

**THE METHODIST CHURCH, NORWICH CIRCUIT  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

# THE METHODIST CHURCH, NORWICH CIRCUIT

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Charity number</b>	1134358
<b>Principal address</b>	Chapel Field Road NORWICH Norfolk United Kingdom NR2 1SD
<b>Trustees</b>	Listed in trustees report
<b>Secretary</b>	M Callam
<b>Auditor</b>	Argents Audit Services Limited 15 Palace Street NORWICH Norfolk United Kingdom NR3 1RT
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill WEST MALLING Kent United Kingdom ME19 4JQ

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# THE METHODIST CHURCH, NORWICH CIRCUIT

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# THE METHODIST CHURCH, NORWICH CIRCUIT

## TRUSTEES' REPORT

*FOR THE YEAR ENDED 31 AUGUST 2022*

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The trustees present their annual report and financial statements for the year ended 31 August 2022.

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

Revd Andy Burrows (Chair)	Zoe Lam
Martin Callam (Secretary)	Pastor Steven Leung (retired 30.06.22)
John Walters (Treasurer)	Kai-Chiu Liu
Jacky Baker	Pauline Mann
Michael Barnham (retired 16.01.22)	John Manson (retired 31.08.22)
John Brittain	Helen Martin
Geoffrey Brown	Jean Matthews
Caroline Carey	Linda Morgan
Connie Chan	Helen Nichols (retired 19.04.22)
Penny Clayden	Margo North (retired 08.06.22)
Dennis Coleman (retired 19.04.22)	Olu Ogunnowo (appointed 19.01.22)
Elizabeth Cook	Revd Matthew Olanrewaju
Revd Mary Cousins	Stephen Osborn
Jan Cozens	Susan Pamplin
Revd Stephen Cullis	Kevin Parfitt
Violet Dack (retired 16.01.22)	Vivienne Pease
Zing Eagling	Kim Pike
Elsie Edwards (retired 15.05.22)	Jennifer Poltock
Susan Eldridge	Revd Mary Sachikonye
Revd Mark Elvin	Ian Scales
Christopher Emms	Peter Sergeant
Janet Evans-Jones (appointed 16.09.21)	Elizabeth Sidebottom
David Everitt	Sally Simpson
Peter Farrow (retired 8.5.22)	Susan Skinner
Kim Fletcher (retired 8.6.22)	Margaret Snelling
Michael Garratt	Joy Southam
Michael Gibbs	Eric Steward
Michael Green	Linda Sutton
Christine Greenhalgh	Godfrey Talford (retired 15.05.22)
Jonathan Hall (retired 19.04.22)	Liz Thetford
Hilary Harding	Trevor Tolliday (retired 31.08.22)
Robert Hendry	Norma Virgoe
Kit Holland (retired 31.08.22)	Revd Dr Alan Wakeman
David Hood	Kathleen Ward (retired 15.05.22)
Marilyn Hood	Jenny Wenn (retired 17.09.21)
Martin Horth	Richard West (appointed 20.04.22)
Roger Hull	Chris Wilson-Town (retired 20.07.22)
John Johnson	Pastor Sean Worsley (retired 31.08.22)
Josephine Johnson	Graham Wrenn
Min Kennison	

# THE METHODIST CHURCH, NORWICH CIRCUIT

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

The Circuit acts as a custodian of the properties, other than the Church buildings, owned by the Church within its area, collects contributions from each of the individual Churches within its area and arranges the payment of stipends to the Ministers of the Circuit, and salaries to lay employees. Its investment policies are those authorised by the Standing Orders of the Methodist Conference.

The Methodist Conference stations Ministers annually in the Circuit and the Circuit undertakes to pay to the central Stipends Office the relevant costs which are set nationally. Lay employees are on contracts that have been approved by the District Lay Employment Committee in line with the Methodist connexional guidelines and policies.

#### **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.

#### **Significant activities**

The Circuit acts as managing trustees of the church premises in Long Stratton, Spixworth, Attleborough and Forncett St Peter pending decisions being made regarding the future of the buildings.

#### **Achievements and performance**

The Circuit continued its support of Methodist Churches within its area and received donations and grants towards its ongoing duties.

The Circuit continues to evaluate the use and necessity of the various properties under its auspices, with the goal to make the best use of each.

Opportunities have been taken to appoint new ministers and make use of pastors and other lay workers to provide enhanced pastoral capacity for churches in the Circuit.

