

BRUNSWICK METHODIST CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

BRUNSWICK METHODIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Rev PD Cleever-Thorpe
KN Hawdon
J Kelsall
Rev G Hume
S Willis
S Fuller
J Mawer
R Colclough
J Atherton
R Wylie
DA Stabler
S Crodden
K Gilfillan
O Bastos
H Mookerji
J Bombuwalage
J Hawdon

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 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023.

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

Brunswick Methodist Church continues to be a church worshipping and serving at the heart of Newcastle city centre. In acting as a 'community hub' our building plays host to an increasing number of user groups. We are thankful to both our paid staff and to all our dedicated volunteers who enable our church to be a safe and hospitable space. Our church building is well maintained and an attractive location for groups to meet within.

In recognition of how our church works in partnership with agencies and charities who serve the most vulnerable in our city, in October 2023 our church building was chosen as part of a royal visit made by the Earl of Wessex, Prince Edward, who was keen to meet representatives of community groups working in our city centre. This visit was veiled in secrecy for security reasons, but we were still able to give the Earl a warm welcome and to allow him the time to interact with our Coffee Shop volunteers, as well as his meeting with staff from organisations like 'Junction 42' and 'Changing Lives' who work with ex-offenders and with recovering addicts respectively.

The 'open door' policy which undergirds Brunswick Methodist church's ministry and mission is aided by our Coffee Shop which, over the past year, has been open on four days each week. We have seen a gradual increase in the number of customers accessing our Coffee Shop which has also meant a higher level of income generated for the church and its mission. A new, larger visible sign has been purchased and this helps to raise awareness of Coffee Shop during its opening hours.

Our 'Listening Post', a non-appointment based one-to-one listening service, continues to be run for one day each week with twenty-seven different people accessing this service over the past two years. We also opened our doors through the winter months in a positive response to the cost-of-living crisis, with our building being one of the city centre's 'Winter Wellbeing Hubs' or 'Warm Spaces'. This is a weekly, afternoon 'space' in which we have offered refreshments and a listening ear to any who may wish to save on their home energy bills.

Brunswick Methodist Church is pleased to host two congregations, the second of which is a Chinese/Hong Konger congregation which has welcomed, over the past three years, over two hundred new people, the majority of whom have moved from Hong Kong under the government's BNO+1 programme. This larger congregation has meant requests being made for weddings held in our church and for a greater usage of our building, especially on a Saturday and Sunday, by small groups which includes many students and younger adults. Both Cantonese and Mandarin languages are used within our Chinese congregation, but many are wishing to use and to learn English more as they seek to integrate into UK society and into our Methodist church and Circuit.

In our traditional congregation we have run a church membership group during the past year and, in this coming October we will welcome four new members into our church family. This is always a joyous time! Our Church Leadership Team has begun to meet with those lay leaders now serving in our Chinese Methodist congregation as we seek to work more closely and explore common areas of worship, witness, and service. In this way we are evolving into a more international, multi-cultural church.

