

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

BRUNSWICK METHODIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Rev PD Cleever-Thorpe
Mrs KN Hawdon
Miss J Kelsall
Rev G Hume
Mr D Thornton
Mr S Willis
Miss S Fuller
Mrs J Mawer
Mrs R Colclough
Mrs J Atherton
Mr R Wylie
Mr DA Stabler
Mrs S Crodden
Mr K Gilfillan (Appointed 1 January 2022)
Oladunni Bastos
H Mookerji
J Bombuwalage
Mr J Hawden

Charity number

1128118

Principal address

Brunswick Methodist Church
Brunswick Place
Newcastle upon Tyne
Tyne and Wear
England
NE1 7BJ

Independent examiner

Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

BRUNSWICK METHODIST CHURCH

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BRUNSWICK 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 financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], 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)" (effective 1 January 2019).

Objectives and activities

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

One of the most significant achievements for our church over the past year has been in how we have re-established our place as a 'community hub' at the heart of our city. In this way we have continued the 'bounce back' from the Covid lockdowns which had such a huge impact upon our room usage and the associated loss in 'letting' income.

New users of our church building now include the Joseph Cowan Lifelong Learning who now have a paid worker based in one of our offices. The increased community usage of our building has been largely due to the proactive work of our Centre Manager, along with the continued commitment of our team of volunteers, some being church members and others drawn from our wider community but who identify with our core value of serving the most vulnerable in our city centre.

The 'open door' policy which undergirds so much of Brunswick Methodist church's mission is aided by our Coffee Shop which, over the past year, has been open on four days each week and by our Listening Post, a non-appointment based one-to-one listening service, open for one day each week.

We have plans to open our building more frequently over the coming year as a positive response to the cost of living crisis, with our building planned to be one of the city centre's 'Winter Wellbeing Hubs' or 'Warm Spaces' as our church will be calling this as we offer refreshments and a listening ear to any who may wish to save on their home energy bills.

Towards the end of this church year Brunswick Methodist Church has been invited by the Lord Lieutenant's office to host a visit by a member of the Royal family. The reason for this invitation is in recognition of our prominent engagement with our city centre community and our partnership working with a number of charitable organisations like 'Junction 42' and 'Changing Lives'. As well as being a tremendous honour we hope that this royal visit will help to reaffirm the importance of our church as being a worshipping and witnessing presence in Newcastle city centre.

In support of our church's mission, over the past year one further lay employee has been appointed. Her work is being focussed upon the most vulnerable in our city. This Outreach Worker is employed for 15 hours per week and gives personalised support to those individuals, especially rough sleepers, who often require a multi-agency approach when it comes to meeting their needs.

Our church therefore acts as one part of this coordinated support and liaises with other agencies to ensure that the best outcomes can be secured for those in priority need. In the area of our worship, one particular achievement this past year has seen a radically new approach to worship as we have held monthly services which are all-age, bi-lingual and multi-cultural! This has been the consequence of our working more closely with friends in our Chinese Methodist congregation.

Over the past year our Methodist Circuit has intentionally begun to integrate this congregation more into our UK context and ways of working and this has given rise to many opportunities to share together ranging from these united acts of worship to Brunswick's Presbyteral Minister and Lay Worker for Discipleship helping to lead baptismal and church membership groups with those in the Chinese Methodist congregation. This congregation has trebled in size as a result of a large influx of British Nationals from Overseas (specifically from Hong Kong) following the political troubles there. So, Brunswick has continued to offer warm hospitality to those from many different parts of the world, including international students.

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Our city centre church building has continued to play host to The Salvation Army, however they are shortly to move to a new building of their own after fourteen years of being based in our building.

The Finance committee has, like other church committees, met more regularly than in past years, we are reporting on the last year and our thoughts going forward. The cashbook deficit for the year is £56,890.

