

REGISTERED CHARITY NUMBER: 1134870

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020
FOR
NORTH KENT METHODIST CIRCUIT

NORTH KENT METHODIST CIRCUIT

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

	Page
Report of the Trustees and Statement of Trustees' Responsibilities	1 to 7
Report of the Independent Auditors	8 – 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to Cash Flow Statement	13
Notes to the Financial Statements	14 to 19

NORTH KENT METHODIST CIRCUIT

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their report with the financial statements of the Charity for the year ended 31 August 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) (FRS 102) 'Accounting and Reporting by Charities' effective from 1 January 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1134870

Principal address:

Union Street Methodist Church
20 Brewer Street
Maidstone
Kent
ME14 1RU

Telephone: 07444 335245

Email: northkentmethodistcircuit@gmail.com

Website: www.nkmethodists.org.uk

Solicitors:

Capsticks Solicitors LLP
1, St Georges Road
St Georges East
Wimbledon
London
SW19 4DR

Investment advisers:

Trustees for Methodist Church Purposes (TMCP)
Central Buildings
Oldham Street
Manchester
M1 1JQ

Auditors:

Ackland Webb
Chartered Certified Accountants
67 Canterbury Innovation Centre
University Road
Canterbury
Kent
CT2 7FG

NORTH KENT METHODIST CIRCUIT

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Charity trustees

John Young MBE	Robert Hardy
Mavis Rye	Carol Waldock
Michael Butler	Colin Waldock
Marilyn Gurr	Rev. Kan Yu
Alan Wood	Glenis Davison
Rev. Peter Daone	Janet Errington
Brian Daniels CIPFA	Rev. Dr Bonni-Belle Pickard
Ian Angel	Chris Chare
Peter Matthews	Roger Byard
Dr Michael Woodhouse	Shuk Yin Lai
Kathleen Gambell	Ian Harris
Eileen Smith	Candy Jenkins
Rev. Ronald Gareth West	Lai Wah Cheung
Dr Derek Gallagher	Mark Frost
Rev. William Prince	Sheila Sanderson
Rev. Anthony Graff	Susan Byard
Rev. Margaret Mascall MA BA LRAM	Derek Jarvis
Stephen Morgan	Katherine High
Brian Davies	Paul Abel
Michael Read-Leah	Gillian Bratley
Dr Michael Day	Rev. Robert Zachar
Patricia Robb	Linda Smith
Derek Putman	Tracey Burch
David Hitch	Rev. Robin Selmes
Tunde Dipita-Williams	Deacon Elizabeth Harfleet (appointed 1 Sept 2019)
Jacqueline Trice	Alan Fielder (appointed 1 Sept 2019)
Rev. Velma Campbell	Theresa Green (appointed 1 Sept 2019)
Barry Errington	Alan Rainer (appointed 1 Sept 2019)
Rosa Barnett	Lorna Wilson (appointed 1 Sept 2019)
Sylvia Angel	Joyce Brown (appointed 1 Sept 2019)
Irene Shepherd	Laurel Townend (appointed 1 Sept 2019)
Shan Lythgoe	Rev. Naomi Oates (appointed 1 Sept 2019)
Lynn Rainer	Sin Fan Fu (appointed 1 Sept 2019)
Heather Morgan	Elaine Searle (appointed 1 Sept 2019)
Rachel Smith	Robert Hopkiss (appointed 1 Sept 2019)
Deacon Victor Downs	
Anthony Brown	
Ian Smith	
Ann Pearce	
Angela Rastall	

NORTH KENT METHODIST CIRCUIT

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Ministers	Rev Bonni-Belle Pickard Rev. Robert Zachar Deacon Vic Downs Rev Robin Selmes Rev Tony Graff	Rev. Naomi Oates Rev Kan Yu Rev Ronald Gareth West Deacon Elizabeth Harfleet Rev. Velma Campbell
Circuit Stewards	Mr Alan Wood Ms Claudette Bramble Mrs Gill Gray	Dr Bart Woodhouse Mrs Tracey Burch
Circuit Treasurer	Mr Alan Wood	

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by the Deed of Union (1932) and Methodist Church Act (1976) as amended 17 March 2011 and constitutes an unincorporated charity.

