

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

England & Wales · Charity number 1129520

Details

Other names N.E.S. & B. METHODIST CIRCUIT

Status Registered

Legal form Previously excepted

Registered 2009-05-11

Register [View on the Charity Commission register](#)

Contact

Address Nesb Methodist Circuit
Midsomer Norton Methodist Church
High Street
Midsomer Norton
Radstock
BA3 2DR

Phone 01761 410574

Email clerical@nesb-methodists.org.uk

Website www.nesb-methodists.org.uk

Activities

Objects: The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of -(a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;(b) any charitable purpose for the time being of any Connexional, district, circuit, local or other organisation of the Methodist Church;(c) any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church;(d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

Activities: The Circuit coordinates the activities of employed ministers and church workers throughout the member churches. The activities include the leading of Christian acts of worship, welfare and charitable work which relates to a care and concern for people locally and worldwide. A Circuit Meeting is held regularly at which the trustees review and exercise responsibility for the affairs of the Circuit.

Classification

- **How:** Other Charitable Activities
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Bath And North East Somerset
- Wiltshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£573,098	£905,820	£6,138,480	14
2023-08-31	£536,494	£762,940	£6,280,431	15
2022-08-31	£772,387	£882,247	£6,509,073	15
2021-08-31	£523,079	£698,312	£6,616,993	16
2020-08-31	£976,305	£621,366	£6,689,632	16

Trustees

Name	Role	Appointed
Rev Simon Topping	Chair	2021-09-01
Allan David Bain		2019-03-07
Angela Hurford		2018-09-01
Anna Sims		2022-05-01
Antony John Knight		2022-03-01
BRONWYN JOY PHILLIPS		
David Sydney Pendle		2019-04-01
Deacon Elizabeth Harfleet		2024-09-01
Denise Jean Cutlan		2018-09-01
ELIZABETH JANE BUTTON BA Hons		
Elsbeth Mary Rolls		2024-09-01
FRANCIS JAMES DAY		2017-09-01
GLYNIS ROSALIND INEZ HULL MA		
Gareth Windsor James		2021-01-01
Hannah Eve Bevan		2024-09-01
Hazel Valerie Bowell		2023-03-15
Helen Green		2014-09-01
JILL MARLYN MINERS		2012-06-15
Jackie Yates		2014-09-01
James Midgley		2024-09-01
Judith Knight		2019-09-01
Judith Lynn Knight		2024-09-01
Julian Clive Albrow		2025-09-01
Katie Louise Chun		2025-09-01
Liz Church		2015-09-01
Lydia Ann Hinton		2024-09-01
Margaret Hatherell		2018-09-01

Name	Role	Appointed
Michael John Danson		2023-09-01
NEIL QUILTER		
PETER ANTHONY KEEVILL		2022-09-01
RAY LANSLEY		
RICHARD SIDNEY JOHN PIERCE BSC FRICS		
Rev Christine Wendy Coram		2022-09-01
Rev David William Musgrave		2019-03-07
Rev David Winstanley		2017-09-01
Rev Frederick John Carne		2022-05-08
Rev IAN SOUTER		
Rev Jill Flowers		2024-09-01
Rev John Hayes		2022-09-01
Rev Kathryn Thomas		2021-09-01
Rev PHILIP STANLEY TURNER		2017-09-01
Rupert Kaye		2024-09-01
Ruth Horler		2023-09-01
Sally Bown		2020-07-29
Trevor Owen Purches		2022-03-01

Accounts

REGISTERED CHARITY NUMBER: 1129520

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 August 2024
for
NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Contents of the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2024**

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NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their report with the financial statements of the charity for the year ended 31 August 2024. The trustees have adopted the provisions of 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

Objectives and aims

The aims and purposes of the North East Somerset & Bath Methodist Circuit are in accordance with the approved governing document issued by the Methodist Conference and defined in the Methodist Church Act 1976 namely:

The advancement of

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

Public benefit

We confirm the trustees have had regard to the Charity Commissioner's guidance on public benefit.

Grantmaking

Detailed applications are submitted to the Circuit Leadership Team (CLT) for consideration. A small scrutiny group of CLT members is appointed to review and discuss the submission with the applicants. This process is to ensure that the proposal is well founded and complies with the funding policy guidelines. Submissions may then be presented to the Circuit Meeting with recommendations for support.

Volunteers

The trustees would like to acknowledge the work carried out across the Circuit by Local Preachers and Circuit Officers, for the work they do supporting and running the Circuit as well as in all of its congregations in leading worship, providing pastoral care and maintaining church premises.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Circuit has continued to provide leadership and support to local churches as they have developed and maintained their worship and mission over the past year. Two churches, Timsbury Methodist Church and Peasedown St John Methodist Church have merged during the course of the year, retaining the name "Peasedown St John Methodist Church" for the new church. The Circuit now has ten churches working across fifteen church sites.

The Circuit manages two Circuit Mission Projects: the Southdown and Whiteway Church and Community Partnership which works to support low income and disadvantaged individuals and families through a range of services and the With You project which, under the oversight of the Circuit's Students' Chaplain provides chaplaincy ministry across the two universities of Bath. A growing aspect of the With You project focuses on strengthening the relationships between the student community and the local community.

The Circuit Manses Strategy Group continues to consider the best use of those Circuit manses no longer used to house ministerial staff and decision about the renting or selling of these manses will be made during the course of the next financial year.

The Circuit Meeting in September 2024 agreed to seek either a paid Active Supernumerary Presbyterian in a half-time role or a 0.49-time appointment for a presbyter in active service from September 2025 reducing the ministerial staff to five full-time and one .5/.49 minister.

The Circuit continues to oversee the ongoing implementation of GDPR and provision of Safeguarding training and updating of Safeguarding records.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

FINANCIAL REVIEW

Financial position

For the year 2023/24 the Circuit funds have net expenditure of £332,722 (2023 - £226,446 net expenditure) with £111,198 of this relating to the loss on the sale of Trinity Church, Radstock. In addition, there were net gains on the revaluation of investments of £190,771 (2023 - £2,196 losses) with £182,837 of this relating to the revaluation of rental properties (treated as investment properties in accordance with the Charities SORP).

The Circuit Model Trust Fund (CMTF) net reduction in funds of £49,762 (as shown in note 22) was driven by the need to transfer funds to the CAF and CFB accounts to accommodate the deficit between income and expenditure in the General Fund. Proceeds of £290,000 from the sale of Trinity were transferred into the fund, however. District assessment was up 15% and property costs were up 57% compared to last year.

Expenditure (excluding the loss on the sale of fixed assets) increased by 4% compared to last year. This increase was driven by the CPF levy the Circuit had to pay on property sold in the year. In addition, a loss of £111k was recorded on the sale of Trinity Church Radstock, of which £65k costs related to a Dead of Release in respect of pre-existing claim on a share of the sale proceeds. Excluding the CPF levy and loss on the church sale, expenditure decreased by £9k. There was a significant budget overspend in 2023/24, which was financed by a release of Circuit Model Trust funds (shown as a transfer). The £146k overspend on the General Fund (prior to transfers) reflected grant commitments of £26k (2023 - £57k) and £105k (2023 - £58k) spent on repairs and renovations to properties.

Income has increased by approximately 7% (2023 - 31%). Church pledges remained stable while a Connexion grant paid of £25k in a previous year towards the Ministers' pension scheme deficit was refunded.

The General fund sits at £61,394 (2023 - £57,835) and all other unrestricted and restricted accounts have a healthy balance.

The Circuit's grant funding for the year was £32,554 (2023 - £62,327) with further internal grants of £29,860 for internal purposes (2023 - £29,724).

There were no significant underspends against budget. Additional professional fees have been paid for a number of inspection reports relating to manse safety checks and property sales.

The pledged income from the churches has not kept pace with the impact of inflation on payroll and other costs. This represents a continuing challenge to the churches that are under pressure as the general trend is a decline in membership and income. It is a challenge to the Circuit to manage appropriate funding in the coming years.

The annual budget set for 2023/24 showed an anticipated shortfall of £137,000. This is £195,722 less than the actual shortfall which has been accounted for in paragraph 1.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

FINANCIAL REVIEW

Investment policy and objectives

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20K) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE 100 index. The deposit income mirrors the deposit rates elsewhere. The Circuit's investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable to the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no benchmarks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment, both by way of dividend and capital appreciation is obtained at least as good as market rate considering the Circuits low appetite for risk. The interest rate achieved on CFB deposits has been between 0.10% and 0.45% during the year.

Reserves policy

Most churches seek to have six months' expenditure in reserve to provide a working cash balance and extra funds to cover the eventuality of loss of income or emergency costs. Six months net costs based on an average of the 2019/20 and 2020/21 Annual Reports and Accounts would require £370,000 as the reserve figure for the Circuit. Any utilisation of this reserve must be approved by the Circuit Meeting.

When funds are held in excess of the reserve limit these should be used in a planned way over a period of time. A list is noted below of projects or activities which may be expected to access reserves subject to Circuit Meeting approval:

- a) shortfall in pledge income to balance annual budget;
- b) the advancement of Mission in the Circuit as defined by the Circuit Mission statement;
- c) facilities, resources and training where not already available which meet the Circuit's objectives;
- d) the funding for training and people to develop sustainable mission projects; and
- e) the rationalisation/enhancement of existing buildings only when an application has been made for District and/or Connexional funding with a grant to the lesser of 30% of the project cost or £15,000.

Projects may be put forward by local churches, a group of local churches or by the CLT as a Circuit project.

Money and investments held are either:

- a) Available for general use exercising budgetary control but without any legal or other restriction. Balance held at 31 August 2024 - £61,394 (2023 - £57,835).
- b) Available for use with the approval of the Circuit Meeting for specific purposes. Balance held at 31 August 2024 was £709,192 (2023 - £741,904) which is Model Trust Fund and other unrestricted funds less the value of Fixed Assets.
- c) Endowment funds where only investment income may be used. Balance held at 31 August 2024 £77,250. (2023 - £73,809). Application will be made to the Charity Commission to release the capital of the small endowments.
- d) Restricted funds of £5,342 (2023 - £14,418).

FUTURE PLANS

During the coming year the trustees on the Circuit Leadership Team and Circuit Meeting will be working towards producing a Circuit Mission Strategy with a view to enabling the best use of our resources in terms of people, property and finances, to fulfil the mission of the circuit and its member churches.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976).

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Stewards along with the Circuit Meeting and the Circuit Leadership Team.

Recruitment and appointment of new trustees

Only members of the Methodist Church may be appointed as trustees. Circuit trustees include the following:

- a) the Superintendent Minister and other Ministers and Deacons appointed to the Circuit.
- b) Supernumerary Ministers who reside in the Circuit are appointed as trustees if they inform the Superintendent Minister of their wish to be a member of the Circuit Meeting.
- c) two or more Circuit Stewards are appointed annually by the Circuit meeting.
- d) the secretary of the Circuit Meeting.
- e) the secretary of the Local Preachers' Meeting.
- f) from each Local Church one church steward and the church treasurer.
- g) representatives elected by the Church Council of each Local Church from its own members in numbers specified by the Circuit Meeting.
- h) such persons, if any, as the Circuit Meeting judges it appropriate to appoint from amongst those employed by the Circuit.
- i) additional persons as the Circuit Meeting may desire to ensure that all areas of the life of the Circuit are adequately represented.

Organisational structure

The North East Somerset and Bath Methodist Circuit was formed in 2008 and covers both the City of Bath and the North Somerset Local Authorities, plus Box.

The Circuit forms a part of the Bristol District of the Methodist Church. The Circuit is the body which coordinates the activities of employed ministers and church workers throughout the member churches. The member churches are:

Bathampton
Bath Methodist Church
Box
Chew Stoke
Farrington Gurney
Keynsham (Queens Road & Victoria)
Midsomer Norton
Paulton
Peasedown St John (including Timsbury)
Trinity - Westfield

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

The Circuit Meeting is the principal decision-making body of the Circuit responsible for the affairs of the Circuit and the development of circuit policy. It exercises a combination of spiritual leadership with appropriate administrative support. The purpose is to act as the focal point of the working fellowship of the churches in the Circuit, overseeing their pastoral, training and evangelistic work.

A Circuit Meeting is held three or four times each year to plan and review the activity of the Circuit.

The Circuit Leadership Team which includes ministers and stewards is responsible for the spiritual and material wellbeing of the circuit and for upholding and acting upon the decisions of the Circuit Meeting.

The Circuit Leadership Team meets regularly to manage Circuit property, employment, finance and consider matters arising from their oversight of the local churches.

Induction and training of new trustees

Every trustee is provided with a copy of the document "The Role of A Trustee in the Methodist Church" published by the Trustees for Methodist Church Purposes in 2009.

Safeguarding

The Circuit, through our Safeguarding Officer and local Safeguarding Officers, continue to ensure there are robust safeguarding processes in place to protect children, young people and vulnerable adults from harm. This includes DBS checks and regular training opportunities for paid staff and volunteers.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Circuit continues to assess risks in terms of finance, property and staffing and procedures have been introduced to manage these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1129520

Principal address

c/o Midsomer Norton Methodist Church
High Street
Midsomer Norton
Radstock
BA3 2DR

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2024

Trustees

The members of North East Somerset & Bath Methodist Circuit meeting are the Charity Trustees. Membership is made up from circuit office holders, ministers and representatives appointed by the local churches.

Ministers

Rev Dr S Topping (Chair)
Rev C Coram
Rev J Tate

Deacon E Harfleet (from 1/9/24)
Deacon A Trembling (to 31/8/24)

Rev J Hayes
Rev D Winstanley

Circuit Stewards

Miss S H Green
Mr I Sims

Mr P Keevill

Mr T Purches

Representatives

Mr Allan Bain
Mr S Beck (to 31/8/24)
Miss E J Button
Mrs D J Cutlan
Mrs G Earley (to 31/8/24)
Mrs M Hatherell
Mrs G R I Hull
Mr R Kaye (from 12/6/24)
Mr A Knight
Mr J Midgley (from 1/9/24)
Rev D Musgrave
Mr R S J Pierce
Mrs A Sims
Rev I Souter
Rev K Thomas

Mr M Barrow (to 31/8/24)
Mrs S Bown
Rev J Carne
Prof M Danson (from 1/9/23)
Mrs C Edge
Mrs Lydia Hinton (from 12/6/24)
Mrs A Hurford
Mrs S Keevill
Mrs J Knight
Mrs J M Miners
Mr D S Pendle
Mr N Quilter
Mrs J Slade (to 1/10/23)
Mrs J Stiddard (to 31/8/24)
Rev P Turner

Mrs H Bevan (from 1/9/24)
Mrs H Bowell
Mrs E Church
Mr F Day
Rev J Flowers (from 1/9/24)
Mrs Ruth Horler (from 1/9/23)
Mr G James
Mrs E Kenyon (from 1/9/24)
Rev R A Lansley
Mrs F Morris Laventris (to 31/9/23)
Miss B J Phillips
Mrs E Rolls (from 1/9/24)
Mrs K Smith (to 31/8/24)
Mrs S Tandy
Mrs J Yates

Auditors

Gravita Audit Western Limited
Chartered Accountants and Statutory Auditors
Bath House
6-8 Bath Street
Bristol
BS1 6HL

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Report of the Trustees
FOR THE YEAR ENDED 31 AUGUST 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers and Investment Bankers

CAF Bank Limited
25 Kings Hill Avenue,
Kings Hill, West Malling,
Kent, ME19 4JQ

Central Finance Board of the Methodist Church
9 Bonhill Street,
London, EC2A 4PE

Trustees for Methodist Church Purposes
Central Buildings Oldham Street,
Manchester, M1 1JQ

Lloyds Bank Plc
PO Box,1000,
Andover, BX1 1LT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 28 April 2025 and signed on its behalf by:

.....
Rev S Topping - Trustee

Report of the Independent Auditors to the Trustees of North East Somerset & Bath Methodist Circuit

Opinion

We have audited the financial statements of North East Somerset & Bath Methodist Circuit (the 'charity') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of the Independent Auditors to the Trustees of
North East Somerset & Bath Methodist
Circuit**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Trustees of North East Somerset & Bath Methodist Circuit

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- (i) We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined the following laws and regulations of most significance were: Charity SORP 2019 and UK GAAP.
- (ii) We obtained an understanding of how the charity complies with those legal and regulatory frameworks by making inquiries of management. We corroborated our enquiries through our review of board minutes and other relevant meeting minutes.
- (iii) We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
 - and assessing the extent of compliance with the relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
North East Somerset & Bath Methodist
Circuit**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gravita Audit Western Limited
Chartered Accountants and Statutory Auditors
Bath House
6-8 Bath Street
Bristol
BS1 6HL

Date: 28 April 2025.....

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Statement of Financial Activities
FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	29,449	11,070	-	40,519	53,677
Charitable activities	5					
Management of the Circuit		368,008	-	-	368,008	367,440
Raising funds	3	87,285	-	-	87,285	80,315
Investment income	4	38,922	-	3,255	42,177	29,781
Other income	6	35,109	-	-	35,109	5,281
Total		<u>558,773</u>	<u>11,070</u>	<u>3,255</u>	<u>573,098</u>	<u>536,494</u>
EXPENDITURE ON						
Raising funds	7	4,125	-	-	4,125	4,483
Charitable activities	8					
Management of the Circuit		640,474	-	212	640,686	587,228
Southdown Church Centre		50,040	-	-	50,040	45,661
SWCCP		28,675	-	-	28,675	24,639
Circuit grants		25,950	-	-	25,950	57,000
With You project		45,146	-	-	45,146	43,929
Loss on disposal of fixed assets		111,198	-	-	111,198	-
Total		<u>905,608</u>	<u>-</u>	<u>212</u>	<u>905,820</u>	<u>762,940</u>
Net gains/(losses) on investments		187,328	-	3,443	190,771	(2,196)
NET INCOME/(EXPENDITURE)		(159,507)	11,070	6,486	(141,951)	(228,642)
Transfers between funds	22	<u>23,191</u>	<u>(20,146)</u>	<u>(3,045)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(136,316)	(9,076)	3,441	(141,951)	(228,642)
RECONCILIATION OF FUNDS						
Total funds brought forward		6,192,204	14,418	73,809	6,280,431	6,509,073
TOTAL FUNDS CARRIED FORWARD		<u>6,055,888</u>	<u>5,342</u>	<u>77,250</u>	<u>6,138,480</u>	<u>6,280,431</u>

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Balance Sheet
31 AUGUST 2024**

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS						
Tangible assets	15	4,040,302	-	-	4,040,302	4,702,465
Investments						
Investments	16	57,433	-	30,962	88,395	80,461
Investment property	17	1,245,000	-	-	1,245,000	690,000
		5,342,735	-	30,962	5,373,697	5,472,926
CURRENT ASSETS						
Debtors	18	19,874	5,342	-	25,216	39,434
Cash at bank	19	775,670	-	46,288	821,958	805,322
		795,544	5,342	46,288	847,174	844,756
CREDITORS						
Amounts falling due within one year	20	(70,391)	-	-	(70,391)	(34,251)
NET CURRENT ASSETS		<u>725,153</u>	<u>5,342</u>	<u>46,288</u>	<u>776,783</u>	<u>810,505</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,067,888	5,342	77,250	6,150,480	6,283,431
CREDITORS						
Amounts falling due after more than one year	21	(12,000)	-	-	(12,000)	(3,000)
NET ASSETS		<u>6,055,888</u>	<u>5,342</u>	<u>77,250</u>	<u>6,138,480</u>	<u>6,280,431</u>
FUNDS						
Unrestricted funds	22				6,055,888	6,192,204
Restricted funds					5,342	14,418
Endowment funds					77,250	73,809
TOTAL FUNDS					<u>6,138,480</u>	<u>6,280,431</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28 April 2025
..... and were signed on its behalf by:

.....
Rev S Topping - Trustee

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(207,386)</u>	<u>(280,877)</u>
Net cash used in operating activities		<u>(207,386)</u>	<u>(280,877)</u>
Cash flows from investing activities			
Sale of tangible fixed assets		178,802	-
Interest received		<u>42,177</u>	<u>29,781</u>
Net cash provided by investing activities		<u>220,979</u>	<u>29,781</u>
Cash flows from financing activities			
Income attributable to endowment		3,255	2,221
Expenditure attributable to endowment		<u>(212)</u>	<u>(209)</u>
Net cash provided by financing activities		<u>3,043</u>	<u>2,012</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		16,636	(249,084)
Cash and cash equivalents at the beginning of the reporting period		<u>805,322</u>	<u>1,054,406</u>
Cash and cash equivalents at the end of the reporting period		<u><u>821,958</u></u>	<u><u>805,322</u></u>

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2024**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(141,951)	(228,642)
Adjustments for:		
(Gain)/losses on investments	(190,771)	2,196
Loss on disposal of fixed assets	111,198	-
Interest received	(42,177)	(29,781)
Income attributable to endowment	(3,255)	(2,221)
Expenditure attributable to endowment	212	209
Decrease/(increase) in debtors	14,218	(14,966)
Increase/(decrease) in creditors	<u>45,140</u>	<u>(7,672)</u>
Net cash used in operations	<u>(207,386)</u>	<u>(280,877)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank	<u>805,322</u>	<u>16,636</u>	<u>821,958</u>
	<u>805,322</u>	<u>16,636</u>	<u>821,958</u>
Total	<u>805,322</u>	<u>16,636</u>	<u>821,958</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and investment properties which are included at fair value.

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 £.

Going concern

The financial statements have been prepared on a going concern basis. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

Critical accounting judgements

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Investment properties shown at fair value.

Income

Income is brought into account when there is entitlement and the amount is reliably measurable once it is more than likely than not that the economic benefit of the income will be forthcoming.

Individual amounts categorised as Other Income in the SOFA will be shown separately if they are considered material.

Where the Circuit acts as agent in the collection from churches and payment over of their contributions to various funds controlled and administered by The Methodist Church -'Connexional Funds', the transactions are not reflected in the SOFA because they are the income of either the Connexion or churches as appropriate.

In accordance with the charities SORP (FRS102), the time of volunteers is not recognised.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable, where all conditions associated with the grant have been met. Where conditions exist which remain unsatisfied, the grant is treated as a liability until the conditions have been substantially met.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 AUGUST 2024

1. ACCOUNTING POLICIES - continued

Expenditure

Connexional Priority Fund Levies, payable on the sale of most properties, are recognised at the point of sale of the property.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice.

Tangible fixed assets

Properties held as functional assets comprise manses used for housing ministers and buildings let on a temporary basis or for community purposes.

From time to time, the Circuit may hold residential property (formerly manses) which is surplus to its normal staffing requirements. When the intention is to hold the property for capital appreciation or its rental income, the property is reclassified as investment property and carried at fair value.

Churches which are closed are transferred into the care of the Circuit from the Methodist Church and are valued at a deemed cost based on the valuation of an external valuer.

Fixed asset properties that were held at 1 September 2015 are included in the financial statements at deemed historic cost representing each property's gross carrying value as at 1 September 2015. The Circuit made use of the deemed cost transitional provisions of FRS 102 SORP 2015.

Manses purchased subsequent to 1 September 2015 are included at actual cost.

No depreciation is provided on manses and rental properties because the trustees consider the current residential fair value of the manses and rental properties (on the assumption that these have not reached the end of their useful economic life by the year end) to be not less than their cost to date. Any depreciation would not be material. The properties have been reviewed for impairment.

Office equipment is depreciated on a 25% straight line basis.

Investment property

Properties are recognised as investment properties when the intention is that they will be held for capital appreciation or rental income. Investment properties include buildings passed to the Circuit, and treated as capital receipts, where the intention is to sell the property.

Investment properties are revalued annually based on periodic professional valuations as adjusted by the trustees using suitable indices in the intervening periods with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Taxation

The charity is exempt from tax on its charitable activities.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 AUGUST 2024

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the District without further specified purpose. They are available as general funds and can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets the criteria is charged to the fund together with a fair allocation of support costs where appropriate.

