

**THE METHODIST CHURCH, NORWICH CIRCUIT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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 25 Tavistock Place London WC1H 9SF

THE METHODIST CHURCH, NORWICH CIRCUIT

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THE METHODIST CHURCH, NORWICH CIRCUIT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their annual report and financial statements for the year ended 31 August 2024.

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

Revd Andy Burrows (Chair)	John Morgan (appointed 04.02.25)
Martin Callam (Secretary)	Linda Morgan
John Walters (Treasurer) (died 02.05.24)	Revd. Helen Nice (appointed 22.11.23)
Graham Thompson (Treasurer) (appointed 10.07.24)	Martin Nisbett
Jacky Baker	Olu Ogunnowo
Carol Bedford (resigned 01.09.2023)	Revd Matthew Olanrewaju
Geoffrey Brown	Stephen Osborn
Jayne Burdett (resigned 30.08.2024)	Susan Pamplin
Tina Chan (appointed 04.02.2025)	Jean Parker
Darren Cogman	Susan Parker (appointed 05.09.23)
Elizabeth Cook	Kevin Parfitt
Revd Mary Cousins	Vivienne Pease
Margaret Culley (appointed 14.09.23 - resigned 31.08.24)	Kim Pike
Revd Stephen Cullis	Jennifer Poltock (resigned 31.08.2024)
Zing Eagling	David Read (appointed 01.05.24)
Susan Eldridge	Judith Read
Revd Mark Elvin	Elizabeth Reed-Beadle (appointed 10.07.24)
Christopher Emms	Revd Mary Sachikonye
Ruth Gaskin (appointed 01.09.23)	Ian Scales
Michael Green	Peter Sergeant
Christine Greenhalgh	Elizabeth Sidebottom
Hilary Harding (resigned 18.09.23)	Sally Simpson
Robert Hendry	Susan Skinner
David Hood	Valarie Smith
Marilyn Hood	Margaret Snelling
Keir Hounscome (appointed 24.09.24)	Joy Southam
David Huntington (appointed 22.10.23)	Eric Steward
John Johnson	Livian Tan (resigned 31.08.24)
Josephine Johnson	Liz Thetford
Min Kennison (died 01.12.23)	Norma Virgoe
Ricky Lai (appointed 04.02.25)	Revd Dr Alan Wakeman
Pastor Stephen Lau	Richard West
Kai-Chiu Liu	Rev. Sharon Willimott
Pauline Mann	Eugene Wong (appointed 04.02.25)
Jean Matthews (appointed 24.09.24)	Graham Wrenn

THE METHODIST CHURCH, NORWICH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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.

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.

Significant activities

The Circuit acts as managing trustees of the church premises in Fornsett St Peter pending decisions being made regarding the future of the building.

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.

The Chinese congregation based at Bowthorpe Road continues to grow and the Circuit has agreed additional resources to support this work.

Financial review

During the year the Circuit received total income of £1,845,703, mainly made up from Assessment income and donations (including closed churches transferred to the Circuit). The expenditure for the year amounted to £644,497.

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 net income for the year of £1,275,925, however this includes the large transfer of bequests of closed churches to the circuit, amounting to £1,282,673 of investments. Without this there would have been a small net expenditure or deficit for the year of £6,748

THE METHODIST CHURCH, NORWICH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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 (of the Methodist Church), the Circuit must meet its financial obligations in relation to the support of its ministers, the maintenance of the manses and support churches for the medium term in the upkeep of the premises. To meet these obligations, it is our policy to hold at least 6 months expenditure (say £200,000) in easily accessible funds within the General Fund.

The Charity Commission has agreed that most of the TMCP Model Trust Funds be shown in the accounts as unrestricted and for the Trustees to set a policy for the management of these funds.

During the year, four redundant churches were sold: Attleborough (net amount received £156,161), Heartsease Lane, Norwich (£315,365), Horsford (£106,929) and Long Stratton (£149,695). The net proceeds of the sale of Horsford have been transferred to the new Horsford & Drayton church.

The Circuit is still holding funds for the purchase of a replacement manse which was completed in October 2024

The Circuit has designated a Key Growth Fund from the proceeds of sale of redundant churches and plans to use the funds to pursue a growth agenda.

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 development of Bowthorpe Road Methodist Church
- 2) providing grants for the development of new work that will lead to growth in both the local church and surrounding community.
- 3) the continuing development and redevelopment of manses and churches within the Circuit's control.
- 4) providing for 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

18 June 2025

THE METHODIST CHURCH, NORWICH CIRCUIT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

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 2024 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 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.