Induction and training of new Trustees

The Board of Trustees keeps the skill requirements for the Trustee Body under review. Training expenses are provided for new Trustees together with an induction pack comprising a copy of the governing trust deed, a copy of last year's annual report and accounts, copies of board minutes and a copy of the Charity Commission's guidance - "The essential Trustee"

Organisational structure

The day to day management of the charity is vested in the Circuit Meeting appointed in accordance with the Trust Deed. The Circuit meeting is composed of Trustees listed above.

Charity Circuit Meeting

Rev Bonni-Belle Pickard (Chair)
Alan Paul Wood (Treasurer)
Mrs Lynn Rainer (Secretary)

Associated Committee

The Circuit Meeting has empowered sub committees to deal with debate and to formulate resolutions to be taken to the Circuit Meeting. These committees also have limited authority given by the Circuit to take minor decisions. The Circuit meeting always has ultimate authority.

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 examined the major strategic, business and operational risks which the Charity faces and confirm that the systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

NORTH KENT METHODIST CIRCUIT

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2020**

OBJECTIVES AND ACTIVITIES

Objectives and aims

The purpose of the Methodist church is and shall be deemed to have been since the date of union the advancement of:-

- (a) The Christian faith in accordance with the doctrinal standards of discipline of the Methodist Church;
- (b) Any charitable purpose for the time being of any connexional district, Circuit, local or other organisation of the Methodist Church;
- (c) Any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church;
- (d) Any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist church.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Circuit's aims and objectives, and in planning future activities. The Charity seeks to support the work of churches within its remit and to that end has appointed new Ministers during the year and redeployed lay-workers and Deacons onto projects to support the poorest in our communities. The Circuit has provided grants and loans to help churches to set up facilities for the homeless and food banks. The Circuit funds training courses for volunteers to assist in their churches to help those in need get help and support. It will continue to do this in the following years with new projects in the pipeline.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In accordance with the Objectives and aims above, the Charity works to:

- (a) Provide the staff and facilities to enable mission to reach the community and grow the Church family. The Church family provides mutual support to those within it;
- (b) To provide support for organisations working in society to help the vulnerable where they need it e.g. Street Pastors working in towns late at night, organisations providing food and shelter for the homeless;
- (c) Providing facilities and staff for groups to meet, run by the Church, for the elderly, mothers and very young children, youth groups e.g. Boys Brigade and Girls Brigade;
- (d) Providing facilities for organisations not run by the church e.g. playgroups, advice centres, youth projects and groups for people with learning difficulties.

Investment performance

The main investment is in the properties held as manses. These are revalued at the end of each year. The current revaluation shows a surplus of £295,099.

FINANCIAL REVIEW

North Kent Methodist Reserves Policy Statement - February 2016

Circuit aims

The aim of the North Kent Methodist Circuit is to empower the membership of the churches for witness and mission.

To achieve this over the next three years we hope to:

- (a) Establish a discipleship programme in each church;
- (b) Concentrate resources on building more congregations while also possessing fewer buildings;
- (c) Encourage members to discern their gifts and provide training so that these may be utilised;
- (d) Encourage each church to be more connected to their community;
- (e) Encourage each church to deepen their life of prayer.

A review will take place each year to monitor the progress of these aims.

ORTH KENT METHODIST CIRCUIT
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

North Kent Methodist Reserves Policy Statement - February 2016

Policy Statement

The policy statement agreed at the 2012 Circuit Meeting is continuing in place with 60% of reserves to facilitate Mission and Ministry and 40% to support buildings and other projects. Reserves continue to support a Deacon, Lay workers and establishing new church groups within the Circuit. The Circuit provides grants up to 25% of any project which must be approved by the Circuit Meeting.

Year ended 31 August 2020 Review

The Centre for the Homeless at Gravesend Church is now well established and a manager working 25 hours per week is now in place. She is part of the circuit staff and part funded by the Circuit; the remaining funding coming from grants and Gravesend Church. The facility allows homeless people to shower, wash clothing, have a meal and have access to materials to help them move to housing. The Church has raised £500,000 in funding to move to stage two of the project to redevelop other parts of the building for community use. The Centre has been noted as significant within the community by an award to the Centre Manager for the work of the centre during the Covid 19 pandemic by the local authority.

