been several items of maintenance undertaken whilst we have been in lockdown.

Brunswick has limited reserves (see chart below) and those that are unrestricted are earmarked for known repair liabilities (for example the boilers are over thirty years old and the stained glass windows require on-going maintenance – please see detailed schedule in the final chart, below).

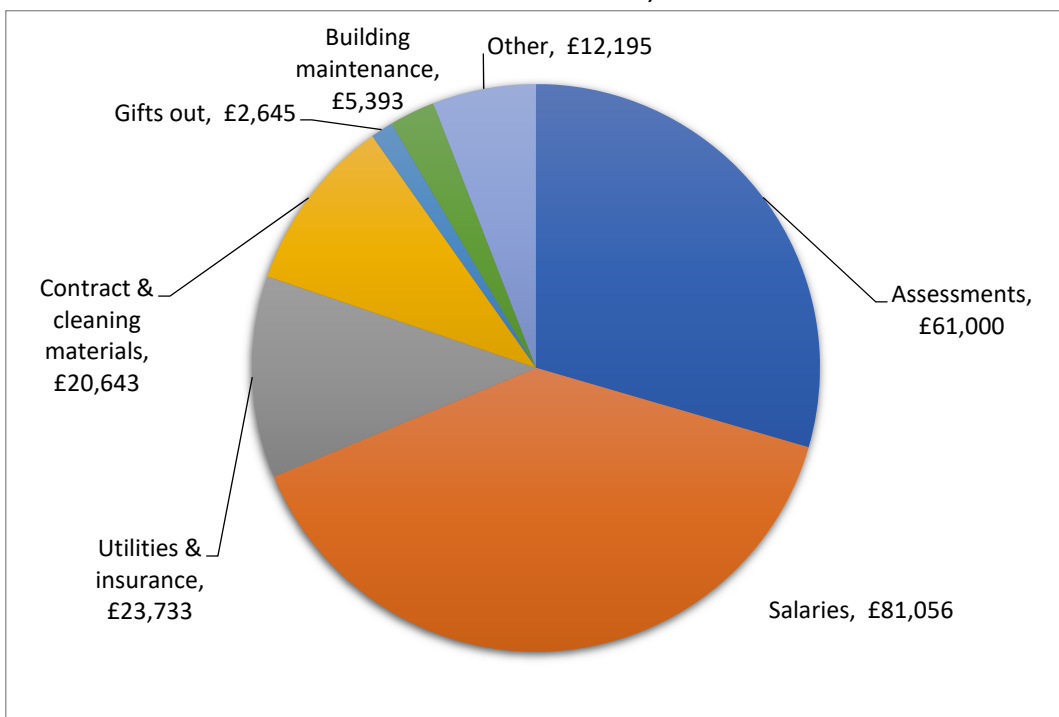
Coffee Shop: the church has had to pay some of the bills for the coffee shop (e.g. insurance and accounts audit), the loans will be repaid in 2022 and it is estimated that a contribution of around £5,000 or £6,000 will be made to the church the 2021/22 Connexional year (against past contributions of circa £28,000). A big thank you to the teams, now operating four days a week, for re-opening. The coffee shop provides a much needed safe space for people and fellowship for many.

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For the year ended 31 August 2021

2020 – 2021
INCOME £204,629, SHORTFALL (deficit) £2,036.