Argents Audit Services Limited

19 June 2025

**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

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income and endowments from:								
Donations and legacies	2	383,316	4,310	-	387,626	386,458	4,490	390,948
Investments	3	120,966	11,109	-	132,075	19,561	733	20,294
Other material income	4	100,000	-	1,182,673	1,282,673	421,928	-	421,928
Other income	5	43,329	-	-	43,329	151,666	-	151,666
Total income and endowments		647,611	15,419	1,182,673	1,845,703	979,613	5,223	984,836
Expenditure on:								
Charitable activities	6	523,099	14,470	-	537,569	702,667	4,145	706,812
Closed churches transfed from circuit		106,928	-	-	106,928	-	-	-
Total expenditure		630,027	14,470	-	644,497	702,667	4,145	706,812
Net gains/(losses) on investments	12	74,719	-	-	74,719	60,200	-	60,200
Net income		92,303	949	1,182,673	1,275,925	337,146	1,078	338,224
Transfers between funds		-	-	-	-	(305)	305	-
Other recognised gains and losses:								
Revaluation of tangible fixed assets		-	-	-	-	(55,000)	-	(55,000)
Net movement in funds	9	92,303	949	1,182,673	1,275,925	281,841	1,383	283,224
Reconciliation of funds:								

THE METHODIST CHURCH, NORWICH CIRCUIT

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Notes							
Fund balances at 1 September 2023	3,817,746	22,088	-	3,839,834	3,535,905	20,705	3,556,610
Fund balances at 31 August 2024	<u>3,910,049</u>	<u>23,037</u>	<u>1,182,673</u>	<u>5,115,759</u>	<u>3,817,746</u>	<u>22,088</u>	<u>3,839,834</u>

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 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14	2,135,000		2,135,000	
Investment property	15	297,690		951,128	
			2,432,690		3,086,128
Current assets					
Debtors	16	17,224		17,768	
Investments	17	2,297,124		374,324	
Cash at bank and in hand		513,114		501,823	
			2,827,462		893,915
Creditors: amounts falling due within one year	18	(144,393)		(140,209)	
Net current assets			2,683,069		753,706
Total assets less current liabilities			5,115,759		3,839,834
The funds of the charity					
Endowment funds	20	1,182,673		-	
Restricted income funds	21	23,037		22,088	
Unrestricted funds	22	3,910,049		3,817,746	
			5,115,759		3,839,834

The financial statements were approved by the trustees on 18 June 2025

Mr G Thompson
Trustee

Martin Callam
Trustee

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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 or grantors 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 2024

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.

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 2024

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 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	380,653	4,190	384,843	386,458	4,490	390,948
Legacies	2,663	-	2,663	-	-	-
Other	-	120	120	-	-	-
	<u>383,316</u>	<u>4,310</u>	<u>387,626</u>	<u>386,458</u>	<u>4,490</u>	<u>390,948</u>

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

2 Income from donations and legacies

(Continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts						
Assessments	380,653	-	380,653	386,458	-	386,458
Mission Fund Contributions	-	2,740	2,740	-	2,459	2,459
Funds for the support of Presbyters and Deacons	-	735	735	-	745	745
Connexional Property Fund	-	715	715	-	600	600
Benevolent Fund	-	-	-	-	686	686
	<u>380,653</u>	<u>4,190</u>	<u>384,843</u>	<u>386,458</u>	<u>4,490</u>	<u>390,948</u>

3 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Dividends received	3	-	3	-	-	-
Interest receivable	120,963	11,109	132,072	19,561	733	20,294
	<u>120,966</u>	<u>11,109</u>	<u>132,075</u>	<u>19,561</u>	<u>733</u>	<u>20,294</u>

THE METHODIST CHURCH, NORWICH CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

4
Material other income

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Closed churches transferred to circuit	-	-	-	421,928	-	421,928
Bequests of closed churches transferred to circuit	100,000	1,182,673	1,282,673	-	-	-
	100,000	1,182,673	1,282,673	421,928	-	421,928

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

5 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net gain on disposal of tangible fixed assets	-	58,003
Income from closed churches	8,272	48,878
Employment costs reimbursed by churches	35,000	42,892
Miscellaneous income	57	1,893
	<u>43,329</u>	<u>151,666</u>