The main focus in the Dartford area has now moved to Ebbsfleet Green Village, one of five villages within the eventual Ebbsfleet City. A Manse was purchased at a cost of £585,000 and our Pioneer Minister has moved in. The house was purchased using the funds in reserve from the Sale of Rainham Chapel and the Sale of a house in Dartford. A growing house group of 20 adults and children meeting each Sunday has already been established in the new Manse and opportunities are being explored with the development corporation about running a Cafe supported by them and other community activities. The ongoing funding for our Pioneer Minister from September 2020 will be covered from the sale of a further Manse in Dartford the funds being held in the Circuit reserves.

The Circuit has been working with the former Wood Street Church and the community group already there to determine the future use of the building. The Community group is moving to another site as the lease could not be finalised. Wood Street is owned by the Methodist Church but worship no longer takes place there and the building will be sold in the next financial year.

The project for a full time youth worker at Gillingham Church has been in operation for three years, working with young people of both congregations on the site, one of which is the Chinese Methodist Church. The Youth Worker is supported by grants covering 5 years and a commitment from the circuit of £5,000 pa, and is part of the circuit staff. During the year a group of young people from the Circuit (plus some from other Circuits) were sponsored from the Circuit to go to 3 Generate again. The visit included workshops on issues that affect them with relaxation and fun events.

Deacon Elizabeth Harfleet is now well established in the Church life of The Brent Church and Spital Street Church in Dartford. These churches have been involved with night shelters for the homeless as well as lunch clubs for the elderly and youth activities.

The project for a Chinese School to be held once a week on Sunday is now open to enable the young people Chinese congregation to learn languages and Chinese culture. This will be funded by the Chinese congregation with help from the Circuit of a grant of £3,000 a year for three years .

The circuit also employs three part time administration staff who help with finance, GDPR, Safeguarding, and property. All work 20hrs or less per week. The Circuit continually reviews the Ministerial Staff and lay workers as the cost forms the largest part of expenditure. Churches struggle with the level of assessment to pay for the budget of the Circuit and a new form of assessment was finally accepted in June 2018. The Circuit still draws on reserves to pay for Deacons and Lay workers involved in projects as the assessments cannot cover this.

2020 has had serious effect on the life and work of our Churches with Covid 19 lockdowns meaning Church buildings have had to close and many of the groups who use them have ceased to meet; though worship and many other church activities have continued online. Outreach work with the vulnerable and house bound has continued where possible. The loss of income to many Churches has meant they have not been able to provide assessment income to the Circuit. The shortfall has to be covered by drawing on the Circuit reserves.

NORTH KENT METHODIST CIRCUIT

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2020**

FINANCIAL REVIEW

North Kent Methodist Reserves Policy Statement - February 2016

(continued)

Current Reserves (unrestricted) at 31 August 2020

Trustees for Methodist Church Purposes (TMCP)	£688,320
Central Finance Board (CFB)	£25,674
Current Account (Co-operative Bank)	£40,504
TOTAL	<u>£754,498</u>

Commitments

Lay Worker – Gillingham Youth Pastor	£5,000 per year for a further 2yrs (a)
Lay Worker – Gravesend Central Manager	£3,333 per year for a further 2yrs (a)
3 part time Teachers at Chinese School	£3,000 per year for 3yrs (a)
Pioneer Minister at Ebbsfleet	£37,000 per year for 5yrs (a)
Redundancy payments – set aside	<u>£50,500</u>
TOTAL	<u>£98,833</u>
Reserve Funds carried forward	<u>£655,665</u>

(a) Committed funds over next five years £210,666

Reserves policy

We believe the Circuit needs a reserve of £100,000 to keep for deficits or unexpected problems. Aims and objectives are as outlined in 2013-2014 statement accepted at 13th March 2014 Circuit meeting.

We have two houses which can be rented out, and manses are held as reserve capital should we not be able re-invite a Minister or obtain a replacement.