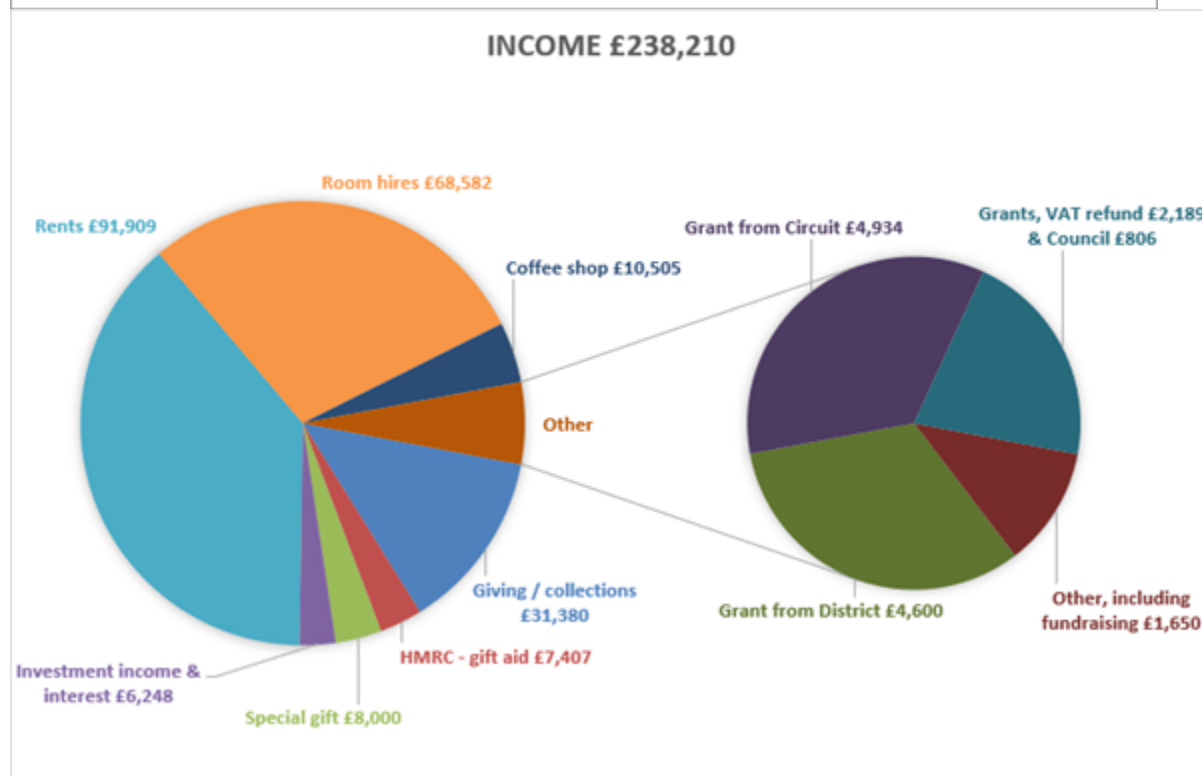
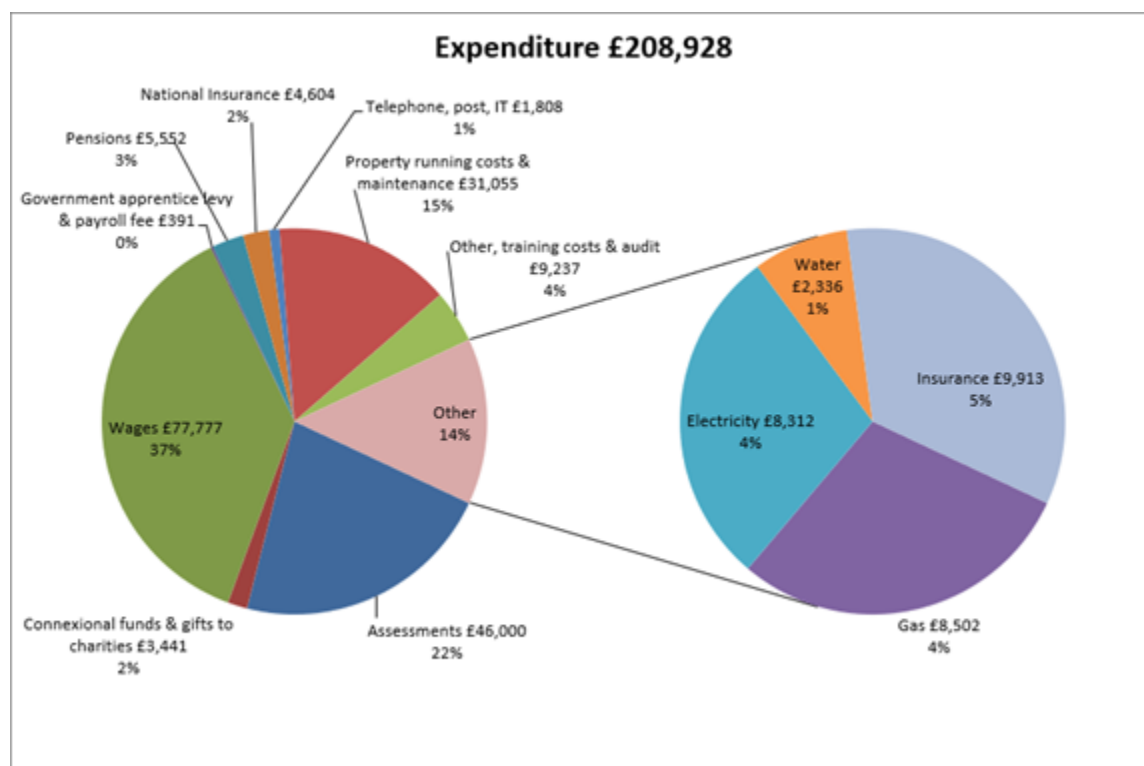
Over the past year our Centre-Based worker has completed a Community Audit which has provided the church with more up-to-date information concerning the needs of communities in and close to our city centre. The specific needs identified have been around mental health and wellbeing, support to the growing student population, an increased use of our local Foodbanks, a need for greater coordination and cooperation by those agencies seeking to alleviate homelessness and rough sleeping in our city. This number is significantly less since the pandemic.

