

REGISTERED CHARITY NUMBER: 1134870

**REPORT OF THE TRUSTEES AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**  
**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 2022**

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**NORTH KENT METHODIST CIRCUIT**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their report with the financial statements of the Charity for the year ended 31 August 2022. 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:**

Blake Morgan  
6 New Street  
London  
EC4A 3DJ

**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 2022**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

**Charity trustees**

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

## **NORTH KENT METHODIST CIRCUIT**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2022**

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Ministers</b>	Rev Bonni-Belle Pickard Rev Robin Selmes Rev Tony Graff	Rev Naomi Oates Rev Robert Zachar Deacon Elizabeth Harfleet
<b>Circuit Stewards</b>	Mrs Gillian Gray Mr Derek Goodger Mr Richard Bridges Mr Simon Rowe	Mr Alan Wood Mrs Tracey Burch Mr Roger Byard Mr Henry Chung
<b>Circuit Treasurer</b>	Mr Roger Byard	

#### **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)  
Roger Byard (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 2022**

#### **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 homeless and vulnerable, the elderly, mothers with young children, and 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 £714,693.

##### **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 towards achieving these aims.

**NORTH KENT METHODIST CIRCUIT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2022 Review**

The year saw the Circuit Churches emerging from the Covid-19 pandemic which had left a deep mark on their life and witness. It was encouraging that all the Circuit Churches reopened for worship but the number of people attending worship was initially much reduced and although attendance has improved none of the churches has seen its congregation return to the numbers they welcomed before the pandemic. Church buildings were made available for lettings but again the effect of the pandemic meant that many regular lettings had been lost often because the activity has not been resumed. For several churches the income has not been easy to replace. The switch to making offering payments online has ensured most churches have maintained a steady level of income even if it is not sufficient to cover all expenditure. Many churches are now budgeting for significant deficits for the coming year. While Circuit churches were able to contribute the share of assessment they had promised to the Circuit there was still a significant deficit on the income and expenditure account which has been covered by drawing on the Circuit's capital reserves.

The well-established Centre for the Homeless at Gravesend Church (The Daytime Hub) continues to be part funded by the Circuit with the remaining funding coming from grants and Gravesend Church. The Hub continues to offer food, showers, laundry and clothing to homeless people and provides them with access to materials to help them move to housing. The café and community space at the main entrance to the church building is well used.

Further to the activities of the Pioneer Minister within the Ebbsfleet community being seriously limited by the effects of the pandemic his role was reviewed and redefined. As Circuit Mission Enabler while continuing to provide a missional presence in Ebbsfleet he is now serving as lay pastor to the Peninsula Methodist Church (on two sites in Strood and Lower Stoke) and developing evangelistic initiatives within the Circuit.

The resignation in the spring of 2022 of the full time Youth Worker who was working at Gillingham Methodist Church and the rapidly growing Chinese Methodist Church prompted a review of that post. This resulted in a job share and the successful recruitment of two people to those posts. Grant income from District ended with the departure of the full time worker and the last payment of the grant from the Methodist Connexion is to be paid in 2022-23. However, funding is in place locally for these posts for two years.

The Chinese School project which offers teaching in Mandarin and Chinese Culture run by the Medway Methodist Chinese Church resumed meeting in a local school and has seen a growth in the numbers wishing to attend. 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). Spital Street has built on opportunities arising since the pandemic to provide a venue for a foodbank and activities including night shelters for the homeless, lunch clubs for the elderly and youth activities have resumed.

The Circuit continues to employ three part time administration staff who help with finance, GDPR, Safeguarding, and property. All work less than 20 hours 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. Following the decision of a long serving minister in the Circuit to enter stationing the Circuit was pleased to secure the stationing of a new minister from September 2022. There is a need to close the gap between income and expenditure in respect of the cost of maintaining the ministerial compliment and it is hoped to achieve this over the next three years. However, Churches are expected to continue to struggle to pay their share of the Circuit Assessment to meet the Circuit Budget and will need to consider how they are to raise the funds to do so. As the Circuit Assessment does not yield enough to meet the costs of the Deacon and Missional Lay workers involved in projects, the Circuit continues to draw on capital reserves to meet the deficit.

