

REGISTERED CHARITY NUMBER: 1134870

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
FOR
NORTH KENT METHODIST CIRCUIT

Levicks Chartered Accountants and Statutory Auditors
61 London Road
Maidstone Kent
ME16 8TX

NORTH KENT METHODIST CIRCUIT

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FOR THE YEAR ENDED 31 AUGUST 2021

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NORTH KENT METHODIST CIRCUIT
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their report with the financial statements of the Charity for the year ended 31 August 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) (FRS 102) 'Accounting and Reporting by Charities' effective from 1 January 2019.

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:

Levicks
Chartered Accountants and Statutory Auditors
61 London Road
Maidstone
Kent
ME16 8TX

NORTH KENT METHODIST CIRCUIT

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Charity trustees

John Young MBE	Rev. Dr Bonni-Belle Pickard
Michael Butler	Chris Chare
Marilyn Gurr	Roger Byard
Alan Wood	Mark Frost
Rev. Peter Daone (resigned 1 September 2020)	Sheila Sanderson
Brian Daniels CIPFA	Susan Byard
Ian Angel	Derek Jarvis
Peter Matthews	Katherine High
Dr Michael Woodhouse	Paul Abel
Kathleen Gambell	Rev. Robert Zachar
Eileen Smith	Linda Smith
Rev. Ronald Gareth West (resigned 1 September 2020)	Tracey Burch
Dr Derek Gallagher	Rev. Robin Selmes
Rev. William Prince (resigned 1 September 2020)	Deacon Elizabeth Harfleet
Rev. Anthony Graff	Alan Fielder
Rev. Margaret Mascall MA BA LRAM (resigned 1 September 2020)	Theresa Green
Stephen Morgan	Alan Rainer
Brian Davies	Lorna Wilson
Patricia Robb	Joyce Brown
Derek Putman	Laurel Townend
Tunde Dipita-Williams	Rev. Naomi Oates
Barry Errington	Sin Fan Fu
Sylvia Angel	Elaine Searle
Irene Shepherd	Robert Hopkiss
Shan Lythgoe	Sheila Allison
Lynn Rainer	Claire Boxall
Heather Morgan	Peter Roberts
Rachel Smith	Gill Gray
Deacon Victor Downs	Siu Kuen Tsang
Anthony Brown	Derek Carpenter (appointed 1 September 2021)
Ian Smith	Roger Gledhill (appointed 1 September 2021)
Angela Rastall	Derek Goodger (appointed 1 September 2020)
Robert Hardy	Judith German (appointed 1 September 2020)
Carol Waldock	Jenny Gilbert (appointed 1 September 2020)
Glenis Davison	Simon Pooley (appointed 1 September 2020)
Janet Errington	Richard Bridges (appointed 1 September 2020)
	Henry Chung (appointed 1 September 2020)

NORTH KENT METHODIST CIRCUIT

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Ministers	Rev Bonni-Belle Pickard	Rev Naomi Oates
	Rev Robin Selmes	Rev Robert Zachar
	Rev Tony Graff	Deacon Elizabeth Harfleet
	Deacon Vic Downs	
Circuit Stewards	Mrs Gillian Gray	Mr Alan Wood
	Mr Derek Goodger	Mrs Tracey Burch
	Dr M Barton Woodhouse	Mr Richard Bridges
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 the minutes of trustees meetings (Circuit Meeting) 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 Committees

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 Meeting 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 2021

OBJECTIVES AND ACTIVITIES

Objectives and aims

The purpose of the Methodist Church of Great Britain 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 deployed lay-workers onto projects to support the vulnerable in our communities. As the Charity assesses the effects of the Covid-19 pandemic on its work it will work to identify new projects that will address the needs of the marginalised in the communities the local churches serve and seek to support them through grants and loans to do so.

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 which in turn provides mutual support to those within it;
- (b) 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, and organisations providing food and shelter for the homeless;
- (c) Provide facilities and staff for groups to meet, run by the local Church, for the elderly, mothers and very young children, youth groups e.g. Boys Brigade and Girls Brigade;
- (d) Provide facilities for organisations not run by the local 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 £100,736.

Circuit aims

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

To achieve this aim the Trustees hope to:

- (a) Concentrate resources to build up both existing and new congregations;
- (b) Develop a programme for working in new housing developments;
- (c) Engage in work with people on the margins particularly immigrant communities;
- (d) Encourage members to discern their gifts and provide training so that these may be utilised;
- (e) Encourage each church to be more connected to their community;
- (f) Encourage each church to deepen their life of prayer.