Endowment funds represent restricted gifts, the capital normally being unavailable for spending.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Most ordained presbyters are members of the Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the scheme were a defined contribution scheme.

Lay employees are contractually employees of the Circuit and have the option of joining a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust).

The Connexion accounts for MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

Debtors

Debtors are measured on initial recognition at settlement amount after any amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received. Debtors include the payment of the September stipend in advance in August.

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.

Creditors

The charity has creditors which are measured at settlement amounts.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 AUGUST 2024

1. ACCOUNTING POLICIES - continued

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the charity's contractual obligations are discharged, cancelled, or they expire.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
Donations	23,449	1,070	-	24,519	22,357
Gift aid	1,180	-	-	1,180	1,708
Grants	<u>4,820</u>	<u>10,000</u>	<u>-</u>	<u>14,820</u>	<u>29,612</u>
	<u>29,449</u>	<u>11,070</u>	<u>-</u>	<u>40,519</u>	<u>53,677</u>

Grants received, included in the above, are as follows:

	2024 £	2023 £
District Advance Fund	14,320	14,712
Warm Spaces	500	500
Diocese of Bath and Wells	-	8,400
Bath Spa University	-	5,000
Other	<u>-</u>	<u>1,000</u>
	<u>14,820</u>	<u>29,612</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

3. RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
Fundraising events	6,031	-	-	6,031	4,491
Lettings	81,254	-	-	81,254	75,824
	<u>87,285</u>	<u>-</u>	<u>-</u>	<u>87,285</u>	<u>80,315</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
Interest and investment income	38,922	-	3,255	42,177	29,781

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024 £	2023 £
Assessment or share	Management of the Circuit	<u>368,008</u>	<u>367,440</u>

6. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
Church worker contribution	5,181	-	-	5,181	5,181
Insurance claim	4,928	-	-	4,928	-
Refund of grant	25,000	-	-	25,000	-
Other	-	-	-	-	100
	<u>35,109</u>	<u>-</u>	<u>-</u>	<u>35,109</u>	<u>5,281</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

7. RAISING FUNDS

Investment management costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
Agency fees	<u>4,125</u>	<u>-</u>	<u>-</u>	<u>4,125</u>	<u>4,483</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Grant funding of activities (see note 10) £	Support costs (see note 11) £	Totals £
Management of the Circuit	626,601	-	14,085	640,686
Southdown Church Centre	50,040	-	-	50,040
SWCCP	22,071	6,604	-	28,675
Circuit grants	-	25,950	-	25,950
With You project	<u>45,146</u>	<u>-</u>	<u>-</u>	<u>45,146</u>
	<u>743,858</u>	<u>32,554</u>	<u>14,085</u>	<u>790,497</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024 £	2023 £
Staff costs	349,509	363,628
Other ministry costs	2,893	2,498
District assessment and levy	122,329	135,347
CPF levy	41,623	-
Office and admin costs	22,794	22,864
Property costs	177,953	121,833
SCC property costs	19,452	26,510
SWCCP activities	<u>7,305</u>	<u>5,412</u>
	<u>743,858</u>	<u>678,092</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

10. GRANTS PAYABLE

	2024	2023
	£	£
Management of the Circuit	-	1,100
SWCCP	6,604	4,227
Circuit grants	25,950	57,000
	<u>32,554</u>	<u>62,327</u>

The total grants paid to institutions during the year was as follows:

	2024	2023
	£	£
Trinity Methodist Church	-	57,000
Other grants	7,554	5,327
Bath Methodist Church	10,000	-
The Hive, Peasedown St John	15,000	-
	<u>32,554</u>	<u>62,327</u>

In addition, internal grants of £25,000 (2023 - £25,000) and £4,860 (2023 - £4,724) were made to support the roles of Student Chaplain and Southdown Layworker respectively. A contribution of £2,500 was paid from Southdown Church Centre to the Southdown Partnership (2023 - £18,000 from Southdown Partnership to Southdown Church Centre).

11. SUPPORT COSTS

	Governance costs
	£
Management of the Circuit	<u>14,085</u>

Support costs, included in the above, are as follows:

Governance costs

	2024	2023
	Management of the Circuit	Total activities
	£	£
Auditors' remuneration	6,260	5,960
Other non-audit services	7,825	12,078
	<u>14,085</u>	<u>18,038</u>

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 AUGUST 2024

12. TRUSTEES' REMUNERATION AND BENEFITS

The members of the Circuit Meeting are the trustees of the Circuit. One Superintendent, five Circuit Stewards and five other ministers form the Circuit leadership Team, have additional responsibilities and are considered as key management personnel.

Circuit Steward expenses of £127 was paid to one Circuit Steward for the year ended 31 August 2024 (2023 - £289). None of the Circuit Stewards received any remuneration in the year.

The total remuneration paid to ministers in their role as presbyters was £242,254 (2023 - £261,308). Expenses relating to travel, training and other costs of £7,797 (2023 - £9,274) were also paid to ministers.

13. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	275,922	285,803
Social security costs	22,009	22,565
Other pension costs	51,578	55,260
	<u>349,509</u>	<u>363,628</u>

The average monthly number of employees during the year was as follows:

	2024	2023
Ministers	6	7
Lay staff	8	8
	<u>14</u>	<u>15</u>

No employees received emoluments in excess of £60,000.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	27,980	25,697	-	53,677
Charitable activities				
Management of the Circuit	367,440	-	-	367,440
Raising funds	80,315	-	-	80,315
Investment income	27,560	-	2,221	29,781
Other income	<u>5,281</u>	<u>-</u>	<u>-</u>	<u>5,281</u>
Total	<u>508,576</u>	<u>25,697</u>	<u>2,221</u>	<u>536,494</u>
EXPENDITURE ON				
Raising funds	4,483	-	-	4,483

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Endowment funds £	Total funds £
Charitable activities				
Management of the Circuit	587,019	-	209	587,228
Southdown Church Centre	45,661	-	-	45,661
SWCCP	24,639	-	-	24,639
Circuit grants	57,000	-	-	57,000
With You project	<u>43,929</u>	<u>-</u>	<u>-</u>	<u>43,929</u>
Total	<u>762,731</u>	<u>-</u>	<u>209</u>	<u>762,940</u>
Net gains/(losses) on investments	<u>(2,335)</u>	<u>-</u>	<u>139</u>	<u>(2,196)</u>
NET INCOME/(EXPENDITURE)	(256,490)	25,697	2,151	(228,642)
Transfers between funds	<u>18,548</u>	<u>(16,529)</u>	<u>(2,019)</u>	<u>-</u>
Net movement in funds	(237,942)	9,168	132	(228,642)
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>6,430,146</u>	<u>5,250</u>	<u>73,677</u>	<u>6,509,073</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>6,192,204</u></u>	<u><u>14,418</u></u>	<u><u>73,809</u></u>	<u><u>6,280,431</u></u>

15. TANGIBLE FIXED ASSETS

	Manse and church properties £	Computer equipment £	Totals £
COST			
At 1 September 2023	4,702,465	949	4,703,414
Disposals	(290,000)	-	(290,000)
Reclassification	<u>(372,163)</u>	<u>-</u>	<u>(372,163)</u>
At 31 August 2024	<u>4,040,302</u>	<u>949</u>	<u>4,041,251</u>
DEPRECIATION			
At 1 September 2023 and 31 August 2024	<u>-</u>	<u>949</u>	<u>949</u>
NET BOOK VALUE			
At 31 August 2024	<u><u>4,040,302</u></u>	<u><u>-</u></u>	<u><u>4,040,302</u></u>
At 31 August 2023	<u><u>4,702,465</u></u>	<u><u>-</u></u>	<u><u>4,702,465</u></u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

16. FIXED ASSET INVESTMENTS

	TMCP £
MARKET VALUE	
At 1 September 2023	80,461
Revaluations	<u>7,934</u>
At 31 August 2024	<u>88,395</u>
NET BOOK VALUE	
At 31 August 2024	<u><u>88,395</u></u>
At 31 August 2023	<u><u>80,461</u></u>

There were no investment assets outside the UK.

17. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 September 2023	690,000
Revaluation	182,837
Reclassification	<u>372,163</u>
At 31 August 2024	<u>1,245,000</u>
NET BOOK VALUE	
At 31 August 2024	<u><u>1,245,000</u></u>
At 31 August 2023	<u><u>690,000</u></u>

The investment properties that are let were valued by the Trustees at 31 August 2024 at a value of £1,245,000 based on post year end estimates made by a Circuit trustee who is a Chartered Surveyor and Registered Valuer.

At the year end, an impairment review of the letting properties was carried out and the fair value is not considered to be materially misstated.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Other debtors	-	13,598
Prepayments and accrued income	<u>25,216</u>	<u>25,836</u>
	<u>25,216</u>	<u>39,434</u>

19. CASH AT BANK

	General Fund £	Circuit Model Trust Fund £	Southdown Church Centre Fund £	Arthur Heal Bequest Fund £
Current accounts	57,493	-	9,625	-
Trustees for Methodist Church Purposes deposits	-	471,679	16,035	16,821
Central Finance Board deposits	<u>41,418</u>	<u>-</u>	<u>37,702</u>	<u>-</u>
Total	<u>98,911</u>	<u>471,679</u>	<u>63,362</u>	<u>16,821</u>

	John Guy Heal Bequest Fund £	Clutton: Sale of Cottage Fund £	SWCCP Fund £	Other designated funds £
Current accounts	-	-	5,708	-
Cash in hand	-	-	190	-
Trustees for Methodist Church Purposes deposits	30,826	37,900	-	4,310
Central Finance Board deposits	<u>-</u>	<u>-</u>	<u>45,963</u>	<u>-</u>
Total	<u>30,826</u>	<u>37,900</u>	<u>51,861</u>	<u>4,310</u>

	2024	2023
	£	£
Current accounts	-	65,491
Cash in hand	-	140
Trustees for Methodist Church Purposes deposits	39,436	659,151
Central Finance Board deposits	<u>-</u>	<u>80,540</u>
Total	<u>39,436</u>	<u>805,322</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	30,424	2,364
Social security and other taxes	110	100
Sundry creditors and accruals	7,370	9,300
Grants payable	13,000	3,000
Assessments in advance	19,487	19,487
	<u>70,391</u>	<u>34,251</u>

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Grants payable	<u>12,000</u>	<u>3,000</u>

22. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Unrestricted funds				
General Fund	57,835	(146,400)	149,959	61,394
Circuit Model Trust Fund	496,441	(171,700)	121,938	446,679
Southdown Church Centre Fund	63,647	2,215	(2,500)	63,362
Arthur Heal Bequest Fund	24,712	2,139	(1,106)	25,745
John Guy Heal Bequest Fund	74,821	6,150	(2,746)	78,225
Clutton: Sale of Cottage Fund	36,054	1,846	-	37,900
SWCCP Fund	41,125	8,236	2,500	51,861
Properties Fund	5,392,465	182,837	(290,000)	5,285,302
Other designated funds	5,104	316	-	5,420
With You Fund - internal funding	-	(45,146)	45,146	-
	<u>6,192,204</u>	<u>(159,507)</u>	<u>23,191</u>	<u>6,055,888</u>
Restricted funds				
With You Fund - external funding	14,418	11,070	(20,146)	5,342
Endowment funds				
Henry Perry Bequest Fund	64,624	5,899	(2,638)	67,885
Other endowment funds	9,185	587	(407)	9,365
	<u>73,809</u>	<u>6,486</u>	<u>(3,045)</u>	<u>77,250</u>
TOTAL FUNDS	<u>6,280,431</u>	<u>(141,951)</u>	<u>-</u>	<u>6,138,480</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	412,228	(558,628)	-	(146,400)
Circuit Model Trust Fund	51,230	(222,930)	-	(171,700)
Southdown Church Centre Fund	52,042	(49,827)	-	2,215
Arthur Heal Bequest Fund	1,203	(71)	1,007	2,139
John Guy Heal Bequest Fund	2,959	(213)	3,404	6,150
Clutton: Sale of Cottage Fund	1,948	(102)	-	1,846
SWCCP Fund	36,911	(28,675)	-	8,236
Properties Fund	-	-	182,837	182,837
Other designated funds	252	(16)	80	316
With You Fund - internal funding	-	(45,146)	-	(45,146)
	558,773	(905,608)	187,328	(159,507)
Restricted funds				
With You Fund - external funding	11,070	-	-	11,070
Endowment funds				
Henry Perry Bequest Fund	2,822	(185)	3,262	5,899
Other endowment funds	433	(27)	181	587
	3,255	(212)	3,443	6,486
TOTAL FUNDS	<u>573,098</u>	<u>(905,820)</u>	<u>190,771</u>	<u>(141,951)</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2024**

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General Fund	43,006	(130,623)	145,452	57,835
Circuit Model Trust Fund	756,288	(89,553)	(170,294)	496,441
Southdown Church Centre Fund	48,119	(1,572)	17,100	63,647
Arthur Heal Bequest Fund	24,939	522	(749)	24,712
John Guy Heal Bequest Fund	76,772	163	(2,114)	74,821
Clutton: Sale of Cottage Fund	35,030	1,024	-	36,054
SWCCP Fund	46,121	7,380	(12,376)	41,125
Properties Fund	5,392,465	-	-	5,392,465
Other designated funds	5,006	98	-	5,104
With You Fund - internal funding	<u>2,400</u>	<u>(43,929)</u>	<u>41,529</u>	<u>-</u>
	6,430,146	(256,490)	18,548	6,192,204
Restricted funds				
With You Fund - external funding	5,250	25,697	(16,529)	14,418
Endowment funds				
Henry Perry Bequest Fund	64,382	1,990	(1,748)	64,624
Other endowment funds	<u>9,295</u>	<u>161</u>	<u>(271)</u>	<u>9,185</u>
	<u>73,677</u>	<u>2,151</u>	<u>(2,019)</u>	<u>73,809</u>
TOTAL FUNDS	<u><u>6,509,073</u></u>	<u><u>(228,642)</u></u>	<u><u>-</u></u>	<u><u>6,280,431</u></u>

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 AUGUST 2024

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	407,793	(538,416)	-	(130,623)
Circuit Model Trust Fund	19,520	(109,073)	-	(89,553)
Southdown Church Centre Fund	44,089	(45,661)	-	(1,572)
Arthur Heal Bequest Fund	931	(71)	(338)	522
John Guy Heal Bequest Fund	2,333	(219)	(1,951)	163
Clutton: Sale of Cottage Fund	1,124	(100)	-	1,024
SWCCP Fund	32,628	(25,248)	-	7,380
Other designated funds	158	(14)	(46)	98
With You Fund - internal funding	-	(43,929)	-	(43,929)
	508,576	(762,731)	(2,335)	(256,490)
Restricted funds				
With You Fund - external funding	25,697	-	-	25,697
Endowment funds				
Henry Perry Bequest Fund	1,931	(183)	242	1,990
Other endowment funds	290	(26)	(103)	161
	2,221	(209)	139	2,151
TOTAL FUNDS	<u>536,494</u>	<u>(762,940)</u>	<u>(2,196)</u>	<u>(228,642)</u>

General Fund

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit and which have not been designated for other purposes.

Circuit Model Trust Fund (designated)

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit. Its main source of income is legacies and contributions from the sale of manses and church buildings in the Circuit.

Properties Fund (designated)

This fund reflects the value properties held by the Circuit. The fund comprises fixed asset properties held as functional assets of the Circuit (held at cost or deemed cost) and investment properties held for their rental income together with buildings transferred to the Circuit for disposal (held at fair value).

Southdown Church Centre (designated)

Southdown Methodist Church Centre is a Christian community offering affordable rooms and communal spaces to community groups and organisations including Bath Methodist Church and the Community Partnership.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 AUGUST 2024

22. MOVEMENT IN FUNDS - continued

Southdown Whiteway Church and Community Partnership Fund (designated)

This fund represents the charitable activity of supporting disadvantaged people and communities in Southdown, Twerton and Whiteway through lunch club, toddler group and support advice.

Clutton Sale of Cottage Fund (designated)

The fund represents sale proceeds set aside for general fund purposes.

Arthur Heal and John Guy Heal Bequest Funds (designated)

These funds reflect legacies where there is no restriction.

With You Fund - internal funding (designated)

This fund reflects funding earmarked by the trustees from the Circuit Model Trust Fund for the student chaplain position.

Henry Perry Bequest Fund and other endowment funds (endowment)

Funds represent legacies where the income is available for general fund purposes.

With You Fund - external funding (restricted)

This fund reflects funding received specifically for the student chaplain position from external donors.

TRANSFERS BETWEEN FUNDS

An internal grant of £25,000 was made from Model Trust Fund to the With You internal funding reflecting the Circuit contribution to the post of Student Chaplain. Transfers totalling £119,000 were made to the General Fund to finance necessary repairs of manse, legal work for the impending sale of a church and other costs.

Transfer of £16,529 was made from With You Fund - external funding and the With You Fund - internal funding to reflect the use of external grants and donations in the year.

In the prior year, £632,000 was released from the Property Fund to the Model Trust Fund being the carrying value of properties sold in the prior year.

In the prior year, a transfer of £50,000 was made from the Model Trust Fund to the General Fund as an internal grant to contribute to discounted assessments as a result of Covid-19 and stipends.

Comparative analysis of net funds between funds, are as follows:

Fund balances as at 31 August 2023	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Fixed assets	5,445,405	-	27,521	5,472,926
Current assets	784,050	14,418	46,288	844,756
Current liabilities	(34,251)	-	-	(34,251)
Liabilities more than 1 year	(3,000)	-	-	(3,000)
Total net assets	<u><u>6,192,204</u></u>	<u><u>14,418</u></u>	<u><u>73,809</u></u>	<u><u>6,280,431</u></u>

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 AUGUST 2024

23. EMPLOYEE BENEFIT OBLIGATIONS

Methodist ministers are members of the Methodist Minister's Pension Scheme (MMPS). This is a defined benefit scheme.

Lay employees are contractually employees of the Circuit and belong to a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust).

The Connexion accounts for both pension schemes and shows the figures in the annual accounts of the Methodist Church of Great Britain.

The cost of both schemes attributable to the Circuit for the year ended 31 August 2024 was £51,578 (2023 - £55,260). At the year end, £3,619 (2023 - £3,906) was prepaid in respect of the MMPS and £nil (2023 - £nil) was payable in respect of the TPT scheme.

24. RELATED PARTY DISCLOSURES

The Circuit employs lay staff involved in both administration and mission work, some of whom are trustees by virtue of their position.

During the year, one employee was also a trustee, and a second employee was a close family member of a trustee. They received total remuneration of £19,802 (2023 - £18,221) and other expenses of £132 (2023 - £44).

There were no further related party transactions for the year ended 31 August 2024 nor for the year ended 31 August 2023.

None of the Circuit trustees made donations direct to the Circuit during the year or the preceding year. All of the Circuit trustees are members of one or another church within the Circuit and may be trustees in their churches.

Connected organisations include the Methodist Connexion, Churches within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP. All of these entities have their own trustees or directors and autonomous administration such that the Circuit has no significant influence over any of them, nor they over the Circuit. They are, therefore, not considered related parties.

Accounts

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 August 2023
for
NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Contents of the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2023**

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NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of 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

Objectives and aims

The aims and purposes of the North East Somerset & Bath Methodist Circuit are in accordance with the approved governing document issued by the Methodist Conference and defined in the Methodist Church Act 1976 namely:

The advancement of

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

Public benefit

We confirm the trustees have had regard to the Charity Commissioner's guidance on public benefit.

Grantmaking

Detailed applications are submitted to the Circuit Leadership Team (CLT) for consideration. A small scrutiny group of CLT members is appointed to review and discuss the submission with the applicants. This process is to ensure that the proposal is well founded and complies with the funding policy guidelines. Submissions may then be presented to the Circuit Meeting with recommendations for support.

Volunteers

The trustees would like to acknowledge the work carried out across the Circuit by Local Preachers and Circuit Officers, for the work they do supporting and running the Circuit as well as in all of its congregations in leading worship, providing pastoral care and maintaining church premises.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Circuit has continued to provide leadership and support to local churches as they have developed and maintained their worship and mission over the past year. Two churches, Timsbury Methodist Church and Peasedown St John Methodist Church have merged during the course of the year, retaining the name "Peasedown St John Methodist Church" for the new church. The Circuit now has eleven churches working across fifteen church sites.

The Circuit manages two Circuit Mission Projects: the Southdown and Whiteway Church and Community Partnership which works to support low income and disadvantaged individuals and families through a range of services and the With You project which, under the oversight of the Circuit's Students' Chaplain provides chaplaincy ministry across the two universities of Bath. A growing aspect of the With You project focuses on strengthening the relationships between the student community and the local community.

At the end of the 22/23 financial year the Circuit will reduce its ministerial staff by one, from seven full time staff to six. This has required decisions during the year about the redistribution of the pastoral oversight of Circuit across the remaining Circuit staff. It is hoped that in the next financial year this reduction in staff will lead to a reduction in the annual deficit of the Circuit.

The Circuit Manses Strategy Group continues to consider the best use of those Circuit manses no longer used to house ministerial staff and decision about the renting or selling of these manses will be made during the course of the next financial year.

The Circuit Leadership Team will continue to consider appropriate staffing levels for the Circuit, in the light of Circuit mission strategy, and will bring proposals to the Circuit Meeting in September 2024.

The Circuit continues to oversee the ongoing implementation of GDPR and provision of Safeguarding training and updating of Safeguarding records.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW

Financial position

Expenditure decreased by 14% compared to last year. This reduction was driven by the CPF levies the Circuit had to pay on properties sold in the prior year. Excluding the CPF levies, expenditure increased by £104K due to the spend on properties and other costs generally. There was a significant budget overspend in 2022/23, which was financed by a release of Circuit Model Trust funds (shown as a transfer). The £130k overspend on the General Fund (prior to transfers) reflected £57k spend on an external grant to Trinity Methodist Church and other property refurbishment costs.

Income was down by approximately 31% compared to last year. This significant drop is due to the gifting of Trinity church, £290K, last year. Excluding the gifting, income was up 11% driven by grants (mainly for With You), increased rentals and investment income (resulting from the £290k held in TMCP and higher interest rates). Church pledges were down by 1%.

For the year 2022/23 the Circuit funds have net expenditure of £229k, with the bulk of this in the Circuit Model Trust Fund (CMTF) with net expenditure of £260k. The CMTF net expenditure was driven by the need to transfer funds to the CAF and CFB accounts to accommodate the deficit between income and expenditure in the General Fund. District assessment was up 15% and property costs were up 57% compared to last year.

The General fund sits at £57,835 and all other unrestricted and restricted accounts have a healthy balance.

The Circuit's grant funding for the year was £62,327.

There were no significant underspends against budget. Additional professional fees have been paid for a number of inspection reports relating to manse safety checks and property sales.

The pledged income from the churches has not kept pace with the impact of inflation on payroll and other costs. This represents a continuing challenge to the churches that are under pressure as the general trend is a decline in membership and income. It is a challenge to the Circuit to manage appropriate funding in the coming years.

The annual budget set for 2023/24 shows an anticipated shortfall of £ 137,000.

Investment policy and objectives

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20K) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE 100 index. The deposit income mirrors the deposit rates elsewhere. The Circuit's investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable to the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment, both by way of dividend and capital appreciation is obtained at least as good as market rate considering the Circuits low appetite for risk. The interest rate achieved on CFB deposits has been between 0.10% and 0.45% during the year.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW

Reserves policy

Most churches seek to have six months' expenditure in reserve to provide a working cash balance and extra funds to cover the eventuality of loss of income or emergency costs. Six months net costs based on an average of the 2019/20 and 2020/21 Annual Reports and Accounts would require £370,000 as the reserve figure for the Circuit. Any utilisation of this reserve must be approved by the Circuit Meeting.