In early spring in accordance with the "Real Living Wage Foundation guidelines" all salaries were increased as at 1st April, we also undertook the statutory pension provision review. Of particular concern to the committee was the projected deficit (loss) and it was decided to hold a one item agenda meeting in July to 'brainstorm' and below are the results of that meeting.

We are encouraging the Church Council to develop a clear strategy for growth, city centre service, worship and discipleship making. It is anticipated that:

- The projected Church deficit for 2022/23 is estimated at £25,200.
- The Coffee Shop is slowly picking up footfall, but is only operating on four days – thus the profit is unlikely to be more than £7,000 in 2022/23 (against £28,000 pre-pandemic).
- The Church web site needed up-dating.

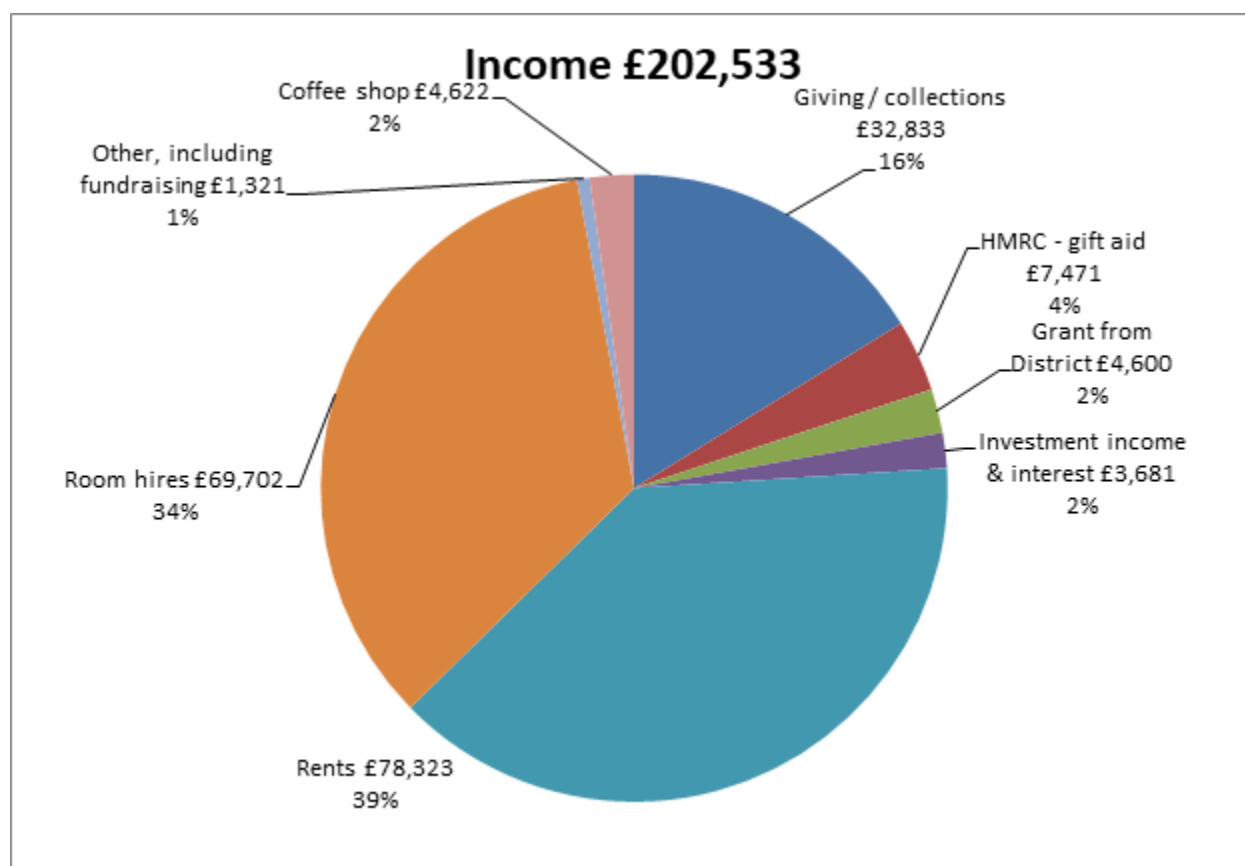
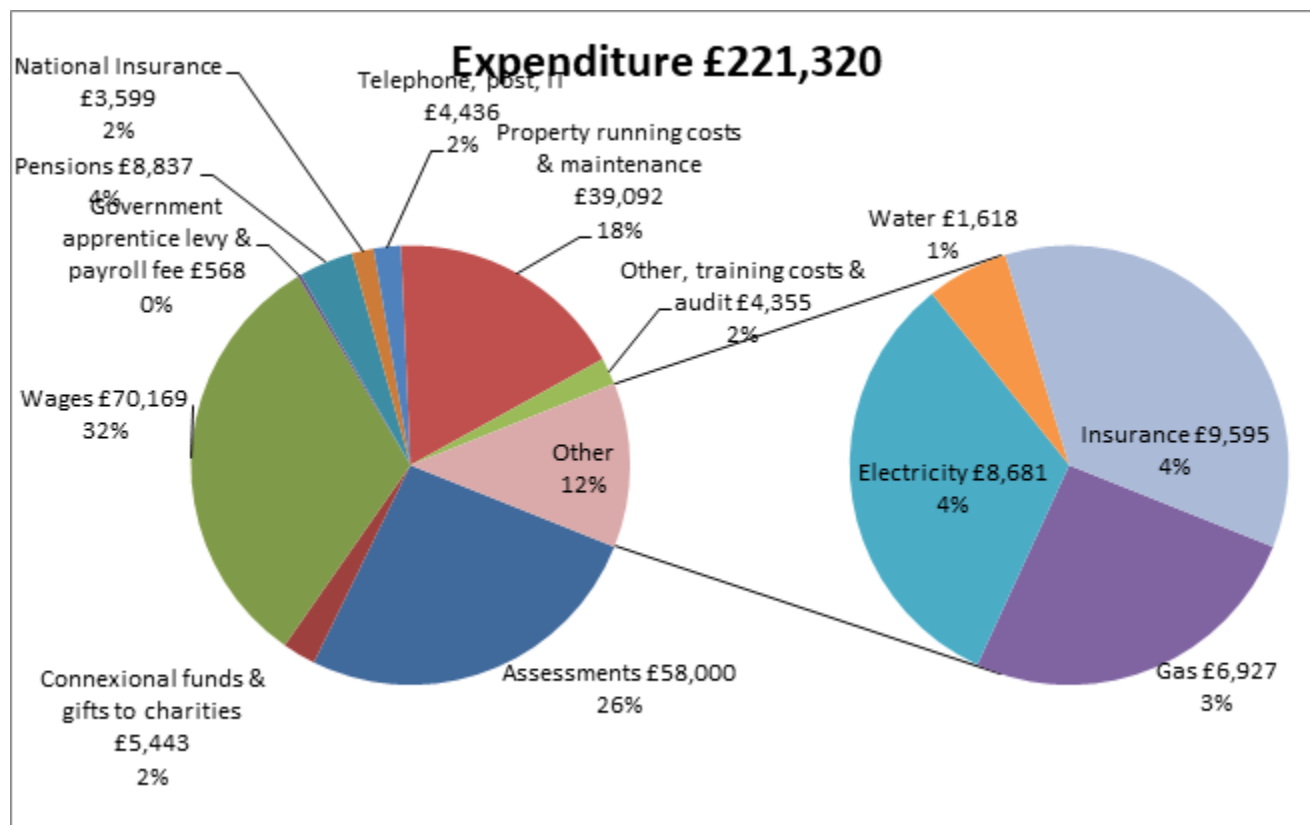
The finance committee suggests that the Church look at:

- Steps that can save money on heat and light and work towards being an 'Eco Church' using the model provided by A Rocha Theology & Churches - A Rocha International
- Monitor the boilers more closely, turn off lights, change lamps to energy saving ones (halogen), etc..
- Clear out surplus equipment and sell what will never be used.
- Intentionally develop the social side of church life, encouraging people to join in and build a deeper 'social and fellowship life' – this would reduce loneliness, help people on their Christ journey (fellowship groups) and fund raise (for example a. Flower festival, b. Concerts (organ recital, Bede wind band, Choirs, Salvation Army band & Songsters), etc.
- Build upon and grow the Ministry team.
- Look once again at Rev'd Robert Schnase's "Five practices of fruitful congregations":
- Radical hospitality.
- Passionate worship.
- Intentional faith development.
- Risk-taking mission and service.
- Extravagant generosity.
- Examine the challenging headings in conjunction with "Our Calling" and "The Methodist Way of Life".

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022



BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Church Policies

All policies conform as appropriate with guidance and principles as stipulated by the Methodist Church (<https://www.methodist.org.uk/>).

Risk Policy

During the year under review the Finance Committee and including reference to property matters and the Minister reviewed the 'Risk policy statement' which covers the following areas:

Financial Risk The Church Council is faced with the following financial risks:

- dependency on limited income sources (freewill giving, investment income, room hires, rentals, coffee shop and donations);
- managing the capital resources;
- fluctuations in investment income and rental income;
- inability to attract additional donations from the general public and members;
- an unforeseen rise in demand for expenditure (for example on major repairs);
- an unforeseen increase in the actuarial shortfall on the pension funds for which the Church Council could be deemed responsible (the church is already contributing to a shortfall with TPT);
- a sustained fall in the value of investments and property held by the Church and appearing in the balance sheet.

Operation, Reputation and Strategy In 2021/2022, it was identified the most significant risks as follows:

- inability to create new Methodist disciples resulting in further decline, ultimately resulting in the Methodist Church ceasing to exist;
- failure to provide adequate resources that enable the Managing Trustees of Brunswick Methodist Church to discharge its responsibilities;
- the experience of Our Calling fails to be integrated into the mission and ministry pathways of the Church;
- sudden change in policy or strategic direction enforced by The Church Council;
- dependency on limited income sources (room hires, lettings, coffee shop, investment income and donations);
- the impact of economic fluctuations on our assets, liabilities and our ability to raise funds to enable us to continue our work.
- an unforeseen increase in the actuarial shortfall on the pension funds for which the Church Council could be deemed responsible;
- loss of key personnel;
- the effects of 'Brexit' and the coronavirus pandemic.

Many of these risks are likely to remain equally relevant throughout 2022, 2023 and beyond.

Risk management:

The Methodist Church in Great Britain has a risk management policy, which has been set by the Methodist Council for use both by the Trustees and by Local Churches. The risk management policy is designed to identify and analyse key strategic and operational risks facing the Methodist Church and, where at unacceptable levels, to take steps to mitigate the risks. We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a positive or negative impact on the Church's ability to fulfil its purpose of advancing the Christian faith in accordance with its doctrinal standards.

These risks are reported to the Managing Trustees through a risk management process, which allows them both to challenge any assumptions the Church Leadership team has made about risks and also to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively. The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely.

We recognise that risk-taking is inherent within the task of communicating the Gospel; John Wesley himself took risks in establishing the Methodist communities. Our task, therefore, is to embrace risks that aim to advance the Church's purposes while ensuring that we avoid or minimise those risks that might have a negative impact. Effective risk management processes will help to increase the likelihood of the Church fulfilling its mission. The risk management report is reviewed and revised annually.

Investment policy

The Church retained limited reserves most of which were generated from the compulsory purchase of No 19 Brunswick Place. The Circuit's free reserves in August 2022 were £81,973 (2021: £99,771).