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

NORTH KENT METHODIST CIRCUIT
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

North Kent Methodist Reserves Policy Statement - February 2016

Policy Statement

The policy statement agreed at the 2012 Circuit Meeting remains in place with a commitment that 60% of reserves are to be used 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. Subject to the approval of the Circuit Meeting grants of up to 25% of the cost of any church project can be awarded.

Year ended 31 August 2021 Review

The Covid-19 pandemic continued to have a serious effect on the life and work of the Circuit Churches during 2020-21. Covid-19 lockdowns and Government restrictions meant Church buildings remained closed for much of the Financial Year. Worship and many other church activities continued online drawing good responses and serving to maintain effective fellowship and support particularly for isolated and vulnerable people. Outreach work with the vulnerable and house bound was maintained where possible. However, the loss of income to many Churches (principally from weekly collections and lettings to outside organisations) has been significant. In some cases this resulted in cash flow problems the consequence of which was that those churches were unable to contribute their full share of assessment income to the Circuit. The shortfall has been covered by drawing on the Circuit reserves.

As restrictions eased and churches reopened in person activities resumed. The well-established Centre for the Homeless at Gravesend Church (The Daytime Hub) remained open throughout the pandemic during which the manager was instrumental in developing an innovative programme to provide meals to vulnerable people; work that received a warm tribute in Parliament from Adam Holloway the MP for Gravesham in February 2021. The Hub continues to be part funded by the Circuit with the remaining funding coming from grants and Gravesend Church. The Hub has reopened and offers food, showers, laundry and clothing, to homeless people and provides them with access to materials to help them move to housing. The Church has used the opportunity provided by the closure of its premises to create a café and community space at the main entrance to the church building.

The Pioneer Minister living in Ebbsfleet Green Village, (one of five villages within the eventual Ebbsfleet City) found his activities within the community seriously limited by the effects of the pandemic. It put a stop to the meeting of the growing house group of 20 adults and children meeting each Sunday and the discussions with the Development Corporation about running a Cafe supported by them came to nothing. Other community activities were all put on hold. Ongoing funding for our Pioneer Minister is secure for up to 5 years (it is covered from the sale of a further Manse in Dartford the funds being held in the Circuit reserves) but as a result of the pandemic the nature and scope of his role is under review.

The former Wood Street Church was sold by auction and realised a price of £372,797 which was far in excess of the reserve. After deduction of the levy of £129,119 by TMCP the balance of £243,678 is retained in the Circuit's trust account with TMCP.

The pandemic inevitably affected the full time Youth Worker's work with young people of both Gillingham Methodist Church and the rapidly growing Chinese Methodist Church which uses the same site. However, she quickly moved to support young people online which was much appreciated. A return to face to face meetings began during the summer months when outdoor activities were possible. The Youth Worker is supported by grants for a total of 5 years (expiring in 2023) and an annual commitment from the circuit of £5,000. She is part of the circuit staff.

The project for a Chinese School to be held once a week on Sunday also moved online with the restrictions imposed by the pandemic and has become well-established. It offers teaching in Mandarin and Chinese Culture and the numbers wishing to attend have continued to grow. It has emerged that there is a demand for Cantonese to be taught and how this might be provided is being explored. The cost of the project is funded by the Chinese congregation with help from the Circuit of a grant of £3,000 a year for three years.

Deacon Elizabeth Harfleet continues to work in the Church life of both The Brent Church and Spital Street Church (in Dartford). While activities such as the night shelters for the homeless, lunch clubs for the elderly and youth activities were suspended during the pandemic they have re-opened and numbers are building up again.

The circuit continues to employ 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 retention and deployment of Ministerial Staff and lay workers as the cost forms the largest part of expenditure. The Circuit Meeting agreed in May 2021 to retain the current number of presbyters. Churches are expected to continue to struggle to pay their share of the Circuit Assessment to meet the Circuit Budget even though the amounts they contribute were based this year on what they considered they could reasonably afford. The Circuit continues to draw on reserves to pay for a Deacon and Missional Lay workers involved in projects as the assessments cannot cover this.