When funds are held in excess of the reserve limit these should be used in a planned way over a period of time. A list is noted below of projects or activities which may be expected to access reserves subject to Circuit Meeting approval:

- a) shortfall in pledge income to balance annual budget;
- b) the advancement of Mission in the Circuit as defined by the Circuit Mission statement;
- c) facilities, resources and training where not already available which meet the Circuit's objectives;
- d) the funding for training and people to develop sustainable mission projects; and
- e) the rationalisation/enhancement of existing buildings only when an application has been made for District and/or Connexional funding with a grant to the lesser of 30% of the project cost or £15,000.

Projects may be put forward by local churches, a group of local churches or by the CLT as a Circuit project.

Money and investments held are either:

- a) Available for general use exercising budgetary control but without any legal or other restriction. Balance held at 31 August 2023 - £57,835 (2022 - £43,006)
- b) Available for use with the approval of the Circuit Meeting for specific purposes. Balance held at 31 August 2023 was £741,904 (2022 - £994,675) which is Model Trust Fund and other unrestricted funds less the value of Fixed Assets.
- c) Endowment funds where only investment income may be used. Balance held at 31 August 2023 £73,809. (2022 - £73,677). Application will be made to the Charity Commission to release the capital of the small endowments.
- d) Restricted funds of £14,418 (2022 - £5,250).

FUTURE PLANS

During the coming year the trustees on the Circuit Leadership Team and Circuit Meeting will be working towards producing a Circuit Mission Strategy with a view to enabling the best use of our resources in terms of people, property and finances, to fulfil the mission of the circuit and its member churches.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976).

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Stewards along with the Circuit Meeting and the Circuit Leadership Team.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Only members of the Methodist Church may be appointed as trustees. Circuit trustees include the following:

- a) the Superintendent Minister and other Ministers and Deacons appointed to the Circuit.
- b) Supernumerary Ministers who reside in the Circuit are appointed as trustees if they inform the Superintendent Minister of their wish to be a member of the Circuit Meeting.
- c) two or more Circuit Stewards are appointed annually by the Circuit meeting.
- d) the secretary of the Circuit Meeting.
- e) the secretary of the Local Preachers' Meeting.
- f) from each Local Church one church steward and the church treasurer.
- g) representatives elected by the Church Council of each Local Church from its own members in numbers specified by the Circuit Meeting.
- h) such persons, if any, as the Circuit Meeting judges it appropriate to appoint from amongst those employed by the Circuit.
- i) additional persons as the Circuit Meeting may desire to ensure that all areas of the life of the Circuit are adequately represented.

Organisational structure

The North East Somerset and Bath Methodist Circuit was formed in 2008 and covers both the City of Bath and the North Somerset Local Authorities, plus Box.

The Circuit forms a part of the Bristol District of the Methodist Church. The Circuit is the body which coordinates the activities of employed ministers and church workers throughout the member churches. The member churches are:

Bathampton
Bath Methodist Church
Box
Chew Stoke
Farrington Gurney
Keynsham (Queens Road & Victoria)
Midsomer Norton
Paulton
Peasedown St John
Timsbury
Trinity - Radstock
Trinity - Westfield

Decision making

The Circuit Meeting is the principal decision making body of the Circuit responsible for the affairs of the Circuit and the development of circuit policy. It exercises a combination of spiritual leadership with appropriate administrative support. The purpose is to act as the focal point of the working fellowship of the churches in the Circuit, overseeing their pastoral, training and evangelistic work.

A Circuit Meeting is held three or four times each year to plan and review the activity of the Circuit.

The Circuit Leadership Team which includes ministers and stewards is responsible for the spiritual and material wellbeing of the circuit and for upholding and acting upon the decisions of the Circuit Meeting.

The Circuit Leadership Team meets regularly to manage Circuit property, employment, finance and consider matters arising from their oversight of the local churches.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Every trustee is provided with a copy of the document "The Role of A Trustee in the Methodist Church" published by the Trustees for Methodist Church Purposes in 2009.

Safeguarding

The Circuit, through our Safeguarding Officer and local Safeguarding Officers, continue to ensure there are robust safeguarding processes in place to protect children, young people and vulnerable adults from harm. This includes DBS checks and regular training opportunities for paid staff and volunteers.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Circuit continues to assess risks in terms of finance, property and staffing and procedures have been introduced to manage these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1129520

Principal address

c/o Midsomer Norton Methodist Church
High Street
Midsomer Norton
Radstock
BA3 2DR

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

Trustees

The members of North East Somerset & Bath Methodist Circuit meeting are the Charity Trustees. Membership is made up from circuit office holders, ministers and representatives appointed by the local churches.

The following were Managing Trustees from September 2022:

Ministers

Rev Dr S Topping (Superintendent)
Rev D Winstanley
Rev J Carne
Rev C Coram (from 1/9/22)
Rev J Hayes (from 1/9/22)
Rev R A Lansley
Rev D W Musgrave
Rev M J Slocombe (to 31/8/23)
Rev I Souter
Rev J Tate
Rev K Thomas
Deacon A Trembling
Rev P Turner

Circuit Stewards

Mrs G Earley
Miss H Green (from 1/9/22)
Mrs M Hatherell (to 15/3/23)
Mr I Sims
Mr T Purches (from 15/3/23)
Mr P Keevill (from 1/9/22)

Representatives

Mr A Bain	Mr M Barrow (from 1/9/22)	Mr S Beck
Mrs S Bown	Miss E J Button	Mrs E Church
Mrs D J Cutlan	Mr F Day	Mrs C Edge
Mrs M E Gibson (to 25/7/23)	Mrs M Hatherell (from 15/3/23)	Mrs R Horler (1/9/23)
Mrs G R I Hull	Mrs A Hurford	Mr G James
Mrs S Keevill	Mr A J Knight	Mrs J Knight
Mrs V Marsh (to 31/9/23)	Mrs J M Miners	Mrs F Morris-Laventris (to 31/9/23)
Mr D S Pendle	Miss B J Phillips	Mr R S J Pierce
Mr N Quilter	Mr S Selby (to 5/3/23)	Mr A A Short (to 31/8/23)
Miss K M Short	Ms A Sims	Mrs J Slade
Mrs K Smith	Mrs J Stiddard	Ms S Tandy (from 1/9/22)
Mrs W E Venn (to 31/8/23)	Mr H Warren (to 5/3/23)	Mrs J Yates

Auditors

Haines Watts Partnership (Bristol) Limited
Chartered Accountants and Statutory Auditors
Bath House
6-8 Bath Street
Bristol
BS1 6HL

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers and Investment Bankers

CAF Bank Limited
25 Kings Hill Avenue,
Kings Hill, West Malling,
Kent, ME19 4JQ

Central Finance Board of the Methodist Church
9 Bonhill Street,
London, EC2A 4PE

Trustees for Methodist Church Purposes
Central Buildings Oldham Street,
Manchester, M1 1JQ

Lloyds Bank Plc
PO Box,1000,
Andover, BX1 1LT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees and signed on its behalf on 19 March 2024 by:

Rev S Topping - Superintendent

Opinion

We have audited the financial statements of North East Somerset & Bath Methodist Circuit (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

(i) We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined the following laws and regulations of most significance were: Charity SORP 2019 and UK GAAP.

(ii) We obtained an understanding of how the charity complies with those legal and regulatory frameworks by making inquiries of management. We corroborated our enquiries through our review of board minutes and other relevant meeting minutes.

(iii) We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- and assessing the extent of compliance with the relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
North East Somerset & Bath Methodist
Circuit**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts Partnership (Bristol) Limited
Chartered Accountants and Statutory Auditors
Bath House
6-8 Bath Street
Bristol
BS1 6HL

20 March 2024

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Statement of Financial Activities
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	27,980	25,697	-	53,677	319,253
Charitable activities						
Management of the Circuit	5	367,440	-	-	367,440	372,117
Raising funds	3	80,315	-	-	80,315	68,213
Investment income	4	27,560	-	2,221	29,781	6,672
Other income	6	5,281	-	-	5,281	6,132
Total		508,576	25,697	2,221	536,494	772,387
EXPENDITURE ON						
Charitable activities						
Management of the Circuit	7	591,502	-	209	591,711	730,830
Southdown Church Centre		45,661	-	-	45,661	37,286
SWCCP		24,639	-	-	24,639	16,459
Circuit grants		57,000	-	-	57,000	58,000
With You project		43,929	-	-	43,929	15,823
Loss on disposal of fixed assets		-	-	-	-	23,849
Total		762,731	-	209	762,940	882,247
Net gains/(losses) on investments		(2,335)	-	139	(2,196)	1,940
NET						
INCOME/(EXPENDITURE)		(256,490)	25,697	2,151	(228,642)	(107,920)
Transfers between funds	21	18,548	(16,529)	(2,019)	-	-
Net movement in funds		(237,942)	9,168	132	(228,642)	(107,920)
RECONCILIATION OF FUNDS						
Total funds brought forward		6,430,146	5,250	73,677	6,509,073	6,616,993
TOTAL FUNDS CARRIED FORWARD		6,192,204	14,418	73,809	6,280,431	6,509,073

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Balance Sheet
31 AUGUST 2023**

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS						
Tangible assets	14	4,702,465	-	-	4,702,465	4,702,465
Investments						
Investments	15	52,940	-	27,521	80,461	82,657
Investment property	16	690,000	-	-	690,000	690,000
		5,445,405	-	27,521	5,472,926	5,475,122
CURRENT ASSETS						
Debtors	17	26,034	13,400	-	39,434	24,468
Cash at bank	18	758,016	1,018	46,288	805,322	1,054,406
		784,050	14,418	46,288	844,756	1,078,874
CREDITORS						
Amounts falling due within one year	19	(34,251)	-	-	(34,251)	(41,923)
NET CURRENT ASSETS		749,799	14,418	46,288	810,505	1,036,951
TOTAL ASSETS LESS CURRENT LIABILITIES		6,195,204	14,418	73,809	6,283,431	6,512,073
CREDITORS						
Amounts falling due after more than one year	20	(3,000)	-	-	(3,000)	(3,000)
NET ASSETS		6,192,204	14,418	73,809	6,280,431	6,509,073
FUNDS	21					
Unrestricted funds					6,192,204	6,430,146
Restricted funds					14,418	5,250
Endowment funds					73,809	73,677
TOTAL FUNDS					6,280,431	6,509,073

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf on 19 March 2024 by:

Rev S Topping - Superintendent

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(280,877)</u>	<u>(409,713)</u>
Net cash used in operating activities		<u>(280,877)</u>	<u>(409,713)</u>
Cash flows from investing activities			
Sale of tangible fixed assets		-	46,151
Sale of investment property		-	562,000
Interest received		<u>29,781</u>	<u>5,725</u>
Net cash provided by investing activities		<u>29,781</u>	<u>613,876</u>
Cash flows from financing activities			
Income attributable to endowment		2,221	947
Expenditure attributable to endowment		<u>(209)</u>	<u>(196)</u>
Net cash provided by financing activities		<u>2,012</u>	<u>751</u>
Change in cash and cash equivalents in the reporting period		(249,084)	204,914
Cash and cash equivalents at the beginning of the reporting period		<u>1,054,406</u>	<u>849,492</u>
Cash and cash equivalents at the end of the reporting period		<u><u>805,322</u></u>	<u><u>1,054,406</u></u>

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2023**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(228,642)	(107,920)
Adjustments for:		
Losses/(gain) on investments	2,196	(1,940)
Loss on disposal of fixed assets	-	23,849
Interest received	(29,781)	(5,725)
Income attributable to endowment	(2,221)	(947)
Expenditure attributable to endowment	209	196
Assets transferred from ceasing churches	-	(290,000)
Increase in debtors	(14,966)	(14,695)
Decrease in creditors	<u>(7,672)</u>	<u>(12,531)</u>
Net cash used in operations	<u>(280,877)</u>	<u>(409,713)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank	<u>1,054,406</u>	<u>(249,084)</u>	<u>805,322</u>
	<u>1,054,406</u>	<u>(249,084)</u>	<u>805,322</u>
Total	<u><u>1,054,406</u></u>	<u><u>(249,084)</u></u>	<u><u>805,322</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and investment properties which are included at fair value.

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 £.

Going concern

The financial statements have been prepared on a going concern basis. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

Critical accounting judgements

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Investment properties shown at fair value.

Income

Income is brought into account when there is entitlement and the amount is reliably measurable once it is more than likely than not that the economic benefit of the income will be forthcoming.

Individual amounts categorised as Other Income in the SOFA will be shown separately if they are considered material.

Where the Circuit acts as agent in the collection from churches and payment over of their contributions to various funds controlled and administered by The Methodist Church - 'Connexional Funds', the transactions are not reflected in the SOFA because they are the income of either the Connexion or churches as appropriate.

In accordance with the charities SORP (FRS102), the time of volunteers is not recognised.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable, where all conditions associated with the grant have been met. Where conditions exist which remain unsatisfied, the grant is treated as a liability until the conditions have been substantially met.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1. ACCOUNTING POLICIES - continued

Expenditure

Connexional Priority Fund Levies, payable on the sale of most properties, are recognised at the point of sale of the property.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice.

Tangible fixed assets

Properties held as functional assets comprise manses used for housing ministers and buildings let on a temporary basis or for community purposes.

From time to time, the Circuit may hold residential property (formerly manses) which is surplus to its normal staffing requirements. When the intention is to hold the property for capital appreciation or its rental income, the property is reclassified as investment property and carried at fair value.

Churches which are closed are transferred into the care of the Circuit from the Methodist Church and are valued at a deemed cost based on the valuation of an external valuer.

Fixed asset properties that were held at 1 September 2015 are included in the financial statements at deemed historic cost representing each property's gross carrying value as at 1 September 2015. The Circuit made use of the deemed cost transitional provisions of FRS 102 SORP 2015.

Manses purchased subsequent to 1 September 2015 are included at actual cost.

No depreciation is provided on manses and rental properties because the trustees consider the current residential fair value of the manses and rental properties (on the assumption that these have not reached the end of their useful economic life by the year end) to be not less than their cost to date. Any depreciation would not be material. The properties have been reviewed for impairment.

Office equipment is depreciated on a 25% straight line basis.

Investment property

Properties are recognised as investment properties when the intention is that they will be held for capital appreciation or rental income. Investment properties include buildings passed to the Circuit, and treated as capital receipts, where the intention is to sell the property.

Investment properties are revalued annually based on periodic professional valuations as adjusted by the trustees using suitable indices in the intervening periods with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Taxation

The charity is exempt from tax on its charitable activities.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the District without further specified purpose. They are available as general funds and can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets the criteria is charged to the fund together with a fair allocation of support costs where appropriate.

Endowment funds represent restricted gifts, the capital normally being unavailable for spending.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Most ordained presbyters are members of the Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the scheme were a defined contribution scheme.

Lay employees are contractually employees of the Circuit and have the option of joining a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust).

The Connexion accounts for MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

Debtors

Debtors are measured on initial recognition at settlement amount after any amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received. Debtors include the payment of the September stipend in advance in August.

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.

Creditors

The charity has creditors which are measured at settlement amounts.

1. ACCOUNTING POLICIES - continued

Cash and cash equivalents

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the charity's contractual obligations are discharged, cancelled, or they expire.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Donations	21,838	519	-	22,357	16,417
Gift aid	1,330	378	-	1,708	2,036
Grants	4,812	24,800	-	29,612	10,800
Assets transferred from ceasing churches	-	-	-	-	290,000
	<u>27,980</u>	<u>25,697</u>	<u>-</u>	<u>53,677</u>	<u>319,253</u>

Grants received, included in the above, are as follows:

	2023 £	2022 £
District Advance Fund	14,712	-
Warm Spaces	500	-
Diocese of Bath and Wells	8,400	6,300
Bath Spa University	5,000	-
Other	<u>1,000</u>	<u>4,500</u>
	<u>29,612</u>	<u>10,800</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

3. RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Fundraising events	4,491	-	-	4,491	1,991
Lettings	75,824	-	-	75,824	66,222
	<u>80,315</u>	<u>-</u>	<u>-</u>	<u>80,315</u>	<u>68,213</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Interest and investment income	27,560	-	2,221	29,781	6,672

5. INCOME FROM CHARITABLE ACTIVITIES

Activity	2023 £	2022 £
Assessment or share Management of the Circuit	367,440	372,117

6. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Other income	5,281	-	-	5,281	6,132

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Grant funding of activities (see note 9) £	Support costs (see note 10) £	Totals £
Management of the Circuit	572,573	1,100	18,038	591,711
Southdown Church Centre	45,661	-	-	45,661
SWCCP	20,412	4,227	-	24,639
Circuit grants	-	57,000	-	57,000
With You project	43,929	-	-	43,929
	<u>682,575</u>	<u>62,327</u>	<u>18,038</u>	<u>762,940</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	363,628	343,904
Other ministry costs	2,498	2,766
District assessment and levy	135,347	117,064
CPF levy	-	202,342
Office and admin costs	22,864	16,820
Property costs	109,999	69,305
Letting and other fees	16,317	6,314
SCC property costs	26,510	19,383
SWCCP activities	5,412	2,684
	<u>682,575</u>	<u>780,582</u>

9. GRANTS PAYABLE

	2023	2022
	£	£
Management of the Circuit	1,100	-
SWCCP	4,227	4,119
Circuit grants	57,000	58,000
	<u>62,327</u>	<u>62,119</u>

The total grants paid to institutions during the year was as follows:

	2023	2022
	£	£
Methodist Ministers' Pension Scheme Reserve	-	25,000
Nexus Chapel House Project	-	30,000
Peasedown Church and Family Worker	-	3,000
Trinity Methodist Church	57,000	-
Other grants	5,327	4,119
	<u>62,327</u>	<u>62,119</u>

In addition, internal grants of £25,000 (2022 - £16,700) and £4,724 (2022 - £7,000) were made to support the roles of Student Chaplain and Southdown Layworker respectively. A contribution of £18,000 (2022 - £nil) was paid from the Southdown Partnership to Southdown Church Centre.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

10. SUPPORT COSTS

	Governance costs £
Management of the Circuit	<u><u>18,038</u></u>

Support costs, included in the above, are as follows:

Governance costs

	2023	2022
	Management of the Circuit £	Total activities £
Auditors' remuneration	5,960	5,520
Other non-audit services	<u>12,078</u>	<u>10,177</u>
	<u><u>18,038</u></u>	<u><u>15,697</u></u>

11. TRUSTEES' REMUNERATION AND BENEFITS

The members of the Circuit Meeting are the trustees of the Circuit. One Superintendent, five Circuit Stewards and five other ministers form the Circuit leadership Team, have additional responsibilities and are considered as key management personnel.

Circuit Steward expenses of £289 was paid to one Circuit Steward for the year ended 31 August 2023 (2022 £289). None of the Circuit Stewards received any remuneration in the year.

The total remuneration paid to ministers in their role as presbyters was £261,308 (2022 - £249,485). Expenses relating to travel, training and other costs of £9,274 (2022 - £9,206) were also paid to ministers.

12. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	285,803	269,365
Social security costs	22,565	20,970
Other pension costs	<u>55,260</u>	<u>53,569</u>
	<u><u>363,628</u></u>	<u><u>343,904</u></u>

The average monthly number of employees during the year was as follows:

	2023	2022
Ministers	7	7
Lay staff	<u>8</u>	<u>8</u>
	<u><u>15</u></u>	<u><u>15</u></u>

No employees received emoluments in excess of £60,000.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	310,970	8,283	-	319,253
Charitable activities				
Management of the Circuit	372,117	-	-	372,117
Raising funds	68,213	-	-	68,213
Investment income	5,725	-	947	6,672
Other income	<u>6,132</u>	<u>-</u>	<u>-</u>	<u>6,132</u>
Total	<u>763,157</u>	<u>8,283</u>	<u>947</u>	<u>772,387</u>
EXPENDITURE ON				
Charitable activities				
Management of the Circuit	707,651	22,983	196	730,830
Southdown Church Centre	37,286	-	-	37,286
SWCCP	16,459	-	-	16,459
Circuit grants	58,000	-	-	58,000
With You project	15,823	-	-	15,823
Loss on disposal of fixed assets	<u>23,849</u>	<u>-</u>	<u>-</u>	<u>23,849</u>
Total	<u>859,068</u>	<u>22,983</u>	<u>196</u>	<u>882,247</u>
Net gains/(losses) on investments	<u>(3,152)</u>	<u>-</u>	<u>5,092</u>	<u>1,940</u>
NET INCOME/(EXPENDITURE)	(99,063)	(14,700)	5,843	(107,920)
Transfers between funds	<u>(4,474)</u>	<u>5,250</u>	<u>(776)</u>	<u>-</u>
Net movement in funds	(103,537)	(9,450)	5,067	(107,920)
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>6,533,683</u>	<u>14,700</u>	<u>68,610</u>	<u>6,616,993</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>6,430,146</u></u>	<u><u>5,250</u></u>	<u><u>73,677</u></u>	<u><u>6,509,073</u></u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

14. TANGIBLE FIXED ASSETS

	Manse and church properties £	Computer equipment £	Totals £
COST			
At 1 September 2022 and 31 August 2023	<u>4,702,465</u>	<u>949</u>	<u>4,703,414</u>
DEPRECIATION			
At 1 September 2022 and 31 August 2023	<u>-</u>	<u>949</u>	<u>949</u>
NET BOOK VALUE			
At 31 August 2023	<u>4,702,465</u>	<u>-</u>	<u>4,702,465</u>
At 31 August 2022	<u>4,702,465</u>	<u>-</u>	<u>4,702,465</u>

15. FIXED ASSET INVESTMENTS

	TMCP £
MARKET VALUE	
At 1 September 2022	82,657
Revaluations	<u>(2,196)</u>
At 31 August 2023	<u>80,461</u>
NET BOOK VALUE	
At 31 August 2023	<u>80,461</u>
At 31 August 2022	<u>82,657</u>

There were no investment assets outside the UK.

16. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 September 2022 and 31 August 2023	<u>690,000</u>
NET BOOK VALUE	
At 31 August 2023	<u>690,000</u>
At 31 August 2022	<u>690,000</u>

The investment properties that are let were valued by the trustees at 31 August 2022 at a value of £690,000 based on post year end estimates made by the letting agents.