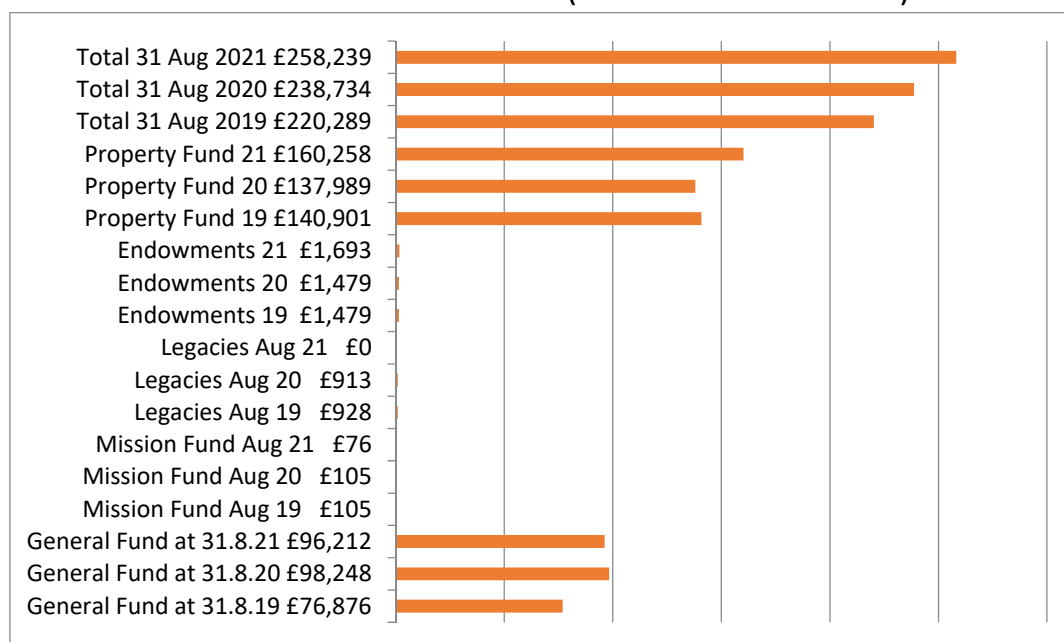


EXPENDITURE £206,665

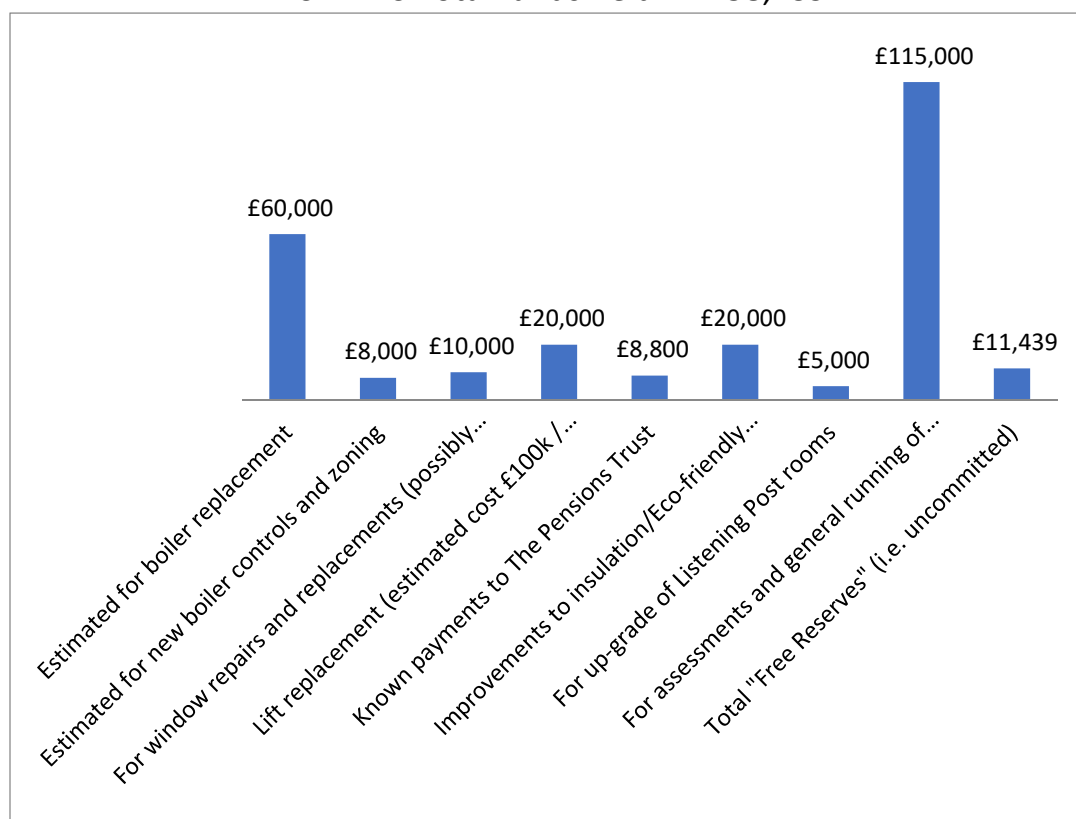


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FUNDS HELD AT YEAR END (totals and breakdown).



RESERVES Total funds held = £258,239.



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For the year ended 31 August 2021

Worship, Prayer & Small group:

Sunday worship: Morning worship at 10.45am with one per month being more all age focussed (from November 2021);

Prayer: Monday, Wednesday and Friday mornings at 10am – these currently being led online although some are now being streamed from inside our church building

Online Bible study, Thursdays @ 6.30pm, 5-10 attenders; Church YouTube page – recorded worship & prayers (since December 2020, average views per ‘event’ = 75).

Main church/city centre based Outreach:

Listening Post (one-to-one, non-appointment listening service with twelve trained volunteers) – 2015-19 average no. accessing Listening Post = 770. Over the past year the service has operated only on one day each week, Mondays, due to a reduction in the number of volunteers;

‘BFG’ – Brunswick Friendship Group (weekly drop-in for homeless, isolated, low income earners – food served/hospitality/prayer offered by trained befrienders), this has yet to be restarted.

‘GAP’ group (‘GAP = ‘Girls Are Proud, a drop-in for city sex workers) –our Outreach worker acts as a ‘Chaplain’ to this group of vulnerable women who meet for mutual support, creative workshops and to empower one another. This is staffed by a city partner, ‘Changing Lives’ (see below).

Open door policy– we attract a wide range of callers with needs ranging from homelessness to those even contemplating suicide. Either we signpost to appropriate agencies or work with individuals where we have the know-how, the resources, and the time available.

Church-sponsored activities/groups:

Brunswick Coffee Shop/Café – operated as a Ltd. Company, wholly owned by the Church, and run by volunteers; over recent years Coffee Shop has yielded circa £30K per annum. Due to more limited opening over the church year 2020-21, there was no income generated, the Church had to loan the coffee shop money to pay certain bills. The benefit of Coffee Shop continue to be seen in how it enables us to welcome a wide range of people into our building and so exercise more fully our ministry of hospitality.

Men’s Club – weekly 30-40; a range of different speakers; always a warm welcome to any newcomers.

Prayer space available to all who value using it, occasional use by small groups/for morning prayers.

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For the year ended 31 August 2021

Distinctive features of Brunswick's mission and ministry:

- *We connect with a disproportionate number of homeless and vulnerable people.* Our capacity to respond effectively to needs presented by these people is dependent upon our staffing levels, whether paid or voluntary.
- *We have opportunities to establish more partnership working.* One example of this is in our closer working with our Chinese Methodist congregation which we anticipate to develop further in the next church year.
- *We connect with business and civic life.* We maintain close links with the Councillors serving the Monument Ward, and with our local MP. We work closely with our city centre policing unit and our community support officers.
- *We are accessible to a wide variety of people due to our public transport links and our location.* This is especially important given the limited parking now available close to our church building.
- *We serve our Methodist District and Region* through hosting day conferences and events. We also host a Circuit office space within our building.
- *We offer potential for reflective space and prayer.* This is prayer space is visible upon entering the building.
- *Brunswick has important links to Methodist heritage.* Dating right back to the 1740s and the Wesley Orphan House, Brunswick has not just a rich heritage but a continuing relevance to the life of our city.

Looking to the Future.