Brunswick has continued to offer warm hospitality to those from many different parts of the world, including international students, running language courses in our building and offering pastoral support through university chaplaincy.

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023



Note : The above graphs represent income and expenditure on a cash basis.

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022/2023, 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 2024 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 2023 were £107,069 (2022: £81,973).

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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-Thorpe. 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 ect. 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 2023

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 £8,200, 2022 £1,591 and by 31st August 2023 to £944. The trustees are extinguishing this liability over a ten year period ending 2025 [revised from 2024 by TPT] (The figure given is the most recent provided by The Pensions Trust). Should the trustees no longer have any employees with an active pension provision (that is someone working who is still contributing) then the 'withdrawal' clause would be triggered, the liability as at 30th September 2020 was £20,199.53.

The reserves policy of the trustees is to hold an appropriate proportion (i.e.40%) of annual expenditure. This is approximately £210,000 per year / 40% = £84,000. It is the intention of the Managing Trustees (the Church Council) to balance the budget and retain reserves, to meet both general running costs and known works on the property that our professional advisors and we consider prudent. These are scheduled below:

- General running costs £112,000 (see above note).
- Boiler replacement £60,000 (there are 6 boilers, 2 have been decommissioned all are 44 years old).
- Boiler controls and zoning works upon replacement of boilers £8,000.
- Window repairs, the Church is a listed building and in most years 2 windows are replaced at £1k each £10,000 (2 a year based on next 5 years).
- Lift replacement. The lift is maintained by Otis, they have committed to maintain the lift for the next 25 years, the lift will cost at least £100k to replace. £20,000 (£100k/25 years x next 5 years).
- The Pensions Trust £3,000 (see above).
- Improvements to premises, including working towards being more eco-friendly in next 5 years £20,000.
- Up-grade work to 'Listening Post' rooms £20,000
- Total £253,000

The total amount of free reserves (unrestricted funds not invested in tangible fixed assets) are currently £107,069 (2022: £81,973).

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, as a consequence of the Covid-19 pandemic the Trustees de-restricted the property fund, in July 2020, which is now included in general funds.

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. 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 on that basis the charity is a going concern.

BRUNSWICK METHODIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 trustees 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 Cleeve-Thorp

KN Hawdon

J Kelsall

Rev G Hume

D Thornton

(Resigned 15 May 2023)

S Willis

S Fuller

J Mawer

R Colclough

J Atherton

R Wylie

DA Stabler

S Crodden

K Gilfillan

O Bastos

H Mookerji

J Bombuwalage

J Hawdon

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 2023

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

DA Stabler

Trustee

18 February 2024

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 2023.

