

**THE METHODIST CHURCH, NORWICH CIRCUIT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

THE METHODIST CHURCH, NORWICH CIRCUIT

LEGAL AND ADMINISTRATIVE INFORMATION

Charity number	1134358
Principal address	Chapel Field Road NORWICH Norfolk United Kingdom NR2 1SD
Trustees	Listed in trustees report
Secretary	M Callam
Auditor	Argents Audit Services Limited 15 Palace Street NORWICH Norfolk United Kingdom NR3 1RT
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill WEST MALLING Kent United Kingdom ME19 4JQ Central Finance Board 9 Bonhill Street London EC2A 4PE

THE METHODIST CHURCH, NORWICH CIRCUIT

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THE METHODIST CHURCH, NORWICH CIRCUIT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

Revd Andy Burrows (Chair)	Pastor Stephen Lau (appointed 01.09.22)
Martin Callam (Secretary)	Kai-Chiu Liu
John Walters (Treasurer)	Pauline Mann
Jacky Baker	Helen Martin (resigned 18.09.22)
Carol Bedford (appointed 19.06.23)	Jean Matthews (resigned 18.09.22)
John Brittain (resigned 31.08.23)	Linda Morgan
Geoffrey Brown	Martin Nisbett (appointed 29.06.23)
Jayne Burdett (appointed 19.09.22)	Olu Ogunnowo
Caroline Carey (resigned 13.01.23)	Revd Matthew Olanrewaju
Connie Chan (resigned 18.09.22)	Stephen Osborn
Penny Clayden (resigned 25.10.22)	Susan Pamplin
Darren Cogman (appointed 01.01.23)	Jean Parker (appointed 19.09.22)
Elizabeth Cook	Kevin Parfitt
Revd Mary Cousins	Vivienne Pease
Jan Cozens (resigned 13.01.23)	Kim Pike
Revd Stephen Cullis	Jennifer Poltock
Violet Dack (retired 16.01.22)	Judith Read (appointed 14.06.23)
Zing Eagling	Revd Mary Sachikonye
Susan Eldridge	Ian Scales
Revd Mark Elvin	Peter Sergeant
Christopher Emms	Elizabeth Sidebottom
Janet Evans-Jones (resigned 08.01.23)	Sally Simpson
David Everitt (resigned 18.09.22)	Susan Skinner
Michael Garratt (resigned 20.04.23)	Valarie Smith (appointed 21.06.23)
Michael Gibbs (resigned 18.06.23)	Margaret Snelling
Michael Green	Joy Southam
Christine Greenhalgh	Eric Steward
Hilary Harding (resigned 18.09.23)	Linda Sutton (resigned 01.03.23)
Robert Hendry	Livian Tan (appointed 19.09.22)
David Hood	Liz Thetford
Marilyn Hood	Elizabeth Traverse (appointed 21.10.22 – resigned 12.03.23)
Martin Horth (resigned 14.06.23)	Norma Virgoe
Roger Hull (resigned 11.03.23)	Revd Dr Alan Wakeman
John Johnson	Richard West
Josephine Johnson	Rev. Sharon Willimott
Min Kennison	Graham Wrenn
Zoe Lam (resigned 18.09.22)	

THE METHODIST CHURCH, NORWICH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

Objectives and activities

The 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 Fornsett St Peter and Heartseases Lane 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 provide enhanced pastoral capacity for churches in the circuit with a demonstrated opportunity for growth.

Financial review

During the year the Circuit received total income of £866,708, mainly made up from Assessment income and donations (including closed churches transferred to the Circuit). The expenditure for the year amounted to £706,812.

In addition a manse was sold in the year from which the net proceeds amounted to £256,802, and a gain of £58,003 was made and included within other income.

The major cost of the Circuit was the payment of the stipends and salaries and the assessment to East Anglia District. There was an overall surplus for the year of £97,096.