**NORTH KENT METHODIST CIRCUIT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**FINANCIAL REVIEW**

**Current Reserves at 31 August 2022**

Trustees for Methodist Church Purposes (TMCP)	£741,218
Central Finance Board (CFB)	£37,614
Current Account (Co-operative Bank) restricted funds	£14,326
Current Account (Co-operative Bank) unrestricted funds	<u>£75,120</u>
<b>TOTAL</b>	<b><u>£868,278</u></b>

**Commitments**

Deacon: £38,750 p.a. for at least a further 2 years	£77,500
Lay Workers:	
Third Avenue/MCMC Youth Pastors grant of £5,000 p.a.	£5,000
Gravesend Centre Manager grant of £3,335 p.a. for a further year	£3,335
2 part time Teachers at Chinese School grant of £3,000 p.a for a further year	£3,000
Circuit Mission Enabler: £37,000 p.a for 2 years	£74,000
MCMC Chinese Lay Pastor: £37,000 p.a. for at least 3 years	£111,000
Redundancy payments – set aside	<u>£50,500</u>
<b>TOTAL</b>	<b><u>£324,335</u></b>
<b>Uncommitted Funds</b>	<b><u>£543,943</u></b>

**Reserves policy**

The Trustees consider the Circuit needs a reserve of £150,000 to keep for deficits or unexpected problems. A capital asset in the form of a manse is currently let out pending a review of the resourcing requirements of the Circuit for 2024 onwards.

**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, rental income 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 2016, 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;



**NORTH KENT METHODIST CIRCUIT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

(continued)

- 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.

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 Circuit Meeting 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 Circuit Meeting of Trustees on 16 May 2023 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 2022**

#### **Opinion**

We have audited the financial statements of North Kent Methodist Circuit for the year ended 31 August 2022 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 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis 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 2022**

#### **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 2022**

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](http://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

26 May 2023

**NORTH KENT METHODIST CIRCUIT**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted fund £	31.8.22 Total funds £	31.8.21 Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	460,860	74,640	535,500	508,721
Investment income	3	3,710	-	3,710	2,139
<b>Other incoming resources</b>	4	<u>44,852</u>	<u>-</u>	<u>44,852</u>	<u>269,091</u>
<b>Total incoming resources</b>		509,422	74,640	584,062	779,951
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>	5				
Grants and donations	6	65,031	-	65,031	2,538
<b>Governance costs</b>	7	4,320	-	4,320	4,860
<b>Other resources expended</b>	8	<u>528,123</u>	<u>60,314</u>	<u>588,437</u>	<u>586,864</u>
<b>Total resources expended</b>		597,474	60,314	657,788	594,262
<b>NET OUTGOING RESOURCES</b>		(88,052)	14,326	(73,726)	185,689
<b>Other recognised gains/losses</b>					
Revaluation of manses		714,693	-	714,693	100,736
Loss on disposal of freehold property		-	-	-	-
Church loans written off		-	-	-	-
		<u>626,641</u>	<u>14,326</u>	<u>640,967</u>	<u>286,425</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		5,071,898	-	5,071,898	4,785,473
<b>Transfers between funds</b>		-	-	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>5,698,539</u>	<u>14,326</u>	<u>5,712,865</u>	<u>5,071,898</u>

**NORTH KENT METHODIST CIRCUIT**

**BALANCE SHEET**  
**AT 31 AUGUST**  
**2022**

		Unrestricted funds	Restricted fund	31.8.22 Total funds	31.8.21 Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	13	4,863,595	-	4,863,595	4,147,426
<b>CURRENT ASSETS</b>					
Cash at bank		853,952	14,326	868,278	925,290
Debtors	14	<u>939</u>	<u>-</u>	<u>939</u>	<u>13,258</u>
		854,891	14,326	869,217	938,548
<b>CREDITORS</b>					
Amounts falling due within one year	15	(19,947)	-	(19,947)	(14,076)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET CURRENT ASSETS</b>		<u>834,944</u>	<u>14,326</u>	<u>849,270</u>	<u>924,472</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,698,539</u>	<u>14,326</u>	<u>5,712,865</u>	<u>5,071,898</u>
<b>NET ASSETS</b>		<u><u>5,698,539</u></u>	<u><u>14,326</u></u>	<u><u>5,712,865</u></u>	<u><u>5,071,898</u></u>
<b>FUNDS</b>	17				
Unrestricted funds		5,698,539	-	5,698,539	5,071,898
Restricted funds		<u>-</u>	<u>14,326</u>	<u>14,326</u>	<u>-</u>
<b>TOTAL FUNDS</b>		<u><u>5,698,539</u></u>	<u><u>14,326</u></u>	<u><u>5,712,865</u></u>	<u><u>5,071,898</u></u>

The financial statements were approved by the Board of Trustees on 16 May 2023 and were signed on its behalf by:

R S Byard  
Trustee

**NORTH KENT METHODIST CIRCUIT**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	31.8.22 £	31.8.21 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(58,590)	<u>168,653</u>
<b>Net cash provided by (used in) operating activities</b>		<b>(58,590)</b>	<b><u>168,653</u></b>
 <b>Cash flows from investing activities:</b>			
Additions of tangible fixed assets		(2,132)	-
		<u>          </u>	<u>          </u>
<b>Net cash provided by (used in) investing activities</b>		<b>(60,722)</b>	<b><u>168,653</u></b>
 <b>Cash flows from financing activities:</b>			
Interest received		3,710	2,139
		<u>          </u>	<u>          </u>
<b>Net cash provided by (used in) financing activities</b>		<b><u>3,710</u></b>	<b><u>2,139</u></b>
 <b>Change in cash and cash equivalents in the reporting period</b>		<b>(57,012)</b>	<b>170,792</b>
 <b>Cash and cash equivalents at the beginning of the reporting period</b>		<b><u>925,290</u></b>	<b><u>754,498</u></b>
 <b>Cash and cash equivalents at the end of the reporting period</b>		<b><u><u>868,278</u></u></b>	<b><u><u>925,290</u></u></b>

**NORTH KENT METHODIST CIRCUIT**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

	31.8.22 £	31.8.21 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	640,967	286,425
<b>Adjustments for:</b>		
Revaluation of freehold properties	(714,693)	(100,736)
Depreciation charges	656	259
 Interest received	 (3,710)	 (2,139)
Decrease/(increase) in debtors	12,319	(12,008)
(Decrease)/increase in creditors	5,871	(3,148)
 <b>Net cash provided by (used in) operating activities</b>	 <b><u>(58,590)</u></b>	 <b><u>168,653</u></b>



## **NORTH KENT METHODIST CIRCUIT**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2022**

#### **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 2022**

**2. VOLUNTARY INCOME**

	31.8.22 £	31.8.21 £
Assessment or share	460,860	444,203
Grants	<u>74,640</u>	<u>64,518</u>
	<u><u>535,500</u></u>	<u><u>508,721</u></u>

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

	31.8.22 £	31.8.21 £
Grants received from Methodism	64,089	64,518
Non-Methodist grants	<u>10,551</u>	<u>-</u>
	<u><u>74,640</u></u>	<u><u>64,518</u></u>

**3. INVESTMENT INCOME**

	31.8.22 £	31.8.21 £
Interest and investment income	<u>3,710</u>	<u>2,139</u>

**4. OTHER INCOMING RESOURCES**

	31.8.22 £	31.8.21 £
Rents received (net of costs)	26,349	24,413
Collections and donations	1,050	1,000
Transfers from MCF	<u>17,453</u>	<u>243,678</u>
	<u><u>44,852</u></u>	<u><u>269,091</u></u>

Rents received are shown net of costs of £3,501 (2021: £7,787).

The aggregate amount of trustee donations without restrictions to the charity amounts to £1,000 (2021: £1,000).

The aggregate amount of trustee donations by trustees with restrictions to the charity amounts to nil (2021: £nil).

**5. CHARITABLE ACTIVITIES COSTS**

	Grant funding of activities (See note 6) £	Support costs (See note 8) £	Totals £
Grants and donations	<u>65,031</u>	<u>-</u>	<u><u>65,031</u></u>

**NORTH KENT METHODIST CIRCUIT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**6. GRANTS PAYABLE**

	31.8.22 £	31.8.21 £
Speculative Funding – Union Street	-	2,538
Wifi and recording equipment for churches	<u>65,031</u>	<u>-</u>
	<u><u>65,031</u></u>	<u><u>2,538</u></u>

**7. GOVERNANCE COSTS**

	31.8.22 £	31.8.21 £
Auditors' remuneration	<u>4,320</u>	<u>4,860</u>

**8. SUPPORT COSTS**

	Human resources £	Other £	Totals £
Other resources expended (note 9)	69,351	588,437	653,351
	<u>69,351</u>	<u>588,437</u>	<u>653,351</u>

**9. OTHER RESOURCES EXPENDED**

	31.8.22 £	31.8.21 £
Trustees' expenses	18,014	9,057
Stipends, salaries, NIC and pension costs	341,835	363,303
District Assessment	103,396	103,994
District Levy on Circuit Advance Fund	50,020	42,874
Insurance, utilities, etc	23,306	33,165
Maintenance on manses	27,364	11,400
Telephone and travel	2,823	3,374
Depreciation of fixtures and fittings	656	259
Other expenditure	<u>21,023</u>	<u>19,438</u>
	<u><u>588,437</u></u>	<u><u>586,864</u></u>

**NORTH KENT METHODIST CIRCUIT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**10. TRUSTEES' REMUNERATION AND BENEFITS**

Ministers who also serve as trustees of the charity received the following stipends for the year ending 31 August 2022: -

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 £25,916 (2021: £25,549). Employer's pensions contributions of £6,947 were paid by the charity for each minister named above except Rev Anthony Graff and Rev Naomi Oates whose pension contributions from the charity were £6,368 and £5,235 respectively. (2021: £6,700).