#### **Financial review**

During the year the Circuit received total income of £946,258, this included the Assessment income and donations of £441,487 that are the normal main make up of income together with £469,000 which represented the value of the closed church properties transfer to the circuit this year. The expenditure for the year amounted to £513,747. The major cost of the Circuit was to pay stipends and salaries and the assessment to East Anglia District, together with a grant of £26,850 to the Ministers' Pension Fund. There was an overall net incoming resources for the year of £432,503.

# THE METHODIST CHURCH, NORWICH CIRCUIT

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Reserve policy**

The Policy relates to the general unrestricted funds that are freely available to be used for any or all of the purposes of the Circuit.

Under Standing Orders the Circuit must meet its financial obligations in relation to the support of its ministers and the maintenance of its manses. To meet this obligation, it is our policy to hold in the Unrestricted General Fund at least 6 months expenditure of £200,000. In addition we hold £100,000 to cover any additional cost as a result of selling Broadview manse and buying a replacement to house the Pastor of Bowthorpe Road Methodist Church.

Circuit Model Trust Fund (Restricted Fund) derives from the sales of chapels and manses and is restricted by the Conference. This restriction is an internal regulation though and the fund can be used for a variety of purposes. The Charity Commission have agreed that it is appropriate for this fund to be shown in our accounts as unrestricted and for the Trustees to set a policy for the management of this fund.

The policy is to hold £100,000 in Unrestricted General Funds (Central Finance Board and CAF bank) and £200,000 in the Circuit Model Trust Fund (TMCP).

The balances can be varied providing there is always £300,000 in Reserves.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Plans for future periods**

In addition to the ongoing commitment to provide effective resources and support for the members, the community and local churches within the Circuit, the Trustees are committed to;

- 1) Furthering the redevelopment and successful relationship with the Bowthorpe Road Methodist Church.
- 2) Providing the active involvement of new ministers and Pastors in the growth of the local church community.
- 3) The continuing development and redevelopment of Manses and Churches within the Circuit's control.
- 4) Providing for the enhanced pastoral support where required.

### **Structure, governance and management**

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

### **Recruitment and appointment of Trustees**

The Charity Trustees are appointed to the roles for a designated period, by the Representative Session of the Norwich Circuit Meeting. The Meeting Chair and Secretary offer training to new Trustees on appointment in the form of personal induction.

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

M Callam

**Trustee**

29 March 2023

# **THE METHODIST CHURCH, NORWICH CIRCUIT**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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.

# THE METHODIST CHURCH, NORWICH CIRCUIT

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE METHODIST CHURCH, NORWICH CIRCUIT

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#### Opinion

We have audited the financial statements of The Methodist Church, Norwich Circuit (the 'charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 *Auditor's 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.



# THE METHODIST CHURCH, NORWICH CIRCUIT

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE METHODIST CHURCH, NORWICH CIRCUIT

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#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor 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 an auditor's report 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.

#### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- enquiring of management, including obtaining and reviewing supporting documentation concerning the company's policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team and involving relevant internal specialists, including tax, valuations, pensions and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud; and
- obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the companies. The key laws and regulations we considered in this context included the Charities Act 2011 and laws specifically applicable to sector in which the company operates.

#### **Audit response to risks identified**

Our procedures to respond to risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal controls/systems notes and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Assessing compliance with relevant laws and regulations, including Equality Act 2010, Employers' Liability Act 1969 and Health & Safety at Work Act 1974, to which we found no material shortfalls or had any concerns.
- Assessing compliance requirements set out by The Trustees for Methodist Church Purposes, to which we found no material shortfalls or had any concerns.

# THE METHODIST CHURCH, NORWICH CIRCUIT

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE METHODIST CHURCH, NORWICH CIRCUIT

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Other matters

The financial statements for the prior period were not audited.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

#### 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 auditor's 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.