THE METHODIST CHURCH, NORWICH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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, the maintenance of its manses and support to churches for the medium term of the upkeep of churches. To meet these obligation, it is our policy to hold in the Unrestricted General Fund (CAF & CFB) together with TMCP Model Trust fund, at least 6 months expenditure say £200,000.

The Charity Commission have agreed that the TMCP Model Trust fund be shown in the accounts as unrestricted and for the Trustees to set a policy for the management of this fund.

During the year Broadview manse was sold (net amount received £257,000) and we wish to keep this additional amount in Reserves pending the purchase of a replacement manse.

This will increase our agreed reserves to £457,000

The policy is to hold £200,000 in Unrestricted General Funds (CAF & CFB) and £257,000 in the Circuit Model Trust.

The balances can be varied on the basis that there is always £457,000 in the 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 February 2024

THE METHODIST CHURCH, NORWICH CIRCUIT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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

Opinion

We have audited the financial statements of The Methodist Church, Norwich Circuit (the 'charity') for the year ended 31 August 2023 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 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; 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

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 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

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

5 March 2024

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 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	2	386,458	4,490	390,948	437,057	4,430	441,487
Investments	3	19,561	733	20,294	14,418	90	14,508
Closed churches transferred to circuit		421,928	-	421,928	469,000	-	469,000
Other income	4	151,666	-	151,666	21,263	-	21,263
Total income		979,613	5,223	984,836	941,738	4,520	946,258
<u>Expenditure on:</u>							
Charitable activities	5	702,667	4,145	706,812	501,780	11,967	513,747
Net gains/(losses) on investments	10	60,200	-	60,200	(8)	-	(8)
Net incoming resources before transfers		337,146	1,078	338,224	439,950	(7,447)	432,503
Gross transfers between funds		(305)	305	-	-	-	-
Net incoming resources		336,841	1,383	338,224	439,950	(7,447)	432,503
<u>Other recognised gains and losses</u>							
Revaluation of tangible fixed assets		(55,000)	-	(55,000)	150,000	-	150,000
Net movement in funds		281,841	1,383	283,224	589,950	(7,447)	582,503
Fund balances at 1 September 2022		3,535,905	20,705	3,556,610	2,945,955	28,152	2,974,107
Fund balances at 31 August 2023		3,817,746	22,088	3,839,834	3,535,905	20,705	3,556,610

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

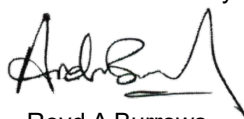
AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12	2,135,000		2,520,000	
Investment property	13	951,128		469,000	
			3,086,128		2,989,000
Current assets					
Debtors	14	17,768		13,541	
Investments	15	374,324		224,532	
Cash at bank and in hand		501,823		432,302	
			893,915		670,375
Creditors: amounts falling due within one year	16	(140,209)		(102,765)	
Net current assets			753,706		567,610
Total assets less current liabilities			3,839,834		3,556,610
Income funds					
Restricted funds	18	22,088		20,705	
<u>Unrestricted funds</u>					
General unrestricted funds		3,682,746		3,345,905	
Revaluation reserve		135,000		190,000	
			3,817,746		3,535,905
			3,839,834		3,556,610

The financial statements were approved by the Trustees on 29 February 2024



Mr J Walters
Trustee



Revd A Burrows
Trustee

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

1.6 Tangible fixed assets

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.

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 2023

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.

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	386,458	4,490	390,948	437,057	4,430	441,487
Donations and gifts						
Assessments	386,458	-	386,458	437,057	-	437,057
Mission Contribution	-	2,459	2,459	-	2,200	2,200
Funds to support Presbyters and Deacons	-	745	745	-	1,135	1,135
Connection Property	-	600	600	-	1,095	1,095
Benevolent contributions	-	686	686	-	-	-
	386,458	4,490	390,948	437,057	4,430	441,487

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Rental income	-	-	-	12,200	-	12,200
Dividend income	-	-	-	3	-	3
Interest receivable	19,561	733	20,294	2,215	90	2,305
	<u>19,561</u>	<u>733</u>	<u>20,294</u>	<u>14,418</u>	<u>90</u>	<u>14,508</u>