Principal funding sources

The principal source of funding is the Circuit Assessment paid by the individual churches within the Circuit. The Circuit Assessment is a means by which the Churches transfer funds from their General Church fund to the Circuit to maintain the Staff, other Circuit costs and the grants that the Circuit gives to individual projects across the Circuit. It is defined in the Constitutional Practice and Discipline of the Methodist Church. Other income is in the form of grants and investment income. The Circuit also acts as Managing Trustees in the sale or purchase of property - the Circuit does not own the property. Proceeds from sales are directed to the Trustees for Methodist Church Purposes (TMCP), who after deducting a levy to fund projects across the Connexion then put the residue into the Circuit's TMCP Trust Fund. The Circuit does not employ any professional fund raisers or organisations raising funds directly from members of the public.

Investment policy and objectives

Capital generated from the sale of redundant Churches or Manses is invested as trust funds with Trustees for Methodist Church Purposes (TMCP). Funds are used for the purposes of mission in support of the policy aims.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2016, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;

NORTH KENT METHODIST CIRCUIT
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

(continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2016, 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.

STATEMENT OF DISCLOSURES TO THE AUDITORS

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- The Trustees having made enquiries of the Board and the auditors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Board of Trustees on _____ and signed on its behalf by:

A Wood - Trustee

NORTH KENT METHODIST CIRCUIT

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF NORTHKENT METHODIST CIRCUIT

Opinion

We have audited the financial statements of North Kent Methodist Circuit for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Practice.)

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2020 and of the Charity's net movement in funds, including the Charity's income and expenditure, for the year then ended;
- have been 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 of 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

NORTH KENT METHODIST CIRCUIT

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF NORTHKENT METHODIST CIRCUIT

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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; or

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page six, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

David Muggridge FCCA (Senior Statutory Auditor)
for and on behalf of Ackland Webb Limited
Chartered Certified Accountants and Statutory Auditor
67 Canterbury Innovation Centre
University Road
Canterbury
Kent CT2 7FG

Date:

NORTH KENT METHODIST CIRCUIT

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds	Restricted fund	31.8.20 Total funds	31.8.19 Total funds
	Notes	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	552,815	-	552,815	529,917
Investment income	3	1,780	-	1,780	1,047
Other incoming resources	4	<u>154,874</u>	<u>-</u>	<u>154,874</u>	<u>41,535</u>
Total incoming resources		709,469	-	709,469	572,499
RESOURCES EXPENDED					
Charitable activities	5				
Grants and donations		42,094	-	42,094	10,000
Governance costs	7	3,000	-	3,000	3,000
Other resources expended	8	<u>595,193</u>	<u>-</u>	<u>595,193</u>	<u>575,624</u>
Total resources expended		640,287	-	640,287	588,624
NET INCOMING RESOURCES		69,182	-	69,182	(16,125)
Other recognised gains/losses					
Revaluation of manses		295,099	-	295,099	121,464
Loss on disposal of freehold property		(42,784)	-	(42,784)	(22,931)
Church loans written off		<u>(12,000)</u>	<u>-</u>	<u>(12,000)</u>	<u>-</u>
		309,497	-	309,497	82,408
RECONCILIATION OF FUNDS					
Total funds brought forward		4,475,976	-	4,475,976	4,393,568
Transfers between funds		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		<u>4,785,473</u>	<u>-</u>	<u>4,785,473</u>	<u>4,475,976</u>

NORTH KENT METHODIST CIRCUIT

BALANCE SHEET
AT 31 AUGUST 2020

		Unrestricted funds	Restricted fund	31.8.20 Total funds	31.8.19 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	13	4,046,949	-	4,046,949	4,325,770
CURRENT ASSETS					
Cash at bank		754,498	-	754,498	149,301
Debtors	14	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>18,552</u>
		755,748	-	755,748	167,853
CREDITORS					
Amounts falling due within one year	15	(17,224)	-	(17,224)	(17,647)
		<u>738,524</u>	<u>-</u>	<u>738,524</u>	<u>150,206</u>
NET CURRENT ASSETS					
		4,785,473	-	4,785,473	4,475,976
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>4,785,473</u>	<u>-</u>	<u>4,785,473</u>	<u>4,475,976</u>
NET ASSETS					
		<u>4,785,473</u>	<u>-</u>	<u>4,785,473</u>	<u>4,475,976</u>
FUNDS	17				
Unrestricted funds				4,785,473	4,475,976
Restricted funds				<u>-</u>	<u>-</u>
TOTAL FUNDS				<u>4,785,473</u>	<u>4,475,976</u>

The financial statements were approved by the Board of Trustees on _____ and were signed on its behalf by:

Alan Wood
Trustee

NORTH KENT METHODIST CIRCUIT

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	31.8.20 £	31.8.19 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>29,756</u>	<u>(337,580)</u>
Net cash provided by (used in) operating activities		<u>29,756</u>	<u>(337,580)</u>
Cash flows from investing activities:			
Additions of tangible fixed assets		(692)	-
Disposals of tangible fixed assets		<u>574,353</u>	<u>366,570</u>
Net cash provided by (used in) investing activities		<u>573,661</u>	<u>366,570</u>
Cash flows from financing activities:			
Interest paid		-	(3,423)
Interest received		1,780	1,047
Loan repayments in year		-	-
(Increase)/decrease in stocks		<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>1,780</u>	<u>(2,376)</u>
Change in cash and cash equivalents in the reporting period		605,197	26,614
Cash and cash equivalents at the beginning of the reporting period		<u>149,301</u>	<u>122,687</u>
Cash and cash equivalents at the end of the reporting period		<u><u>754,498</u></u>	<u><u>149,301</u></u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.20 £	31.8.19 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	309,497	82,408
Adjustments for:		
Revaluation of freehold properties	(295,099)	(121,464)
Depreciation charges	259	120
Interest paid	-	3,423
Interest received	(1,780)	(1,047)
Dividends received	-	-
Decrease/(increase) in debtors	17,302	(1,241)
(Decrease)/increase in creditors	(423)	(299,779)
Net cash provided by (used in) operating activities	<u>29,756</u>	<u>(337,580)</u>

NORTH KENT METHODIST CIRCUIT4

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES

Accounting framework

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: the 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK General Accepted Accounting Practice.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note below.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings 25% straight line

Property values

Legal title of freehold property is held by the Trustees for Methodist Church Purposes as custodian trustee. In accordance with Charity Commission guidance, these are recognised on the balance sheet of the North Kent Methodist Circuit.

Freehold property is revalued annually at the insurer's valuation.

Taxation

The Charity is exempt from tax on its charitable activities.

Pensions

All Methodist Ministers in the Circuit are members of the Methodist Ministers' Pension Scheme, which is a defined benefit scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme and therefore contributions are accounted for as if it were a defined contribution scheme. Contributions are therefore charged in the accounts as they become payable in accordance with the rules of the scheme.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

2. VOLUNTARY INCOME

	31.8.20	31.8.19
	£	£
Assessment or share	466,080	440,725
Grants	<u>86,735</u>	<u>89,192</u>
	<u><u>552,815</u></u>	<u><u>529,917</u></u>

Grants received, included in the above, are as follows:

	31.8.20	31.8.19
	£	£
Grants received from Methodism	58,706	68,966
Non-Methodist grants	<u>28,029</u>	<u>20,226</u>
	<u><u>86,735</u></u>	<u><u>89,192</u></u>

3. INVESTMENT INCOME

	31.8.20	31.8.19
	£	£
Interest and investment income	<u>1,780</u>	<u>1,047</u>

4. OTHER INCOMING RESOURCES

	31.8.20	31.8.19
	£	£
Rents received (net of costs)	3,702	12,644
Collections and donations	4,406	20,815
Transfers from MCF	<u>146,766</u>	<u>8,076</u>
	<u><u>154,874</u></u>	<u><u>41,535</u></u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 6) £	Support costs (See note 8) £	Totals £
Grants and donations	<u><u>42,094</u></u>	<u><u>-</u></u>	<u><u>42,094</u></u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

6. GRANTS PAYABLE

	31.8.20	31.8.19
	£	£
New windows – St Williams	-	5,000
3Generate	-	2,147
Speculative Funding – Union Street	4,844	3,906
Foyer Project - Gillingham Methodist Church	2,250	-
C21st Project – Gravesend Methodist Church	35,000	-
Adjustment to prior years	-	(250)
	<u>42,094</u>	<u>10,803</u>

7. GOVERNANCE COSTS

	31.8.20	31.8.19
	£	£
Auditors' remuneration	<u>3,000</u>	<u>3,000</u>

8. SUPPORT COSTS

	Human resources £	Other £	Totals £
Other resources expended (note 9)	395,502	199,691	595,193
Grants and donations	<u>-</u>	<u>-</u>	<u>-</u>
	<u>395,502</u>	<u>199,691</u>	<u>595,193</u>

