



**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	523,079	(698,312)	102,594	(72,639)

**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)
	<hr/>	<hr/>	<hr/>
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.