6 Expenditure on charitable activities

	Assessment and ministerial activities 2024 £	Collections and Grant funding activities 2024 £	Total 2024 £	Assessment and ministerial activities 2023 £	Collections and Grant funding activities 2023 £	Total 2023 £
Direct costs						
Property costs	94,013	-	94,013	245,896	-	245,896
District Assessments	73,547	-	73,547	77,669	-	77,669
Travel costs	11,843	-	11,843	10,508	-	10,508
Pulpit supplies	1,685	-	1,685	2,565	-	2,565
Quinquennial surveys	3,012	-	3,012	2,218	-	2,218
Expense, training and sundries	6,258	-	6,258	11,780	-	11,780
	<u>190,358</u>	<u>-</u>	<u>190,358</u>	<u>350,636</u>	<u>-</u>	<u>350,636</u>
Grant funding of activities (see note 7)	25,134	1,570	26,704	13,384	1,345	14,729
Share of support and governance costs (see note 8)						
Support	287,995	-	287,995	326,371	-	326,371
Governance	32,512	-	32,512	15,076	-	15,076
	<u>535,999</u>	<u>1,570</u>	<u>537,569</u>	<u>705,467</u>	<u>1,345</u>	<u>706,812</u>
Analysis by fund						
Unrestricted funds	523,099	-	523,099	702,667	-	702,667
Restricted funds	12,900	1,570	14,470	2,800	1,345	4,145
	<u>535,999</u>	<u>1,570</u>	<u>537,569</u>	<u>705,467</u>	<u>1,345</u>	<u>706,812</u>

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7 Grants payable

	Assessment and ministerial activities	Collections and Grant funding activities	Total	Assessment and ministerial activities	Collections and Grant funding activities	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Grants to institutions:						
Mission Fund						
Contributions	2,900	-	2,900	2,700	-	2,700
Benevolent Fund	-	-	-	100	-	100
Fund for the support of Presbyters and Deacons	-	735	735	-	745	745
Connexional Property Fund	-	715	715	-	600	600
Property grants to Churches	12,234	-	12,234	10,584	-	10,584
St Peter's Jessop Road LEP	10,000	-	10,000	-	-	-
Other	-	120	120	-	-	-
	<u>25,134</u>	<u>1,570</u>	<u>26,704</u>	<u>13,384</u>	<u>1,345</u>	<u>14,729</u>

-

8 Support costs allocated to activities

	Assessment and ministerial activities	Total	Total
	2024	2024	2023
	£	£	£
Staff costs	287,995	287,995	326,371
Governance	<u>32,512</u>	<u>32,512</u>	<u>15,076</u>
		2024	2023
		£	£
Governance costs comprise:			
Audit fees		5,760	5,760
Accountancy		1,194	-
Legal and professional		5,241	-
TMCP administration		1,064	637
District levy		19,253	8,679
		<u>32,512</u>	<u>15,076</u>

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

9	Net movement in funds	2024	2023
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	5,760	5,760
	Loss/(profit) on disposal of tangible fixed assets	-	(58,003)
		<u> </u>	<u> </u>

10 Trustees

Included within staff costs was trustees remuneration for the year of £246,823 (2023: £213,584)

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.

Trustee expenses in the year totalled £60,621 however this includes £48,831 of costs in relation to Manse properties in which the Ministers (who are also trustees) are allowed to live rent and cost free but have no say over what is and is not spent. The remaining £11,790 (£10,566 : 2023) is in relation to Trustees travel and administrative expenses.

11 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Employees	9	8
Ministers	5	4
	<u> </u>	<u> </u>
Total	14	12
	<u> </u>	<u> </u>

Employment costs	2024	2023
	£	£
Wages and salaries	289,391	226,531
Social security costs	18,021	59,884
Other pension costs	(19,417)	39,956
	<u> </u>	<u> </u>
	287,995	326,371
	<u> </u>	<u> </u>

Although 9 Lay Worker employees are paid via the The Methodist Church Norwich Circuits payroll account, only 5 are actual employees of the circuit. The additional 4 employees work at churches within the circuit - the Methodist Church Norwich Circuit is not liable for and is reimbursed for any employment costs in relation to these employees.

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

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

12 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Sale of investments	(3,371)	-
Revaluation of investment properties	78,090	60,200
	<u>74,719</u>	<u>60,200</u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Tangible fixed assets

	Freehold land and buildings £
Cost or valuation	
At 1 September 2023	<u>2,135,000</u>
At 31 August 2024	<u>2,135,000</u>
Carrying amount	
At 31 August 2024	<u>2,135,000</u>
At 31 August 2023	<u>2,135,000</u>

Land and buildings with a carrying amount of £2,135,000 were revalued at 31 August 2022 by the Trustees. The Trustees have considered that no depreciation should be provided for land and buildings as the current value is greater than cost and regular upkeep would make any depreciation charge immaterial. The Trustees consider that this valuation is still appropriate as at 31 August 2024.