9. OTHER RESOURCES EXPENDED

	31.8.20	31.8.19
	£	£
Trustees' expenses	25,496	24,532
Stipends, salaries, NIC and pension costs	370,006	340,295
District Assessment	109,673	105,939
Insurance, utilities, etc	44,407	40,703
Maintenance on manses	23,637	25,002
Telephone and travel	3,742	3,770
Depreciation of fixtures and fittings	259	120
Other expenditure	<u>17,973</u>	<u>34,460</u>
	<u>595,193</u>	<u>574,821</u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

	31.8.20	31.8.19
	£	£
Trustees' expenses (including travel, telephone and other expenses)	<u>25,496</u>	<u>24,532</u>

Trustees' expenses are largely made up of costs incurred by Ministers and some Lay workers in the course of their work. All Ministers and some Lay workers are required to be Trustees of the Charity by the Constitution of the Circuit Meeting laid down by the Methodist Church.

11. STAFF COSTS

	31.8.20	31.8.19
	£	£
Wages and salaries	288,775	262,104
Social security costs	23,258	21,357
Pension costs	<u>57,973</u>	<u>56,834</u>
Wages and salaries	<u>370,006</u>	<u>340,295</u>

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

	31.8.20	31.8.19
Full time equivalent	<u>16</u>	<u>13</u>

No employees received emoluments in excess of £60,000.

12. PENSION COMMITMENTS

The Charity participates in a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Charity, being invested with the Methodist Ministers' Pension Scheme.

The pension charge for the year is shown in note 11. The contributions of the Charity and employees from 1 September 2019 were set at 26.9% and 9.3% of earnings respectively.

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 September 2019	4,325,440	2,695	4,328,135
Additions	-	692	692
Disposals	(574,353)	(1,315)	(575,668)
Revaluations	<u>295,099</u>	<u>-</u>	<u>295,099</u>
At 31 August 2020	<u>4,046,186</u>	<u>2,072</u>	<u>4,048,258</u>
DEPRECIATION			
At 1 September 2019	-	2,365	2,365
Eliminated on disposal	-	(1,315)	(1,315)
Charge for year	<u>-</u>	<u>259</u>	<u>259</u>
At 31 August 2020	<u>-</u>	<u>1,309</u>	<u>1,309</u>
NET BOOK VALUE			
At 31 August 2020	<u>4,046,186</u>	<u>763</u>	<u>4,046,949</u>
At 31 August 2019	<u>4,570,546</u>	<u>450</u>	<u>4,570,996</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20	31.8.19
	£	£
Other debtors	<u>1,250</u>	<u>18,552</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20	31.8.19
	£	£
Other creditors	17,224	17,647
	<u>17,224</u>	<u>17,647</u>

16. RELATED PARTY TRANSACTIONS

The following Trustees were connected to other charities from whom the North Kent Methodist Circuit received Assessment income in the year:

		£
Deacon Elizabeth Harfleet	Trustees of the Brent Methodist Church	40,000
Gillian Bratley		
Lorna Wilson		
Carol Waldock	Trustees of Gillingham Methodist Church	62,034
Paul Abel		
Mark Frost		
Michael Butler	Trustee of Gravesend Methodist Church	56,481

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

17. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Unrestricted funds				
General fund	4,411,801	(48,283)	(266,365)	4,097,153
Circuit Model Trust Fund	<u>64,175</u>	<u>357,780</u>	<u>266,365</u>	<u>688,320</u>
	4,475,976	309,497	-	4,785,473
Restricted funds				
Restricted fund	-	-	-	-
TOTAL FUNDS	<u>4,475,976</u>	<u>309,497</u>	<u>-</u>	<u>4,785,473</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	561,327	(597,610)	(12,000)	(48,283)
Circuit Model Trust Fund	<u>148,142</u>	<u>(42,677)</u>	<u>252,315</u>	<u>357,780</u>
	709,469	(640,287)	240,315	309,497
Restricted funds				
Restricted fund	-	-	-	-
TOTAL FUNDS	<u>709,469</u>	<u>(640,287)</u>	<u>240,315</u>	<u>309,497</u>