At the year end, an impairment review of the letting properties was carried out and the fair value is not considered to be materially misstated.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

16. INVESTMENT PROPERTY - continued

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other debtors	13,598	440
Prepayments and accrued income	<u>25,836</u>	<u>24,028</u>
	<u>39,434</u>	<u>24,468</u>

18. CASH AT BANK

	General Fund £	Circuit Model Trust Fund £	Southdown Church Centre Fund £	Arthur Heal Bequest Fund £
Current accounts	44,148	-	11,284	-
Trustees for Methodist Church Purposes deposits	-	502,441	22,671	16,798
Central Finance Board deposits	<u>16,645</u>	<u>-</u>	<u>30,881</u>	<u>-</u>
Total	<u><u>60,793</u></u>	<u><u>502,441</u></u>	<u><u>64,836</u></u>	<u><u>16,798</u></u>

	John Guy Heal Bequest Fund £	Clutton: Sale of Cottage Fund £	SWCCP Fund £	Other designated funds £
Current accounts	-	-	9,041	-
Cash in hand	-	-	140	-
Trustees for Methodist Church Purposes deposits	30,826	36,054	-	4,073
Central Finance Board deposits	<u>-</u>	<u>-</u>	<u>33,014</u>	<u>-</u>
Total	<u><u>30,826</u></u>	<u><u>36,054</u></u>	<u><u>42,195</u></u>	<u><u>4,073</u></u>

	2023	2022
	£	£
Current accounts	65,491	57,880
Cash in hand	140	110
Trustees for Methodist Church Purposes deposits	<u>659,151</u>	<u>936,082</u>
Carried forward	724,782	994,072

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

18. CASH AT BANK - continued

				2023	2022
	With You Fund - external funding £	Henry Perry Bequest Fund £	Other endowment funds £	Total funds £	Total funds £
Brought forward	1,018	39,436	6,852	724,782	994,072
Central Finance Board deposits	-	-	-	80,540	60,334
Total	<u>1,018</u>	<u>39,436</u>	<u>6,852</u>	<u>805,322</u>	<u>1,054,406</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	2,364	5,916
Social security and other taxes	100	984
Sundry creditors and accruals	9,300	9,536
Grants payable	3,000	6,000
Assessments in advance	19,487	19,487
	<u>34,251</u>	<u>41,923</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Grants payable	<u>3,000</u>	<u>3,000</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

21. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General Fund	43,006	(130,623)	145,452	57,835
Circuit Model Trust Fund	756,288	(89,553)	(170,294)	496,441
Southdown Church Centre Fund	48,119	(1,572)	17,100	63,647
Arthur Heal Bequest Fund	24,939	522	(749)	24,712
John Guy Heal Bequest Fund	76,772	163	(2,114)	74,821
Clutton: Sale of Cottage Fund	35,030	1,024	-	36,054
SWCCP Fund	46,121	7,380	(12,376)	41,125
Properties Fund	5,392,465	-	-	5,392,465
Other designated funds	5,006	98	-	5,104
With You Fund - internal funding	<u>2,400</u>	<u>(43,929)</u>	<u>41,529</u>	<u>-</u>
	6,430,146	(256,490)	18,548	6,192,204
Restricted funds				
With You Fund - external funding	5,250	25,697	(16,529)	14,418
Endowment funds				
Henry Perry Bequest Fund	64,382	1,990	(1,748)	64,624
Other endowment funds	<u>9,295</u>	<u>161</u>	<u>(271)</u>	<u>9,185</u>
	<u>73,677</u>	<u>2,151</u>	<u>(2,019)</u>	<u>73,809</u>
TOTAL FUNDS	<u><u>6,509,073</u></u>	<u><u>(228,642)</u></u>	<u><u>-</u></u>	<u><u>6,280,431</u></u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	407,793	(538,416)	-	(130,623)
Circuit Model Trust Fund	19,520	(109,073)	-	(89,553)
Southdown Church Centre Fund	44,089	(45,661)	-	(1,572)
Arthur Heal Bequest Fund	931	(71)	(338)	522
John Guy Heal Bequest Fund	2,333	(219)	(1,951)	163
Clutton: Sale of Cottage Fund	1,124	(100)	-	1,024
SWCCP Fund	32,628	(25,248)	-	7,380
Other designated funds	158	(14)	(46)	98
With You Fund - internal funding	-	(43,929)	-	(43,929)
	508,576	(762,731)	(2,335)	(256,490)
Restricted funds				
With You Fund - external funding	25,697	-	-	25,697
Endowment funds				
Henry Perry Bequest Fund	1,931	(183)	242	1,990
Other endowment funds	290	(26)	(103)	161
	2,221	(209)	139	2,151
TOTAL FUNDS	536,494	(762,940)	(2,196)	(228,642)

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General Fund	49,761	(67,476)	60,721	43,006
Circuit Model Trust Fund	513,846	(309,858)	552,300	756,288
Southdown Church Centre Fund	48,948	(829)	-	48,119
Arthur Heal Bequest Fund	24,941	255	(257)	24,939
John Guy Heal Bequest Fund	79,856	(1,973)	(1,111)	76,772
Clutton: Sale of Cottage Fund	34,965	65	-	35,030
SWCCP Fund	41,855	6,616	(2,350)	46,121
Properties Fund	5,734,465	290,000	(632,000)	5,392,465
Other designated funds	5,046	(40)	-	5,006
With You Fund - internal funding	-	(15,823)	18,223	2,400
	6,533,683	(99,063)	(4,474)	6,430,146
Restricted funds				
With You Fund - external funding	14,700	(14,700)	5,250	5,250
Endowment funds				
Henry Perry Bequest Fund	59,157	5,939	(714)	64,382
Other endowment funds	9,453	(96)	(62)	9,295
	68,610	5,843	(776)	73,677
TOTAL FUNDS	<u>6,616,993</u>	<u>(107,920)</u>	<u>-</u>	<u>6,509,073</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	408,234	(475,710)	-	(67,476)
Circuit Model Trust Fund	3,521	(313,379)	-	(309,858)
Southdown Church Centre Fund	36,457	(37,286)	-	(829)
Arthur Heal Bequest Fund	325	(70)	-	255
John Guy Heal Bequest Fund	1,335	(228)	(3,080)	(1,973)
Clutton: Sale of Cottage Fund	164	(99)	-	65
SWCCP Fund	23,075	(16,459)	-	6,616
Properties Fund	290,000	-	-	290,000
Other designated funds	46	(14)	(72)	(40)
With You Fund - internal funding	-	(15,823)	-	(15,823)
	763,157	(859,068)	(3,152)	(99,063)
Restricted funds				
With You Fund - external funding	8,283	(22,983)	-	(14,700)
Endowment funds				
Henry Perry Bequest Fund	852	(168)	5,255	5,939
Other endowment funds	95	(28)	(163)	(96)
	947	(196)	5,092	5,843
TOTAL FUNDS	<u>772,387</u>	<u>(882,247)</u>	<u>1,940</u>	<u>(107,920)</u>

General Fund

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit and which have not been designated for other purposes.

Circuit Model Trust Fund (designated)

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit. Its main source of income is legacies and contributions from the sale of manses and church buildings in the Circuit.

Properties Fund (designated)

This fund reflects the value properties held by the Circuit. The fund comprises fixed asset properties held as functional assets of the Circuit (held at cost or deemed cost) and investment properties held for their rental income together with buildings transferred to the Circuit for disposal (held at fair value).

Southdown Church Centre (designated)

Southdown Methodist Church Centre is a Christian community offering affordable rooms and communal spaces to community groups and organisations including Bath Methodist Church and the Community Partnership.

21. MOVEMENT IN FUNDS - continued

Southdown Whiteway Church and Community Partnership Fund (designated)

This fund represents the charitable activity of supporting disadvantaged people and communities in Southdown, Twerton and Whiteway through lunch club, toddler group and support advice.

Clutton Sale of Cottage Fund (designated)

The fund represents sale proceeds set aside for general fund purposes.

Arthur Heal and John Guy Heal Bequest Funds (designated)

These funds reflect legacies where there is no restriction.

With You Fund - internal funding (designated)

This fund reflects funding earmarked by the trustees from the Circuit Model Trust Fund for the student chaplain position.

Henry Perry Bequest Fund and other endowment funds (endowment)

Funds represent legacies where the income is available for general fund purposes.

With You Fund - external funding (restricted)

This fund reflects funding received specifically for the student chaplain position from external donors.

TRANSFERS BETWEEN FUNDS

An internal grant of £25,000 was made from Model Trust Fund to the With You internal funding reflecting the Circuit contribution to the post of Student Chaplain. Transfers totalling £119,000 were made to the General Fund to finance necessary repairs of manse, legal work for the impending sale of a church and other costs.

Transfer of £16,529 was made from With You Fund -external funding and the With You Fund - internal funding to reflect the use of external grants and donations in the year.

In the prior year, £632,000 was released from the Property Fund to the Model Trust Fund being the carrying value of properties sold in the prior year.

In the prior year, a transfer of £50,000 was made from the Model Trust Fund to the General Fund as an internal grant to contribute to discounted assessments as a result of Covid-19 and stipends.

Comparative analysis of net funds between funds, are as follows:

Fund balances as at 31 August 2022	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Fixed assets	5,445,405	-	27,521	5,472,926
Current assets	784,050	14,418	46,288	844,756
Current liabilities	(34,251)	-	-	(34,251)
Liabilities more than 1 year	(3,000)	-	-	(3,000)
Total net assets	<u>6,192,204</u>	<u>14,418</u>	<u>73,809</u>	<u>6,280,431</u>

22. EMPLOYEE BENEFIT OBLIGATIONS

Methodist ministers are members of the Methodist Minister's Pension Scheme (MMPS). This is a defined benefit scheme.

Lay employees are contractually employees of the Circuit and belong to a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust).

The Connexion accounts for both pension schemes and shows the figures in the annual accounts of the Methodist Church of Great Britain.

The cost of both schemes attributable to the Circuit for the year ended 31 August 2023 was £55,260 (2022 - £53,569). At the year end, £nil (2022 - £nil) was prepaid in respect of the MMPS and £nil (2022 - £826) was payable in respect of the TPT scheme.

23. RELATED PARTY DISCLOSURES

The Circuit employs lay staff involved in both administration and mission work, some of whom are trustees by virtue of their position.

During the year, one employee was also a trustee and a second employee was a close family member of a trustee. They received total remuneration of £18,221 (2022 - £16,706) and other expenses of £44 (2022 - £38).

There were no further related party transactions for the year ended 31 August 2023 nor for the year ended 31 August 2022.

None of the Circuit trustees made donations direct to the Circuit during the year or the preceding year. All of the Circuit trustees are members of one or another church within the Circuit and may be trustees in their churches.

Connected organisations include the Methodist Connexion, Churches within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP. All of these entities have their own trustees or directors and autonomous administration such that the Circuit has no significant influence over any of them, nor they over the Circuit. They are, therefore, not considered related parties.

Accounts

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 August 2022
for**

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Contents of the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2022**

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NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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

Objectives and aims

The aims and purposes of the North East Somerset & Bath Methodist Circuit are in accordance with the approved governing document issued by the Methodist Conference and defined in the Methodist Church Act 1976 namely:

The advancement of

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

Public benefit

We confirm the trustees have had regard to the Charity Commissioner's guidance on public benefit.

Grantmaking

Detailed applications are submitted to the Circuit Leadership Team (CLT) for consideration. A small scrutiny group of CLT members is appointed to review and discuss the submission with the applicants. This process is to ensure that the proposal is well founded and complies with the funding policy guidelines. Submissions may then be presented to the Circuit Meeting with recommendations for support.

Volunteers

The trustees would like to acknowledge the work carried out across the Circuit by Local Preachers and Circuit Officers, for the work they do supporting and running the Circuit as well as in all of its congregations in leading worship, providing pastoral care and maintaining church premises.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the past year the Circuit has continued to support local churches in their life of worship and mission and in responding to the needs of their local communities. The Circuit has committed to increasing its lay staff funding support for the "Southdown and Whiteway Church and Community Partnership", a Circuit project which supports low income and disadvantaged individuals and families through a range of services.

The Circuit continues to take practical steps with a view to reducing the annual deficit in terms of the running costs of the Circuit. The Circuit has decided to reduce the number of ministerial staff from seven to six from September 2023 which will help to significantly reduce this deficit. The large increase in energy prices has placed heavy demands upon local church budgets and has led to the Circuit pausing the process of asking for higher pledge commitments from local churches until 2023-4.

The Circuit has formed a Circuit Manses Strategy Group which will bring recommendations to the Circuit meeting in the 2022-3 financial year on the upgrading, replacing, leasing or disposal of our nine Circuit manses.

The Circuit continues to oversee the ongoing implementation of GDPR and provision of Safeguarding training and updating of Safeguarding records.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

Financial position

The annual budget set for 2021/22 showed an anticipated shortfall of £148,613. Consideration has been given to reducing budget shortfalls by reducing costs as well as maintaining and improving income.

The outturn for the year, after making use of reserves to fund exceptional costs and support new developing outreach, shows a minimal reduction in general funds. Grants of £63,000 were released from the CMTF and are reflected in the General Fund movement of £(6,755). The general fund balance at £43,006 is still healthy despite a similar continuing shortfall budget for 2021/22.

There were underspends against budget for travel expenses, manse maintenance costs with only one property requiring significant work and other expenditure where training costs fell well short of the budget allocation. Additional professional fees have been paid for a number of inspection reports relating to both property sales and purchases.

The pledged income from the churches has not kept pace with the impact of inflation on payroll and other costs. This represents a continuing challenge to the churches that are under pressure as the general trend is a decline in membership and income. It is a challenge to the Circuit to manage appropriate funding in the coming years. In the short term cash funds should be boosted by the sale of a vacant church premises which should be completed in the 2022/23 year.

Investment policy and objectives

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20K) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE 100 index. The deposit income mirrors the deposit rates elsewhere. The Circuit's investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable to the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment, both by way of dividend and capital appreciation is obtained at least as good as market rate considering the Circuits low appetite for risk. The interest rate achieved on CFB deposits has been between 0.10% and 0.45% during the year.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

Reserves policy

Most churches seek to have six months expenditure in reserve to provide a working cash balance and extra funds to cover the eventuality of loss of income or emergency costs. Six months net costs based on an average of the 2019/20 and 2020/21 Annual Reports and Accounts would require £370,000 as the reserve figure for the Circuit. Any utilisation of this reserve must be approved by the Circuit Meeting.

When funds are held in excess of the reserve limit these should be used in a planned way over a period of time. A list is noted below of projects or activities which may be expected to access reserves subject to Circuit Meeting approval:

- a) shortfall in pledge income to balance annual budget;
- b) the advancement of Mission in the Circuit as defined by the Circuit Mission statement;
- c) facilities, resources and training where not already available which meet the Circuit's objectives;
- d) the funding for training and people to develop sustainable mission projects; and
- e) the rationalisation/enhancement of existing buildings only when an application has been made for District and/or Connexional funding with a grant to the lesser of 30% of the project cost or £15,000.

Projects may be put forward by local churches, a group of local churches or by the CLT as a Circuit project.

Money and investments held are either:

- a) Available for general use exercising budgetary control but without any legal or other restriction. Balance held at 31 August 2022 - £43,006 (2021 - £49,761)
- b) Available for use with the approval of the Circuit Meeting for specific purposes. Balance held at 31 August 2022 was £994,675 (2021 - £749,457) which is Model Trust Fund and other unrestricted funds less the value of Fixed Assets.
- c) Endowment funds where only investment income may be used. Balance held at 31 August 2022 £73,677. (2021 - £68,610). Application will be made to the Charity Commission to release the capital of the small endowments.
- d) Restricted funds of £5,250 (2021 - £14,700).

FUTURE PLANS

During the coming year the trustees on the Circuit Leadership Team and Circuit Meeting will be working towards producing a Circuit Mission Strategy with a view to enabling the best use of our resources in terms of people, property and finances, to fulfil the mission of the circuit and its member churches.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976).

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Stewards along with the Circuit Meeting and the Circuit Leadership Team.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Only members of the Methodist Church may be appointed as trustees. Circuit trustees include the following:

- a) the Superintendent Minister and other Ministers and Deacons appointed to the Circuit.
- b) Supernumerary Ministers who reside in the Circuit are appointed as trustees if they inform the Superintendent Minister of their wish to be a member of the Circuit Meeting.
- c) two or more Circuit Stewards are appointed annually by the Circuit meeting.
- d) the secretary of the Circuit Meeting.
- e) the secretary of the Local Preachers' Meeting.
- f) from each Local Church one church steward and the church treasurer.
- g) representatives elected by the Church Council of each Local Church from its own members in numbers specified by the Circuit Meeting.
- h) such persons, if any, as the Circuit Meeting judges it appropriate to appoint from amongst those employed by the Circuit.
- i) additional persons as the Circuit Meeting may desire to ensure that all areas of the life of the Circuit are adequately represented.

Organisational structure

The North East Somerset and Bath Methodist Circuit was formed in 2008 and covers both the City of Bath and the North Somerset Local Authorities, plus Box.

The Circuit forms a part of the Bristol District of the Methodist Church. The Circuit is the body which coordinates the activities of employed ministers and church workers throughout the member churches. The member churches are:

Bathampton	Beechen Cliff, Bath	Box
Chew Stoke	Farrington Gurney	Horizon, Bath
Keynsham (Queens Road & Victoria)	Midsomer Norton	Nexus, Bath
Paulton	Peasedown St John	Timsbury
Trinity - Radstock	Trinity - Westfield	Weston, Bath

Decision making

The Circuit Meeting is the principal decision making body of the Circuit responsible for the affairs of the Circuit and the development of circuit policy. It exercises a combination of spiritual leadership with appropriate administrative support. The purpose is to act as the focal point of the working fellowship of the churches in the Circuit, overseeing their pastoral, training and evangelistic work.

A Circuit Meeting is held three or four times each year to plan and review the activity of the Circuit.

The Circuit Leadership Team which includes ministers and stewards is responsible for the spiritual and material wellbeing of the circuit and for upholding and acting upon the decisions of the Circuit Meeting.

The Circuit Leadership Team meets regularly to manage Circuit property, employment, finance and consider matters arising from their oversight of the local churches.

Induction and training of new trustees

Every trustee is provided with a copy of the document "The Role of A Trustee in the Methodist Church" published by the Trustees for Methodist Church Purposes in 2009.

Safeguarding

The Circuit, through our Safeguarding Officer and local Safeguarding Officers, continue to ensure there are robust safeguarding processes in place to protect children, young people and vulnerable adults from harm. This includes DBS checks and regular training opportunities for paid staff and volunteers.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Circuit continues to assess risks in terms of finance, property and staffing and procedures have been introduced to manage these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1129520

Principal address

c/o Midsomer Norton Methodist Church
High Street
Midsomer Norton
Radstock
BA3 2DR

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

Trustees

The members of North East Somerset & Bath Methodist Circuit meeting are the Charity Trustees. Membership is made up from circuit office holders, ministers and representatives appointed by the local churches.

The following were Managing Trustees from September 2021:

Ministers

Rev S Topping (Superintendent) (from 1/9/21)
Rev D Winstanley
Rev J Wilson (to 31/8/22)
Rev J Carne (from 8/5/22)
Rev C Coram (from 1/9/22)
Rev J Crane (to 31/8/22)
Rev J Hayes (from 1/9/22)
Rev R A Lansley
Rev D W Musgrave
Rev S E Robinson (to 31/8/22)
Rev M J Slocombe
Rev I Souter
Rev J Tate
Rev K Thomas (from 1/9/21)
Deacon A Trembling
Rev P Turner

Circuit Stewards

Mrs G Earley
Mrs M Hatherell
Mrs E Rolls (to 18/5/22)
Mr I Sims

Representatives

Dr M Ainsworth (to 1/2/22)	Mr A Bain	Mr S R Barratt (to 31/8/22)
Mr M Barrow (from 1/9/22)	Mr S Beck	Mrs S Bown
Mrs D Bunday (to 31/8/22)	Miss E J Button	Mr R Chapman (to 31/8/22)
Mrs E Church	Mrs D J Cutlan	Mr F Day
Mrs C Edge	Mrs M E Gibson	Miss H Green
Rev D Harding (to 31/8/22)	Mrs G R I Hull	Mrs A Hurford
Dr E Jackson (1/2/21- 31/1/22)	Mr G James	Mr P Keevil (from 1/9/22)
Mrs S Keevill	Mr A J Knight (from 1/3/22)	Mrs J Knight
Mrs V Marsh	Mr M G Martin (to 31/1/22)	Mrs C Midgley (to 31/8/22)
Mrs J M Miners	Mrs F Morris-Laventris	Mr D S Pendle
Miss B J Phillips	Mr R S J Pierce	Ms K Power (to 31/8/22)
Mr T Purches (from 1/3/22)	Mr N Quilter	Mr M D Rumsey (to 1/2/22)
Mr S Selby (from 1/2/22)	Mr A A Short	Miss K M Short
Ms A Sims (from 1/5/22)	Mrs J Slade	Mrs K Smith
Mrs J Stiddard	Ms S Tandy (from 2/2/22)	Mr P Udey (to 31/8/22)
Mrs W E Venn	Mr H Warren	Mr G Wilson (to 31/8/22)
Mr A Wright (to 31/8/22)	Mrs J Yates	

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Haines Watts Partnership (Bristol) Limited
Bath House
6-8 Bath Street
Bristol
BS1 6HL

Bankers and Investment Bankers

CAF Bank Limited
25 Kings Hill Avenue,
Kings Hill, West Malling,
Kent, ME19 4JQ

Central Finance Board of the Methodist Church
9 Bonhill Street,
London, EC2A 4PE

Trustees for Methodist Church Purposes
Central Buildings Oldham Street,
Manchester, M1 1JQ

Lloyds Bank Plc
PO Box, 1000,
Andover, BX1 1LT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Report of the Trustees
FOR THE YEAR ENDED 31 AUGUST 2022**

Approved by order of the board of trustees on 27 April 2023 and signed on its behalf by:

Rev S Topping - Trustee

**Report of the Independent Auditors to the Trustees of
North East Somerset & Bath Methodist
Circuit**

Opinion

We have audited the financial statements of North East Somerset & Bath Methodist Circuit (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of the Independent Auditors to the Trustees of
North East Somerset & Bath Methodist
Circuit**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- (i) We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined the following laws and regulations of most significance were: Charity SORP 2019 and UK GAAP.
- (ii) We obtained an understanding of how the charity complies with those legal and regulatory frameworks by making inquiries of management. We corroborated our enquiries through our review of board minutes and other relevant meeting minutes.
- (iii) We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
 - and assessing the extent of compliance with the relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
North East Somerset & Bath Methodist
Circuit**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts Partnership (Bristol) Limited
Bath House
6-8 Bath Street
Bristol
BS1 6HL

1 May 2023

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Statement of Financial Activities
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	310,970	8,283	-	319,253	62,194
Charitable activities						
Management of the Circuit	5	372,117	-	-	372,117	378,295
Raising funds	3	68,213	-	-	68,213	50,525
Investment income	4	5,725	-	947	6,672	3,595
Other income	6	6,132	-	-	6,132	28,470
Total		763,157	8,283	947	772,387	523,079
EXPENDITURE ON						
Charitable activities						
Management of the Circuit	7	723,474	22,983	196	746,653	647,592
Southdown Church Centre		37,286	-	-	37,286	31,281
SWCCP		16,459	-	-	16,459	14,439
Circuit grants		58,000	-	-	58,000	5,000
Loss on disposal of fixed assets		23,849	-	-	23,849	-
Total		859,068	22,983	196	882,247	698,312
Net gains/(losses) on investments		(3,152)	-	5,092	1,940	102,594
NET						
INCOME/(EXPENDITURE)		(99,063)	(14,700)	5,843	(107,920)	(72,639)
Transfers between funds	21	(4,474)	5,250	(776)	-	-
Net movement in funds		(103,537)	(9,450)	5,067	(107,920)	(72,639)
RECONCILIATION OF FUNDS						
Total funds brought forward		6,533,683	14,700	68,610	6,616,993	6,689,632
TOTAL FUNDS CARRIED FORWARD		6,430,146	5,250	73,677	6,509,073	6,616,993

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Balance Sheet
31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS						
Tangible assets	14	4,702,465	-	-	4,702,465	4,482,465
Investments						
Investments	15	55,275	-	27,382	82,657	80,717
Investment property	16	690,000	-	-	690,000	1,252,000
		<u>5,447,740</u>	<u>-</u>	<u>27,382</u>	<u>5,475,122</u>	<u>5,815,182</u>
CURRENT ASSETS						
Debtors	17	24,468	-	-	24,468	9,773
Cash at bank	18	1,002,861	5,250	46,295	1,054,406	849,492
		<u>1,027,329</u>	<u>5,250</u>	<u>46,295</u>	<u>1,078,874</u>	<u>859,265</u>
CREDITORS						
Amounts falling due within one year	19	(41,923)	-	-	(41,923)	(54,454)
		<u>985,406</u>	<u>5,250</u>	<u>46,295</u>	<u>1,036,951</u>	<u>804,811</u>
NET CURRENT ASSETS						
		<u>985,406</u>	<u>5,250</u>	<u>46,295</u>	<u>1,036,951</u>	<u>804,811</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,433,146</u>	<u>5,250</u>	<u>73,677</u>	<u>6,512,073</u>	<u>6,619,993</u>
CREDITORS						
Amounts falling due after more than one year	20	(3,000)	-	-	(3,000)	(3,000)
		<u>6,430,146</u>	<u>5,250</u>	<u>73,677</u>	<u>6,509,073</u>	<u>6,616,993</u>
NET ASSETS		<u>6,430,146</u>	<u>5,250</u>	<u>73,677</u>	<u>6,509,073</u>	<u>6,616,993</u>
FUNDS	21					
Unrestricted funds					6,430,146	6,533,683
Restricted funds					5,250	14,700
Endowment funds					73,677	68,610
TOTAL FUNDS					<u>6,509,073</u>	<u>6,616,993</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 27 April 2023 and were signed on its behalf by:

Rev S Topping - Trustee

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(409,713)	(175,101)
Net cash used in operating activities		(409,713)	(175,101)
Cash flows from investing activities			
Sale of tangible fixed assets		46,151	331,349
Sale of investment property		562,000	-
Interest received		5,725	3,595
Net cash provided by investing activities		613,876	334,944
Cash flows from financing activities			
Income attributable to endowment		947	827
Expenditure attributable to endowment		(196)	(127)
Net cash provided by financing activities		751	700
Change in cash and cash equivalents in the reporting period		204,914	160,543
Cash and cash equivalents at the beginning of the reporting period		849,492	688,949
Cash and cash equivalents at the end of the reporting period		1,054,406	849,492

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2022**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(107,920)	(72,639)
Adjustments for:		
Gain on investments	(1,940)	(101,004)
Loss/(profit) on disposal of fixed assets	23,849	(16,349)
Interest received	(5,725)	(3,595)
Income attributable to endowment	(947)	(827)
Expenditure attributable to endowment	196	127
Assets transferred from ceasing churches	(290,000)	-
(Increase)/decrease in debtors	(14,695)	15,262
(Decrease)/increase in creditors	(12,531)	3,924
Net cash used in operations	<u>(409,713)</u>	<u>(175,101)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
Net cash			
Cash at bank	849,492	204,914	1,054,406
	<u>849,492</u>	<u>204,914</u>	<u>1,054,406</u>
Total	<u>849,492</u>	<u>204,914</u>	<u>1,054,406</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and investment properties which are included at fair value.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 2015 (FRS 102) (effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The financial statements have been prepared on a going concern basis. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

Critical accounting judgements

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Investment properties shown at fair value.