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The proceeds of sale are invested with the Central Finance Board of the Methodist Church. See <https://www.cfbmethodistchurch.org.uk/managedfunds/>. The decision of the Trustees to use the CFB was based on the following considerations: 1. The Church Council's responsibility, as far as is possible, to protect, manage and conserve the capital for future mission and ministry. 2. The Charities Commission has provided guidance to Charities, seeking to invest cash funds. See <https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14>. 3. There is much evidence to be confident that the CFB Managed Mixed Fund is both an ethical and a sound medium risk investment. See also the CFB ethics page: <https://www.cfbmethodistchurch.org.uk/ethics/> which indicates their ethical policy regarding investments. 4. The staff at the CFB are all salaried employees and are not paid on commission or performance. 5. If the Circuit Meeting wishes to draw from capital that is held in the CFB Managed Mixed Fund then it is possible to do this with about two weeks notice. 6. This will be an investment for the long term and will be reviewed regularly.

Payments to staff

Lay employees In 2010 the Methodist Conference agreed that the rates of the Living Wage, as published by the Living Wage Foundation, should form the minimum basic salary for people employed by a district, circuit or a local church. This policy also includes young people below the age of 18. In addition, a 9-point salary scale is applied to a person specification, which is based on qualifications, experience and responsibilities. The Church is scrupulous in following this policy. Guidelines are available on the Methodist Church web-site. See <https://www.methodist.org.uk/for-churches/employees-and-volunteers/lay-employment-resource/>

Safeguarding policy

The churches safeguarding policy was reviewed in October 2022 and will next be reviewed at our October 2023 Church Council. All managing trustees are regularly reminded of their responsibilities. The circuit takes its safeguarding responsibilities very seriously, ensuring every church activity/project is aware of and adheres to its responsibilities such as displaying its policy, updating its safeguarding information, reviewing its safeguarding policy on an annual basis, and retaining its records in accordance with proper guidance. We appoint a Church Safeguarding Officer who works closely with the Circuit Superintendent, Church Administrator, and Stewards to ensure that our safeguarding responsibilities are reviewed on a regular basis.

Volunteer management

In June 2022, safeguarding meetings were held with all Church Safeguarding Officers and the Senior Steward, to remind them of the forms/declarations which all volunteers need to sign, depending on their individual roles, together with the training which they need to undertake. DBS checks are required for any volunteer whose work brings them into contact with users of our services and projects and the general public.

Complaints handling

It is hoped that any conflict situations will be dealt with sensitively by leaders of our local church groups. However, where this is not possible then the Methodist Complaints process will need to be invoked. This will require contact being made with the Local Complaints Officer who is our Circuit Superintendent Minister (also Minister of Brunswick and Newcastle Chinese Methodist Churches), Revd Paul Cleever-Thorp. The process would then be put into effect with the appropriate support being given by our District Reconciliation group.

Conflict of interest

To comply with Methodist Church guidance, Trustees are asked at the Church Council Meeting to declare any conflict of interest as soon as they are aware of any possibility that his or her personal or wider interests could influence decision-making within the Church. This is a standard agenda item at the beginning of each meeting to allow trustees to declare any actual or potential conflicts of interest.

Grantmaking policy

The Church Council and Finance Committee is minded to make occasional grants from the general fund and from the Mission Fund which is at the direction of the Minister. These grants are discretionary and full details are given in the accounts. The income from the permanent endowments is applied to the Mission Fund.

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).

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 to an employee which amounted to £30,179 as at 30 September 2014 by 31st August 2022 this had reduced to £1,591. 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).

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 £81,973 (2021: £99,771).

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 directors 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. The trustees are of the view that the immediate future of the charity for the next 12 months is secure and on that basis the charity is a going concern.

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management

The Charity's Managing Trustees listed below 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 authority under 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 expected from the need to register as a charity by the combines 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 treasures are appointed annually by the Church general meeting.