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

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.

Nicholas Cunningham FCCA
Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ
England

Dated: 4 March 2024

BRUNSWICK METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Current financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	2	60,757	-	60,757	47,828
Other trading activities	3	168,126	-	168,126	150,161
Investments	4	2,125	4,787	6,912	4,152
Other income		451	4,284	4,735	603
Total income		231,459	9,071	240,530	202,744
<u>Expenditure on:</u>					
Raising funds	5	-	1,008	1,008	470
Charitable activities	6	237,314	3,174	240,488	248,708
Total expenditure		237,314	4,182	241,496	249,178
Net gains/(losses) on investments		-	(6,612)	(6,612)	(10,456)
Net outgoing resources before transfers		(5,855)	(1,723)	(7,578)	(56,890)
Gross transfers between funds		1,623	(1,623)	-	-
Net movement in funds		(4,232)	(3,346)	(7,578)	(56,890)
Fund balances at 1 September 2022		182,269	162,242	344,511	401,401
Fund balances at 31 August 2023		178,037	158,896	336,933	344,511

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 2023

Prior financial year

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

BRUNSWICK METHODIST CHURCH

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		70,968		100,296
Investments	12		155,814		160,270
			<u>226,782</u>		<u>260,566</u>
Current assets					
Debtors	13	6,473		10,104	
Cash at bank and in hand		108,600		78,207	
		<u>115,073</u>		<u>88,311</u>	
Creditors: amounts falling due within one year	14	(3,978)		(2,775)	
Net current assets			111,095		85,536
Total assets less current liabilities			337,877		346,102
Provisions for liabilities			(944)		(1,591)
Net assets			<u>336,933</u>		<u>344,511</u>
Income funds					
Restricted funds	16		158,896		162,242
Unrestricted funds			178,037		182,269
			<u>336,933</u>		<u>344,511</u>

The financial statements were approved by the Trustees on 13 February 2024

DA Stabler
Trustee

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023

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 2023

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
	2023	2022
	£	£
Donations and gifts	48,228	43,228
Grants recieved	12,529	4,600
	<u>60,757</u>	<u>47,828</u>

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Catering income	7,635	954
Property letting	160,491	149,207
	<u> </u>	<u> </u>
Other trading activities	168,126	150,161
	<u> </u>	<u> </u>

4 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Income from listed investments	-	4,759	4,759	-	4,006	4,006
Interest receivable	2,125	28	2,153	124	22	146
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,125	4,787	6,912	124	4,028	4,152
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 Raising funds

	Restricted funds	Restricted funds
	2023	2022
	£	£
<u>Investment management</u>	1,008	470
	<u> </u>	<u> </u>
	1,008	470
	<u> </u>	<u> </u>

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

6 Charitable activities

	Charitable Activites 2023 £	Charitable Activites 2022 £
Staff costs	45,334	42,612
Training costs	450	1,565
Assessment	46,000	58,000
Connexional fund	1,083	1,672
Repairs and renewals	32,164	39,762
Insurance	9,566	9,154
Heat, light and water	19,629	17,841
Sundries	4,078	1,034
Gifts and donations	103	283
Telephone, printing, postage and stationery	4,133	5,431
Brunswick mens club	3,174	-
	<u>165,714</u>	<u>177,354</u>
Share of support costs (see note 7)	72,494	69,194
Share of governance costs (see note 7)	2,280	2,160
	<u>240,488</u>	<u>248,708</u>
Analysis by fund		
Unrestricted funds	237,314	248,708
Restricted funds	3,174	-
	<u>240,488</u>	<u>248,708</u>