Our hope for the coming year is to increase the level of usage of our building and to continue our core 'presence' ministry of serving the vulnerable in our city centre. Another aim will be to develop a closer working with our Chinese Methodist congregation and to give them greater support as they welcome many newcomers to their church following the arrival in the North-East of many 'BNO's (British Nationals from Overseas) from Hong Kong. This will offer Brunswick Methodist Church new opportunities to partner with other Christians in Newcastle city centre which is vital given our decline in church membership over the past two decades.

BRUNSWICK METHODIST CHURCH
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Reference and Administration Details

Charity Registration Number

1128118

Principal Address

Brunswick Methodist Church

Brunswick Place

Newcastle upon Tyne

NE1 7BJ

Trustees

Rev'd Paul Cleever-Thorpe (Chair)

Mrs Kathleen Noreen Hawdon

Miss Joan Kelsall

Mr Victor Thomas – Resigned 01.01.2021

Mrs Joan Turner – Resigned 10.09.2021

Revd Gavin Hume

Mr David Thornton

Mr Samuel Willis

Mrs Chris Carroll – Retired 31.08.2021

Mr Hugh Elwood – Retired 31.05.21

Miss Sylvia Fuller

Mrs Jean Mawer

Mrs Lola Oloniniyi

Mrs Ruth Colclough

Mrs Jane Atherton

Mr Rob Wylie

Mr David Stabler

Mrs Sheila Crodden

Mr Keith Gilfillan (Circuit Steward) – Appointed 01.09.21

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For the year ended 31 August 2021

Independent Examiner

Jim Dodds

Connected Voice Business Services

C/o Connected Voice

Higham House, Higham Place,

Newcastle upon Tyne,

NE1 8AF

Bankers

Lloyds Bank Plc

102 Grey Street

Newcastle upon Tyne

NE99 1SL

And The Central Finance Board of The Methodist Church

9 Bonhill Street,

London,

EC2A 4PE

Solicitors

Sintons LLP, Solicitors

The Cube, Barrack Road

Newcastle upon Tyne

NE4 6DB

Surveyors and Valuers

LSH (Lambert Smith Hampton)

41-51 Grey Street,

Newcastle upon Tyne,

NE1 6EE

Custodian Trustees

The Trustees for Methodist Church Purposes

Central Buildings

Oldham Street

Manchester M1 5JQ

BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2021

Method of Appointment or Election of Trustees

The Trustees who have served during the year and since the year-end are appointed annually by the Church by the general meeting or by being ex-officio (Ministers in good standing).

Structure, Governance and Management

The Charity's Managing Trustees listed above all are lay people excepting the two Ministerial staff and three Lay workers all of whom are employed by The Methodist Church. The Managing Trustees meet regularly as the Church Council and delegate some of its work to a leadership team, all of who are trustees.

The Circuit is one of 12 of the Newcastle upon Tyne District and has 15 Churches and one preaching place, of which Brunswick is one.

The governing body of the Circuit is the annual conference of The Methodist Church. The Methodist Church Act 1976 gives the authority under which The Methodist Church acts. The constitution practice and discipline of The Methodist Church together with The Deed of Union (Act of 1929 adopted 1932) govern the activities of the Circuit.

In general The Methodist Church is excepted from the need to register as a charity by the combined effects of Section 46(4) (A) of The Charities Act 1993 and Paragraph 4(2) (C) of the Charities (exception from registration) Regulations 1996 as amended by Statutory Instrument 2014 No 242. Brunswick Church, however, is a separate Registered Charity, number 1128118, in England and Wales.

The Trustees who have served during the year and since the year-end are set out on page 1. The treasurers are appointed annually by the Church general meeting.

The principal address of the Circuit's auditors, bankers, solicitors and other advisors are given on page 1.

Funds are transferred to the Circuit on a quarterly basis to meet the commitments to the District and the upkeep of the Circuit.