The principle 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.

The trustees who served during the year and up to the date of signature of the financial statements were:

Rev PD Cleever-Thorpe

Mrs KN Hawdon

Miss J Kelsall

Rev G Hume

Mr D Thornton

Mr S Willis

Miss S Fuller

Mrs J Mawer

Mrs L Oloninyi (Resigned 1 September 2021)

Mrs R Colclough

Mrs J Atherton

Mr R Wylie

Mr DA Stabler

Mrs S Crodden

Mr K Gilfillan (Appointed 1 January 2022)

Oladunni Bastos

H Mookerji

J Bombuwalage

Mr J Hawden

J Turner (Resigned 10 September 2021)

Method of Appointment of Election of Trustees

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

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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:

- 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, 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.

The trustees' report was approved by the Board of Trustees.

Mr DA Stabler

Trustee

27 March 2023

BRUNSWICK METHODIST CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BRUNSWICK METHODIST CHURCH

I report to the trustees on my examination of the financial statements of Brunswick Methodist Church (the charity) for the year ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do 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 financial statements to be reached.

Nick Cunningham FCCA

Robson Laidler Accountants Limited

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
NE2 1TJ
England

Dated: 30 March 2023

BRUNSWICK METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Current financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	2	47,828	-	47,828	47,966
Other trading activities	3	150,161	-	150,161	120,386
Investments	4	124	4,028	4,152	2,648
Other income	5	603	-	603	33,908
Total income		198,716	4,028	202,744	204,908
<u>Expenditure on:</u>					
Raising funds	6	-	470	470	280
Charitable activities	7	248,708	-	248,708	246,307
Total expenditure		248,708	470	249,178	246,587
Net gains/(losses) on investments		-	(10,456)	(10,456)	25,689
Net outgoing resources before transfers		(49,992)	(6,898)	(56,890)	(15,990)
Gross transfers between funds		(2,061)	2,061	-	-
Net movement in funds		(52,053)	(4,837)	(56,890)	(15,990)
Fund balances at 1 September 2021		234,322	167,079	401,401	417,391
Fund balances at 31 August 2022		182,269	162,242	344,511	401,401

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

All income and expenditure derive from continuing activities.

BRUNSWICK METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	2	47,946	20	47,966
Other trading activities	3	120,386	-	120,386
Investments	4	61	2,587	2,648
Other income	5	33,908	-	33,908
Total income		202,301	2,607	204,908
<u>Expenditure on:</u>				
Raising funds	6	-	280	280
Charitable activities	7	246,107	200	246,307
Total expenditure		246,107	480	246,587
Net gains/(losses) on investments		-	25,689	25,689
Net outgoing resources before transfers		(43,806)	27,816	(15,990)
Gross transfers between funds		3,113	(3,113)	-
Net movement in funds		(40,693)	24,703	(15,990)
Fund balances at 1 September 2020		275,015	142,376	417,391
Fund balances at 31 August 2021		234,322	167,079	401,401

BRUNSWICK METHODIST CHURCH

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		100,296		134,551
Investments	12		160,270		165,031
			<u>260,566</u>		<u>299,582</u>
Current assets					
Debtors	13	10,104		13,999	
Cash at bank and in hand		78,207		98,368	
		<u>88,311</u>		<u>112,367</u>	
Creditors: amounts falling due within one year	14	(2,775)		(1,980)	
Net current assets			85,536		110,387
Total assets less current liabilities			346,102		409,969
Provisions for liabilities			(1,591)		(8,568)
Net assets			<u>344,511</u>		<u>401,401</u>
Income funds					
Restricted funds	17		162,242		167,079
Unrestricted funds			182,269		234,322
			<u>344,511</u>		<u>401,401</u>

The financial statements were approved by the Trustees on 27 March 2023

Mr DA Stabler
Trustee

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Brunswick Methodist Church is a unincorporated charity (charity number 112118).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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 charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

BRUNSWICK METHODIST CHURCH

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

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets 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:

Freehold property	Not depreciated
Property improvements	10% to 20% straight line basis
Plant and machinery	3.33% straight line basis
Office and other equipment	20% straight line basis

Church building is not depreciated 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 following the cessation of the manufacturing guarantee.