Income

Income is brought into account when there is entitlement and the amount is reliably measurable once it is more than likely than not that the economic benefit of the income will be forthcoming.

Individual amounts categorised as Other Income in the SOFA will be shown separately if they are considered material.

Where the Circuit acts as agent in the collection from churches and payment over of their contributions to various funds controlled and administered by The Methodist Church - 'Connexional Funds', the transactions are not reflected in the SOFA because they are the income of either the Connexion or churches as appropriate.

In accordance with the charities SORP (FRS102), the time of volunteers is not recognised.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable, where all conditions associated with the grant have been met. Where conditions exist which remain unsatisfied, the grant is treated as a liability until the conditions have been substantially met.

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Connexional Priority Fund Levies, payable on the sale of most properties, are recognised at the point of sale of the property.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice.

Tangible fixed assets

Properties held as functional assets comprise manses used for housing ministers and buildings let on a temporary basis or for community purposes.

From time to time, the Circuit may hold residential property (formerly manses) which is surplus to its normal staffing requirements. When the intention is to hold the property for capital appreciation or its rental income, the property is reclassified as investment property and carried at fair value.

Churches which are closed are transferred into the care of the Circuit from the Methodist Church and are valued at a deemed cost based on the valuation of an external valuer.

Fixed asset properties that were held at 1 September 2015 are included in the financial statements at deemed historic cost representing each property's gross carrying value as at 1 September 2015. The Circuit made use of the deemed cost transitional provisions of FRS 102 SORP 2015.

Manses purchased subsequent to 1 September 2015 are included at actual cost.

No depreciation is provided on manses and rental properties because the trustees consider the current residential fair value of the manses and rental properties (on the assumption that these have not reached the end of their useful economic life by the year end) to be not less than their cost to date. Any depreciation would not be material. The properties have been reviewed for impairment.

Office equipment is depreciated on a 25% straight line basis.

Investment property

Properties are recognised as investment properties when the intention is that they will be held for capital appreciation or rental income. Investment properties include buildings passed to the Circuit, and treated as capital receipts, where the intention is to sell the property.

Investment properties are revalued annually based on periodic professional valuations as adjusted by the trustees using suitable indices in the intervening periods with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the District without further specified purpose. They are available as general funds and can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets the criteria is charged to the fund together with a fair allocation of support costs where appropriate.

Endowment funds represent restricted gifts, the capital normally being unavailable for spending.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Most ordained presbyters are members of the Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the scheme were a defined contribution scheme.

Lay employees are contractually employees of the Circuit and have the option of joining a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust).

The Connexion accounts for MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

Debtors

Debtors are measured on initial recognition at settlement amount after any amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received. Debtors include the payment of the September stipend in advance in August.

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.

Creditors

The charity has creditors which are measured at settlement amounts.

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the charity's contractual obligations are discharged, cancelled, or they expire.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Donations	15,304	1,113	-	16,417	16,831
Gift aid	1,166	870	-	2,036	1,302
Grants	4,500	6,300	-	10,800	44,061
Assets transferred from ceasing churches	290,000	-	-	290,000	-
	<u>310,970</u>	<u>8,283</u>	<u>-</u>	<u>319,253</u>	<u>62,194</u>

Grants received, included in the above, are as follows:

	2022 £	2021 £
District Advance Fund	-	12,350
Other	4,500	4,211
Connexion	6,300	27,500
	<u>10,800</u>	<u>44,061</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

3. RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Fundraising events	1,991	-	-	1,991	1,653
Lettings	66,222	-	-	66,222	48,872
	68,213	-	-	68,213	50,525

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Interest and investment income	5,725	-	947	6,672	3,595

5. INCOME FROM CHARITABLE ACTIVITIES

Activity	2022 £	2021 £
Assessment or share Management of the Circuit	372,117	378,295

6. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Gain on sale of tangible fixed assets	-	-	-	-	16,349
Other income	6,132	-	-	6,132	12,121
	6,132	-	-	6,132	28,470

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Grant funding of activities (see note 9) £	Support costs (see note 10) £	Totals £
Management of the Circuit	730,956	-	15,697	746,653
Southdown Church Centre	37,286	-	-	37,286
SWCCP	12,340	4,119	-	16,459
Circuit grants	-	58,000	-	58,000
	<u>780,582</u>	<u>62,119</u>	<u>15,697</u>	<u>858,398</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	343,904	368,688
District Assessment	86,376	84,528
Connexional Priority Fund levy	233,030	92,540
Contribution to District Advance Fund	-	17,826
Administration costs	12,956	18,994
Insurance and utilities	41,405	49,632
Manse expenses	34,494	20,309
Expenditure on other property	18,353	12,756
Other expenses	7,330	8,600
SWCCP activities	2,734	5,676
	<u>780,582</u>	<u>679,549</u>

9. GRANTS PAYABLE

	2022 £	2021 £
SWCCP	4,119	-
Circuit grants	58,000	5,000
	<u>62,119</u>	<u>5,000</u>

The total grants paid to institutions during the year was as follows:

	2022 £	2021 £
Methodist Ministers' Pension Scheme Reserve	25,000	-
Nexus Chapel House Project	30,000	-
Peasedown Church and Family Worker	3,000	6,000
Other grants	4,119	(1,000)
	<u>62,119</u>	<u>5,000</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

9. GRANTS PAYABLE - continued

In addition, internal grants of £16,700 and £7,000 were made to support the roles of Student Chaplain and Southdown Layworker respectively.

10. SUPPORT COSTS

	Governance costs £
Management of the Circuit	15,697

Support costs, included in the above, are as follows:

Governance costs

	2022 Management of the Circuit £	2021 Total activities £
Auditors' remuneration	5,520	5,520
Other non-audit services	10,177	8,243
	15,697	13,763

11. TRUSTEES' REMUNERATION AND BENEFITS

The members of the Circuit Meeting are the trustees of the Circuit. One Superintendent (from 1 September 2021), five Circuit Stewards and five other ministers form the Circuit leadership Team, have additional responsibilities and are considered as key management personnel.

Circuit Steward expenses of £289 was paid to 1 Circuit Steward for the year ended 31 August 2022 (2021 £nil). None of the Circuit Stewards received any remuneration in the year.

The total remuneration paid to ministers in their role as presbyters was £249,485 (2021 - £250,112). Expenses relating to travel, telephone, broadband and other costs of £9,085 (2021 - £5,610) were also paid to ministers.

Trustees' expenses

No expenses were paid to trustees for the year ended 31 August 2022 for mileage and stationery (2021 - £103).

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

12. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	269,365	290,480
Social security costs	20,970	22,449
Other pension costs	53,569	55,759
	<u>343,904</u>	<u>368,688</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Ministers	7	7
Lay staff	8	9
	<u>15</u>	<u>16</u>

No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	30,094	32,100	-	62,194
Charitable activities				
Management of the Circuit	378,295	-	-	378,295
Raising funds	50,525	-	-	50,525
Investment income	2,768	-	827	3,595
Other income	27,910	560	-	28,470
Total	<u>489,592</u>	<u>32,660</u>	<u>827</u>	<u>523,079</u>
EXPENDITURE ON				
Charitable activities				
Management of the Circuit	629,505	17,960	127	647,592
Southdown Church Centre	31,281	-	-	31,281
SWCCP	14,439	-	-	14,439
Circuit grants	5,000	-	-	5,000
Total	<u>680,225</u>	<u>17,960</u>	<u>127</u>	<u>698,312</u>
Net gains on investments	<u>97,696</u>	-	<u>4,898</u>	<u>102,594</u>
NET INCOME/(EXPENDITURE)	(92,937)	14,700	5,598	(72,639)
Transfers between funds	668	-	(668)	-

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Endowment funds £	Total funds £
Net movement in funds	(92,269)	14,700	4,930	(72,639)
RECONCILIATION OF FUNDS				
Total funds brought forward	6,625,952	-	63,680	6,689,632
TOTAL FUNDS CARRIED FORWARD	<u>6,533,683</u>	<u>14,700</u>	<u>68,610</u>	<u>6,616,993</u>

14. TANGIBLE FIXED ASSETS

	Manses and church properties £	Computer equipment £	Totals £
COST			
At 1 September 2021	4,482,465	949	4,483,414
Additions	290,000	-	290,000
Disposals	(70,000)	-	(70,000)
At 31 August 2022	<u>4,702,465</u>	<u>949</u>	<u>4,703,414</u>
DEPRECIATION			
At 1 September 2021 and 31 August 2022	-	949	949
NET BOOK VALUE			
At 31 August 2022	<u>4,702,465</u>	<u>-</u>	<u>4,702,465</u>
At 31 August 2021	<u>4,482,465</u>	<u>-</u>	<u>4,482,465</u>

15. FIXED ASSET INVESTMENTS

	TMCP £
MARKET VALUE	
At 1 September 2021	80,717
Revaluations	1,940
At 31 August 2022	<u>82,657</u>
NET BOOK VALUE	
At 31 August 2022	<u>82,657</u>
At 31 August 2021	<u>80,717</u>

There were no investment assets outside the UK.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

15. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 31 August 2022 is represented by:

	TMCP
	£
Valuation in 2022	82,657
	<u><u> </u></u>

16. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 September 2021	1,252,000
Disposals	(562,000)
	<u> </u>
At 31 August 2022	690,000
	<u> </u>
NET BOOK VALUE	
At 31 August 2022	690,000
	<u><u> </u></u>
At 31 August 2021	<u><u>1,252,000</u></u>

The investment properties that are let were valued by the trustees at 31 August 2022 at a value of £690,000 based on post year end estimates made by the letting agents.

The Claremont property was sold in the year for £562,000.

At the year end, an impairment review of the letting properties was carried out and the fair value is not considered to be materially misstated.

Fair value at 31 August 2022 is represented by:

	£
Valuation in 2020	236,240
Cost	453,760
	<u> </u>
	690,000
	<u><u> </u></u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other debtors	440	-
Prepayments and accrued income	24,028	9,773
	24,468	9,773

18. CASH AT BANK

	General Fund £	Circuit Model Trust Fund £	Southdown Church Centre Fund £	Arthur Heal Bequest Fund £
Current accounts	26,946	-	7,419	-
Trustees for Methodist Church Purposes deposits	-	781,288	22,027	16,687
Central Finance Board deposits	11,515	-	18,673	-
Total	38,461	781,288	48,119	16,687

	John Guy Heal Bequest Fund £	Clutton: Sale of Cottage Fund £	SWCCP Fund £	Other designated funds £	With You Fund - internal funding £
Current accounts	-	-	15,865	-	2,400
Cash in hand	-	-	110	-	-
Trustees for Methodist Church Purposes deposits	30,826	35,030	-	3,929	-
Central Finance Board deposits	-	-	30,146	-	-
Total	30,826	35,030	46,121	3,929	2,400

	2022	2021
	£	£
Current accounts	5,250	-
Cash in hand	-	-
Carried forward	5,250	-

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

18. CASH AT BANK - continued

				2022	2021
	With You Fund - external funding (formerly Student Chaplain Fund) £	Henry Perry Bequest fund £	Other endowment funds £	Total funds £	Total funds £
Brought forward	5,250	-	-	57,990	105,254
Trustees for Methodist Church Purposes deposits	-	39,436	6,859	936,082	680,531
Central Finance Board deposits	-	-	-	60,334	63,707
Total	<u>5,250</u>	<u>39,436</u>	<u>6,859</u>	<u>1,054,406</u>	<u>849,492</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	5,916	3,195
Social security and other taxes	984	1,136
Sundry creditors and accruals	9,536	9,712
Grants payable	6,000	9,000
Assessments advance	19,487	31,411
	<u>41,923</u>	<u>54,454</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Grants payable	<u>3,000</u>	<u>3,000</u>

21. MOVEMENT IN FUNDS

	At 1.9.21	Net movement in funds	Transfers between funds	At 31.8.22
	£	£	£	£
Unrestricted funds				
General Fund	49,761	(67,476)	60,721	43,006
Circuit Model Trust Fund	513,846	(309,858)	552,300	756,288
Southdown Church Centre Fund	48,948	(829)	-	48,119
Arthur Heal Bequest Fund	24,941	255	(257)	24,939
John Guy Heal Bequest Fund	79,856	(1,973)	(1,111)	76,772
Clutton: Sale of Cottage Fund	34,965	65	-	35,030
SWCCP Fund	41,855	6,616	(2,350)	46,121
Properties fund	5,734,465	290,000	(632,000)	5,392,465
Other designated funds	5,046	(40)	-	5,006
With You Fund - internal funding	-	(15,823)	18,223	2,400
	<u>6,533,683</u>	<u>(99,063)</u>	<u>(4,474)</u>	<u>6,430,146</u>
Restricted funds				
With You Fund - external funding (formerly Student Chaplain Fund)	14,700	(14,700)	5,250	5,250
Endowment funds				
Henry Perry Bequest fund	59,157	5,939	(714)	64,382
Other endowment funds	9,453	(96)	(62)	9,295
	<u>68,610</u>	<u>5,843</u>	<u>(776)</u>	<u>73,677</u>
TOTAL FUNDS	<u>6,616,993</u>	<u>(107,920)</u>	<u>-</u>	<u>6,509,073</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	408,234	(475,710)	-	(67,476)
Circuit Model Trust Fund	3,521	(313,379)	-	(309,858)
Southdown Church Centre Fund	36,457	(37,286)	-	(829)
Arthur Heal Bequest Fund	325	(70)	-	255
John Guy Heal Bequest Fund	1,335	(228)	(3,080)	(1,973)
Clutton: Sale of Cottage Fund	164	(99)	-	65
SWCCP Fund	23,075	(16,459)	-	6,616
Properties fund	290,000	-	-	290,000
Other designated funds	46	(14)	(72)	(40)
With You Fund - internal funding	-	(15,823)	-	(15,823)
	<u>763,157</u>	<u>(859,068)</u>	<u>(3,152)</u>	<u>(99,063)</u>
Restricted funds				
With You Fund - external funding (formerly Student Chaplain Fund)	8,283	(22,983)	-	(14,700)
Endowment funds				
Henry Perry Bequest fund	852	(168)	5,255	5,939
Other endowment funds	95	(28)	(163)	(96)
	<u>947</u>	<u>(196)</u>	<u>5,092</u>	<u>5,843</u>
TOTAL FUNDS	<u><u>772,387</u></u>	<u><u>(882,247)</u></u>	<u><u>1,940</u></u>	<u><u>(107,920)</u></u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General Fund	75,859	(82,444)	56,346	49,761
Circuit Model Trust Fund	348,343	(99,497)	265,000	513,846
Southdown Church Centre Fund	68,901	(12,613)	(7,340)	48,948
Arthur Heal Bequest Fund	23,616	1,584	(259)	24,941
John Guy Heal Bequest Fund	72,248	8,327	(719)	79,856
Clutton: Sale of Cottage Fund	34,917	48	-	34,965
SWCCP Fund	34,757	4,458	2,640	41,855
Properties fund	5,962,465	87,000	(315,000)	5,734,465
Other designated funds	4,846	200	-	5,046
	<u>6,625,952</u>	<u>(92,937)</u>	<u>668</u>	<u>6,533,683</u>
Restricted funds				
With You Fund - external funding (formerly Student Chaplain Fund)	-	14,700	-	14,700
Endowment funds				
Henry Perry Bequest fund	54,631	5,150	(624)	59,157
Other endowment funds	9,049	448	(44)	9,453
	<u>63,680</u>	<u>5,598</u>	<u>(668)</u>	<u>68,610</u>
TOTAL FUNDS	<u><u>6,689,632</u></u>	<u><u>(72,639)</u></u>	<u><u>-</u></u>	<u><u>6,616,993</u></u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	435,186	(519,220)	1,590	(82,444)
Circuit Model Trust Fund	17,577	(117,074)	-	(99,497)
Southdown Church Centre Fund	17,337	(29,950)	-	(12,613)
Arthur Heal Bequest Fund	309	(49)	1,324	1,584
John Guy Heal Bequest Fund	868	(144)	7,603	8,327
Clutton: Sale of Cottage Fund	117	(69)	-	48
SWCCP Fund	18,167	(13,709)	-	4,458
Properties fund	-	-	87,000	87,000
Other designated funds	31	(10)	179	200
	<u>489,592</u>	<u>(680,225)</u>	<u>97,696</u>	<u>(92,937)</u>
Restricted funds				
With You Fund - external funding (formerly Student Chaplain Fund)	32,660	(17,960)	-	14,700
Endowment funds				
Henry Perry Bequest fund	764	(109)	4,495	5,150
Other endowment funds	63	(18)	403	448
	<u>827</u>	<u>(127)</u>	<u>4,898</u>	<u>5,598</u>
TOTAL FUNDS	<u><u>523,079</u></u>	<u><u>(698,312)</u></u>	<u><u>102,594</u></u>	<u><u>(72,639)</u></u>

General Fund

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit and which have not been designated for other purposes.

Circuit Model Trust Fund (designated)

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit. Its main source of income is legacies and contributions from the sale of manse and church buildings in the Circuit.

Properties fund (designated)

This fund reflects the value properties held by the Circuit. The fund comprises fixed asset properties held as functional assets of the Circuit (held at cost or deemed cost) and investment properties held for their rental income together with buildings transferred to the Circuit for disposal (held at fair value).

Southdown Church Centre (designated)

Southdown Methodist Church Centre is a Christian community offering affordable rooms and communal spaces to community groups and organisations including Horizon Methodist Church and the Community Partnership.

Southdown Whiteway Church and Community Partnership fund (designated)

21. MOVEMENT IN FUNDS - continued

This fund represents the charitable activity of supporting disadvantaged people and communities in Southdown, Twerton and Whiteway through lunch club, toddler group and support advice.

Sale of Cottage Fund (designated)

The fund represents sale proceeds set aside for general fund purposes.

Arthur Heal and John Guy Heal Bequest Funds (designated)

These funds reflect legacies where there is no restriction.

With You - internal funding fund (restricted)

This fund reflects funding earmarked by the trustees from the Circuit Model Trust Fund for the student chaplain position.

Henry Perry Bequest Fund and other endowment funds (endowment)

Funds represent legacies where the income is available for general fund purposes.

With You (previously Student Chaplain) fund (restricted)

This fund reflects funding received specifically for the student chaplain position from external donors.

TRANSFERS BETWEEN FUNDS

During the year, a transfer of £50,000 was made from the Model Trust Fund to the General Fund as an internal grant to contribute to discounted assessments as a result of Covid-19 and stipends.

Internal grants of £16,700 and £13,000 were made from Model Trust Fund to fund the Student Chaplain and youth/family worker posts respectively.

£632,000 was released from the Property Fund to the Model Trust Fund being the carrying value of properties sold in the year.

Transfers of £5,250 and £1,523 have been made from the General fund to the With You external funding and With You internal funding funds respectively to bring the funds in line with the balances of the project.

Comparative analysis of net funds between funds, are as follows:

Fund balances as at 31 August 2021	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Fixed assets	5,792,892	-	22,290	5,815,182
Current assets	798,245	14,700	46,320	859,265
Current liabilities	(54,454)	-	-	(54,454)
Liabilities more than 1 year	(3,000)	-	-	(3,000)
Total net assets	6,533,683	14,700	68,610	6,616,993

22. EMPLOYEE BENEFIT OBLIGATIONS

Methodist ministers are members of the Methodist Minister's Pension Scheme (MMPS). This is a defined benefit scheme.

Lay employees are contractually employees of the Circuit and belong to a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust).

The Connexion accounts for both pension schemes and shows the figures in the annual accounts of the Methodist Church of Great Britain.

The cost of both schemes attributable to the Circuit for the year ended 31 August 2022 was £53,569 (2021 - £55,759). At the year end, £nil (2021 - £nil) was prepaid in respect of the MMPS and £826 (2021 - £1,108) was payable in respect of the TPT scheme.

23. RELATED PARTY DISCLOSURES

The Circuit employs lay staff involved in both administration and mission work, some of whom are trustees by virtue of their position.

During the year, one employee was also a trustee and a second employee was a close family member of a trustee. They received total remuneration of £16,706 (2021 - £16,452) and other expenses of £38 (2021 - £nil).

There were no further related party transactions for the year ended 31 August 2022 nor for the year ended 31 August 2021.

None of the Circuit trustees made donations direct to the Circuit during the year or the preceding year. All of the Circuit trustees are members of one or another church within the Circuit and may be trustees in their churches.

Connected organisations include the Methodist Connexion, Churches within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP. All of these entities have their own trustees or directors and autonomous administration such that the Circuit has no significant influence over any of them, nor they over the Circuit. They are, therefore, not considered related parties.

Accounts



**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 August 2021**

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

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FOR THE YEAR ENDED 31 AUGUST 2021**

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NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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

Objectives and aims

The aims and purposes of the North East Somerset & Bath Methodist Circuit are in accordance with the approved governing document issued by the Methodist Conference and defined in the Methodist Church Act 1976 namely:

The advancement of

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

Public benefit

We confirm the trustees have had regard to the Charity Commissioner's guidance on public benefit.

Grantmaking

Detailed applications are submitted to the Circuit Leadership team for consideration. A small scrutiny group of CLT members is appointed to review and discuss the submission with the applicants. This process is to ensure that the proposal is well founded and complies with the funding policy guidelines. Submissions may then be presented to the Circuit Meeting with recommendations for support.

Volunteers

The Trustees would like to acknowledge the work carried out across the Circuit by Local Preachers and Circuit Officers, for the work they do supporting and running the Circuit as well as in all of its congregations in leading worship, providing pastoral care and maintaining church premises.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the past year the Circuit has continued to support local churches in their life of worship and mission and in responding to the needs of their local communities.

The Circuit Finance sub-committee produced a report during the year which highlighted the need to address the significant deficit budget which the Circuit is running each year. In light of this report the Circuit has ceased to provide grant funding for Circuit property projects, it has initiated a review of the current local church "pledge" system which currently shapes local church giving to the Circuit and it is undertaking a wider review of the Circuit staffing levels, both ministerial and lay personnel.

One Minister left the Circuit in August 2021 and was replaced by a new Superintendent Minister. Two Circuit Ministers will be leaving the Circuit in August 2022. Currently only one of these posts has been filled, with a new Minister starting in the Circuit in September 2022. Discussion continues over plans for the unfilled post with a decision pending on how best to cover this vacancy in the short and long term.