**Mark Johnstone (Senior Statutory Auditor)**  
**for and on behalf of Argents Audit Services Limited**

29 March 2023

**Chartered Accountants**  
**Statutory Auditor**

15 Palace Street  
NORWICH  
Norfolk  
United Kingdom  
NR3 1RT

Argents Audit Services Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# THE METHODIST CHURCH, NORWICH CIRCUIT

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Notes							
<b>Income and endowments from:</b>							
Donations and legacies	2	437,057	4,430	441,487	392,392	5,359	397,751
Investments	3	14,418	90	14,508	18,862	37	18,899
Closed churches transferred to circuit		469,000	-	469,000	-	-	-
Other income	4	21,263	-	21,263	11,063	-	11,063
<b>Total income</b>		<b>941,738</b>	<b>4,520</b>	<b>946,258</b>	<b>422,317</b>	<b>5,396</b>	<b>427,713</b>
<b>Expenditure on:</b>							
Charitable activities	5	501,780	11,967	513,747	438,316	4,049	442,365
Net gains/(losses) on investments	10	(8)	-	(8)	19	-	19
Gross transfers between funds		-	-	-	(785)	785	-
<b>Net incoming/(outgoing) resources</b>		<b>439,950</b>	<b>(7,447)</b>	<b>432,503</b>	<b>(16,765)</b>	<b>2,132</b>	<b>(14,633)</b>
<b>Other recognised gains and losses</b>							
Revaluation of tangible fixed assets		150,000	-	150,000	-	-	-
<b>Net movement in funds</b>		<b>589,950</b>	<b>(7,447)</b>	<b>582,503</b>	<b>(16,765)</b>	<b>2,132</b>	<b>(14,633)</b>
Fund balances at 1 September 2021		2,945,955	28,152	2,974,107	2,962,720	26,020	2,988,740
<b>Fund balances at 31 August 2022</b>		<b>3,535,905</b>	<b>20,705</b>	<b>3,556,610</b>	<b>2,945,955</b>	<b>28,152</b>	<b>2,974,107</b>

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

All income and expenditure derive from continuing activities.

# THE METHODIST CHURCH, NORWICH CIRCUIT

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	11	2,520,000		2,370,000	
Investment properties	12	469,000		-	
		2,989,000		2,370,000	
<b>Current assets</b>					
Debtors	13	13,541		12,864	
Investments	14	224,532		261,544	
Cash at bank and in hand		432,302		437,781	
		670,375		712,189	
<b>Creditors: amounts falling due within one year</b>	15	(102,765)		(108,082)	
Net current assets			567,610		604,107
<b>Total assets less current liabilities</b>			3,556,610		2,974,107
<b>Income funds</b>					
Restricted funds	17	20,705		28,152	
<u>Unrestricted funds</u>					
General unrestricted funds		3,345,905		2,905,955	
Revaluation reserve		190,000		40,000	
			3,535,905		2,945,955
			3,556,610		2,974,107

The financial statements were approved by the Trustees on 29 March 2023

Mr J Walters  
Trustee

Revd A Burrows  
Trustee

# THE METHODIST CHURCH, NORWICH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

##### Charity information

The Methodist Church, Norwich Circuit is a unincorporated charity.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

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

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# THE METHODIST CHURCH, NORWICH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

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

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

#### 1.6 Tangible fixed assets

The Circuit acts as managing trustee to a number of Manse properties in the Norwich area, purchased at various times over the past 50 years. They are incorporated at the Trustees' valuation, which does not exceed current market value. The valuation is reviewed annually, and any reduction in market value would be reflected in the accounts.

Freehold land and buildings 0%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

[Property rented to a group entity is accounted for as tangible fixed assets.]

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 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 in the charity's balance sheet 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.

# THE METHODIST CHURCH, NORWICH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

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

### 2 Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	437,057	4,430	441,487	392,392	5,359	397,751

# THE METHODIST CHURCH, NORWICH CIRCUIT

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

### 2 Donations and legacies

(Continued)

#### Donations and gifts

Assessments	437,057	-	437,057	392,392	-	392,392
Mission Contribution	-	2,200	2,200	-	3,094	3,094
Funds to support Presbyters and Deacons	-	1,135	1,135	-	1,165	1,165
Connection Property	-	1,095	1,095	-	1,050	1,050
Other	-	-	-	-	50	50
	<u>437,057</u>	<u>4,430</u>	<u>441,487</u>	<u>392,392</u>	<u>5,359</u>	<u>397,751</u>

### 3 Investments

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Rental income	12,200	-	12,200	17,400	-	17,400
Dividend income	3	-	3	2	-	2
Interest receivable	2,215	90	2,305	1,460	37	1,497
	<u>14,418</u>	<u>90</u>	<u>14,508</u>	<u>18,862</u>	<u>37</u>	<u>18,899</u>

### 4 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from closed churches	9,017	-
Heartsease	3,019	2,943
Sprowston Road	1,508	1,464
Spixworth	412	958
Horsford	-	81
Wymondham Networker	5,264	3,988
Rosebery Road	-	65
Miscellaneous income	2,043	1,564
	<u>21,263</u>	<u>11,063</u>