NORTH KENT METHODIST CIRCUIT
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

Current Reserves (unrestricted) at 31 August 2021

Trustees for Methodist Church Purposes (TMCP)	£783,601
Central Finance Board (CFB)	£67,244
Current Account (Co-operative Bank)	<u>£74,445</u>
TOTAL	<u>£925,290</u>

Commitments

Deacon: £36,000 p.a. for at least a further 3 years	£108,000
Lay Worker: Gillingham Youth Pastor £5,000 p.a. for a further 2 years	£10,000
Lay Worker: Gravesend Centre Manager £3,335 p.a. for a further 1 year	£3,335
2 part time Teachers at Chinese School £3,000 p.a. for a further 1 year	£3,000
Pioneer Minister at Ebbsfleet: £37,000 p.a. for 3 years	£111,000
Redundancy payments – set aside	<u>£50,500</u>
TOTAL	<u>£285,835</u>
Uncommitted Funds	<u>£639,455</u>

Reserves policy

The Trustees consider the Circuit needs a reserve of £150,000 to keep for deficits or unexpected problems. 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 payment of which is shared between the individual churches within the Circuit. The Circuit Assessment is defined in the Constitutional Practice and Discipline of the Methodist Church and is the income level set by the Circuit Meeting to maintain the Staff, other Circuit operating costs and the grants that the Circuit awards to individual projects across the Circuit. Other income is derived from grants made to the Circuit and investment income.

The Circuit Meeting acts as Managing Trustees in the sale or purchase of property for which it is responsible. (It does not own the property; all Methodist Property is owned by the Trustees for Methodist Church Purposes (TMCP). Proceeds from any disposal of property are directed to TMCP, who after deducting a levy to fund projects across the Connexion transfer the residue to 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 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed require 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

NORTH KENT METHODIST CIRCUIT
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 have all individually taken the required steps to ensure they have all the relevant audit information to which the auditor should be made aware of.

Approved by order of the Circuit Meeting of Trustees on 23.6.2022 and signed on its behalf by:



R S Byard Trustee

NORTH KENT METHODIST CIRCUIT

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF NORTH KENT METHODIST CIRCUIT **FOR THE YEAR ENDED 31 AUGUST 2021**

Opinion

We have audited the financial statements of North Kent Methodist Circuit for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted 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 2021 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 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

In auditing the financial statements, we have concluded that the trustee's 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 12 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 Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

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

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF NORTHKENT METHODIST CIRCUIT **FOR THE YEAR ENDED 31 AUGUST 2021**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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 trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 6 and 7, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulation, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- considering the internal controls in place to mitigate risks of fraud and planning audit work on the basis of the controls in place;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions

NORTH KENT METHODIST CIRCUIT

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF NORTHKENT METHODIST CIRCUIT
FOR THE YEAR ENDED 31 AUGUST 2021

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



J A GRIGGS FCA

LEVICKS
Chartered Accountants, Business Advisers and Statutory Auditors
61 London Road
Maidstone
Kent
ME16 8TX

5 July 2022

NORTH KENT METHODIST CIRCUIT

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

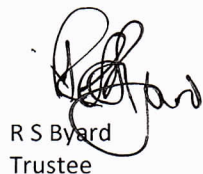
	Notes	Unrestricted funds £	Restricted fund £	31.8.21 Total funds £	31.8.20 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	508,721	-	508,721	552,815
Investment income	3	2,139	-	2,139	1,780
Other incoming resources	4	<u>269,091</u>	<u>-</u>	<u>269,091</u>	<u>154,874</u>
Total incoming resources		779,951	-	779,951	709,469
RESOURCES EXPENDED					
Charitable activities					
Grants and donations	5				
	6	2,538	-	2,538	42,094
Governance costs	7	4,860	-	4,860	3,000
Other resources expended	8	<u>586,864</u>	<u>-</u>	<u>586,864</u>	<u>595,193</u>
Total resources expended		594,262	-	594,262	640,287
NET INCOMING RESOURCES		185,689	-	185,689	69,182
Other recognised gains/losses					
Revaluation of manses		100,736	-	100,736	295,099
Loss on disposal of freehold property		-	-	-	(42,784)
Church loans written off		-	-	-	(12,000)
		<u>286,425</u>	<u>-</u>	<u>286,425</u>	<u>309,497</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		4,785,473	-	4,785,473	4,475,976
Transfers between funds		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		<u>5,071,898</u>	<u>-</u>	<u>5,071,898</u>	<u>4,785,473</u>

NORTH KENT METHODIST CIRCUIT

BALANCE SHEET
AT 31 AUGUST 2021

		Unrestricted funds	Restricted fund	31.8.21 Total funds	31.8.20 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	13	4,147,426	-	4,147,426	4,046,949
CURRENT ASSETS					
Cash at bank		925,290	-	925,290	754,498
Debtors	14	<u>13,258</u>	<u>-</u>	<u>13,258</u>	<u>1,250</u>
		938,548	-	938,548	755,748
CREDITORS					
Amounts falling due within one year	15	(14,076)	-	(14,076)	(17,224)
NET CURRENT ASSETS		<u>924,472</u>	<u>-</u>	<u>924,472</u>	<u>738,524</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,071,898	-	5,071,898	4,785,473
NET ASSETS		<u>5,071,898</u>	<u>-</u>	<u>5,071,898</u>	<u>4,785,473</u>
FUNDS	17				
Unrestricted funds		5,071,898	-	5,071,898	4,785,473
Restricted funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS		<u>5,071,898</u>	<u>-</u>	<u>5,071,898</u>	<u>4,785,473</u>