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	42,827	-	42,827	34,526	-	34,526
Minister, Deaconess and visiting preacher	215	-	215	240	-	240
Bank charges and payroll costs	124	-	124	173	-	173
Depreciation of tangible fixed assets	29,328	-	29,328	34,255	-	34,255
Independent examiners fees	-	2,280	2,280	-	2,160	2,160
	<u>72,494</u>	<u>2,280</u>	<u>74,774</u>	<u>69,194</u>	<u>2,160</u>	<u>71,354</u>
Analysed between Charitable activities	<u>72,494</u>	<u>2,280</u>	<u>74,774</u>	<u>69,194</u>	<u>2,160</u>	<u>71,354</u>

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Charitable activities	<u>5</u>	<u>5</u>
Employment costs	2023 £	2022 £
Wages and salaries	78,552	69,002
Social security costs	4,604	3,609
Other pension costs	5,005	4,527
	<u>88,161</u>	<u>77,138</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 £28,468 (2022: £23,595).

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 2023

10 Taxation

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

11 Tangible fixed assets

	Freehold property	Property improvements	Plant and machinery	Office and other equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2022	6,150	293,507	61,170	88,781	449,608
At 31 August 2023	6,150	293,507	61,170	88,781	449,608
Depreciation and impairment					
At 1 September 2022	-	259,958	24,468	64,886	349,312
Depreciation charged in the year	-	25,583	2,039	1,706	29,328
At 31 August 2023	-	285,541	26,507	66,592	378,640
Carrying amount					
At 31 August 2023	6,150	7,966	34,663	22,189	70,968
At 31 August 2022	6,150	33,549	36,702	23,895	100,296

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2022	160,270
Additions	2,500
Valuation changes	(6,956)
At 31 August 2023	155,814
Carrying amount	
At 31 August 2023	155,814
At 31 August 2022	160,270

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	-	2,870
Prepayments and accrued income	6,473	7,234
	<u>6,473</u>	<u>10,104</u>

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	384	-
Accruals and deferred income	3,594	2,775
	<u>3,978</u>	<u>2,775</u>

Provisions for liabilities

	Notes	2023 £	2022 £
Retirement benefit obligations	17	944	1,591
		<u>944</u>	<u>1,591</u>

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 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 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 August 2023
	£	£	£	£	£	£
Bequest and benevolent fund	6,893	262	(571)	2,465	(98)	8,951
Mission fund	319	9	(1)	(9)	(14)	304
Sale of property	153,058	4,515	(436)	(4,079)	(6,500)	146,558
Brunswick club for retired men	1,972	4,284	(3,174)	-	-	3,082
	<u>162,242</u>	<u>9,071</u>	<u>(4,182)</u>	<u>(1,623)</u>	<u>(6,612)</u>	<u>158,896</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

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

17 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 £5,005 (2022 - £4,527).

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 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 2023 (£s)	31 August 2022 (£s)
Present value of provision	944	1,591

Key assumptions

	2023 %	2022 %
Rate of discount	6.04	4.46

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 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:

	2023 £	2022 £
Remeasurements - impacts of any changes in assumptions	(9)	(70)
Net interest on defined benefit liability/(asset)	54	49
Remeasurements - amendments of the contribution schedule	-	(5,258)
Total costs/(income)	45	(5,279)

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

	2023 £	2022 £
Present value of defined benefit obligations	944	1,591
Deficit in scheme	944	1,591

Movements in the present value of defined benefit obligations:

	2023 £
Liabilities at 1 September 2022	1,591
Current service cost	(9)
Deficit contribution paid	(692)
Interest cost	54
At 31 August 2023	944

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 August 2023 are represented by:						
Tangible assets	70,968	-	70,968	100,296	-	100,296
Investments	-	155,814	155,814	79	160,191	160,270
Current assets/(liabilities)	108,013	3,082	111,095	83,485	2,051	85,536
Provisions and pensions	(944)	-	(944)	(1,591)	-	(1,591)
	<u>178,037</u>	<u>158,896</u>	<u>336,933</u>	<u>182,269</u>	<u>162,242</u>	<u>344,511</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).