Reserves Policy

General funds

Funds come from income that the church receives; collections, rental income, leases, catering and other donations, etc. They are used for the operating costs of the church (utility charges, insurances, salaries, routine repairs and maintenance, minor upgrading work, purchases of furnishings and equipment,)

The trustees are aware that if the church were to close there would be a liability to pay redundancy payments, the trustees have not calculated what this liability may be, since the trustees consider that the church will not close; the liability in this respect is nil.

The trustees have an ongoing pension liability, in respect of past service of an employee which amounted to £30,179.00 as at 30th September 2014 by 31st August, 2021 this had reduced to £8,568. The trustees are extinguishing this liability over a ten year period ending 2024 (The figure given is the most recent provided by The Pensions Trust).

BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2021

The reserves policy of the trustees is to hold an appropriate proportion (i.e. 25%) of annual expenditure. This is approximately £250,000 per year / 25% = £62,500. It is the intention of the Managing Trustees (The Church Council) to balance the budget and retain reserves.

The total amount of free reserves (unrestricted funds not invested in tangible fixed assets) are currently £100,000 (2020: £110,000)

Policy for Restricted Funds

Brunswick is a grade II listed city centre church committed to serving the city through social action and Christian witness.

The trustees' objective is to maintain the restricted funds at a level which is sufficient for the church to carry out its mission.

The managing trustees consider there is a need to ensure that there are adequate funds to meet long term maintenance of the church premises.

Policy Terms relating to Endowment Funds held

These funds are held as per model trust directions issued by the Connexional Property Secretary. The interest from these funds is used for the benevolent fund which is dispersed at the discretion of the ministers.

Notes:

The reserves of Brunswick Methodist Church are held with the Trustees for Methodist Church Purposes and the Central Finance Board of the Methodist Church and Lloyds Bank. They do not cover all eventualities which the trustees can envisage with their work to fulfil city centre mission.

Going Concern

The financial statements have been prepared on a going concern basis. In making their assessment the trustees have reviewed and considered relevant information, including their annual budget and future cash flows. In response to the COVID-19 pandemic, the trustees have revised their forecasts to take into account measures that they can take with the current resources available to mitigate the impact of the current adverse conditions. The trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The trustees are required 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, including the income and expenditure of the charity for the year. In preparing those financial statements, the trustees are required to:

BRUNSWICK METHODIST CHURCH
TRUSTEES ANNUAL REPORT

For the year ended 31 August 2021

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. 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.

Approved by the trustees on _____ and signed on their behalf by:

Mr David Stabler, _____

Co Treasurer

BRUNSWICK METHODIST CHURCH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 August 2021

I report on the financial statements of Brunswick Methodist Church for the year ended 31 August 2021, which are set out on pages 14 to 27.

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.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, 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 material matters have come to my attention 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 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.

Jim Dodds
Connected Voice Business Services Ltd
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date:

BRUNSWICK METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	6	47,946	20	47,966	61,191
Charitable activities					
Grants and membership fees	7	32,055	-	32,055	11,820
Other trading activities	8	120,386	-	120,386	178,177
Other income	9	1,853	-	1,853	2,730
Investments	10	61	2,587	2,647	2,925
Total income		202,300	2,607	204,907	256,843
<u>Expenditure on:</u>					
Raising funds	11	-	280	280	285
Charitable activities					
Operation of the charity	12	246,106	200	246,306	270,297
Total expenditure		246,106	480	246,586	270,582
Net income/(expenditure) before investment gains/(losses)		(43,805)	2,127	(41,679)	(13,739)
Net gains/(losses) on investments		-	25,689	25,689	(2,523)
Net income/(expenditure)		(43,805)	27,816	(15,990)	(16,261)
Transfers between funds		3,113	(3,113)	-	-
Net movement of funds		(40,692)	24,703	(15,990)	(16,261)
<u>Reconciliation of funds</u>					
Total funds brought forward		275,015	142,376	417,391	433,652
Total funds carried forward		234,323	167,079	401,401	417,391

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 16 to 27 form an integral part of these accounts.