The financial statements were approved by the Board of Trustees on 23.6.2022 and were signed on its behalf by:


R S Byard
Trustee

NORTH KENT METHODIST CIRCUIT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>168,653</u>	<u>29,756</u>
Net cash provided by (used in) operating activities		<u>168,653</u>	<u>29,756</u>
Cash flows from investing activities:			
Additions of tangible fixed assets		-	(692)
Disposals of tangible fixed assets		<u>-</u>	<u>574,353</u>
Net cash provided by (used in) investing activities		<u>168,653</u>	<u>573,661</u>
Cash flows from financing activities:			
Interest received		<u>2,139</u>	<u>1,780</u>
Net cash provided by (used in) financing activities		<u>2,139</u>	<u>1,780</u>
Change in cash and cash equivalents in the reporting period		170,792	605,197
Cash and cash equivalents at the beginning of the reporting period		<u>754,498</u>	<u>149,301</u>
Cash and cash equivalents at the end of the reporting period		<u><u>925,290</u></u>	<u><u>754,498</u></u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

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

	31.8.21 £	31.8.20 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	286,425	309,497
Adjustments for:		
Revaluation of freehold properties	(100,736)	(295,099)
Depreciation charges	259	259
 Interest received	 (2,139)	 (1,780)
Decrease/(increase) in debtors	(12,008)	17,302
(Decrease)/increase in creditors	(3,148)	(423)
 Net cash provided by (used in) operating activities	 <u>168,653</u>	 <u>29,756</u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 AUGUST 2021**

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 and effective from 1 January 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 2021

2. VOLUNTARY INCOME

	31.8.21 £	31.8.20 £
Assessment or share	444,203	466,080
Grants	<u>64,518</u>	<u>86,735</u>
	<u><u>508,721</u></u>	<u><u>552,815</u></u>

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

	31.8.21 £	31.8.20 £
Grants received from Methodism	64,518	58,706
Non-Methodist grants	<u>-</u>	<u>28,029</u>
	<u><u>64,518</u></u>	<u><u>86,735</u></u>

3. INVESTMENT INCOME

	31.8.21 £	31.8.20 £
Interest and investment income	<u>2,139</u>	<u>1,780</u>

4. OTHER INCOMING RESOURCES

	31.8.21 £	31.8.20 £
Rents received (net of costs)	24,413	3,702
Collections and donations	1,000	4,406
Transfers from MCF	<u>243,678</u>	<u>146,766</u>
	<u><u>269,091</u></u>	<u><u>154,874</u></u>

Rents received are shown net of costs of £7,787 (2020: £896).

The aggregate amount of trustee donations without restrictions to the charity amounts to £1,000 (2020: £1,000).

The aggregate amount of trustee donations by trustees with restrictions to the charity amounts to nil (2020: £nil).

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 6) £	Support costs (See note 8) £	Totals £
Grants and donations	<u>2,538</u>	<u>-</u>	<u><u>2,538</u></u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

6. GRANTS PAYABLE

	31.8.21 £	31.8.20 £
Speculative Funding – Union Street	2,538	4,844
Foyer Project - Gillingham Methodist Church	-	2,250
C21st Project – Gravesend Methodist Church	-	35,000
	<u>2,538</u>	<u>42,094</u>

7. GOVERNANCE COSTS

	31.8.21 £	31.8.20 £
Auditors' remuneration	<u>4,860</u>	<u>3,000</u>

8. SUPPORT COSTS

	Human resources £	Other £	Totals £
Other resources expended (note 9)	372,360	214,504	586,864
	<u>372,360</u>	<u>214,504</u>	<u>586,864</u>

9. OTHER RESOURCES EXPENDED

	31.8.21 £	31.8.20 £
Trustees' expenses	9,057	25,496
Stipends, salaries, NIC and pension costs	363,303	370,006
District Assessment	146,868	109,673
Insurance, utilities, etc	33,165	44,407
Maintenance on manses	11,400	23,637
Telephone and travel	3,374	3,742
Depreciation of fixtures and fittings	259	259
Other expenditure	<u>19,438</u>	<u>17,973</u>
	<u>586,864</u>	<u>595,193</u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

10. TRUSTEES' REMUNERATION AND BENEFITS

Ministers who also serve as trustees of the charity received the following stipends for the year ending 31 August 2021: -

Rev Anthony Graff, Rev Bonni-Belle Pickard, Rev Robin Selmes, Deacon Elizabeth Harfleet, Rev Robert Zachar and Rev Naomi Oates all received the basic stipend of £25,549 (2020: £24,842). Employer's pensions contributions of £6,700 were paid by the charity for each minister named above (2020: £6,700).