Due to the passage of time, information in respect of the historic cost of land and buildings is not readily available and the Trustees feel that the benefit in recreating or obtaining such data would be outweighed by the time and effort required.

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

15 Investment property

	2024 £
Fair value	
At 1 September 2023	951,128
Disposals	(731,528)
Net gains or losses through fair value adjustments	78,090
	<hr/>
At 31 August 2024	297,690
	<hr/> <hr/>

Investment property comprises of 2 Churches in Norfolk as at 31 August 2024, this is reduced from 6 held at the beginning of the year as 4 were sold in year . These Churches (remaining 2 situated in Fornsett and Spixworth,) were transferred into the ownership of The Methodist Church, Norwich Circuit, following the individual churches closures in previous years.

The fair value of these investment properties has been arrived at on the basis of a valuation carried out by the Trustees of £300,000, less the levy percentage to be taken by the Connexional Priority Fund (CPF) and associated selling costs – being £66,400 and £14,000 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 in the year ended 31 August 2023. No additional valuation has been carried out in the current year.

16 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	17,131	16,839
Prepayments and accrued income	93	929
	<hr/>	<hr/>
	17,224	17,768
	<hr/> <hr/>	<hr/> <hr/>

17 Current asset investments

	2024 £	2023 £
TMCP investment funds	2,297,124	374,324
	<hr/> <hr/>	<hr/> <hr/>

18 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	43,581	43,581
Other creditors	93,857	90,047
Accruals and deferred income	6,955	6,581
	<hr/>	<hr/>
	144,393	140,209
	<hr/> <hr/>	<hr/> <hr/>

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

19 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	(29,137)	29,815

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.

20 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 September 2023 £	Incoming resources £	At 31 August 2024 £
Permanent endowments			
Dr Thomas Evans fund	-	1,182,673	1,182,673

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2024 £
Circuit Mission Fund	20,154	3,849	(2,900)	-	21,103
Benevolent Fund	981	-	-	-	981
Connexional Fund	-	1,450	(1,450)	-	-
Gift Fund	953	-	-	-	953
St Peter's Jessop Road LEP	-	10,000	(10,000)	-	-
Collections for External Organisations	-	120	(120)	-	-
	22,088	15,419	(14,470)	-	23,037

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

21 Restricted funds

(Continued)

Previous year:	At 1 September 2022	Incoming resources	Resources expended	Transfers	At 31 August 2023
	£	£	£	£	£
Circuit Mission Fund	19,662	3,192	(2,700)	-	20,154
Benevolent Fund	395	686	(100)	-	981
Connexional Fund	-	1,345	(1,345)	-	-
Gift Fund	648	-	-	305	953
	<u>20,705</u>	<u>5,223</u>	<u>(4,145)</u>	<u>305</u>	<u>22,088</u>

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2024
	£	£	£	£	£	£
Circuit Advance Model Trust Fund	373,368	32,547	(87,549)	621,253	8	939,627
General funds	3,309,378	615,064	(542,478)	(621,253)	74,711	2,835,422
	<u>3,682,746</u>	<u>647,611</u>	<u>(630,027)</u>	<u>-</u>	<u>74,719</u>	<u>3,775,049</u>
Revaluation reserve	135,000	-	-	-	-	135,000
	<u>135,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,000</u>

Previous year:	At 1 September 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2023
	£	£	£	£	£	£
Circuit Advance Model Trust Fund	223,569	8,602	(115,605)	256,802	-	373,368
General funds	3,122,336	971,011	(587,062)	(257,107)	60,200	3,309,378
	<u>3,345,905</u>	<u>979,613</u>	<u>702,667</u>	<u>(305)</u>	<u>60,200</u>	<u>3,682,746</u>
Revaluation reserve	190,000	-	-	-	(55,000)	135,000
	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,000)</u>	<u>135,000</u>

THE METHODIST CHURCH, NORWICH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

23 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 August 2024:				
Tangible assets	2,135,000	-	-	2,135,000
Investment properties	297,690	-	-	297,690
Current assets/(liabilities)	1,477,359	23,037	1,182,673	2,683,069
	<u>3,910,049</u>	<u>23,037</u>	<u>1,182,673</u>	<u>5,115,759</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 August 2023:				
Tangible assets	2,135,000	-	-	2,135,000
Investment properties	951,128	-	-	951,128
Current assets/(liabilities)	731,618	22,088	-	753,706
	<u>3,817,746</u>	<u>22,088</u>	<u>-</u>	<u>3,839,834</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.

24 Related party transactions

There were no disclosable related party transactions during the year with the exception of trustees remuneration disclosed in the trustees note(2023 - none).