BALANCE SHEET

As at 31 August 2021

	Notes	£	Total 2021 £	£	Total 2020 £
<u>Fixed assets</u>					
Tangible assets	19		134,551		175,681
Investments	20		165,031		140,359
Total fixed assets			299,581		316,040
<u>Current assets</u>					
Debtors	21	14,000		13,895	
Cash at bank and in hand	22	98,368		100,337	
Total current assets		112,368		114,232	
Creditors: amounts falling due within one year	23	(1,980)		(1,980)	
Net current assets			110,388		112,252
Total assets less current liabilities			409,969		428,292
Creditors: amounts falling due after more than one year	24	(8,568)		(10,901)	
Total net assets or liabilities			401,401		417,391
<u>Funds of the charity</u>					
Unrestricted income funds			234,323		275,015
Restricted income funds			167,079		142,376
Total funds			401,401		417,391

The notes on pages 16 to 27 form an integral part of these accounts.

These financial statements were approved by the Board on:

and are signed on its behalf by:

Mr David Alexander Stabler
Co Treasurer

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Brunswick Methodist Church meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis. In making their assessment the trustees have reviewed and considered relevant information, including their annual budget and future cash flows. In response to the COVID-19 pandemic, the trustees have revised their forecasts to take into account measures that they can take with the current resources available to mitigate the impact of the current adverse conditions. The trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

3.4 Donated goods and services

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

3.5 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

3.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

3.7 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.8 Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

3.9 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of running the church and other activities undertaken to further the purposes of the charity and their associated support costs.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis, the charity does not currently have any tangible fixed assets:

Freehold property - Church Building	0%	
Property improvement	10% to 20%	Straight line
Plant and machinery - Lift	3.33%	Straight line
Office and other equipment	20%	Straight line

Church building depreciation is nil because it has retained its value. The lift held under plant and machinery is depreciated over 30 years because it is guaranteed for 25 years after manufacture guarantee ceases.

5.2 Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are valued at initially at cost and subsequently at fair value (their market value) at the year end. The same treatment is applied to unlisted investments unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale or pending their sale and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
6 Donations and legacies				
Collections and Tax recoverable	41,406	-	41,406	45,568
Donations and legacies	463	-	463	8,275
Connexional fund	77	-	77	292
TMCP District Advance Fund	6,000	-	6,000	6,000
Special collections	-	20	20	1,057
	<u>47,946</u>	<u>20</u>	<u>47,966</u>	<u>61,191</u>
7 Charitable activities				
Brunswick Club for Retired Men	-	-	-	3,650
Newcastle City Council	12,388	-	12,388	-
HMRC Job Retention Scheme	19,667	-	19,667	8,170
	<u>32,055</u>	<u>-</u>	<u>32,055</u>	<u>11,820</u>
8 Other trading activities				
Property letting	119,376	-	119,376	164,052
Catering income	1,010	-	1,010	14,125
	<u>120,386</u>	<u>-</u>	<u>120,386</u>	<u>178,177</u>
9 Other income				
Pension deficit reduction	-	-	-	514
DCMS (VAT) Fund	984	-	984	-
Other income	869	-	869	2,216
	<u>1,853</u>	<u>-</u>	<u>1,853</u>	<u>2,730</u>
10 Income from investments				
Bank interest	61	6	67	100
Dividend income	-	2,581	2,581	2,825
	<u>61</u>	<u>2,587</u>	<u>2,647</u>	<u>2,925</u>

Income was £204,907 (2020: £256,843) of which £202,300 was unrestricted or designated (2020: £249,178) and £2,607 was restricted (2020: £7,666)