The charity has a policy whereby individual assets costing £250 or more are capitalised at cost.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed 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.

BRUNSWICK METHODIST CHURCH

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

1 Accounting policies

(Continued)

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022	2021	2021	2021
	£	£	£	£
Donations and gifts	43,228	41,946	20	41,966
Grants recieved	4,600	6,000	-	6,000
	<u>47,828</u>	<u>47,946</u>	<u>20</u>	<u>47,966</u>

BRUNSWICK METHODIST CHURCH

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

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Catering income	954	1,010
Property letting	149,207	119,376
	<u> </u>	<u> </u>
Other trading activities	150,161	120,386
	<u> </u>	<u> </u>

4 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Income from listed investments	-	4,006	4,006	-	2,581	2,581
Interest receivable	124	22	146	61	6	67
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	124	4,028	4,152	61	2,587	2,648
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other income	603	20,536
DCMS (VAT) Fund	-	984
Newcastle City Council	-	12,388
	<u> </u>	<u> </u>
	603	33,908
	<u> </u>	<u> </u>

Other income comprises of the Coronavirus Job Retention Scheme totalling £NIL (2021: £19,667) and miscellaneous income totalling £603 (2021: £869).

BRUNSWICK METHODIST CHURCH

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

6 Raising funds

	Restricted funds	Restricted funds
	2022	2021
	£	£
<u>Investment management</u>	470	280
	<u>470</u>	<u>280</u>

7 Charitable activities

	Charitable Activities	Charitable Activities
	2022	2021
	£	£
Staff costs	42,612	45,087
Training costs	1,565	714
Assessment	58,000	61,000
Connexional fund	1,672	1,730
Repairs and renewals	39,762	5,228
Insurance	9,154	10,570
Heat, light and water	17,841	13,572
Sundries	1,034	21,789
Charitable expenditure heading 8	283	765
Telephone, printing, postage and stationery	5,431	3,117
	<u>177,354</u>	<u>163,572</u>
Grant funding of activities (see note)	-	200
Share of support costs (see note 8)	69,194	75,090
Share of governance costs (see note 8)	2,160	7,445
	<u>248,708</u>	<u>246,307</u>
Analysis by fund		
Unrestricted funds	248,708	246,107
Restricted funds	-	200
	<u></u>	<u></u>

BRUNSWICK METHODIST CHURCH

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

8 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	34,526	-	34,526	33,428	-	33,428
Minister, Deaconess and visiting preacher	240	-	240	265	-	265
Bank charges and payroll costs	173	-	173	266	-	266
Depreciation of tangible fixed assets	34,255	-	34,255	41,131	-	41,131
Legal and professional fees	-	-	-	-	5,465	5,465
Independent examiners fees	-	2,160	2,160	-	1,980	1,980
	<u>69,194</u>	<u>2,160</u>	<u>71,354</u>	<u>75,090</u>	<u>7,445</u>	<u>82,535</u>
Analysed between Charitable activities	<u>69,194</u>	<u>2,160</u>	<u>71,354</u>	<u>75,090</u>	<u>7,445</u>	<u>82,535</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Charitable activities	<u>5</u>	<u>6</u>
Employment costs	2022 £	2021 £
Wages and salaries	69,002	72,569
Social security costs	3,609	3,153
Other pension costs	4,527	2,793
	<u>77,138</u>	<u>78,515</u>

The key management of the charity, comprise the trustees and the centre manager. The total employee benefits of the key management personnel of the charity were £23,595 (2021: 21,236).