The Circuit continues to oversee the ongoing implementation of GDPR and provision of Safeguarding training and updating of Safeguarding records.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

Covid-19

The trustees have considered the impact that the Covid-19 pandemic will have on the charity's current and future financial position. The charity is taking the following steps to mitigate the threats that Covid-19 may pose to the organisation:

- Assessing whether it is appropriate to furlough lay staff.
- Giving financial relief to Circuit Churches through the offer of a partial rebate of their pledges.
- Implementing and abiding by recommendations set out by the Methodist Church of Great Britain regarding the use of church buildings.

The trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved having thoroughly reviewed the financial position.

The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1 to the financial statements.

FINANCIAL REVIEW

Financial position

The annual budget set for 2020/21 showed an anticipated shortfall of £159,760. Consideration has been given to reducing budget shortfalls by reducing costs as well as maintaining and improving income.

The outturn for the year, after making use of reserves to fund exceptional costs and support new developing outreach, shows a reduction in general funds of £26,098. This has been partially offset by the release of £40,000 from the Model Trust Fund. Further net transfers of £10,000 and £4,700 have been made from the Model Trust Fund and Southdown Partnership respectively in support of the post of Bath Student Chaplain (serving both Universities). The general fund balance at £49,761 is still healthy despite a similar continuing shortfall budget for 2021/22.

There were underspends against budget for travel expenses, manse maintenance costs with only one property requiring significant work and other expenditure where training costs fell well short of the budget allocation. Additional professional fees have been paid for a number of inspection reports relating to both property sales and purchases.

The pledged income from the churches has not kept pace with the impact of inflation on payroll and other costs. This represents a continuing challenge to the churches that are under pressure as the general trend is a decline in membership and income. It is a challenge to the Circuit to manage appropriate funding in the coming years. In the short term cash funds should be boosted by the sales of a further two vacant church premises which should be completed in the 2021/22 year.

Investment policy and objectives

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20K) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE 100 index. The deposit income mirrors the deposit rates elsewhere. The Circuit's investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable to the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment - both by way of dividend and capital appreciation is obtained at least as good as market rate considering the Circuits low appetite for risk. The interest rate achieved on CFB deposits has been between 0.45% and 0.10% during the year.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

Reserves policy

Most churches seek to have six months expenditure in reserve to provide a working cash balance and extra funds to cover the eventuality of loss of income or emergency costs. Six months net costs based on an average of the 2018/19 and 2019/20 Annual Reports and Accounts would require £370,000 as the reserve figure for the Circuit. Any utilisation of this reserve must be approved by the Circuit Meeting.

When funds are held in excess of the reserve limit these should be used in a planned way over a period of time. A list is noted below of projects or activities which may be expected to access reserves subject to Circuit Meeting approval:

- a) shortfall in pledge income to balance annual budget;
 - b) the advancement of Mission in the Circuit as defined by the Circuit Mission statement;
 - c) facilities, resources and training where not already available which meet the Circuit's objectives;
 - d) the funding for training and people to develop sustainable mission projects; and the rationalisation/enhancement of existing buildings only when an application has been made for District
 - e) and/or Connexional funding with a grant to the lesser of 30% of the project cost or £15,000.
- Projects may be put forward by local churches, a group of local churches or by the CLT as a Circuit project.

Money and investments held are either:

- a) Available for general use exercising budgetary control but without any legal or other restriction. Balance held at 31st August 2021 - £49,761 (2020 - £75,859)
- b) Available for use with the approval of the Circuit Meeting for specific purposes. Balance held at 31st August 2021 was £749,457 (2020 - £587,637) which is Model Trust Fund and other unrestricted funds less the value of Fixed Assets.
- c) Endowment funds where only investment income may be used. Balance held at 31st August 2021 £68,610. (2020 - £63,680). Application will be made to the Charity Commission to release the capital of the small endowments.
- d) Restricted funds of £14,700 (2020 - £nil).

FUTURE PLANS

During the coming year the trustees on the Circuit Leadership Team and Circuit Meeting will be working towards producing a Circuit Mission Strategy with a view to enabling the best use of our resources in terms of people, property and finances, to fulfil the mission of the circuit and its member churches.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976).

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Stewards along with the Circuit Meeting and the Circuit Leadership Team.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Only members of the Methodist Church may be appointed as trustees. Circuit trustees include the following:

- a) the Superintendent Minister and other Ministers and Deacons appointed to the Circuit.
- b) Supernumerary Ministers who reside in the Circuit are appointed as trustees if they inform the Superintendent Minister of their wish to be a member of the Circuit Meeting.
- c) two or more Circuit Stewards are appointed annually by the Circuit meeting.
- d) the secretary of the Circuit Meeting
- e) the secretary of the Local Preachers' Meeting
- f) from each Local Church one church steward and the church treasurer.
- g) representatives elected by the Church Council of each Local Church from its own members in numbers specified by the Circuit Meeting.
- h) such persons, if any, as the Circuit Meeting judges it appropriate to appoint from amongst those employed by the Circuit.
- i) additional persons as the Circuit Meeting may desire to ensure that all areas of the life of the Circuit are adequately represented.

Organisational structure

The North East Somerset and Bath Methodist Circuit was formed in 2008 and covers both the City of Bath and the North Somerset Local Authorities, plus Box.

The Circuit forms a part of the Bristol District of the Methodist Church. The Circuit is the body which coordinates the activities of employed ministers and church workers throughout the member churches. The member churches are:

Bathampton	Beechen Cliff, Bath	Box
Chew Stoke	Farrington Gurney	Horizon, Bath
Keynsham (Queens Road & Victoria)	Midsomer Norton	Nexus, Bath
Paulton	Peasedown St John	Timsbury
Trinity - Radstock	Trinity - Westfield	Weston, Bath

Decision making

The Circuit Meeting is the principal decision making body of the Circuit responsible for the affairs of the Circuit and the development of circuit policy. It exercises a combination of spiritual leadership with appropriate administrative support. The purpose is to act as the focal point of the working fellowship of the churches in the Circuit, overseeing their pastoral, training and evangelistic work.

A Circuit Meeting is held three or four times each year to plan and review the activity of the Circuit.

The Circuit Leadership Team which includes ministers and stewards is responsible for the spiritual and material wellbeing of the circuit and for upholding and acting upon the decisions of the Circuit Meeting.

The Circuit Leadership Team meets regularly to manage Circuit property, employment, finance and consider matters arising from their oversight of the local churches.

Induction and training of new trustees

Every trustee is provided with a copy of the document "The Role of A Trustee in the Methodist Church" published by the Trustees for Methodist Church Purposes in 2009.

Safeguarding

The Circuit, through our Safeguarding Officer and local Safeguarding Officers, continue to ensure there are robust safeguarding processes in place to protect children, young people and vulnerable adults from harm. This includes DBS checks and regular training opportunities for paid staff and volunteers.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Circuit continues to assess risks in terms of finance, property and staffing and procedures have been introduced to manage these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1129520

Principal address

c/o Midsomer Norton Methodist Church
High Street
Midsomer Norton
Radstock
BA3 2DR

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

Trustees

The members of North East Somerset & Bath Methodist Circuit meeting are the Charity Trustees. Membership is made up from circuit office holders, ministers and representatives appointed by the local churches.

The following were Managing Trustees from September 2020:

Ministers

Rev S Topping (Superintendent) (from 1/9/21)
Rev D Winstanley
Rev J Wilson
Rev J Crane
Rev R A Lansley
Rev E Kirova (to 31/08/21)
Rev D W Musgrave
Rev S E Robinson
Rev M J Slocombe
Rev I Souter
Rev J Tate
Rev K Thomas (from 1/9/21)
Deacon A Trembling
Rev P Turner

Circuit Stewards

Miss M Cross (to 3/3/21)
Mrs G Earley
Mrs M Hatherell (from 3/3/21)
Mrs Elspeth Rolls
Mr I Sims

Representatives

Dr Michael Ainsworth	Mrs J M Auckland (to 1/2/21)	Mr Allan Bain
Mr S R Barratt	Mr S Beck	Mrs S Bown
Mrs D Bunday	Miss E J Button	Mr R Chapman
Mrs E Church	Mrs D J Cutlan	Mr F Day
Mrs C Edge	Mrs M E Gibson	Mrs M A Gilson (to 31/08/21)
Miss H Green	Rev D Harding	Mrs G R I Hull
Mrs A Hurford	Dr E Jackson (1/2/21- 31/1/22)	Mr G James (appointed 1/1/21)
Mrs S Keevil (appointed 1/10/20)	Mrs J Knight	Mrs V Marsh (appointed 1/4/21)
Mr M G Martin (to 31/1/22)	Mrs C Midgley (appointed 3/3/21)	Mrs J M Miners
Mrs F Morris-Laventris	Mr D S Pendle	Miss B J Phillips
Mr R S J Pierce	Ms Karen Power (appointed 1/9/20)	Mr N Quilter
Mr M D Rumsey	Mr A A Short	Miss K M Short
Mrs J Slade	Mrs J Souter (to 1/5/21)	Mrs K Smith (appointed 1/6/21)
Mrs J Stiddard	Mrs P L Turner (to 1/6/21)	Mr P Udey
Mrs W E Venn	Mr H Warren	Mr G Wilson
Mr A Wright	Mrs J Yates	

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Haines Watts Partnership (Bristol) Limited
Bath House
6-8 Bath Street
Bristol
BS1 6HL

Bankers and Investment Bankers

CAF Bank Limited
25 Kings Hill Avenue,
Kings Hill, West Malling,
Kent, ME19 4JQ

Central Finance Board of the Methodist Church
9 Bonhill Street,
London, EC2A 4PE

Trustees for Methodist Church Purposes
Central Buildings Oldham Street,
Manchester, M1 1JQ

Lloyds Bank Plc
PO Box, 1000,
Andover, BX1 1LT

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Report of the Trustees
FOR THE YEAR ENDED 31 AUGUST 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees and signed on its behalf on 15 February 2022 by:

Rev S Topping – Superintendent Minister

Opinion

We have audited the financial statements of North East Somerset & Bath Methodist Circuit (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The Covid-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's trade, customers, suppliers and wider economy. The Trustees' view on the impact of Covid-19 is disclosed in the Trustees' Report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

(i) We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined the following laws and regulations of most significance were: Charity SORP 2019 and UK GAAP.

(ii) We obtained an understanding of how the charity complies with those legal and regulatory frameworks by making inquiries of management. We corroborated our enquiries through our review of board minutes and other relevant meeting minutes.

(iii) We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- and assessing the extent of compliance with the relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
North East Somerset & Bath Methodist
Circuit**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts Partnership (Bristol) Limited
Bath House
6-8 Bath Street
Bristol
BS1 6HL

22 February 2022

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Statement of Financial Activities
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	30,094	32,100	-	62,194	524,092
Charitable activities						
Management of the Circuit	5	378,295	-	-	378,295	369,351
Raising funds	3	50,525	-	-	50,525	64,388
Investment income	4	2,768	-	827	3,595	6,569
Other income	6	27,910	560	-	28,470	11,905
Total		489,592	32,660	827	523,079	976,305
EXPENDITURE ON						
Charitable activities						
Management of the Circuit	7	629,505	17,960	127	647,592	568,741
Southdown Church Centre		31,281	-	-	31,281	41,860
SWCCP		14,439	-	-	14,439	10,765
Circuit grants		5,000	-	-	5,000	-
Total		680,225	17,960	127	698,312	621,366
Net gains on investments		97,696	-	4,898	102,594	230,903
NET INCOME/(EXPENDITURE)		(92,937)	14,700	5,598	(72,639)	585,842
Transfers between funds	21	668	-	(668)	-	-
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	(15,000)
Net movement in funds		(92,269)	14,700	4,930	(72,639)	570,842
RECONCILIATION OF FUNDS						
Total funds brought forward		6,625,952	-	63,680	6,689,632	6,118,790
TOTAL FUNDS CARRIED FORWARD		6,533,683	14,700	68,610	6,616,993	6,689,632

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Balance Sheet
31 AUGUST 2021**

	Notes	Unrestricted funds £	Restricted fund £	Endowment funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Tangible assets	14	4,482,465	-	-	4,482,465	4,797,465
Investments						
Investments	15	58,427	-	22,290	80,717	66,713
Investment property	16	1,252,000	-	-	1,252,000	1,165,000
		5,792,892	-	22,290	5,815,182	6,029,178
CURRENT ASSETS						
Debtors	17	9,773	-	-	9,773	25,035
Cash at bank	18	788,472	14,700	46,320	849,492	688,949
		798,245	14,700	46,320	859,265	713,984
CREDITORS						
Amounts falling due within one year	19	(54,454)	-	-	(54,454)	(50,530)
NET CURRENT ASSETS		743,791	14,700	46,320	804,811	663,454
TOTAL ASSETS LESS CURRENT LIABILITIES		6,536,683	14,700	68,610	6,619,993	6,692,632
CREDITORS						
Amounts falling due after more than one year	20	(3,000)	-	-	(3,000)	(3,000)
NET ASSETS		6,533,683	14,700	68,610	6,616,993	6,689,632
FUNDS	21					
Unrestricted funds					6,533,683	6,625,952
Restricted funds					14,700	-
Endowment funds					68,610	63,680
TOTAL FUNDS					6,616,993	6,689,632

The financial statements were approved by the Board of Trustees and authorised for issue on 15 February 2022 on its behalf by:

Rev S Topping – Superintendent Minister

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(175,101)</u>	<u>(149,737)</u>
Net cash used in operating activities		<u>(175,101)</u>	<u>(149,737)</u>
Cash flows from investing activities			
Sale of tangible fixed assets		331,349	-
Sale of fixed asset investments		-	1,950
Interest received		<u>3,595</u>	<u>6,569</u>
Net cash provided by investing activities		<u>334,944</u>	<u>8,519</u>
Cash flows from financing activities			
Income attributable to endowment		827	-
Expenditure attributable to endowment		<u>(127)</u>	<u>-</u>
Net cash provided by financing activities		<u>700</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		160,543	(141,218)
Cash and cash equivalents at the beginning of the reporting period		<u>688,949</u>	<u>830,167</u>
Cash and cash equivalents at the end of the reporting period		<u><u>849,492</u></u>	<u><u>688,949</u></u>

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2021**

**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(72,639)	585,842
Adjustments for:		
Gain on investments	(101,004)	(230,903)
Profit on disposal of fixed assets	(16,349)	-
Interest received	(3,595)	(6,569)
Income attributable to endowment	(827)	-
Expenditure attributable to endowment	127	-
Capital receipts	-	(475,000)
Decrease/(increase) in debtors	15,262	(4,179)
Increase/(decrease) in creditors	<u>3,924</u>	<u>(18,928)</u>
Net cash used in operations	<u>(175,101)</u>	<u>(149,737)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank	<u>688,949</u>	<u>160,543</u>	<u>849,492</u>
	<u>688,949</u>	<u>160,543</u>	<u>849,492</u>
Total	<u><u>688,949</u></u>	<u><u>160,543</u></u>	<u><u>849,492</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and investment properties which are included at fair value.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 2015 (FRS 102) (effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the Covid-19 pandemic is likely to have a profound impact on the global economy, and may in turn affect the charity. The Trustees have considered relevant information, including the annual budget and future cash flows in making their assessment and considered the impact of this issue on the charity's current and future financial position. The charity holds unrestricted, general reserves of £49,761, designated reserves that can be drawn down if necessary of £799,218. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

Critical accounting judgements

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Investment properties shown at fair value

Income

Income is brought into account when there is entitlement and the amount is reliably measurable once it is more than likely than not that the economic benefit of the income will be forthcoming.

Individual amounts categorised as Other Income in the SOFA will be shown separately if they are considered material.

Where the Circuit acts as agent in the collection from churches and payment over of their contributions to various funds controlled and administered by The Methodist Church -'Connexional Funds', the transactions are not reflected in the SOFA because they are the income of either the Connexion or churches as appropriate.

In accordance with the charities SORP (FRS102), the time of volunteers is not recognised.

1. ACCOUNTING POLICIES - continued

Income

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable, where all conditions associated with the grant have been met. Where conditions exist which remain unsatisfied, the grant is treated as a liability until the conditions have been substantially met.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Connexional Priority Fund Levies, payable on the sale of most properties, are recognised at the point of sale of the property.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice.

Tangible fixed assets

Properties held as functional assets comprise manses used for housing ministers and buildings let on a temporary basis or for community purposes.

From time to time, the Circuit may hold residential property (formerly manses) which is surplus to its normal staffing requirements. When the intention is to hold the property for capital appreciation or its rental income, the property is reclassified as investment property and carried at fair value.

Churches which are closed are transferred into the care of the Circuit from the Methodist Church and are valued at a deemed cost based on the valuation of an external valuer.

Fixed asset properties that were held at 1 September 2015 are included in the financial statements at deemed historic cost representing each property's gross carrying value as at 1 September 2015. The Circuit made use of the deemed cost transitional provisions of FRS 102 SORP 2015.

Manses purchased subsequent to 1 September 2015 are included at actual cost.

No depreciation is provided on manses and rental properties because the trustees consider the current residential fair value of the manses and rental properties (on the assumption that these have not reached the end of their useful economic life by the year end) to be not less than their cost to date. Any depreciation would not be material. The properties have been reviewed for impairment.

Office equipment is depreciated on a 25% straight line basis.

1. ACCOUNTING POLICIES - continued

Investment property

Properties are recognised as investment properties when the intention is that they will be held for capital appreciation or rental income. Investment properties include buildings passed to the Circuit, and treated as capital receipts, where the intention is to sell the property.

Investment properties are revalued annually based on periodic professional valuations as adjusted by the trustees using suitable indices in the intervening periods with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Taxation

The charity is exempt from tax on its charitable activities.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the District without further specified purpose. They are available as general funds and can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets the criteria is charged to the fund together with a fair allocation of support costs where appropriate.

Endowment funds represent restricted gifts, the capital normally being unavailable for spending.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Most ordained presbyters are members of the Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the scheme were a defined contribution scheme.

Lay employees are contractually employees of the Circuit and have the option of joining a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust)

The Connexion accounts for MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

Debtors

Debtors are measured on initial recognition at settlement amount after any amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received. Debtors include the payment of the September stipend in advance in August.

1. ACCOUNTING POLICIES - continued

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.

Creditors

The charity has creditors which are measured at settlement amounts.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the charity's contractual obligations are discharged, cancelled, or they expire.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Donations	12,231	4,600	-	16,831	16,698
Gift aid	1,302	-	-	1,302	1,394
Grants	16,561	27,500	-	44,061	31,000
Capital receipts	-	-	-	-	475,000
	<u>30,094</u>	<u>32,100</u>	<u>-</u>	<u>62,194</u>	<u>524,092</u>

Grants include CJRS Government grants of £3,611 (2020 - nil)

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

2. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2021	2020
	£	£
District Advance Fund	12,350	10,000
Other	4,211	-
Connexion	27,500	21,000
	<u>44,061</u>	<u>31,000</u>

3. RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Fundraising events	1,653	-	-	1,653	490
Lettings	48,872	-	-	48,872	63,898
	<u>50,525</u>	<u>-</u>	<u>-</u>	<u>50,525</u>	<u>64,388</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Interest and investment income	2,768	-	827	3,595	6,569
	<u>2,768</u>	<u>-</u>	<u>827</u>	<u>3,595</u>	<u>6,569</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

5. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Assessment or share	Management of the Circuit	<u>378,295</u>	<u>369,351</u>

6. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Gain on sale of tangible fixed assets	16,349	-	-	16,349	-
Other income	<u>11,561</u>	<u>560</u>	<u>-</u>	<u>12,121</u>	<u>11,905</u>
	<u>27,910</u>	<u>560</u>	<u>-</u>	<u>28,470</u>	<u>11,905</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Grant funding of activities (see note 9) £	Support costs (see note 10) £	Totals £
Management of the Circuit	633,829	-	13,763	647,592
Southdown Church Centre	31,281	-	-	31,281
SWCCP	14,439	-	-	14,439
Circuit grants	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	<u>679,549</u>	<u>5,000</u>	<u>13,763</u>	<u>698,312</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	368,688	361,743
District Assessment	84,528	88,416
Connexional Priority Fund levy	92,540	-
Contribution to District Advance Fund	17,826	21,198
Sundries	-	81
Administration costs	18,994	18,012
Insurance and utilities	49,632	49,936
Manse expenses	20,309	15,197
Expenditure on other property	12,756	28,064
Other expenses	8,600	22,393
SWCCP activities	5,676	4,561
	<u>679,549</u>	<u>609,601</u>

9. GRANTS PAYABLE

	2021	2020
	£	£
SWCCP	-	323
Circuit grants	5,000	-
	<u>5,000</u>	<u>323</u>

The total grants paid to institutions during the year was as follows:

	2021	2020
	£	£
Peasedown Church and Family Worker	6,000	-
Other grants (reversal of grants previously committed)	(1,000)	323
	<u>5,000</u>	<u>323</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

10. SUPPORT COSTS

	Governance costs £
Management of the Circuit	<u>13,763</u>

Support costs, included in the above, are as follows:

Governance costs

	2021 Management of the Circuit £	2020 Total activities £
Auditors' remuneration	5,520	5,340
Other non-audit services	<u>8,243</u>	<u>6,102</u>
	<u>13,763</u>	<u>11,442</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

The members of the Circuit Meeting are the trustees of the Circuit. One Superintendent (from 1 September 2021), two Co-superintendent Ministers (to 31 August 2021), five Circuit Stewards and five other ministers form the Circuit leadership Team, have additional responsibilities and are considered as key management personnel. None of the Circuit Stewards received any remuneration or expenses.

The total remuneration paid to ministers in their role as presbyters was £250,112 (2020 - £243,354). Expenses relating to travel, telephone, broadband and other costs of £5,610 (2020 - £15,542) were also paid to ministers.

Trustees' expenses

Trustee expenses of £103 was paid to 1 trustee for the year ended 31 August 2021 for mileage and stationery (2020 - £109).

12. STAFF COSTS

	2021 £	2020 £
Wages and salaries	290,480	288,231
Social security costs	22,449	20,849
Other pension costs	<u>55,759</u>	<u>52,663</u>
	<u>368,688</u>	<u>361,743</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

12. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2021	2020
Ministers	<u>7</u>	<u>7</u>
Lay staff	<u>9</u>	<u>9</u>
	<u>16</u>	<u>16</u>

No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	524,092	-	524,092
Charitable activities			
Management of the Circuit	369,351	-	369,351
Raising funds	64,388	-	64,388
Investment income	5,288	1,281	6,569
Other income	<u>11,905</u>	<u>-</u>	<u>11,905</u>
Total	975,024	1,281	976,305
EXPENDITURE ON			
Charitable activities			
Management of the Circuit	568,741	-	568,741
Southdown Church Centre	41,860	-	41,860
SWCCP	<u>10,765</u>	<u>-</u>	<u>10,765</u>
Total	621,366	-	621,366
Net gains/(losses) on investments	<u>233,566</u>	<u>(2,663)</u>	<u>230,903</u>
NET INCOME/(EXPENDITURE)	587,224	(1,382)	585,842
Transfers between funds	<u>1,281</u>	<u>(1,281)</u>	<u>-</u>
Other recognised gains/(losses)			
Gains/(losses) on revaluation of fixed assets	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
Net movement in funds	573,505	(2,663)	570,842

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Endowment funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	6,052,447	66,343	6,118,790
TOTAL FUNDS CARRIED FORWARD	<u>6,625,952</u>	<u>63,680</u>	<u>6,689,632</u>

14. TANGIBLE FIXED ASSETS

	Manses and church properties £	Computer equipment £	Totals £
COST			
At 1 September 2020	4,797,465	949	4,798,414
Disposals	<u>(315,000)</u>	<u>-</u>	<u>(315,000)</u>
At 31 August 2021	<u>4,482,465</u>	<u>949</u>	<u>4,483,414</u>
DEPRECIATION			
At 1 September 2020 and 31 August 2021	<u>-</u>	<u>949</u>	<u>949</u>
NET BOOK VALUE			
At 31 August 2021	<u>4,482,465</u>	<u>-</u>	<u>4,482,465</u>
At 31 August 2020	<u>4,797,465</u>	<u>-</u>	<u>4,797,465</u>

15. FIXED ASSET INVESTMENTS

	TMCP £
MARKET VALUE	
At 1 September 2020	66,713
Revaluations	<u>14,004</u>
At 31 August 2021	<u>80,717</u>
NET BOOK VALUE	
At 31 August 2021	<u>80,717</u>
At 31 August 2020	<u>66,713</u>

There were no investment assets outside the UK.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

15. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 31 August 2021 is represented by:

	TMCP
	£
Valuation in 2021	<u>80,717</u>

16. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 September 2020	1,165,000
Revaluation	<u>87,000</u>
At 31 August 2021	<u>1,252,000</u>
NET BOOK VALUE	
At 31 August 2021	<u>1,252,000</u>
At 31 August 2020	<u>1,165,000</u>

The investment properties that are let were valued by the trustees at 31 August 2020 at a value of £690,000 based on post year end estimates made by the letting agents. The Claremont Chapel and premises was valued by the trustees based on Christophers Chartered Surveyors' valuation at 18 January 2021 of £475,000.