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
11 Raising funds				
Investment management costs (TMCP charges)	-	280	280	285
	<u>-</u>	<u>280</u>	<u>280</u>	<u>285</u>
12 Charitable activities				
<u>Direct costs</u>				
Assessment	61,000	-	61,000	69,000
Connexional fund	1,730	-	1,730	2,553
Repairs and renewals	5,228	-	5,228	14,255
Insurance	10,570	-	10,570	9,723
Heat, light and water	13,572	-	13,572	22,654
Telephone, postage, printing and stationery	3,117	-	3,117	4,855
Advertising	-	-	-	376
Sundries including contracts	21,285	-	21,285	24,116
Organ expenses	-	-	-	1,283
Wages and salaries	45,087	-	45,087	36,197
Training and conferences	714	-	714	-
Young Peoples Group	-	-	-	118
Brunswick Friendship Group costs	-	-	-	582
Miscellaneous	504	-	504	3,854
Brunswick Club for Retired Men costs	-	-	-	4,638
<u>Support costs</u>				
Minister, Deaconess and visiting preacher	265	-	265	202
Wages and salaries	33,428	-	33,428	32,250
Bank charges and payroll costs	266	-	266	261
Depreciation	41,131	-	41,131	39,711
<u>Donations and Grants</u>				
Donations and collections to other charities	765	200	965	1,689
<u>Governance costs</u>				
Independent examiner's fees for reporting on the accounts	1,980	-	1,980	1,980
Legal and professional fees	5,465	-	5,465	-
	<u>246,106</u>	<u>200</u>	<u>246,306</u>	<u>270,297</u>

Expenditure on charitable activities was £246,586 (2020: £270,582) of which £246,106 was unrestricted or designated (2020: £264,055) and £480 was restricted (2020: £6,527)

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

13 Fees for examination of the accounts

	2021 £	2020 £
Independent examiner's fees for reporting on the accounts	1,980	1,980
	<u>1,980</u>	<u>1,980</u>

There were no other fees paid to the examiner (2020: £nil)

14 Analysis of staff costs and the cost of key management personnel

	2021 £	2020 £
Salaries and wages	72,182	63,201
Social security costs	3,153	2,480
Pension costs (defined contribution pension plan)	2,793	2,548
	<u>78,128</u>	<u>68,229</u>

No employee received remuneration above £60,000 (2020:nil)

The key management personnel of the charity, comprise the trustees and the centre manager . The total employee benefits of the key management personnel of the charity were £21,454 (2020: £21,236).

15 Staff numbers

The average monthly head count was 6 staff (2020: 5.5 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2021 Number	2020 Number
The parts of the charity in which the employee's work		
Charitable activities	3.5	3.0
	<u>3.5</u>	<u>3.0</u>

16 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

17 Defined contribution pension scheme

The Company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards by the Financial Reporting Council, set out in the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall the Trustees has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum (payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the schemes previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1 April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement the relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provisions

	31 Aug 21 £	31 Aug 20 £	31 Aug 19 £
Present value of provision	8,568	10,901	12,993

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

17 Defined contribution pension scheme continued

Reconciliation of opening and closing provisions

	Period 31 Aug 21	Period 31 Aug 20
Provision at start of period	10,901	12,993
Unwinding of the discount factor (interest expense)	54	113
Deficit contribution paid	(2,375)	(2,305)
Remeasurements - impact of any change in assumptions	(12)	100
Remeasurements - impact of any change in assumptions	-	-
Provision at end of period	8,568	10,901

17 Defined contribution pension scheme continued

Income and expenditure impact

	Period 31 Aug 21	Period 31 Aug 20
Interest expense	54	113
Remeasurements - impact of any change in assumptions	(12)	100
Remeasurements - amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	-	-

*Includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

Assumptions

	31 Aug 21 % per annum	31 Aug 20 % per annum	31 Aug 19 % per annum
Present value of provision	0.63	0.55	0.97

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

18 Corporation 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 objectives.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