THE METHODIST CHURCH, NORWICH CIRCUIT

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

4 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	58,003	-
Income from closed churches	48,878	9,017
Heartsease	2,820	3,019
Sprowston Road	7,030	1,508
Spixworth	-	412
Wymondham Networker	5,918	5,264
Chapelfield Road	15,124	-
Circuit Laity	12,000	-
Miscellaneous income	1,893	2,043
	<hr/>	<hr/>
	151,666	21,263
	<hr/>	<hr/>

THE METHODIST CHURCH, NORWICH CIRCUIT

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

5 Charitable activities

	Assessment and ministerial activities 2023 £	Collection and Grant funding activities 2023 £	Total 2023 £	Assessment and ministerial activities 2022 £	Collection and Grant funding activities 2022 £	Total 2022 £
Property costs	245,896	-	245,896	74,787	-	74,787
District Assessments	86,669	-	86,669	85,653	-	85,653
Minister travel fund and local preacher expenses	1,508	-	1,508	5,577	-	5,577
Pulpit supplies	2,565	-	2,565	2,816	-	2,816
Quinquennial surveys	2,218	-	2,218	816	-	816
Expenses, training and sundries	11,780	-	11,780	11,479	-	11,479
	<u>350,636</u>	<u>-</u>	<u>350,636</u>	<u>181,128</u>	<u>-</u>	<u>181,128</u>
Grant funding of activities (see note 6)	13,384	1,345	14,729	20,347	2,230	22,577
Share of support costs (see note 7)	326,371	-	326,371	265,411	-	265,411
Share of governance costs (see note 7)	15,076	-	15,076	44,631	-	44,631
	<u>705,467</u>	<u>1,345</u>	<u>706,812</u>	<u>511,517</u>	<u>2,230</u>	<u>513,747</u>
Analysis by fund						
Unrestricted funds	702,667	-	702,667	501,780	-	501,780
Restricted funds	2,800	1,345	4,145	9,737	2,230	11,967
	<u>705,467</u>	<u>1,345</u>	<u>706,812</u>	<u>511,517</u>	<u>2,230</u>	<u>513,747</u>

THE METHODIST CHURCH, NORWICH CIRCUIT

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

6 Grants payable

	Assessment and ministerial activities 2023 £	Collection and Grant funding activities 2023 £	Total 2023 £	Assessment and ministerial activities 2022 £	Collection and Grant funding activities 2022 £	Total 2022 £
Grants to institutions:						
Mission contributions	2,700	-	2,700	9,132	-	9,132
Benevolent contributions	100	-	100	605	-	605
Connexional support for Presbyter and Deacons	-	745	745	-	1,135	1,135
Connexional support for Property	-	600	600	-	1,095	1,095
Property grants to Churches	10,584	-	10,584	10,610	-	10,610
	<u>13,384</u>	<u>1,345</u>	<u>14,729</u>	<u>20,347</u>	<u>2,230</u>	<u>22,577</u>

-

7 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	326,371	-	326,371	265,411	-	265,411
Audit fees	-	5,760	5,760	-	6,220	6,220
TMCP administration	-	637	637	-	744	744
District levy	-	8,679	8,679	-	10,817	10,817
Ministers pension deficit	-	-	-	-	26,850	26,850
	<u>326,371</u>	<u>15,076</u>	<u>341,447</u>	<u>265,411</u>	<u>44,631</u>	<u>310,042</u>
Analysed between Charitable activities	<u>326,371</u>	<u>15,076</u>	<u>341,447</u>	<u>265,411</u>	<u>44,631</u>	<u>310,042</u>

8 Trustees

Included within staff costs was trustees remuneration for the year of £212,584 (2022: £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 £10,566 (2022: £11,720)

THE METHODIST CHURCH, NORWICH CIRCUIT

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

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Employees	8	8
Ministers	4	4
	<hr/>	<hr/>
Total	12	12
	<hr/>	<hr/>