# THE METHODIST CHURCH, NORWICH CIRCUIT

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

### 5 Charitable activities

	Assessment and ministerial activities 2022 £	Collection and Grant funding activities 2022 £	Total 2022 £	Assessment and ministerial activities 2021 £	Collection and Grant funding activities 2021 £	Total 2021 £
Property costs	74,787	-	74,787	51,988	-	51,988
District Assessments	85,653	-	85,653	84,014	-	84,014
Minister travel fund and local preacher expenses	5,577	-	5,577	9,143	-	9,143
Pulpit supplies	2,816	-	2,816	3,105	-	3,105
Quinquennial surveys	816	-	816	2,832	-	2,832
Expenses, training and sundries	11,479	-	11,479	5,064	-	5,064
	<u>181,128</u>	<u>-</u>	<u>181,128</u>	<u>156,146</u>	<u>-</u>	<u>156,146</u>
Grant funding of activities (see note 6)	20,347	2,230	22,577	-	4,049	4,049
Share of support costs (see note 7)	265,411	-	265,411	258,928	-	258,928
Share of governance costs (see note 7)	44,631	-	44,631	23,242	-	23,242
	<u>511,517</u>	<u>2,230</u>	<u>513,747</u>	<u>438,316</u>	<u>4,049</u>	<u>442,365</u>
<b>Analysis by fund</b>						
Unrestricted funds	501,780	-	501,780	438,316	-	438,316
Restricted funds	9,737	2,230	11,967	-	4,049	4,049
	<u>511,517</u>	<u>2,230</u>	<u>513,747</u>	<u>438,316</u>	<u>4,049</u>	<u>442,365</u>

# THE METHODIST CHURCH, NORWICH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 6 Grants payable

	Assessment and ministerial activities 2022	Collection and Grant funding activities 2022	Total 2022	Assessment and ministerial activities 2021	Collection and Grant funding activities 2021	Total 2021
	£	£	£	£	£	£
Mission contributions	9,132	-	9,132	-	1,534	1,534
Benevolent contributions	605	-	605	-	300	300
Connexional support for Presbyter and Deacons	-	1,135	1,135	-	1,165	1,165
Connexional support for Property	-	1,095	1,095	-	1,050	1,050
Property grants to Churches	10,610	-	10,610	-	-	-
	<u>20,347</u>	<u>2,230</u>	<u>22,577</u>	<u>-</u>	<u>4,049</u>	<u>4,049</u>

### 7 Support costs

	Support costs 2022	Governance costs 2022	Support costs 2021	Governance costs 2021
	£	£	£	£
Staff costs	265,411	-	257,766	-
Administration costs	-	-	1,162	-
Audit fees	-	6,220	-	2,300
TMCP administration	-	744	-	771
District levy	-	10,817	-	20,171
Ministers pension deficit	-	26,850	-	-
	<u>265,411</u>	<u>44,631</u>	<u>258,928</u>	<u>23,242</u>
Analysed between Charitable activities	<u>265,411</u>	<u>44,631</u>	<u>258,928</u>	<u>23,242</u>

### 8 Trustees

Included within staff costs was trustees remuneration for the year of £205,728

The membership of the Circuit comprises Ministers, Deacons, Circuit Stewards, Lay workers and others either elected by their Church or holding an office within the Circuit. All are eligible to receive reasonable expenses incurred in the course of their activities. Identifying the number of people who incurred such expenses would be unnecessarily time consuming.

Expenses paid to trustees in the year totalled £11,720 (2021 £9,143)

**THE METHODIST CHURCH, NORWICH CIRCUIT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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**9 Employees**

The average monthly number of employees during the year was:

	<b>2022 Number</b>	<b>2021 Number</b>
	8	9
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	205,691	200,375
Social security costs	21,469	18,398
Other pension costs	38,251	38,993
	<u>          </u>	<u>          </u>
	265,411	257,766
	<u>          </u>	<u>          </u>

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

**10 Net gains/(losses) on investments**

	<b>Unrestricted funds 2022 £</b>	<b>Unrestricted funds 2021 £</b>
Gain/(loss) on sale of investments	(8)	19
	<u>          </u>	<u>          </u>

**11 Tangible fixed assets**

	<b>Freehold land and buildings £</b>
<b>Cost</b>	
At 1 September 2021	2,370,000
Revaluation	150,000
	<u>          </u>
At 31 August 2022	2,520,000
	<u>          </u>
<b>Carrying amount</b>	
At 31 August 2022	2,520,000
	<u>          </u>
At 31 August 2021	2,370,000
	<u>          </u>

# THE METHODIST CHURCH, NORWICH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 12 Investment property

2022

£

##### Fair value

At 1 September 2021

-

Additions through external acquisition

469,000

At 31 August 2022

469,000

Investment property comprises of 4 Churches in Norfolk. These Churches (situated in Attleborough, Fornsett, Long Stratton and Spixworth) were transferred into the ownership of The Methodist Church, Norwich Circuit this year following the individual churches closures.