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

BRUNSWICK METHODIST CHURCH

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

11 Tangible fixed assets

	Freehold property	Property improvements	Plant and machinery	Office and other equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2021	6,150	293,507	61,170	88,781	449,608
At 31 August 2022	6,150	293,507	61,170	88,781	449,608
Depreciation and impairment					
At 1 September 2021	-	230,579	22,429	62,049	315,057
Depreciation charged in the year	-	29,379	2,039	2,837	34,255
At 31 August 2022	-	259,958	24,468	64,886	349,312
Carrying amount					
At 31 August 2022	6,150	33,549	36,702	23,895	100,296
At 31 August 2021	6,150	62,928	38,741	26,732	134,551

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2021	165,031
Additions	5,675
Valuation changes	(10,436)
At 31 August 2022	160,270
Carrying amount	
At 31 August 2022	160,270
At 31 August 2021	165,031

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	2,870	6,538
Prepayments and accrued income	7,234	7,461
	10,104	13,999

BRUNSWICK METHODIST CHURCH

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

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	2,775	1,980

Provisions for liabilities

	Notes	2022 £	2021 £
Retirement benefit obligations	19	1,591	8,568
		1,591	8,568

16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	100,296	-	100,296	134,551	-	134,551
Investments	79	160,191	160,270	-	165,031	165,031
Current assets/(liabilities)	83,485	2,051	85,536	108,339	2,048	110,387
Provisions and pensions	(1,591)	-	(1,591)	(8,568)	-	(8,568)
	182,269	162,242	344,511	234,322	167,079	401,401

BRUNSWICK 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					
	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 August 2022
	£	£	£	£	£	£
Bequest and benevolent fund	1,457	49	(3)	5,565	(175)	6,893
Mission fund	334	12	(1)	(5)	(21)	319
Sale of property	163,316	3,967	(466)	(3,499)	(10,260)	153,058
Brunswick club for retired men	1,972	-	-	-	-	1,972
	<u>167,079</u>	<u>4,028</u>	<u>(470)</u>	<u>2,061</u>	<u>(10,456)</u>	<u>162,242</u>

Purpose of restricted funds

Bequest and benevolent fund - Money received from estates

Mission Fund - Used as a separate bank account

Sale of property - Proceeds from the sale of property set aside for specific purposes

Special Collections - Money that has been set aside on collection for specific purposes

Brunswick club for retired men - Funds set aside for a group that provides fellowship, speakers and refreshments

18 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £4,527 (2021 - £2,793).

BRUNSWICK METHODIST CHURCH

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

19 Retirement benefit schemes

(Continued)

Defined benefit schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 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 issued by the Financial Reporting Council, set out 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 Trustee 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 scheme's 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 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 1st 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 that 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 PROVISION

	31 August 2022 (£s)	31 August 2021 (£s)
Present value of provision	1,591	8,568

Key assumptions

	2022 %	2021 %
Rate of discount	4.46	0.63

BRUNSWICK METHODIST CHURCH

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

19 Retirement benefit schemes

(Continued)

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.

Amounts recognised in the profit and loss account:

	2022 £	2021 £
Remeasurements - impacts of any changes in assumptions	(70)	(12)
Net interest on defined benefit liability/(asset)	49	54
Remeasurements - amendments of the contribution schedule	(5,258)	-
Total costs/(income)	<u>(5,279)</u>	<u>42</u>

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2022 £	2021 £
Present value of defined benefit obligations	<u>1,591</u>	<u>8,568</u>
Deficit in scheme	<u>1,591</u>	<u>8,568</u>

Movements in the present value of defined benefit obligations:

	2022 £
Liabilities at 1 September 2021	8,568
Current service cost	(70)
Deficit contribution paid	(1,698)
Interest cost	49
Remeasurements - amendments to the contribution schedule	<u>(5,258)</u>
At 31 August 2022	<u>1,591</u>