Employment costs

	2023 £	2022 £
Wages and salaries	226,531	205,691
Social security costs	59,884	21,469
Other pension costs	39,956	38,251
	<hr/>	<hr/>
	326,371	265,411
	<hr/>	<hr/>

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

10 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gain/(loss) on sale of investments	-	(8)
Revaluation of investment properties	60,200	-
	<hr/>	<hr/>
	60,200	(8)
	<hr/>	<hr/>

11 Taxation

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

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 September 2022	2,520,000
Disposals	(385,000)
	<hr/>
At 31 August 2023	2,135,000
	<hr/>
Carrying amount	
At 31 August 2023	2,135,000
	<hr/>
At 31 August 2022	2,520,000
	<hr/>

13 Investment property

	2023 £
Fair value	
At 1 September 2022	469,000
Additions through external acquisition	421,928
Net gains or losses through fair value adjustments	60,200
	<hr/>
At 31 August 2023	951,128
	<hr/>

Investment property comprises of 6 Churches in Norfolk. These Churches (situated in Attleborough, Fornsett, Long Stratton, Spixworth, Heartsease and Horsford) 4 were transferred into the ownership of The Methodist Church, Norwich Circuit last year and 2 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 by the Trustees of £1,402,000, less the levy percentage to be taken by the Connexional Priority Fund (CPF) and associated selling costs – being £394,086 and £56,786 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.

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	16,839	12,589
Prepayments and accrued income	929	952
	<hr/>	<hr/>
	17,768	13,541
	<hr/>	<hr/>

THE METHODIST CHURCH, NORWICH CIRCUIT

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

15 Current asset investments

	2023 £	2022 £
TMCP investment funds	374,324	224,532

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	43,581	-
Other creditors	90,047	94,667
Accruals and deferred income	6,581	8,098
	140,209	102,765

17 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £29,815 (2022 - £27,886).

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 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 2021	Incoming resources	Resources expended	Balance at 1 September 2022	Incoming resources	Resources expended	Transfers	Balance at 31 August 2023
	£	£	£	£	£	£	£	£
Circuit Mission Fund	26,504	2,290	(9,132)	19,662	3,192	(2,700)	-	20,154
Benevolent Fund	1,000	-	(605)	395	686	(100)	-	981
Connexional Fund	-	2,230	(2,230)	-	1,345	(1,345)	-	-
Gift Fund	648	-	-	648	-	-	305	953
	<u>28,152</u>	<u>4,520</u>	<u>(11,967)</u>	<u>20,705</u>	<u>5,223</u>	<u>(4,145)</u>	<u>305</u>	<u>22,088</u>

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 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 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 September 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 August 2023
	£	£	£	£	£	£	£	£	£	£	£
General Fund	2,645,059	940,645	(463,360)	-	(8)	3,122,336	971,011	(587,062)	256,497	60,200	3,822,982
Circuit Advance Model Trust Fund	260,896	1,093	(38,420)	-	-	223,569	8,602	(115,605)	(256,802)	-	(140,236)
Revaluation Reserve	40,000	150,000	-	-	-	190,000	-	-	-	(55,000)	135,000
	<u>2,945,955</u>	<u>1,091,738</u>	<u>(501,780)</u>	<u>-</u>	<u>(8)</u>	<u>3,535,905</u>	<u>979,613</u>	<u>(702,667)</u>	<u>(305)</u>	<u>5,200</u>	<u>3,817,746</u>

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 August 2023 are represented by:						
Tangible assets	2,135,000	-	2,135,000	2,520,000	-	2,520,000
Investment properties	951,128	-	951,128	469,000	-	469,000
Current assets/(liabilities)	731,618	22,088	753,706	546,905	20,705	567,610
	<u>3,817,746</u>	<u>22,088</u>	<u>3,839,834</u>	<u>3,535,905</u>	<u>20,705</u>	<u>3,556,610</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.

21 Related party transactions

There were no disclosable related party transactions during the year with the exception of trustees remuneration disclosed in the trustees note(2022 - none).