The fair value of these investment properties has been arrived at on the basis of a valuation carried out at 31 August 2022 by the Trustees of £645,000, less the levy percentage to be taken by the Connexional Priority Fund (CPF) and associated selling costs – being £156,000 and £20,000 respectively.

The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties, with assistance from Arnolds Keys, Chartered Surveyors.

#### 13 Debtors

2022

£

2021

£

##### Amounts falling due within one year:

Other debtors

12,589

11,994

Prepayments and accrued income

952

870

13,541

12,864

#### 14 Current asset investments

2022

£

2021

£

TMCP investment funds

224,532

261,544

#### 15 Creditors: amounts falling due within one year

2022

£

2021

£

Other creditors

94,667

104,230

Accruals and deferred income

8,098

3,852

102,765

108,082

# THE METHODIST CHURCH, NORWICH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

***FOR THE YEAR ENDED 31 AUGUST 2022***

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### **16 Retirement benefit schemes**

#### **Defined contribution schemes**

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

The charge to profit or loss in respect of defined contribution schemes was £27,886 (2021 - £27,491).

# THE METHODIST CHURCH, NORWICH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Balance at 1 September 2021	Incoming resources	Resources expended	Balance at 31 August 2022
	£	£	£	£	£	£	£	£
Circuit Mission Fund	24,907	3,131	(1,534)	-	26,504	2,290	(9,132)	19,662
Benevolent Fund	465	50	(300)	785	1,000	-	(605)	395
Connexional Fund	-	2,215	(2,215)	-	-	2,230	(2,230)	-
Jessops and Gift Fund	648	-	-	-	648	-	-	648
	<u>26,020</u>	<u>5,396</u>	<u>(4,049)</u>	<u>785</u>	<u>28,152</u>	<u>4,520</u>	<u>(11,967)</u>	<u>20,705</u>

# THE METHODIST CHURCH, NORWICH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Unrestricted funds

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds					Movement in funds				
	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 September 2021	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 31 August 2022
	£	£	£	£	£	£	£	£	£	£
General Fund	2,537,075	421,091	(312,374)	(752)	19	2,645,059	940,645	(463,360)	(8)	3,122,336
Circuit Advance Model Trust Fund	385,645	1,226	(125,942)	(33)	-	260,896	1,093	(38,420)	-	223,569
Revaluation Reserve	40,000	-	-	-	-	40,000	150,000	-	-	190,000
	<u>2,962,720</u>	<u>422,317</u>	<u>(438,316)</u>	<u>(785)</u>	<u>19</u>	<u>2,945,955</u>	<u>1,091,738</u>	<u>(501,780)</u>	<u>(8)</u>	<u>3,535,905</u>

# THE METHODIST CHURCH, NORWICH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	2,520,000	-	2,520,000	2,370,000	-	2,370,000
Investment properties	469,000	-	469,000	-	-	-
Current assets/(liabilities)	546,905	20,705	567,610	575,955	28,152	604,107
	<u>3,535,905</u>	<u>20,705</u>	<u>3,556,610</u>	<u>2,945,955</u>	<u>28,152</u>	<u>2,974,107</u>

#### Fund Purpose:

**Connexional Fund** - Funds are collected from church each year and forwarded by the circuit.

**Benevolent Fund** - This fund is to assist those in need as directed by the circuit meeting.

**Circuit Mission Fund** - Voluntary contributions made by Circuit churches and transfers made by the General funds for the mission of the church.

**Model Trust Fund** - Funds arising from the sales of local Churches and Circuit property.

**General Fund** - Derives its income from assessments levied on the Churches and uses it to meet the costs of employing presbyters, deacons and lay workers, administration costs and District Connexional Assessments.

### 20 Related party transactions

There were no disclosable related party transactions during the year with the exception of trustees remuneration disclosed in the trustees note(2021 - none).