19 Tangible fixed assets	Freehold property £	Plant & machinery £	Property improvements £	Fixtures & equipment £	Total £
Cost					
Balance brought forward	6,150	61,170	334,608	160,189	562,117
Additions	-	-	-	-	-
Disposals	-	-	(41,101)	(71,408)	(112,509)
Balance carried forward	6,150	61,170	293,507	88,781	449,607
Depreciation					
Basis	RB	SL	SL	SL	
Rate	0%	3.3%	10-20%	20%	
Balance brought forward	-	20,390	236,183	129,862	386,435
Depreciation charge for year	-	2,039	35,497	3,595	41,131
Disposals	-	-	(41,101)	(71,408)	(112,509)
Balance carried forward	-	22,429	230,579	62,048	315,057
Net book value					
Brought forward	6,150	40,780	98,424	30,327	175,681
Carried forward	6,150	38,741	62,928	26,732	134,551

20 Fixed asset investments

	Listed Investment £
Carrying (fair) value at the beginning of period	140,359
Additions to investments during period	-
Disposals at carrying value	(1,017)
Less impairments	-
Transfer in/(out) in the period	-
Net gain/(loss) on revaluation	25,689
Carrying (fair) value at end of year	165,031

21 Debtors and prepayments (receivable within 1 year)

	2021 £	2020 £
Intercompany debtor	6,538	5,528
Prepayments	7,462	8,367
	14,000	13,895

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

22 Cash at bank and in hand	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Bank deposit account	28,212	-	28,212	59,478
Bank current account	68,108	-	68,108	38,841
Restricted bank accounts	-	2,048	2,048	2,018
	<u>96,320</u>	<u>2,048</u>	<u>98,368</u>	<u>100,337</u>

23 Creditors and accruals (payable within 1 year)

	2021 £	2020 £
Accruals		
Independent examination of accounts	1,980	1,980
	<u>1,980</u>	<u>1,980</u>

24 Creditors and accruals (payable after more than 1 year)

	2021 £	2020 £
Pension deficit	8,568	10,901
	<u>8,568</u>	<u>10,901</u>

26 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

27 Analysis of charitable funds

	Fund balances brought forward £	Income resource £	Resources expended £	Transfers £	Gains / (losses) £	Fund balances carried forward £
Unrestricted funds						
General funds	275,015	202,300	(246,106)	3,113	-	234,323
	<u>275,015</u>	<u>202,300</u>	<u>(246,106)</u>	<u>3,113</u>	<u>-</u>	<u>234,323</u>

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' of the charity

	Fund balances brought forward £	Income resource £	Resources expended £	Transfers £	Gains / (losses) £	Fund balances carried forward £
Restricted funds						
Bequest and benevolent fund	2,152	32	(4)	(1,045)	321	1,457
Mission fund	271	4	-	20	38	334
Sale of property	137,987	2,545	(276)	(2,269)	25,330	163,316
Special collections	-	20	(200)	180	-	-
Brunswick club for retired men	1,966	6	-	-	-	1,972
	<u>142,376</u>	<u>2,607</u>	<u>(480)</u>	<u>(3,113)</u>	<u>25,689</u>	<u>167,078</u>

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor

Bequest and benevolent fund	Monies received from Estates.
Mission fund	Separate bank account.
Sale of property	Proceeds from the sale of property to be used for a specific purpose.
Special collections	Monies collected and transferred for specific purposes.
Brunswick club for retired men	Group providing fellowship, speakers and refreshments.

Transfers between funds

	Reason for transfer	Amount £
Between unrestricted and restricted funds	Transfer from the benevolence, mission and property funds to unrestricted funds, represents the dividends and realised investment income.	3,293
Between restricted and unrestricted funds	Transfer for contribution to special collections	(180)

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

28 Capital commitments

As at 31 August 2021, there were no capital commitments.

29 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Tangible fixed assets	134,551	-	134,551	212,812
Investments	-	165,031	165,031	142,881
Cash at bank and in hand	96,320	2,048	98,368	79,254
Other net current assets/(liabilities)	12,020	-	12,020	12,426
Long term assets/(liabilities)	(8,568)	-	(8,568)	(13,721)
	<u>234,323</u>	<u>167,079</u>	<u>401,401</u>	<u>433,652</u>