At the year end, the Claremont property was under offer and revalued by the trustees to the gross expected selling price of £562,000.

At the year end, an impairment review of the letting properties was carried out and the fair value is not considered to be materially misstated.

Fair value at 31 August 2021 is represented by:

	£
Valuation in 2021	87,000
Valuation in 2020	236,240
Cost	<u>928,760</u>
	<u>1,252,000</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors	-	1,139
Prepayments and accrued income	<u>9,773</u>	<u>23,896</u>
	<u>9,773</u>	<u>25,035</u>

18. CASH AT BANK

	General Fund £	Circuit Model Trust Fund £	Southdown Church Centre Fund £	Arthur Heal Bequest Fund £
Current accounts	66,014	-	8,369	-
Trustees for Methodist Church Purposes deposits	-	525,846	21,984	16,689
Central Finance Board deposits	<u>19,428</u>	<u>-</u>	<u>18,595</u>	<u>-</u>
Total	<u>85,442</u>	<u>525,846</u>	<u>48,948</u>	<u>16,689</u>

	John Guy Heal Bequest Fund £	Clutton: Sale of Cottage Fund £	SWCCP Fund £	Other designated funds £
Current accounts	-	-	16,061	-
Cash in hand	-	-	110	-
Trustees for Methodist Church Purposes deposits	30,830	34,965	-	3,897
Central Finance Board deposits	<u>-</u>	<u>-</u>	<u>25,684</u>	<u>-</u>
Total	<u>30,830</u>	<u>34,965</u>	<u>41,855</u>	<u>3,897</u>

	Student Chaplain Fund £	Henry Perry Bequest fund £	Other endowment funds £	2021 Total funds £	2020 Total funds £
Current accounts	14,700	-	-	105,144	72,211
Cash in hand	-	-	-	110	122
Trustees for Methodist Church Purposes deposits	-	39,467	6,853	680,531	508,894
Central Finance Board deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,707</u>	<u>107,722</u>
Total	<u>14,700</u>	<u>39,467</u>	<u>6,853</u>	<u>849,492</u>	<u>688,949</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	3,195	7,211
Social security and other taxes	1,136	1,657
Sundry creditors and accruals	9,712	12,114
Grants payable	9,000	4,000
Assessments advance	31,411	25,548
	<u>54,454</u>	<u>50,530</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Grants payable	<u>3,000</u>	<u>3,000</u>

21. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General Fund	75,859	(82,444)	56,346	49,761
Circuit Model Trust Fund	348,343	(99,497)	265,000	513,846
Southdown Church Centre Fund	68,901	(12,613)	(7,340)	48,948
Arthur Heal Bequest Fund	23,616	1,584	(259)	24,941
John Guy Heal Bequest Fund	72,248	8,327	(719)	79,856
Clutton: Sale of Cottage Fund	34,917	48	-	34,965
SWCCP Fund	34,757	4,458	2,640	41,855
Properties fund	5,962,465	87,000	(315,000)	5,734,465
Other designated funds	<u>4,846</u>	<u>200</u>	<u>-</u>	<u>5,046</u>
	6,625,952	(92,937)	668	6,533,683
Restricted funds				
Student Chaplain Fund	-	14,700	-	14,700
Endowment funds				
Henry Perry Bequest fund	54,631	5,150	(624)	59,157
Other endowment funds	<u>9,049</u>	<u>448</u>	<u>(44)</u>	<u>9,453</u>
	<u>63,680</u>	<u>5,598</u>	<u>(668)</u>	<u>68,610</u>
TOTAL FUNDS	<u>6,689,632</u>	<u>(72,639)</u>	<u>-</u>	<u>6,616,993</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	435,186	(519,220)	1,590	(82,444)
Circuit Model Trust Fund	17,577	(117,074)	-	(99,497)
Southdown Church Centre Fund	17,337	(29,950)	-	(12,613)
Arthur Heal Bequest Fund	309	(49)	1,324	1,584
John Guy Heal Bequest Fund	868	(144)	7,603	8,327
Clutton: Sale of Cottage Fund	117	(69)	-	48
SWCCP Fund	18,167	(13,709)	-	4,458
Properties fund	-	-	87,000	87,000
Other designated funds	31	(10)	179	200
	489,592	(680,225)	97,696	(92,937)
Restricted funds				
Student Chaplain Fund	32,660	(17,960)	-	14,700
Endowment funds				
Henry Perry Bequest fund	764	(109)	4,495	5,150
Other endowment funds	63	(18)	403	448
	827	(127)	4,898	5,598
TOTAL FUNDS	<u>523,079</u>	<u>(698,312)</u>	<u>102,594</u>	<u>(72,639)</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Unrestricted funds				
General Fund	91,054	(97,904)	82,709	75,859
Circuit Model Trust Fund	374,303	(18,960)	(7,000)	348,343
Southdown Church Centre Fund	82,667	(13,766)	-	68,901
Arthur Heal Bequest Fund	25,528	(1,466)	(446)	23,616
John Guy Heal Bequest Fund	72,992	209	(953)	72,248
Clutton: Sale of Cottage Fund	34,689	228	-	34,917
SWCCP Fund	27,139	7,618	-	34,757
Properties fund	5,266,225	696,240	-	5,962,465
Other designated funds	<u>77,850</u>	<u>25</u>	<u>(73,029)</u>	<u>4,846</u>
	6,052,447	572,224	1,281	6,625,952
Endowment funds				
Henry Perry Bequest fund	57,255	(1,428)	(1,196)	54,631
Other endowment funds	<u>9,088</u>	<u>46</u>	<u>(85)</u>	<u>9,049</u>
	<u>66,343</u>	<u>(1,382)</u>	<u>(1,281)</u>	<u>63,680</u>
TOTAL FUNDS	<u><u>6,118,790</u></u>	<u><u>570,842</u></u>	<u><u>-</u></u>	<u><u>6,689,632</u></u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	449,639	(547,543)	-	(97,904)
Circuit Model Trust Fund	2,238	(21,198)	-	(18,960)
Southdown Church Centre Fund	28,094	(41,860)	-	(13,766)
Arthur Heal Bequest Fund	446	-	(1,912)	(1,466)
John Guy Heal Bequest Fund	953	-	(744)	209
Clutton: Sale of Cottage Fund	228	-	-	228
SWCCP Fund	18,383	(10,765)	-	7,618
Properties fund	475,000	-	221,240	696,240
Other designated funds	43	-	(18)	25
	975,024	(621,366)	218,566	572,224
Endowment funds				
Henry Perry Bequest fund	1,197	-	(2,625)	(1,428)
Other endowment funds	84	-	(38)	46
	1,281	-	(2,663)	(1,382)
TOTAL FUNDS	<u>976,305</u>	<u>(621,366)</u>	<u>215,903</u>	<u>570,842</u>

General Fund

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit and which have not been designated for other purposes.

Circuit Model Trust Fund (designated)

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit. Its main source of income is legacies and contributions from the sale of manse and church buildings in the Circuit.

Properties fund (designated)

This fund reflects the value properties held by the Circuit. The fund comprises fixed asset properties held as functional assets of the Circuit (held at cost or deemed cost) and investment properties held for their rental income together with buildings transferred to the Circuit for disposal (held at fair value).

Southdown Church Centre (designated)

Southdown Methodist Church Centre is a Christian community offering affordable rooms and communal spaces to community groups and organisations including Horizon Methodist Church and the Community Partnership.

Southdown Whiteway Church and Community Partnership fund (designated)

This fund represents the charitable activity of supporting disadvantaged people and communities in Southdown, Twerton and Whiteway through lunch club, toddler group and support advice.

Sale of Cottage Fund (designated)

The fund represents sale proceeds set aside for general fund purposes.

21. MOVEMENT IN FUNDS - continued

Arthur Heal and John Guy Heal Bequest Funds (designated)

These funds reflect legacies where there is no restriction.

Henry Perry Bequest Fund and other endowment funds (endowment)

Funds represent legacies where the income is available for general fund purposes.

Student Chaplain fund (restricted)

This fund is restricted for funding the student chaplain position.

TRANSFERS BETWEEN FUNDS

During the year, a transfer of £40,000 was made from the Model Trust Fund to the General Fund to finance the partial refund of pledges made in the prior year which was made to assist churches with the effects of Covid-19.

£315,000 was released from the Property Fund to the Model Trust Fund being the carrying value of properties sold in the year.

Comparative analysis of net funds between funds, are as follows:

Fund balances as at 31 August 2020	Unrestricted funds £	Endowment funds £	Total funds £
Fixed assets	6,011,786	17,392	6,029,178
Current assets	667,696	46,288	713,984
Current liabilities	(50,530)		(50,530)
Liabilities more than 1 year	(3,000)		(63,000)
Total net assets	<u>6,625,952</u>	<u>63,680</u>	<u>6,687,632</u>

22. EMPLOYEE BENEFIT OBLIGATIONS

Methodist ministers are members of the Methodist Minister's Pension Scheme (MMPS). This is a defined benefit scheme.

Lay employees are contractually employees of the Circuit and belong to a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust).

The Connexion accounts for both pension schemes and shows the figures in the annual accounts of the Methodist Church of Great Britain.

The cost of both schemes attributable to the Circuit for the year ended 31 August 2021 was £55,759 (2020 - £52,663). At the year end, £nil (2020 - £4,005) was prepaid in respect of the MMPS and £1,108 (2020 - £1,150) was payable in respect of the TPT scheme.

23. RELATED PARTY DISCLOSURES

The Circuit employs lay staff involved in both administration and mission work, some of whom are trustees by virtue of their position.

During the year, one employee was also a trustee and a second employee was a close family member of a trustee. They received total remuneration of £16,452 (2020 - £14,387) and other expenses of £nil (2020 - £213)

There were no further related party transactions for the year ended 31 August 2021 nor for the year ended 31 August 2020.

None of the Circuit trustees made donations direct to the Circuit during the year or the preceding year. All of the Circuit trustees are members of one or another church within the Circuit and may be trustees in their churches.

Connected organisations include the Methodist Connexion, Churches within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP. All of these entities have their own trustees or directors and autonomous administration such that the Circuit has no significant influence over any of them, nor they over the Circuit. They are, therefore, not considered related parties.

24. POST BALANCE SHEET EVENTS

Subsequent to the year end, two investment properties were sold yielding net income of £608,510 less Connexional Priority Fund levies payable of £202,342.

Accounts



**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 August 2020**

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Contents of the Financial Statements
FOR THE YEAR ENDED 31 AUGUST 2020**

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NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of 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

Objectives and aims

The aims and purposes of the North East Somerset & Bath Methodist Circuit are in accordance with the approved governing document issued by the Methodist Conference and defined in the Methodist Church Act 1976 namely:

The advancement of

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

Public benefit

We confirm the trustees have had regard to the Charity Commissioner's guidance on public benefit.

Grantmaking

Detailed applications are submitted to the Circuit Leadership team for consideration. A small scrutiny group of CLT members is appointed to review and discuss the submission with the applicants. This process is to ensure that the proposal is well founded and complies with the funding policy guidelines. Submissions may then be presented to the Circuit Meeting with recommendations for support.

Volunteers

The Trustees would like to acknowledge the work carried out across the Circuit by Local Preachers and Circuit Officers, for the work they do supporting and running the Circuit as well as in all of its congregations in leading worship, providing pastoral care and maintaining church premises.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the past year the circuit has continued to support local churches in their life of worship and mission and in responding to the needs of their local communities

Planning for the future direction and mission of the Circuit has continued. Two Circuit Ministers have been reinvited for 3 and 5 years respectively with effect from September 2020, and another Circuit Minister for 4 years with effect from September 2021. One Circuit Minister is leaving the Circuit in August 2021 and a new Superintendent Minister has been invited from September 2021, allowing the current Co-Superintendents to refocus their ministry.

Changes in layworker roles included the ending of the fixed-term Pioneer Community Worker role at Nexus, and the appointment of a new 1-year post of Mission Enabler and Community Developer for the six Bath Churches. Plans to recruit a new Community Outreach worker at Keynsham are on hold pending review as a result of the Covid-19 pandemic

The circuit has also overseen the ongoing implementation of GDPR and provision of Safeguarding training and updating of Safeguarding records.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENT AND PERFORMANCE

Covid-19

The trustees have considered the impact that the COVID-19 pandemic will have on the charity's current and future financial position. The charity is taking the following steps to mitigate the threats that Covid-19 may pose to the organisation:

- Assessing whether it is appropriate to furlough lay staff.
- Giving financial relief to Circuit Churches through the offer of a partial rebate of their pledges.
- Implementing and abiding by recommendations set out by the Methodist Church of Great Britain regarding the use of church buildings.

The trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved having thoroughly reviewed the financial position.

The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1 to the financial statements.

FINANCIAL REVIEW

Financial position

The annual budget set for 2019/20 showed an anticipated shortfall of £139,707. Consideration has been given to reducing budget shortfalls by reducing costs as well as maintaining and improving income.

The outturn for the year, after making use of reserves to fund exceptional costs and support new developing outreach, shows a reduction in general funds of £97,904. This has been partially offset by the release of £73,029 designated funds held for specific purposes which are no longer considered necessary. A further net transfer of £7,000 has been made from the Model Trust Fund in support of the post of Bath Student Chaplain (serving both Universities). The general fund balance at £75,859 is still healthy despite a similar continuing shortfall budget for 2020/21.

There were underspends against budget for travel expenses, manse maintenance costs with only one property requiring significant work and other expenditure where training costs fell well short of the budget allocation. The sale of a redundant church building was not completed as expected and insurance cover had to be extended. The sale is now expected to be completed in the next few months. Additional professional fees have been paid for a number of inspection reports relating to both property sales and purchases.

The pledged income from the churches has not kept pace with the impact of inflation on payroll and other costs. This represents a continuing challenge to the churches that are under pressure as the general trend is a decline in membership and income. It is a challenge to the Circuit to manage appropriate funding in the coming years. In the short term cash funds should be boosted by the sale of three further vacant church premises which should be completed in the 2020/21 year.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

Investment policy and objectives

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20K) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitheld investments or held on deposit. The investment returns are close to tracking the movements in the FTSE 100 index. The deposit income mirrors the deposit rates elsewhere. The Circuit's investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable to the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment - both by way of dividend and capital appreciation is obtained at least as good as market rate considering the Circuits low appetite for risk. The interest rate achieved on CFB deposits has been at 0.72% for the year.

Reserves policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to six months' average expenditure £370,173 (based on 2019 and 2020 accounts). This should be sufficient to meet any unforeseen item of major expenditure on manses or to be able to continue, in the short term, funding planned activities in the event of any shortfall in the promised income from the member churches.

The Reserves Policy also includes the intention, subject to Circuit Meeting approval, to use reserves in excess of the minimum over time for

- a) shortfall in assessment or pledge income to balance annual budget;
- b) the advancement of Mission in the Circuit;
- c) facilities, resources and training where not already available which meet the Circuit's objectives;
- d) the funding for training and people to develop sustainable mission projects; and
- e) the provision of grants of up to £15,000 (or 30% of project costs if less) to assist the rationalisation and enhancement of church premises

Money and investments held are either:

- a) Available for general use exercising budgetary control but without any legal or other restriction. Balance held at 31st August 2020 - £75,859 (2019 - £91,054)
- b) Available for use with the approval of the Circuit Meeting for specific purposes. Balance held at 31st August 2020 was £587,637 (2019 - £695,168) which is Model Trust Fund and other unrestricted funds less the value of Fixed Assets.
- c) Endowment funds where only investment income may be used. Balance held at 31st August 2020 £63,680. (2019 - £66,343). Application will be made to the Charity Commission to release the capital of the small endowments.

FUTURE PLANS

During the coming year the trustees on the Circuit Leadership Team and Circuit Meeting will be working towards producing a Circuit Mission Strategy with a view to enabling the best use of our resources in terms of people, property and finances, to fulfil the mission of the circuit and its member churches.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2020

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976).

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Stewards along with the Circuit Meeting and the Circuit Leadership Team.

Recruitment and appointment of new trustees

Only members of the Methodist Church may be appointed as trustees. Circuit trustees include the following:

- a) the Superintendent Minister and other Ministers and Deacons appointed to the Circuit.
- b) Supernumerary Ministers who reside in the Circuit are appointed as trustees if they inform the Superintendent Minister of their wish to be a member of the Circuit Meeting.
- c) two or more Circuit Stewards are appointed annually by the Circuit meeting.
- d) the secretary of the Circuit Meeting
- e) the secretary of the Local Preachers' Meeting
- f) from each Local Church one church steward and the church treasurer.
- g) representatives elected by the Church Council of each Local Church from its own members in numbers specified by the Circuit Meeting.
- h) such persons, if any, as the Circuit Meeting judges it appropriate to appoint from amongst those employed by the Circuit.
- i) additional persons as the Circuit Meeting may desire to ensure that all areas of the life of the Circuit are adequately represented.

Organisational structure

The North East Somerset and Bath Methodist Circuit was formed in 2008 and covers both the City of Bath and the North Somerset Local Authorities, plus Box..

The Circuit forms a part of the Bristol District of the Methodist Church. The Circuit is the body which coordinates the activities of employed ministers and church workers throughout the member churches. The member churches are:

Bathampton	Beechen Cliff, Bath	Box
Chew Stoke	Farrington Gurney	Horizon, Bath
Keynsham (Queens Road & Victoria)	Midsomer Norton	Nexus, Bath
Paulton	Peasedown St John	Timsbury
Trinity - Radstock	Trinity - Westfield	Weston, Bath

Decision making

The Circuit Meeting is the principal decision making body of the Circuit responsible for the affairs of the Circuit and the development of circuit policy. It exercises a combination of spiritual leadership with appropriate administrative support. The purpose is to act as the focal point of the working fellowship of the churches in the Circuit, overseeing their pastoral, training and evangelistic work.

A Circuit Meeting is held three or four times each year to plan and review the activity of the Circuit.

The Circuit Leadership Team which includes ministers and stewards is responsible for the spiritual and material wellbeing of the circuit and for upholding and acting upon the decisions of the Circuit Meeting.

The Circuit Leadership Team meets regularly to manage Circuit property, employment, finance and consider matters arising from their oversight of the local churches.

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Every trustee is provided with a copy of the document "The Role of A Trustee in the Methodist Church" published by the Trustees for Methodist Church Purposes in 2009.

Safeguarding

The Circuit, through our Safeguarding Officer and local Safeguarding Officers, continue to ensure there are robust safeguarding processes in place to protect children, young people and vulnerable adults from harm. This includes DBS checks and regular training opportunities for paid staff and volunteers.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Circuit continues to assess risks in terms of finance, property and staffing and procedures have been introduced to manage these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1129520

Principal address

c/o Midsomer Norton Methodist Church
High Street
Midsomer Norton
Radstock
BA3 2DR

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2020

Trustees

The members of North East Somerset & Bath Methodist Circuit meeting are the Charity Trustees. Membership is made up from circuit office holders, ministers and representatives appointed by the local churches.

The following were Managing Trustees from Sep 2019:

Ministers

Rev J Wilson (Joint Superintendent)
Rev D Winstanley (Joint Superintendent)
Rev J Crane
Rev D A Hull (to 31/12/19)
Rev R A Lansley
Rev E Kirova
Rev D W Musgrave
Rev S E Robinson
Rev M J Slocombe
Rev I Souter
Rev J Tate
Deacon A Trembling
Rev P Turner

Circuit Stewards

Mrs I H Arnold (to 17/9/19)
Miss M Cross
Mrs G Earley (appointed 1/9/20)
Mrs Elspeth Rolls
Mr I Sims
Mr B Sykes (to 31/8/20)
Mr I Withers (to 4/3/20)

Representatives

Dr Michael Ainsworth	Mr P Arnold (appointed 1/9/20)	Mrs J M Auckland
Mr S R Barratt	Mr S Beck (appointed 4/3/20)	Mrs S Bown (appointed 29/7/20)
Mrs D Bunday	Miss E J Button	Mr R Chapman
Mrs E Church	Mrs D J Cutlan	Prof. M Danson (to 31/8/20)
Mr F Day	Mrs C Edge	Mrs M E Gibson
Mr A Gilson (to 31/8/20)	Mrs M A Gilson	Miss H Green
Mrs M Hatherell	Mrs G R I Hull	Mrs A Hurford
Mrs J Knight (appointed 1/9/19)	Mr M G Martin	Mrs P Mills
Mrs J M Miners	Mrs F Morris-Laventris	Mr D S Pendle
Miss B J Phillips	Mr R S J Pierce	Ms Karen Power (appointed 1/9/20)
Mr N Quilter	Mr M D Rumsey	Mr A A Short
Miss K M Short	Mrs J Slade	Mrs J Souter
Mrs J Stiddard	Mrs P L Turner	Mrs A Twitchett (to 4/3/20)
Mr P Udey	Mrs W E Venn	Mr H Warren
Mr G Wilson (appointed 4/3/20)	Mr A Wright	Mrs J Yates

NORTH EAST SOMERSET & BATH METHODIST CIRCUIT

Report of the Trustees FOR THE YEAR ENDED 31 AUGUST 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Haines Watts Partnership (Bristol) Limited
Bath House
6-8 Bath Street
Bristol
BS1 6HL

Bankers and Investment Bankers

CAF Bank Limited
25 Kings Hill Avenue,
Kings Hill, West Malling,
Kent, ME19 4JQ

Central Finance Board of the Methodist Church
9 Bonhill Street,
London, EC2A 4PE

Trustees for Methodist Church Purposes
Central Buildings Oldham Street,
Manchester, M1 1JQ

Lloyds Bank Plc
PO Box 1000,
Andover, BX1 1LT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Report of the Trustees
FOR THE YEAR ENDED 31 AUGUST 2020**

Approved by order of the board of trustees and signed on 13 April 2021 on its behalf by:

Rev D Winstanley (Joint Superintendent) - Trustee

Rev J Wilson (Joint Superintendent) - Trustee

Opinion

We have audited the financial statements of North East Somerset & Bath Methodist Circuit (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The Covid-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity. The Trustees' view on the impact of Covid-19 is disclosed in the accounting policies and in the Trustees' Report on page 2.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts Partnership (Bristol) Limited
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Bath House
6-8 Bath Street
Bristol
BS1 6HL

Date: 13 April 2021

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Statement of Financial Activities
FOR THE YEAR ENDED 31 AUGUST 2020**