Each minister named above also received a Com in ministry allowance of £169 for the year (2020: £165).

Bonni-Belle Pickard and Elizabeth Harfleet received a general allowance of £2,555 for the year (2020: £2,491).

None of the ministers named above received remuneration for being a trustee.

Lay workers who also serve as trustees received the following remuneration:-

	Gross salary	Employers pension
C Chare	£10,557	£633
L Rainer	£5,431	£ -
M Woodhouse	£25,523	£1,222

The lay employees listed above did not receive any remuneration for being a trustee.

The authority for the circuit to pay remuneration to its trustees is detailed in its governing document, The Methodist Church Act 1976.

Trustees' expenses

	31.8.21	31.8.20
	£	£
A total of 10 trustees had expenses reimbursed by the charity in the year. The aggregate amount of these expenses totalled £9,057 (2020: £25,496). These expenses covered reimbursement of travel, telephone, training, books, postage, computer and sundry expenses.	<u>9,057</u>	<u>25,496</u>

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

	31.8.21	31.8.20
	£	£
Wages and salaries	290,549	288,775
Social security costs	22,560	23,258
Pension costs	<u>50,194</u>	<u>57,973</u>
	<u>363,303</u>	<u>370,006</u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

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

	31.8.21	31.8.20
Average number of employees	<u>17</u>	<u>16</u>

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

12. PENSION COMMITMENTS

The Charity participates in a pension scheme providing benefits for Ministers and Deacons 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 Ministers and Deacons from 1 September 2019 were set at 26.9% and 9.3% of earnings respectively.

The Charity contributes a matching 6% of salary to a defined contribution scheme for the benefit of 5 of the lay employees. The pension contributions for the year are shown in Note 11.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 September 2020	4,046,186	2,072	4,048,258
Additions	-	-	-
Disposals	-	-	-
Revaluations	<u>100,736</u>	<u>-</u>	<u>100,736</u>
At 31 August 2021	<u>4,146,922</u>	<u>2,072</u>	<u>4,148,994</u>
DEPRECIATION			
At 1 September 2020	-	1,309	1,309
Eliminated on disposal	-	-	-
Charge for year	<u>-</u>	<u>259</u>	<u>259</u>
At 31 August 2021	<u>-</u>	<u>1,568</u>	<u>1,568</u>
NET BOOK VALUE			
At 31 August 2021	<u>4,146,922</u>	<u>504</u>	<u>4,147,426</u>
At 31 August 2020	<u>4,046,186</u>	<u>763</u>	<u>4,046,949</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Other debtors	<u>13,258</u>	<u>1,250</u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Other creditors	14,076	17,224
	<u>14,076</u>	<u>17,224</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 Trustee of the Brent Methodist Church	40,000
Lorna Wilson Trustee of the Brent Methodist Church	40,000
Carol Waldock Trustee of Gillingham Methodist Church	54,280
Paul Abel Trustee of Gillingham Methodist Church	54,280
Mark Frost Trustee of Gillingham Methodist Church	54,280
Michael Butler Trustee of Gravesend Methodist Church	56,481

17. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	4,097,153	(51,311)	242,455	4,288,297
Circuit Model Trust Fund	<u>688,320</u>	<u>337,736</u>	<u>(242,455)</u>	<u>783,601</u>
	4,785,473	286,425	-	5,071,898
Restricted funds				
Restricted fund	-	-	-	-
TOTAL FUNDS	<u>4,785,473</u>	<u>286,425</u>	<u>-</u>	<u>5,071,898</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	534,220	(585,531)	-	(51,311)
Circuit Model Trust Fund	<u>245,731</u>	<u>(8,731)</u>	<u>100,736</u>	<u>337,736</u>
	779,951	(594,262)	100,736	286,425
Restricted funds				
Restricted fund	-	-	-	-
TOTAL FUNDS	<u>779,951</u>	<u>(594,262)</u>	<u>100,736</u>	<u>286,425</u>