Each minister named above except for Rev Naomi Oates received a Computers in ministry allowance of £171 for the year (2021: £169).

Rev Bonni-Belle Pickard and Rev Anthony Graff received a Superintendent's allowance of £2,592 and £2,367 respectively for the year (2021: £2,555).

Rev Bonni-Belle Pickard and Deacon Elizabeth Harfleet received a General allowance of £1,000 and £1,329 for the year respectively (2021: £1,000 and £1,329).

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	£4,265	£ -
M Woodhouse	£26,004	£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.

<b>Trustees' expenses</b>	31.8.22	31.8.21
	£	£

A total of 13 trustees had expenses reimbursed by the charity in the year (2021: 10). The aggregate amount of these expenses totalled £18,014 (2021: £9,057). These expenses covered reimbursement of travel, telephone, training, books, postage, computer and sundry expenses.

<u>18,014</u>	<u>9,057</u>
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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**

	31.8.22	31.8.21
	£	£
Wages and salaries	271,795	288,421
Social security costs	21,795	22,560
Pension costs	46,310	50,194
Apprenticeship levy	<u>1,935</u>	<u>2,128</u>
	<u>341,835</u>	<u>363,303</u>

**NORTH KENT METHODIST CIRCUIT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

	31.8.22	31.8.21
Average number of employees	<u>15</u>	<u>17</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 4 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 £
<b>COST OR VALUATION</b>			
At 1 September 2021	4,146,922	2,072	4,148,994
Additions	-	2,132	2,132
Disposals	-	(500)	(500)
Revaluations	<u>714,693</u>	<u>-</u>	<u>714,693</u>
At 31 August 2022	<u>4,861,615</u>	<u>3,704</u>	<u>4,865,319</u>
<b>DEPRECIATION</b>			
At 1 September 2021	-	1,568	1,568
Eliminated on disposal	-	(500)	(500)
Charge for year	<u>-</u>	<u>656</u>	<u>656</u>
At 31 August 2022	<u>-</u>	<u>1,724</u>	<u>1,724</u>
<b>NET BOOK VALUE</b>			
At 31 August 2022	<u>4,861,615</u>	<u>1,980</u>	<u>4,863,595</u>
At 31 August 2021	<u>4,146,922</u>	<u>504</u>	<u>4,147,426</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.22 £	31.8.21 £
Other debtors	<u>939</u>	<u>13,258</u>

**NORTH KENT METHODIST CIRCUIT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.22	31.8.21
	£	£
Other creditors	19,947	14,076
	<u>19,947</u>	<u>14,076</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
Karen Dudley                    Trustee of the Brent Methodist Church	40,000
Carol Waldock                 Trustee of Gillingham Methodist Church	54,000
Paul Abel                        Trustee of Gillingham Methodist Church	54,000
Mark Frost                      Trustee of Gillingham Methodist Church	54,000
Kate Hardy                      Trustee of Gravesend Methodist Church	50,810

**17. MOVEMENT IN FUNDS**

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
<b>Unrestricted funds</b>				
General fund	4,288,297	(85,669)	754,693	4,957,321
Circuit Model Trust Fund	<u>783,601</u>	<u>712,310</u>	<u>(754,693)</u>	<u>741,218</u>
	5,071,898	626,641	-	5,698,539
<b>Restricted funds</b>				
Restricted fund	-	14,326	-	14,326
<b>TOTAL FUNDS</b>	<u>5,071,898</u>	<u>640,967</u>	<u>-</u>	<u>5,712,865</u>

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

	Incoming Resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	499,552	(585,221)	-	(85,669)
Circuit Model Trust Fund	<u>9,870</u>	<u>(12,253)</u>	<u>714,693</u>	<u>712,310</u>
	509,422	(597,474)	714,693	626,641
<b>Restricted funds</b>				
Restricted fund	74,640	(60,314)	-	14,326
<b>TOTAL FUNDS</b>	<u>584,062</u>	<u>(657,788)</u>	<u>714,693</u>	<u>640,967</u>

**NORTH KENT METHODIST CIRCUIT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**18. RESTRICTED FUNDS PURPOSES**

The restricted fund balance of £14,326 includes the remaining balance of a Kent County Council grant at £8,326 awarded to the Circuit for restricted use towards the educational integration, professional integration and social integration of the local Hong Kong community and a £6,000 balance remaining from a Connexional grant relating to Youth Pastor support.