

**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**

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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>
		<hr/>	<hr/>
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>1,054,406</u>	<u>(249,084)</u>	<u>805,322</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	<u>367,440</u>	<u>372,117</u>

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>18,038</u>

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

Governance costs

	2023 Management of the Circuit £	2022 Total activities £
Auditors' remuneration	5,960	5,520
Other non-audit services	<u>12,078</u>	<u>10,177</u>
	<u>18,038</u>	<u>15,697</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>363,628</u>	<u>343,904</u>

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

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