					2020	2019
	Notes	Unrestricted funds £	Circuit Model Trust Fund £	Endowment funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	524,092	-	-	524,092	64,190
Charitable activities	5					
Management of the Circuit		369,351	-	-	369,351	426,545
Raising funds	3	64,388	-	-	64,388	74,981
Investment income	4	3,050	2,238	1,281	6,569	5,395
Other income	6	11,905	-	-	11,905	106,671
Total		972,786	2,238	1,281	976,305	677,782
EXPENDITURE ON						
Charitable activities	7					
Management of the Circuit		547,543	21,198	-	568,741	803,803
Southdown Church Centre		41,860	-	-	41,860	35,056
SWCCP		10,765	-	-	10,765	8,789
Circuit grants		-	-	-	-	12,411
Total		600,168	21,198	-	621,366	860,059
Net gains/(losses) on investments		233,566	-	(2,663)	230,903	(2,350)
NET INCOME/(EXPENDITURE)		606,184	(18,960)	(1,382)	585,842	(184,627)
Transfers between funds	21	8,281	(7,000)	(1,281)	-	-
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets		(15,000)	-	-	(15,000)	-
Net movement in funds		599,465	(25,960)	(2,663)	570,842	(184,627)
RECONCILIATION OF FUNDS						
Total funds brought forward		5,678,144	374,303	66,343	6,118,790	6,303,417

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Statement of Financial Activities
FOR THE YEAR ENDED 31 AUGUST 2020**

				2020	2019
	Notes	Unrestricted funds £	Circuit Model Trust Fund £	Total funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD		<u>6,277,609</u>	<u>348,343</u>	<u>6,689,632</u>	<u>6,118,790</u>

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Balance Sheet
31 AUGUST 2020**

					2020	2019
	Notes	Unrestricted funds £	Circuit Model Trust Fund £	Endowment funds £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	14	4,797,465	-	-	4,797,465	5,266,225
Investments						
Investments	15	49,321	-	17,392	66,713	74,000
Investment property	16	1,165,000	-	-	1,165,000	-
		6,011,786	-	17,392	6,029,178	5,340,225
CURRENT ASSETS						
Debtors	17	25,035	-	-	25,035	20,856
Cash at bank	18	288,318	354,343	46,288	688,949	830,167
		313,353	354,343	46,288	713,984	851,023
CREDITORS						
Amounts falling due within one year	19	(47,530)	(3,000)	-	(50,530)	(66,458)
NET CURRENT ASSETS		265,823	351,343	46,288	663,454	784,565
TOTAL ASSETS LESS CURRENT LIABILITIES		6,277,609	351,343	63,680	6,692,632	6,124,790
CREDITORS						
Amounts falling due after more than one year	20	-	(3,000)	-	(3,000)	(6,000)
NET ASSETS		6,277,609	348,343	63,680	6,689,632	6,118,790

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Balance Sheet - continued
31 AUGUST 2020**

FUNDS	21		
Unrestricted funds		6,625,952	6,052,447
Endowment funds		<u>63,680</u>	<u>66,343</u>
TOTAL FUNDS		<u>6,689,632</u>	<u>6,118,790</u>

The financial statements were approved by the Board of Trustees and authorised for issue and were signed on its behalf on 13 April 2021 by:

Rev D Winstanley (Joint Superintendent) - Trustee

Rev J Wilson (Joint Superintendent) - Trustee

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(149,737)</u>	<u>(254,836)</u>
Net cash used in operating activities		<u>(149,737)</u>	<u>(254,836)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(457,191)
Sale of tangible fixed assets		-	1,020,008
Sale of fixed asset investments		1,950	-
Interest received		<u>6,569</u>	<u>5,395</u>
Net cash provided by investing activities		<u>8,519</u>	<u>568,212</u>
Change in cash and cash equivalents in the reporting period		(141,218)	313,376
Cash and cash equivalents at the beginning of the reporting period		<u>830,167</u>	<u>516,791</u>
Cash and cash equivalents at the end of the reporting period		<u>688,949</u>	<u>830,167</u>

The notes form part of these financial statements

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 AUGUST 2020**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	585,842	(184,627)
Adjustments for:		
Depreciation charges	-	138
(Gain)/losses on investments	(230,903)	2,350
Profit on disposal of fixed assets	-	(94,113)
Interest received	(6,569)	(5,395)
Capital receipts	(475,000)	-
(Increase)/decrease in debtors	(4,179)	7,915
(Decrease)/increase in creditors	<u>(18,928)</u>	<u>18,896</u>
Net cash used in operations	<u>(149,737)</u>	<u>(254,836)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank	<u>830,167</u>	<u>(141,218)</u>	<u>688,949</u>
	<u>830,167</u>	<u>(141,218)</u>	<u>688,949</u>
Total	<u>830,167</u>	<u>(141,218)</u>	<u>688,949</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 2015 (FRS 102) (effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the Covid-19 pandemic is likely to have a profound impact on the global economy, and may in turn affect the charity. The Trustees have considered relevant information, including the annual budget and future cash flows in making their assessment and considered the impact of this issue on the charity's current and future financial position. The charity holds unrestricted, general reserves of £76,592, designated reserves that can be drawn down if necessary of £587,628.. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

Critical accounting judgements

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Investments shown at fair value

Income

Income is brought into account when there is entitlement and the amount is reliably measurable once it is more than likely than not that the economic benefit of the income will be forthcoming.

Individual amounts categorised as Other Income in the SOFA will be shown separately if they are considered material.

Where the Circuit acts as agent in the collection from churches and payment over of their contributions to various funds controlled and administered by The Methodist Church -'Connexional Funds', the transactions are not reflected in the SOFA because they are the income of either the Connexion or churches as appropriate.

In accordance with the charities SORP (FRS102), the time of volunteers is not recognised.

1. ACCOUNTING POLICIES - continued

Income

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable, where all conditions associated with the grant have been met. Where conditions exist which remain unsatisfied, the grant is treated as a liability until the conditions have been substantially met.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Connexional Priority Fund Levies, payable on the sale of most properties, are recognised at the point of sale of the property.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice.

Tangible fixed assets

Properties held as functional assets comprise manses used for housing ministers and buildings let on a temporary basis or for community purposes.

From time to time, the Circuit may hold residential property (formerly manses) which is surplus to its normal staffing requirements. When the intention is to hold the property for capital appreciation or its rental income, the property is reclassified as investment property and carried at fair value.

Churches which are closed are transferred into the care of the Circuit from the Methodist Church and are valued at a deemed cost based on the valuation of an external valuer.

Fixed asset properties that were held at 1 September 2015 are included in the financial statements at deemed historic cost representing each property's gross carrying value as at 1 September 2015. The Circuit made use of the deemed cost transitional provisions of FRS 102 SORP 2015.

Manses purchased subsequent to 1 September 2015 are included at actual cost.

No depreciation is provided on manses and rental properties because the trustees consider the current residential fair value of the manses and rental properties (on the assumption that these have not reached the end of their useful economic life by the year end) to be not less than their cost to date. Any depreciation would not be material. The properties have been reviewed for impairment.

Office equipment is depreciated on a 25% straight line basis.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

1. ACCOUNTING POLICIES - continued

Investment property

Properties are recognised as investment properties when the intention is that they will be held for capital appreciation or rental income. Investment properties include buildings passed to the Circuit, and treated as capital receipts, where the intention is to sell the property.

Investment properties are revalued annually based on periodic professional valuations as adjusted by the trustees using suitable indices in the intervening periods with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Taxation

The charity is exempt from tax on its charitable activities.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the District without further specified purpose. They are available as general funds and can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets the criteria is charged to the fund together with a fair allocation of support costs where appropriate.

Endowment funds represent restricted gifts, the capital normally being unavailable for spending.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Most ordained presbyters are members of the Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the scheme were a defined contribution scheme.

Lay employees are contractually employees of the Circuit and have the option of joining a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust)

The Connexion accounts for MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

Debtors

Debtors are measured on initial recognition at settlement amount after any amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Debtors include the payment of the September stipend in advance in August.

1. ACCOUNTING POLICIES - continued

Debtors

Cash and short term investments

Cash at bank is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Creditors

The charity has creditors which are measured at settlement amounts.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the charity's contractual obligations are discharged, cancelled, or they expire.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
Donations	16,698	-	16,698	13,726
Gift aid	1,394	-	1,394	1,364
Legacies	-	-	-	19,100
Grants	31,000	-	31,000	30,000
Capital receipts	475,000	-	475,000	-
	<u>524,092</u>	<u>-</u>	<u>524,092</u>	<u>64,190</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

2. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2020 £	2019 £
District Advance Fund	10,000	10,000
Connexion	21,000	20,000
	<u>31,000</u>	<u>30,000</u>

3. RAISING FUNDS

	Unrestricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
Fundraising events	490	-	490	-
Lettings	63,898	-	63,898	74,981
	<u>64,388</u>	<u>-</u>	<u>64,388</u>	<u>74,981</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
Interest and investment income	5,288	1,281	6,569	5,395

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020 £	2019 £
Assessment or share	Management of the Circuit	369,351	426,545

6. OTHER INCOME

	Unrestricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
Gain on sale of tangible fixed assets	-	-	-	94,113
Other income	11,905	-	11,905	12,558
	<u>11,905</u>	<u>-</u>	<u>11,905</u>	<u>106,671</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Grant funding of activities (see note 9) £	Support costs (see note 10) £	Totals £
Management of the Circuit	557,299	-	11,442	568,741
Southdown Church Centre	41,860	-	-	41,860
SWCCP	10,442	323	-	10,765
	<u>609,601</u>	<u>323</u>	<u>11,442</u>	<u>621,366</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	361,743	375,877
District Assessment	88,416	84,756
Connexional Priority Fund levy	-	181,299
Contribution to District Advance Fund	21,198	1,872
Sundries	81	-
Administration costs	18,012	26,309
Insurance and utilities	49,936	55,669
Manse expenses	15,197	34,957
Expenditure on other property	28,064	22,364
Other expenses	22,393	24,780
SWCCP activities	4,561	3,887
Depreciation	-	138
	<u>609,601</u>	<u>811,908</u>

9. GRANTS PAYABLE

	2020 £	2019 £
Management of the Circuit	-	26,000
SWCCP	323	875
Circuit grants	-	12,411
	<u>323</u>	<u>39,286</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

9. GRANTS PAYABLE - continued

The total grants paid to institutions during the year was as follows:

	2020	2019
	£	£
Nexus Chapel House Project	-	3,000
Other grants	323	2,125
TMCP grants	-	12,161
Peasedown St John Methodist Church	-	6,000
Trinity Methodist Church	-	16,000
	<u>323</u>	<u>39,286</u>

10. SUPPORT COSTS

	Governance costs £
Management of the Circuit	<u>11,442</u>

Support costs, included in the above, are as follows:

Governance costs

	2020	2019
	Management of the Circuit £	Total activities £
Auditors' remuneration	5,340	5,265
Other non-audit services	<u>6,102</u>	<u>3,600</u>
	<u>11,442</u>	<u>8,865</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

The members of the Circuit Meeting are the trustees of the Circuit. Two Co-superintendent Ministers, five Circuit Stewards and five other ministers form the Circuit leadership Team, have additional responsibilities and are considered as key management personnel. None of the Circuit Stewards received any remuneration or expenses.

The total remuneration paid to ministers was £243,354 (2019 - £234,143). Expenses relating to travel, telephone, broadband and other costs of £15,542 (2019 - £17,424) were also paid to ministers.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

11. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

Trustee expenses of £109 were paid to 1 trustee for the year ended 31 August 2019 for mileage (2019 - £159).

12. STAFF COSTS

	2020 £	2019 £
Wages and salaries	288,231	301,139
Social security costs	20,849	21,548
Other pension costs	<u>52,663</u>	<u>53,190</u>
	<u>361,743</u>	<u>375,877</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Ministers	7	9
Lay staff	<u>9</u>	<u>9</u>
	<u>16</u>	<u>18</u>

No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Circuit Model Trust Fund £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	64,190	-	-	64,190
Charitable activities				
Management of the Circuit	426,545	-	-	426,545
Raising funds	74,981	-	-	74,981
Investment income	3,213	886	1,296	5,395
Other income	<u>12,558</u>	<u>94,113</u>	<u>-</u>	<u>106,671</u>
Total	581,487	94,999	1,296	677,782
EXPENDITURE ON				
Charitable activities				
Management of the Circuit	595,632	208,171	-	803,803
Southdown Church Centre	35,056	-	-	35,056
SWCCP	8,789	-	-	8,789
Circuit grants	250	12,161	-	12,411

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Circuit Model Trust Fund £	Endowment funds £	Total funds £
Total	639,727	220,332	-	860,059
Net gains/(losses) on investments	(756)	-	(1,594)	(2,350)
NET INCOME/(EXPENDITURE)	(58,996)	(125,333)	(298)	(184,627)
Transfers between funds	(423,410)	424,706	(1,296)	-
Net movement in funds	(482,406)	299,373	(1,594)	(184,627)
RECONCILIATION OF FUNDS				
Total funds brought forward	6,160,550	74,930	67,937	6,303,417
TOTAL FUNDS CARRIED FORWARD	<u>5,678,144</u>	<u>374,303</u>	<u>66,343</u>	<u>6,118,790</u>

14. TANGIBLE FIXED ASSETS

	Manses and church properties £	Computer equipment £	Totals £
COST			
At 1 September 2019	5,266,225	949	5,267,174
Impairments	(15,000)	-	(15,000)
Reclassification	(453,760)	-	(453,760)
At 31 August 2020	<u>4,797,465</u>	<u>949</u>	<u>4,798,414</u>
DEPRECIATION			
At 1 September 2019 and 31 August 2020	-	949	949
NET BOOK VALUE			
At 31 August 2020	<u>4,797,465</u>	-	<u>4,797,465</u>
At 31 August 2019	<u>5,266,225</u>	-	<u>5,266,225</u>

The Carlingcott property has been impaired by £15,000 to reflect the sale of the property between the year end and the date of the signing of the financial statements at £15,000 below the carrying value.

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

15. FIXED ASSET INVESTMENTS

	TMCP £
MARKET VALUE	
At 1 September 2019	74,000
Disposals	(1,950)
Revaluations	<u>(5,337)</u>
At 31 August 2020	<u>66,713</u>
NET BOOK VALUE	
At 31 August 2020	<u>66,713</u>
At 31 August 2019	<u>74,000</u>

There were no investment assets outside the UK.

16. INVESTMENT PROPERTY

	£
FAIR VALUE	
Additions	475,000
Revaluation	236,240
Reclassification	<u>453,760</u>
At 31 August 2020	<u>1,165,000</u>
NET BOOK VALUE	
At 31 August 2020	<u>1,165,000</u>
At 31 August 2019	<u>-</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	1,139	682
Prepayments and accrued income	<u>23,896</u>	<u>20,174</u>
	<u>25,035</u>	<u>20,856</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

18. CASH AT BANK

	General Fund £	Circuit Model Trust Fund £	Southdown Church Centre Fund £	Arthur Heal Bequest Fund £
Current accounts	51,305	-	11,390	-
Trustees for Methodist Church Purposes deposits	-	354,343	21,957	16,688
Central Finance Board deposits	<u>47,049</u>	<u>-</u>	<u>35,554</u>	<u>-</u>
Total	<u>98,354</u>	<u>354,343</u>	<u>68,901</u>	<u>16,688</u>
	John Guy Heal Bequest Fund £	Clutton: Sale of Cottage Fund £	SWCCP Fund £	Other designated funds £
Current accounts	-	-	9,516	-
Cash in hand	-	-	122	-
Trustees for Methodist Church Purposes deposits	30,825	34,917	-	3,876
Central Finance Board deposits	<u>-</u>	<u>-</u>	<u>25,119</u>	<u>-</u>
Total	<u>30,825</u>	<u>34,917</u>	<u>34,757</u>	<u>3,876</u>
	Henry Perry Bequest fund £	Other endowment funds £	2020 Total funds £	2019 Total funds £
Current accounts	-	-	72,211	79,380
Cash in hand	-	-	122	122
Trustees for Methodist Church Purposes deposits	39,436	6,852	508,894	551,494
Central Finance Board deposits	<u>-</u>	<u>-</u>	<u>107,722</u>	<u>199,171</u>
Total	<u>39,436</u>	<u>6,852</u>	<u>688,949</u>	<u>830,167</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	7,211	2,321
Social security and other taxes	1,657	1,138
Sundry creditors and accruals	12,114	11,708
Grants payable	4,000	20,000
Assessments advance	25,548	31,291
	<u>50,530</u>	<u>66,458</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Grants payable	<u>3,000</u>	<u>6,000</u>

21. MOVEMENT IN FUNDS

	At 1.9.19	Net movement in funds	Transfers between funds	At 31.8.20
	£	£	£	£
Unrestricted funds				
General Fund	91,054	(97,904)	82,709	75,859
Circuit Model Trust Fund	374,303	(18,960)	(7,000)	348,343
Southdown Church Centre Fund	82,667	(13,766)	-	68,901
Arthur Heal Bequest Fund	25,528	(1,466)	(446)	23,616
John Guy Heal Bequest Fund	72,992	209	(953)	72,248
Clutton: Sale of Cottage Fund	34,689	228	-	34,917
SWCCP Fund	27,139	7,618	-	34,757
Properties fund	5,266,225	696,240	-	5,962,465
Other designated funds	77,850	25	(73,029)	4,846
	<u>6,052,447</u>	<u>572,224</u>	<u>1,281</u>	<u>6,625,952</u>
Endowment funds				
Henry Perry Bequest fund	57,255	(1,428)	(1,196)	54,631
Other endowment funds	9,088	46	(85)	9,049
	<u>66,343</u>	<u>(1,382)</u>	<u>(1,281)</u>	<u>63,680</u>
TOTAL FUNDS	<u>6,118,790</u>	<u>570,842</u>	<u>-</u>	<u>6,689,632</u>

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	449,639	(547,543)	-	(97,904)
Circuit Model Trust Fund	2,238	(21,198)	-	(18,960)
Southdown Church Centre Fund	28,094	(41,860)	-	(13,766)
Arthur Heal Bequest Fund	446	-	(1,912)	(1,466)
John Guy Heal Bequest Fund	953	-	(744)	209
Clutton: Sale of Cottage Fund	228	-	-	228
SWCCP Fund	18,383	(10,765)	-	7,618
Properties fund	475,000	-	221,240	696,240
Other designated funds	43	-	(18)	25
	975,024	(621,366)	218,566	572,224
Endowment funds				
Henry Perry Bequest fund	1,197	-	(2,625)	(1,428)
Other endowment funds	84	-	(38)	46
	1,281	-	(2,663)	(1,382)
TOTAL FUNDS	976,305	(621,366)	215,903	570,842

**NORTH EAST SOMERSET & BATH METHODIST
CIRCUIT**

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
Unrestricted funds				
General Fund	152,024	(95,797)	34,827	91,054
Circuit Model Trust Fund	74,930	(125,333)	424,706	374,303
Southdown Church Centre Fund	59,806	21,861	1,000	82,667
Arthur Heal Bequest Fund	27,006	(1,026)	(452)	25,528
John Guy Heal Bequest Fund	72,496	1,887	(1,391)	72,992
Clutton: Sale of Cottage Fund	34,487	224	(22)	34,689
SWCCP Fund	21,783	6,356	(1,000)	27,139
Properties fund	5,734,930	-	(468,705)	5,266,225
Other designated funds	58,018	7,499	12,333	77,850
	6,235,480	(184,329)	1,296	6,052,447
Endowment funds				
Henry Perry Bequest fund	58,877	(433)	(1,189)	57,255
Other endowment funds	9,060	135	(107)	9,088
	67,937	(298)	(1,296)	66,343
TOTAL FUNDS	<u>6,303,417</u>	<u>(184,627)</u>	<u>-</u>	<u>6,118,790</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	470,567	(566,364)	-	(95,797)
Circuit Model Trust Fund	94,999	(220,332)	-	(125,333)
Southdown Church Centre Fund	56,917	(35,056)	-	21,861
Arthur Heal Bequest Fund	258	-	(1,284)	(1,026)
John Guy Heal Bequest Fund	1,371	-	516	1,887
Clutton: Sale of Cottage Fund	224	-	-	224
SWCCP Fund	15,145	(8,789)	-	6,356
Other designated funds	37,005	(29,518)	12	7,499
	676,486	(860,059)	(756)	(184,329)
Endowment funds				
Henry Perry Bequest fund	1,189	-	(1,622)	(433)
Other endowment funds	107	-	28	135
	1,296	-	(1,594)	(298)
TOTAL FUNDS	<u>677,782</u>	<u>(860,059)</u>	<u>(2,350)</u>	<u>(184,627)</u>

21. MOVEMENT IN FUNDS - continued

General Fund

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit and which have not been designated for other purposes.

Circuit Model Trust Fund (designated)

The purpose of this fund is for the use at the discretion of the trustees in the furtherance of general objectives of the Circuit. Its main source of income is legacies and contributions from the sale of manses and church buildings in the Circuit.

Properties fund (designated)

This fund reflects the value properties held by the Circuit. The fund comprises fixed asset properties held as functional assets of the Circuit (held at cost or deemed cost) and investment properties held for their rental income together with buildings transferred to the Circuit for disposal (held at fair value).

Southdown Church Centre (designated)

Southdown Methodist Church Centre is a Christian community offering affordable rooms and communal spaces to community groups and organisations including Horizon Methodist Church and the Community Partnership.

Southdown Whiteway Church and Community Partnership fund (designated)

This fund represents the charitable activity of supporting disadvantaged people and communities in Southdown, Twerton and Whiteway through lunch club, toddler group and support advice.

Sale of Cottage Fund (designated)

The fund represents sale proceeds set aside for general fund purposes.

Arthur Heal and John Guy Heal Bequest Funds (designated)

These funds reflect legacies where there is no restriction.

Henry Perry Bequest Fund and other endowment funds (endowment)

Funds represent legacies where the income is available for general fund purposes.

TRANSFERS BETWEEN FUNDS

During the year a net figure of £7,000 was transferred from the Circuit Model Trust Fund to the General fund being a contribution to the cost of the Bath Student Chaplain.

£73,029 was released from various designated funds to the General fund as the trustees considered it was no longer appropriate to hold such funds as designated.

21. MOVEMENT IN FUNDS - continued

Comparative analysis of net funds between funds, are as follows:

Fund balances as at 31 August 2019	Unrestricted funds £	Restricted funds £	Total funds £
Fixed assets	5,318,219	22,006	5,408,306
Current assets	407,383	44,337	440,255
Current liabilities	(47,458)		(65,013)
Liabilities more than 1 year	(6,000)		(6,000)
Total net assets	<u>6,052,447</u>	<u>66,343</u>	<u>6,118,790</u>

22. EMPLOYEE BENEFIT OBLIGATIONS

Methodist ministers are members of the Methodist Minister's Pension Scheme (MMPS). This is a defined benefit scheme.

Lay employees are contractually employees of the Circuit and belong to a multi-employer defined contribution scheme operated by TPT Retirement (formerly The Pensions Trust).

The Connexion accounts for both pension schemes and shows the figures in the annual accounts of the Methodist Church of Great Britain.

The cost of both schemes attributable to the Circuit for the year ended 31 August 2020 was £52,663 (2019 - £53,190). At the year end, £4,005 (2019 - £3,900) was prepaid in respect of the MMPS and £1,150 (2019 - nil) was payable in respect of the TPT scheme.

23. RELATED PARTY DISCLOSURES

The Circuit employs lay staff involved in both administration and mission work, some of whom are trustees by virtue of their position.

During the year, one employee was also a trustee and a second employee was a close family member of a trustee. They received total remuneration of £14,387 (2019 - £5,925) and other expenses of £213 (2019 - £253)

There were no further related party transactions for the year ended 31 August 2020 nor for the year ended 31 August 2019.

None of the Circuit trustees made donations direct to the Circuit during the year or the preceding year. All of the Circuit trustees are members of one or another church within the Circuit and may be trustees in their churches.

Connected organisations include the Methodist Connexion, Churches within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP. All of these entities have their own trustees or directors and autonomous administration such that the Circuit has no significant influence over any of them, nor they over the Circuit. They are, therefore, not considered related parties.